

# **BUCKHORN VALLEY METROPOLITAN DISTRICT NO 2**

## **Regular Board Meeting Minutes**

Meeting Date: Tuesday October 22, 2024

Meeting Time: 6:03pm to 8:40pm

Meeting Location: The meeting was held online at the following location:

<https://meet.goto.com/Wolfersberger>

### **I. Roll Call (6:03pm)**

A regular meeting of the Board of Directors of the Buckhorn Valley Metropolitan District No. 2 (District) was called and held as shown above and in accordance with the statutes of the State of Colorado. The following Directors were in attendance:

<b>Directors</b>	<b>Office</b>	<b>Attendance</b>
Nickolas Viau	President	Present
David Fiore		Present
Eliana Walker	Secretary/Treasurer	Present
Angela Heuman		Present
Vacancy		

Also, in attendance was Charles Wolfersberger (District Manager), with Wolfersberger, LLC; Paul Rufien (General Counsel) with Rufien Law, PC; Maxine Hepfer, director of Buckhorn Valley Metro District No 1; the following homeowners were in attendance: (1) Dan Siebert.

### **II. Call to Order**

The meeting was called to order by Director Viau. Director Viau noted that a quorum of the Board was present, the Directors confirmed their qualification to serve and, therefore, called the regular meeting of the Board of Directors of the District to order.

### **III. Present Disclosures of Potential Conflicts of Interest**

The Board reviewed the agenda for the meeting, following which all directors disclosed no conflicts of interest with the business to be discussed and conducted at the meeting.

### **IV. Administrative Matters**

- 1) Meeting Agenda: The Board reviewed the meeting agenda presented by the District Manager. Director Viau motioned to approve the agenda. Director Fiore seconded the motion and the Board voted 4-0 to approve the motion.
- 2) Review and consider minutes from the August 19, 2024 board meeting: The Board reviewed and discussed the draft of the minutes presented by the District Manager. Director Fiore

motioned to approve the minutes as presented. Director Walker seconded the motion and the Board voted 4-0 to approve the motion.

- 3) Review and consider minutes from the September 04, 2024 board meeting: The Board reviewed and discussed the draft of the minutes presented by the District Manager. Director Fiore motioned to approve the minutes as presented. Director Walker seconded the motion and the Board voted 4-0 to approve the motion.
- 4) Review and consider minutes from the October 10, 2024 board meeting: The Board reviewed and discussed the draft of the minutes presented by the District Manager. Director Fiore made certain corrections to his comments documented in the director matters section of the minutes. Director Fiore motioned to approve the minutes as modified. Director Viau seconded the motion and the Board voted 4-0 to approve the motion.
- 5) Review and consider five proposed board operational policies: The Board reviewed and discussed the following five proposed policies: (1) Policy regarding adoption of policies and procedures (2) conflict of interest policy, (3) email policy, (4) meeting conduct policy and (5) record inspection and retention policy. The Board agreed to defer discussion and actions on these proposed policies to the next board meeting.
- 6) Review and consider 2025 Administrative Resolution: The District Manager presented and the Board reviewed and discussed the 2025 administrative resolution. The Board agreed that officer positions among the directors remain the same. Director Viau motioned to approve the 2025 Administrative Resolution as presented. Director Fiore seconded the motion and the Board voted 4-0 to approve the motion.

**Action Item #01:** The District Manager will post the 2025 administrative resolution on the District's website.

- 7) Review and consider 2025 Election Resolution: The District Manager presented and the Board reviewed and discussed the 2025 election resolution. Three directorships will be up for election as the terms for Director Viau, Director Walker and a vacancy will expire in May 2025. Director Viau motioned to approve the 2025 Election Resolution as presented. Director Fiore seconded the motion and the Board voted 4-0 to approve the motion.
- 8) Review and discuss potential appointment to fill vacancy on the Board: Director Viau introduced Mr. Seibert to the Board and recommended the Board consider appointing Mr. Seibert to fill the vacancy on the Board. Mr. Seibert discussed his interest in filling the vacancy on the Board. Director Fiore noted that other homeowners have expressed interest in filling the vacancy on the Board and recommended the Board defer consideration of filling the vacancy until other interested homeowners have been invited to address the Board and express an interest in filling the vacancy on the Board. The Board agreed to defer any decision to fill the vacancy on the Board to the next board meeting.

## V. Public Comments / Director Matters

Ms. Hepfer addressed questions and concerns Director Heuman had regarding the water bills issued by District 1. Director Heuman reported that she is aware of two property accounts – in addition to her own account – where it appears District 1 has duplicated charges on the water bill accounts. Consequently, Director Heuman had concerns about the District in coordination with District 1 certifying past due balances on the water accounts for collection through special assessments levied by the County Treasurer on the homeowners' 2025 property tax bills. Ms. Hepfer indicated District 1 is not aware of any other accounts where double charges are an issue and was willing to work with the District on resolving these concerns.

Director Fiore noted that the District's 2025 budget is significantly impacted depending on whether a settlement is reached between the District and District 1. Ms. Hepfer has stated that a draft settlement agreement is currently being worked on by District 1 and BV Firewheel.

Director Fiore noted that BV Firewheel transferred a land tract to the District in October 2023 without District knowledge and the land tract had \$674 in past due property taxes owed. The District paid the past due property taxes but is seeking reimbursement from BV Firewheel. Ms. Hepfer said she was unaware of this transaction and will investigate what happened.

## VI. Financial / Contractual Matters

- 1) Review the 2023 Audit Report: The District Manager reviewed with the Board the auditor's audit opinion on the District's 2023 financial statements noting the auditors issued a "clean" opinion. The District Manager also reviewed with the Board the auditor's post-audit report noting the auditors reported no difficulties when conducting the audit and proposed no adjustments to the financial statements. Director Walker motioned to approve the 2023 audited financial statements as presented. Director Viau seconded the motion and the Board voted 4-0 in favor of the motion.
- 2) Review and Consider Payment of Claims: The Board reviewed the schedule of check payments (#100043 to 100057) totaling \$157,416.59. Director Fiore motioned to approve the payment of claims and Director Viau seconded the motion. The Board voted 4-0 to approve the motion.
- 3) Public hearing on District's proposed 2025 budget: Director Viau opened the public hearing at 7:29pm regarding the proposed 2025 Budget. The District Manager reviewed the proposed 2025 budget. Highlights from the review included the following:
  - The debt mill levy will increase 7.7% from 58.149 mills for 2023 to 62.607 mills for 2024. The bond indenture of trust requires the mill levy to increase any time the State Legislature reduces the calculation of the taxable value of property within the District. The mill levy increase must offset any reductions in taxes caused by reductions in the calculation of the taxable value of property.
  - The general mill levy is budgeted to decrease approximately 4% from 5.098 mills for 2023 to 4.900 mills for 2024. Total property tax revenue from the general mill levy is projected

to increase from \$104,100 for 2024 to \$116,100 for 2025. Nearly all of the tax revenue increase is projected to come from new construction.

- In the General Fund, 2025 total budgeted expense total \$138,200 and is equal to total budgeted revenue.
- Estimated litigation costs for 2024 is \$225,000 and budgeted litigation costs for 2025 is \$85,700 – assuming no settlement is reached between the District and District 1.
- The 2025 Budget reflects no cash transfers to District 1.
- The Debt mill levy will not generate sufficient tax revenue in 2025 to fund 100% of the interest accruing on the District’s 2003, 2008 and 2010 bonds. Accrued interest in 2025 on the District’s Bonds will total approximately \$1,396,000 but the District will generate tax revenue from the debt mill levy sufficient to only pay \$1,305,700 (or 93.5%) of interest accruing in 2025. Due to the District’s senior/subordinate bond structure, the District is projected to pay in full interest accruing in 2025 on its 2003 and 2010 senior bonds and pay down a small portion of accrued unpaid interest on its senior bonds. However, no payments will be applied in 2025 towards the District’s 2008 Subordinate bonds (owned by David Garton, prior developer) and accrued unpaid interest on the District’s subordinate bonds will grow by approximately \$326,900 in 2025.

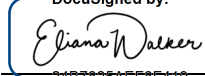
At 7:59pm, Director Fiore motioned to continue the 2025 budget public hearing to the next board meeting to be held in November. Director Viau seconded the motion and the Board voted 4-0 to approve the motion.

**VII. Litigation status update**

Mr. Rufien provided a brief update regarding the litigation between (a) the District and (b) District 1 and several individuals who previously served on the District 1 and 2 boards. He reported the District is still working with District 1 on a settlement agreement. Also, negotiations between the District and David Garton (owner of the District’s 2008 bonds) is progressing slowly.

**VIII. Adjournment (8:40pm)**

There being no further business to come before the Board, and upon motion duly made by Director Fiore, seconded by Director Walker, and unanimously carried, the meeting was adjourned. The next board meeting will be held on November 19, 2024 at 6:00pm at the following online location: <https://meet.goto.com/Wolfersberger>

DocuSigned by:  
  
 24B7825AEF8F419  
 Secretary Eliana walker

11/19/2024

Date