

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT
HELD

MONDAY, NOVEMBER 18, 2019

A regular meeting of the Board of Directors (the "Board") of the Elbert and Highway 86 Metropolitan District (the "District") was held on Monday, November 18, 2019 at 5:00 p.m. at Legacy Academy, 1975 Legacy Circle, Elizabeth, CO 80107. The meeting was open to the public.

Attendance

Board Members in attendance:

Karl Nyquist
David Pretzler
Todd Lambert
Aaron M Patsch

Board Members Absent:

B. Joseph Leininger

Also in attendance:

Denise Denslow & Thuy Dam; CliftonLarsonAllen LLP
Dianne Miller; Miller & Associates Law Offices, LLC
Mark Harding; Commercial Board Member
Richard Dinkel; Pure Cycle Corporation

Also in attendance were:

John Quest, Resident
Deb Schindler, Resident
Larry Gable, Resident
Steve Klansing, Resident
Reyes Saucedo, Resident
Mike Misheff, Resident

1. Call to Order

Director Pretzler called the meeting to order at 5:04 p.m.

2. Declaration of Quorum

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It was noted that a quorum was present allowing the Board to act on all matters to come before them at this meeting. The absence of Director Leininger was noted and excused.

3. Present Disclosures of Potential Conflicts of Interest

Ms. Miller noted that disclosures of potential conflict of interest statements for each of the Directors had been filed with the Secretary of State at least seventy-two hours in advance of the meeting in accordance with State statute.

4. Approve Agenda and Confirm Location of Meeting

Upon a motion duly made by Director Pretzler, seconded by Director Patsch and, upon vote, unanimously carried, the location of the meeting and the agenda were approved.

5. Notice of Meeting

Ms. Denslow reported that notice of this meeting was posted in three (3) separate locations within the District and with the Elbert County Clerk and Recorder, seventy-two (72) hours prior to the meeting.

6. Review and Approve Minutes of the Elbert & Highway 86 Metropolitan District Special Meeting on April 29, 2019

After review, upon a motion duly made by Director Pretzler, seconded by Director Lambert, and upon vote, unanimously carried, the Board approved minutes of the Special meeting on April 29, 2019.

7. Financial Matters

A. Review and Consider Acceptance of September 30, 2019 Unaudited Financial Statements

Ms. Dam reviewed the financial statements with the Board.

Upon a motion duly made by Director Pretzler, seconded by Director Nyquist and, upon vote, unanimously carried, the Board accepted the September 30, 2019 unaudited financial statements, as presented.

B. Review and Consider Ratifying Approval of Claims

Ms. Dam reviewed the prior claims with the Board.

Upon a motion duly made by Director Lambert, seconded by Director Patsch and, upon vote, unanimously carried, the Board ratified approval of the claims, as presented.

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C. Conduct Public Hearing to Consider Amending 2019 Budget; Consider Adoption of Resolution No. 2019-11-___, Amendment to the 2019 Budget

Director Nyquist opened the public hearing at 5:05 p.m.

Mr. Steve Klansing commented on the availability of the budget.

Director Nyquist noted that Director Aaron Patsch and Director Joe Leininger are resigning from the Board, which will open up two seats on the Board. Ms. Miller reviewed the self-nomination form process and election. Mr. Steve Klansing expressed support of appointment of Mr. Larry Gable to the Board. Since Director Joe Leininger will be resigning from the Board after this meeting, a notice of vacancy will be published and letters of interest submitted. The Board will need to meet again to appoint a new Director to the Board. Mr. John Quest suggested residents be appointed to the Board. Discussion ensued, regarding a meeting in May after the election for the purpose of approving the 2019 Audit and for administering an oath of office.

Ms. Sara Cole, CVL in attendance on behalf of Jim Marshall, informed the Board that the exhibit included in the Elbert and Highway 86 Commercial Metropolitan District packet show approximately 62,000 yards of earthwork. Discussion followed regarding hours of work. Director Nyquist asked Ms. Cole to get pricing on the dirt.

Director Nyquist closed the public hearing at 6:06 p.m.

It was determined that the 2019 Budget Amendment was not needed.

D. Conduct Public Hearing to Consider Adopting 2020 Budget; Consider Adoption of Resolution No. 2019-11-01, Adopting the 2020 Budget

Director Nyquist opened the public hearing at 6:07 p.m. No public comments. Director Nyquist closed the public hearing at 6:08 p.m.

Ms. Dam reviewed the 2020 Budget with the Board, noting that the draft budget was updated to reflect the September actuals; the assessed valuation has increased by approximately 11%; the mill levies remain the same. Mr. Steve Klansing asked about the mill levy. Ms. Dam stated again that it has stayed the same. Ms. Dam then reviewed the General Fund, noting the estimate of 10 lots to be sold in 2020, which shows in the budget as facility fees. There are about 33 lots that are not yet developed at this time. Mr. Steve Klansing inquired as to who owns the vacant lots. Discussion followed but the Metropolitan District does not have this information; however, a list of lots can be provided. Ms. Dam stated that the signal light contribution has been funded. Expenditures, other than landscaping, have remained consistent from 2019. The Board asked the HOA to help prioritize how to utilize the additional landscaping funds. Mr. Steve Klansing stated that there is a developer advance repayment in the budget and asked for clarification. Ms. Dam explained that the \$200,000 repayment is to reimburse funds that the developer advanced for operations. These costs are carried as a liability year over year until funds are available to reimburse. The audit contains

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information about this. Discussion followed regarding the audit and long term liabilities. One of the residents inquired as to who is responsible for a traffic light. Director Nyquist responded that the District is funding this. Director Nyquist stated that the light installation is controlled by CDOT/warrants.

Upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board approved adoption of the 2020 Budget and Resolution No. 2019-11-01, Adopting the 2020 Budget, as presented.

E. Review and Consider Approval of 2019 Audit Engagement Letter with Schilling & Company, Inc. and Addendum

Ms. Dam reviewed the 2019 Audit Engagement Letter with Schilling & Company, Inc. and Addendum with the Board.

Upon a motion duly made by Director Patsch, seconded by Director Nyquist and, upon vote, unanimously carried, the Board approved the 2019 Audit Engagement Letter with Schilling & Company, Inc. and Addendum.

F. Other

None.

8. Items from the Manager

A. Discuss District Insurance, Review Renewal Schedule & Authorize Renewal of District Insurance and SDA Membership

Ms. Denslow reviewed the Renewal Schedule and SDA membership with the Board.

Upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board authorized renewal of District insurance and SDA membership.

B. Discuss Creation of District Website

Discussion ensued regarding creation of a District website. The Board directed staff to use the Colorado Statewide Internet Portal Authority (“SIPA”).

C. Ratify Approval of 2019-2020 Snow Removal Agreement for Wild Pointe Ranch with Hughes Landscaping, Inc.

Ms. Denslow noted that this item is included in the District’s Landscaping Agreement.

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Upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board ratified approval of the 2019-2020 Snow Removal Agreement for Wild Pointe Ranch with Hughes Landscaping, Inc.

D. Schedule May Board Meeting to Approve 2019 Audit

Following discussion, upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board approved scheduling a special meeting for May 18, 2020 at 5:00 p.m. to consider approval of the 2019 Audit.

E. Other

None.

9. Attorney Items

A. Review and Consider Adoption of Resolution 2019-11-02; Annual Administrative Matters of 2020

Ms. Miller reviewed the Annual Administrative Matters for 2020 with the Board.

Upon a motion duly made by Director Patsch, seconded by Director Pretzler and, upon vote, unanimously carried, the Board approved adoption of Resolution No. 2019-11-02, Annual Administrative Matters of 2020.

B. Review and Consider Adoption of Resolution 2019-11-03; Calling a Regular Election for Directors on May 5, 2020

Ms. Miller reviewed the Election Resolution with the Board.

Upon a motion duly made by Director Patsch, seconded by Director Pretzler and, upon vote, unanimously carried, the Board approved adoption of Resolution No. 2019-11-03, Calling a Regular Election for Directors.

C. Ratify Approval of Engagement Letter with LCS Transportation Consultants, Inc. for Traffic Signal Analysis

Upon a motion duly made by Director Patsch, seconded by Director Pretzler and, upon vote, unanimously carried, the Board ratified approval of the engagement letter with LCS Transportation Consultants, Inc. for a Traffic Signal Analysis.

D. Other

None.

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10. Other Business

None.

11. Adjournment

There being no further business, upon a motion duly made by Director Nyquist, seconded by Director Patsch, and upon vote unanimously carried, the Board adjourned the meeting at 6:16 p.m.

Respectfully Submitted,

DocuSigned by:

David Pretzler

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Certificate Of Completion

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