

RECORD OF PROCEEDINGS

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

MONDAY, APRIL 29, 2019

A special meeting of the Board of Directors (the "Board") of the Elbert and Highway 86 Metropolitan District (the "District") was held on Monday, April 29, 2019 at 4:30 p.m. at the office of Legacy Academy, 1975 Legacy Circle, Elizabeth, CO 80107. The meeting was open to the public.

Attendance

Board Members in attendance:

Karly Nyquist
David Pretzler
Mark Harding
Todd Lambert
Richard Dinkel

Also in attendance:

Denise Denslow & Thuy Dam; CliftonLarsonAllen LLP
Dianne Miller; Miller & Associates Law Offices, LLC
Don & Boise Taylor; Resident
Brad Eidt; Resident
Bill Trees; Resident
Guy Stephens; Resident
Larry Gab_; Resident
John Quest; Resident
Luke & Sara Starcevich; Resident
Brandon Palch; Resident
Jessica Benson; Resident
Sophia Byers; Resident
Danielle Kinney; Resident
James Hallstrum; Resident
Nora Dunay; Resident
Steve & Joan Christoffersen; Resident
Justin Sturdevant; Resident
Dave Richardson; Resident
Bob Whitlast; Resident
Steve Klausing; Resident
Scott Lampman; Wild Pointe
Marjie Schwartz; Wild Pointe

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1. Call to Order

Director Nyquist called the meeting to order at 4:36 p.m.

2. Declaration of Quorum

It was noted that a quorum was present allowing the Board to act on all matters to come before them at this meeting.

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 Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the location of the meeting and the agenda were approved, as presented.

5. Notice of Meeting

Ms. Denslow reported that notice of this meeting was posted in three (3) separate locations in the District and with the Elbert County Clerk and Recorder.

Public Comments

Director Nyquist provided information on both the Metropolitan and the Commercial Districts' Mill Levies to the public, explaining the Mill Levies' roles in paying for District infrastructure. He further noted that bonds were re-issued a couple of years ago and that the Mill Levies generate revenue to pay these bonds. Director Nyquist stated that the Commercial District has outstanding bonds, needing to be refinanced and will be paid for by the Public Improvement Fee (PIF).

Director Nyquist described the county requirement for a 300-year water supply, which was predicted on a fully developed project from day one. The amount of water dedicated exceeds the amount of residential units, creating a supply in excess of 400 units. The buildout will be approximately 300 units. Director Nyquist stated the surplus can be sold to defray costs to residents. He informed the public that the last water rate increase was in 2016 and highlighted that rates are currently lower than neighboring communities. A member of the public inquired as to how the amount of water utilized by trucks compares to residential use. Mr. Harding explained that this does offer developmental impact – i.e. Wildpoint – but noted this is all highly regulated and monitored at the state level. He stated the wells will not be close enough to interfere. Mr. Harding described the structure of the aquifers and the process to drill wells, getting them at the clay lens level.

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The public inquired as to how much water is sold for construction. Mr. Harding informed them that 4/1000 is residential while 13/1000 is for construction purposes. The public asked where construction water revenue is displayed within the Districts' budgets. Mr. Harding stated that the construction water revenue can be found under total water revenue on the approved budgets. The public asked what expenses for water services include. Mr. Harding informed the public that billing, chemicals, fuel, supplies, labor and testing are all items included as expenses for water services. A member of the public asked who is responsible for roads and storm water. Mr. Harding stated that roads and storm water are the county's responsibility.

The public questioned mill levy allocation. Mr. Harding informed the public that the residential refinancing of bonds allowed for a lower mill to service debt – lowering from 54.000 mills to 38.000 mills. This allowed for operational mills to be assessed. The public asked whether revenue coming from mills will cover PIF supported bond. Mr. Harding confirmed that revenue coming from mills will not cover the PIF supported bond.

The public requested a discussion on maintenance and concerns regarding mowing within the District, noting maintenance needed with the pond and gazebo. Director Lambert explained the history of the operational revenue and asked the public how they would like to proceed moving forward.

Discussion ensued regarding the Districts' budgets. Mr. Klausing suggested that the District's advanced repayment is offset by facility fees and inquired as to whether or not there is a limitation on the number of homes constructed within the District. Director Lambert noted that the county restricts density to a 300 per year supply. Mr. Klausing requested residential representation. Mr. Klausing also asked if the Bridal trails are public. Mr. Lambert confirmed that the Bridal trails are public and in order to make them private the HOA would need to purchase the trails at fair market value.

6. Review and Approve Minutes of the Elbert & Highway 86 Commercial Metropolitan District Special Meeting on December 12, 2018

After review, upon a motion duly made by Director Nyquist, seconded by Director Lambert, and upon vote, unanimously carried, the Board approved minutes of the Special meeting on December 12, 2018.

7. Financial Matters

A. Review and Consider Approval of 4th Quarter Continuing Disclosure Report for the Period Ended December 31, 2018

Upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board approved the 4th Quarter Continuing Disclosure Report for the period ended December 31, 2018.

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B. Review and Consider Ratifying Claims

Upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board ratified approval of the claims, represented by check numbers 4612 through 4639 for a total of \$159,452.50.

C. Review and Consider Approval of the Audit for the Year Ending December 31, 2018

Ms. Dam reviewed the 2018 Audit with the Board, noting a clean opinion was received from the Auditor.

Following review, upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board approved the Audit for the year ending December 31, 2018, as presented.

D. Other

None.

8. Items from the Manager

A. Ratify Approval of 2018 Annual Report

Upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board approved the 2018 Annual Report, as presented.

B. Other

None.

9. Attorney Items

A. Executive session pursuant to §24-6-402(4)(e) to discuss negotiations regarding refunding bonds

This item was not needed at this time.

Ms. Miller reported that the due diligence is underway.

B. Other

None.

10. Other Business

A. Informational Item

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None.

11. Adjournment

There being no further business, upon a motion duly made by Director Nyquist, seconded by Director Lambert, and upon vote unanimously carried, the Board adjourned the meeting at 6:03 p.m.

Respectfully Submitted,



Secretary for the Meeting