

# RECORD OF PROCEEDINGS

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## MINUTES OF THE CONSOLIDATED REGULAR MEETING OF THE BOARDS OF DIRECTORS OF THE BUCKHORN VALLEY METROPOLITAN DISTRICTS NOS. 1 & 2

Held: Tuesday, November 21, 2017 at 7:30 A.M., at 11 Bridger Drive, Gypsum, Colorado 81637.

### Attendance:

The consolidated regular meeting of the Boards of Directors of Buckhorn Valley Metropolitan Districts Nos. 1 & 2 (the "Boards of Directors" or "Boards") was called and held as shown in accordance with the statutes of the State of Colorado.

The following Directors were present:

John Hill  
Samantha Gale (*via telephone conference line*)  
Scott Green (*via telephone conference line*)  
Anna Maria Ray (*via telephone conference line*)  
David Garton, Jr.

Also present were: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C. (*via telephone conference line*), Debra Sedgely, CliftonLarsonAllen, LLP (*via telephone conference line*).

### Call to Order/ Declaration of Quorum:

Director Hill called to order the consolidated regular meeting of the Boards of Directors of the Buckhorn Valley Metropolitan Districts Nos. 1 & 2 at which time it was noted that the notice of this meeting was properly posted within the Districts. Director Hill noted that a quorum of each of the Boards were present.

### Disclosure Matters:

The Boards of Directors reviewed the agenda for the meeting, following which each Board member confirmed the contents of written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting.

Director John Hill disclosed that he is a party to a contract to purchase taxable property located within the boundaries of the Districts and a beneficiary of a potential profits interest from entities which own taxable property located within the boundaries of the Districts. He also disclosed that he may perform consulting services for Colorado Land Management, LLC, a role in which he carries out the execution of management and project development duties performed for the Districts by Colorado Land Management, LLC in its management contract

with the Districts. He is employed on an at-will verbal consulting agreement, compensation for which varies from time to time and may be greater than \$100,000, and, in part, is derived from compensation for management services by and between Colorado Land Management, LLC and the Districts. In the performance of his duties, Director Hill may, from time to time, perform consulting services for parties which are investigating possible purchases, are purchasing or have purchased lands within the Districts. Such work is generally, but not always, performed on an at-will consulting basis, with compensation on a lump-sum, fixed fee or hourly basis, or may be based on a combination of these or some other basis as of yet undetermined. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Scott Green disclosed that he is a party to a contract to purchase taxable property located within the boundaries of the Districts. He further disclosed that he is the owner of Scott Green Excavating, Inc., a contractor which currently has contract(s) with the Districts to construct a roadway and ancillary improvements. These improvements are being paid for, in part, by the Districts, with funds from District No. 2's 2010 bond issue. Director Green also disclosed that the compensation to be paid in accordance with the contract(s) is in excess of \$600,000, and that he does not expect his position of Director to enhance his position or the position of Scott Green Excavating, Inc. either competitively or financially. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director David Garton, Jr. disclosed that he owns property within Buckhorn Valley Metropolitan District No. 2 and that he is a party to a contract to purchase taxable property located within the boundaries of the Districts. He further disclosed that he is a member of the Board of Directors of the Buckhorn Valley Master Owners Association and is a member of the Board of Directors of the Single Family Residences at Buckhorn Valley, Inc. This disclosure is associated with the approval of items on the agenda that may affect his interests.

Director Samantha Gale disclosed that she owns property within the Districts and is a party to a contract to purchase taxable property located within the boundaries of the Districts. She also disclosed that she is a member of the Board of Directors of the Buckhorn Valley Master Owners Association and is a member of the Board of Directors of the Single Family Residences at

Buckhorn Valley, Inc. This disclosure is associated with approval of items on the agenda that may affect her interests.

Director Anna Maria Ray reported that she had no conflicts of interest requiring disclosure.

Ms. Ivey advised that written disclosures of these interests were filed with the Secretary of State at least seventy-two hours prior to the meeting.

Approval of/Additions to/Deletions from the Agenda:

After review and discussion and upon motion of Director Garton, Jr. and second of Director Hill the Boards voted unanimously to approve the agenda as presented.

Public Comment for Matters Not on the Agenda:

None.

Approval of Minutes:

After review and discussion and upon motion of Director Garton, Jr. and second of Director Hill the Boards voted unanimously to approve the March 24, 2017 special consolidated meeting minutes.

Legal Matters – Adoption of Resolution Regarding Certification of Delinquent Accounts:

Ms. Ivey reviewed with the Boards of Directors a resolution authorizing the certification of delinquent accounts to the Eagle County Treasurer pursuant to Section 32-1-1101(1)(e), C.R.S. The Board reviewed and discussed the resolution.

Upon motion of Director Garton, Jr. and second of Director Hill, the Boards voted unanimously to approve the resolution authorizing the certification of delinquent accounts to the Eagle County Treasurer pursuant to Section 32-1-1101(1)(e), C.R.S.

Legal Matters – Adoption of 2018 Annual Resolutions and Election of Officers:

Ms. Ivey presented the Boards of Directors with resolutions adopting administrative, operational, meeting, directors, officers and related items for the calendar year 2018. Following Ms. Ivey's presentation, after discussion and review, upon the motion of Director Hill and second of Director Garton, Jr. the Boards of Directors voted unanimously to approve the 2018 Annual Resolutions including the election of the following officers for each Board of Directors:

President/Chairman: John V. Hill  
Secretary/Treasurer: Samantha Gale  
Assistant Secretary: David Garton, Jr.  
Assistant Secretary: Anna Maria Ray  
Assistant Secretary: Scott Green

Legal Matters – Adoption of 2018 Election Resolution:

Ms. Ivey presented the Boards of Directors with resolutions calling the 2018 regular special district election for each District, designating the designated election official and adopting other administrative, operational and related items for the 2018 regular special district election. Following Ms. Ivey’s presentation, after discussion and review, upon the motion of Director Garton, Jr. and second of Director Green the Boards of Directors voted unanimously to approve the 2018 Regular Special District Election Resolutions.

Legal Matters – JPO Ditch Pipeline Project:

Director Hill reviewed with the Boards the status of the JPO Ditch Pipeline Project. Following Mr. Hill’s presentation, after discussion and review, upon the motion of Director Gale and second of Director Garton, Jr. the Boards of Directors voted unanimously, with Director Green abstaining, to authorized issuance of a Request for Proposals for the Project subject to review and satisfaction by Ms. Ivey.

Manager’s Report:

Director Hill discussed the Manager’s Report and District Funding Report that were included in the meeting packet. Following Mr. Hill’s presentation, after discussion and review, upon the motion of Director Garton, Jr. and second of Director Gale the Boards of Directors voted unanimously not to increase the fees effective March 1, 2017.

Financial Matters – Public Hearings on Proposed 2017 Budget Amendment:

Director Hill opened public hearings on the proposed 2017 budget amendment for the District No. 1. Noting that no members of the public were in attendance the hearing was then closed.

Financial Matters – Consider Approval of 2017 Budget Amendment Resolution:

Ms. Sedgeley reviewed and discussed with the Board the proposed 2017 budget amendment for the District No. 1 and resolutions for approval and appropriation of funds therefor. After review and discussion of the proposed 2017 budget amendments for the Districts and upon motion of Director Hill and second of Director Garton, Jr., the Board of District No. 1 unanimously approved the resolution adopting the year 2017 budget amendment and appropriating funds therefor.

Financial Matters – Public Hearings on Proposed 2018 Budgets:

Director Hill opened public hearings on the proposed 2018 budgets for the Districts. Noting that no members of the public were in attendance the hearing was then closed.

Financial Matters – Consider Approval of 2018 Budgets

Ms. Sedgeley reviewed and discussed with the Boards the proposed 2018 budgets for the Districts and resolutions for

and Budget Resolutions:

approval and adoption of the 2018 budgets, appropriating funds therefore and certification of mill levies thereunder. After review and discussion of the proposed 2018 budgets for the Districts and upon motion of Director Hill and second of Director Garton, Jr., the Boards unanimously approved the resolutions adopting the year 2018 budgets, appropriating the expenditures therefore and certifying the mill levies thereunder, subject to final revisions of the 2018 budgets by the District's accountants including moving the receipt of grant funds and the attendant capital project out of the enterprise fund and into the capital projects fund for District No. 1.

Financial Matters – Financial Report/Payment of Claims:

Ms. Sedgeley presented and reviewed with the Boards the financial report and statement of claims representing checks claims between November 1, 2016 through October 27, 2017 totaling \$518,920.60, reviewing the claims and noting that approximately one-half of the claims were paid to Colorado Land Management, LLC. After discussion and review, and upon motion of Director Garton, Jr. and second of Director Green, the Boards unanimously ratified and approved the claims listed above, with Director Hill abstaining.

Other Business:

Ms. Ivey reviewed with the Boards the engagement letters for Wagner Barnes & Griggs, P.C., Icenogle Seaver Pogue, P.C., and Colorado Land Management, LLC noting that the fees for Barnes Griggs & Associates, P.C., Icenogle Seaver Pogue, P.C., had marginally increased and the base management fee for Colorado Land Management, LLC was remaining the same but the hourly rates had marginally increased. After review and discussion and upon motion of Director Garton, Jr. and second of Director Gale, the Boards unanimously approved the engagement of Barnes Griggs & Associates, P.C., Icenogle Seaver Pogue, P.C., and Colorado Land Management, LLC for 2018, with Director Hill abstaining.

Adjournment:

There being no further business to come before the Boards of Directors, upon motion of Director Hill and second of Director Garton, Jr., the Boards voted unanimously to adjourn the meeting.

ASST. -   
Secretary for the Districts