

## RECORD OF PROCEEDINGS

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### MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE GREENSPIRE METROPOLITAN DISTRICT NO. 2

Held: Wednesday, October 28, 2020 at 6:30 p.m., via electronic meeting held through Zoom platform.

#### Attendance

A special meeting of the Board of Directors of the Greenspire Metropolitan District No. 2 was held and the following Directors, having confirmed their continued qualification to serve on the Board, were in attendance:

Phil Myers  
James Hogue

Absent: Bret Hall.

Also present were Colin B. Mielke, Seter & Vander Wall, P.C.; Nikolas Wagner, Centennial Consulting Group; Ann Eldridge, Eldridge CPA; and the following members of the public: Bruce Laymon, Rachel Theobald, Matt Reber, Maurice Brown, Robert Fry, and Pam Tjaden. *Not all these individuals remained on the Zoom meeting to its conclusion.*

#### Call to Order and Declaration of Quorum

The meeting was opened, and it was noted that a quorum of the Board was present.

#### Disclosure Matters

The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member affirmed their conflicts of interest, which had been disclosed and filed with the Colorado Secretary of State, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. The Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

#### Director Matters

- Appointment of Rachel Theobald

The Board discussed the appointment of Ms. Rachel Theobald to a vacant seat on the Board of Directors. Ms. Theobald

## RECORD OF PROCEEDINGS

---

introduced herself to the Board, and after discussion and upon motion made, seconded and unanimously carried, the Board appointed Ms. Theobald to the Board.

### Approval of Minutes

The Board reviewed the draft minutes prepared by Colin Mielke from the September 23, 2020 special meeting for District No. 2, with various modifications proposed by Director Myers prior to the meeting. It was noted that the draft minutes should be corrected to state that Seter & Vander Wall, P.C. represents Centennial Crossing Metropolitan Districts, as opposed to Centennial Consulting Group, Inc. After discussion and upon motion made, seconded and unanimously carried, the Board approved the minutes with the change discussed.

### Public Comment

The Board reviewed proposed Public Comment Guidelines presented by Director Myers. After discussion and review, and upon motion made, seconded and unanimously carried, the Board approved the public comment procedures dated October 28<sup>th</sup>.

The meeting was opened for public comment. Mr. Fry addressed the Board and asked why the fencing along Hollister Road has been taken down. Mr. Mielke stated that the Board for District No. 1 had agreed to allow the developer in the community to replace the fence at no cost to the Districts. The Board discussed Mr. Fry's previous fence study, and suggested that District No. 1 use that fence study as a starting point for further study of fencing ownership and maintenance responsibilities.

There being no further public comment, the public comment period was closed.

### Developer's Report

The Board discussed the status of development within the community. Director Myers noted his desire for the Board to be provided with more frequent updates on progress of development in the community.

### Financial Report

Ms. Eldridge discussed the unaudited financial statements dated September 30, 2020 with the Board.



## RECORD OF PROCEEDINGS

---

Director Myers questioned the Statement of Net Position that showed "Accounts receivable-tap fees" at \$10,879. Ms. Eldridge indicated that the receivable was due from property owners who had yet to pay the amount invoiced for non-potable water, not tap fees. The Board reviewed the accounts receivable list and Director Myers requested that an unredacted version of the list be distributed to Board members so they can identify which accounts have not paid 2020 water fees. Ms. Eldridge stated she will distribute an unredacted version.

Director Myers indicated that a quick review of the invoice for legal services indicated there may be some issues with the invoice since a subtotal did not appear to foot correctly.

The Board discussed its desire for commercial meters to be read and billed for commercial customers. Director Myers stated he will draft a written report for District No. 1's consideration regarding proposed water metering. Director Hogue stated his desire for the District's management company to determine the cost to replace existing meters with iPERL meters. Mr. Wagner estimated the cost to replace various systems would be approximately \$35,000 and meter reading activities would cost approximately \$5,000-\$10,000 per year, but that a more thorough analysis would need to be done. Director Myers estimated that the church would pay approximately \$8,000-\$9,000 per year under his proposed commercial water fees. A tap fee schedule was provided by the Districts' accountant Ann Eldridge, showing tap fees from August 2018 through August 2020 totaling \$582,000. Of that amount, \$75,000 was shown as being past due for several months. No late fees or interest was shown as due to the District per the schedule. The Board was notified that the past due tap fees were paid in full during September, 2020 but no late fees or interest have been collected yet.

Ms. Eldridge discussed District No. 2's funds and the request for the funds to be transferred to District No. 1. After discussion by the Board and upon motion made, seconded and unanimously carried, the Board approved the transfer of funds from District No. 2 to District No. 1.

The Board reviewed and discussed the Draft 2021 Budgets for



## RECORD OF PROCEEDINGS

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Districts 1, 2, and 3 included in the Board's meeting packet. The Board will set its public hearing on the budget for its next Board meeting. Director Myers indicated that a significant portion of the increased costs for Accounting and Legal expenses was attributed to internal control testing, not just for new Directors to get up to speed. In addition, Director Myers also stated that the number of issues noted by the testing completed warrants continued internal control testing.

Mr. Fry requested financial statements be added to the Districts' website, and upon motion, seconded and unanimously carried, the Board approved posting the September 30, 2020 financial statements to the Districts' website.

The Board discussed collection of 2020 water fees and the actions being taken to collect past due amounts. Ms. Eldridge informed the Board that a collection letter has been drafted and will be sent out to delinquent accounts. Director Myers noted that he doesn't believe new homes should be charged the full water fee due to reduced water usage by those properties for the year.

### Manager Report

Mr. Wagner discussed operations within the District, noting the shut off schedule for the non-potable water system.

### Legal Matters

Director Myers again expressed his desire for a new advance and reimbursement agreement to be adopted. Director Myers believes time is of the essence as result of the confusion regarding which debt instruments are applicable and has been a topic of discussion for a considerable amount of time. Mr. Mielke stated he was working on a new agreement and anticipates he will have a final version ready in early 2021.

The Board discussed the conveyance of landscaping tracts from the developer to District No. 1. Director Hogue noted his desire to have the tracts inspected prior to conveyance.

Director Myers stated his disagreement with credits to accounts for water fee payments from 2017 and 2018. Mr. Mielke stated that the rationale for the credits was discussed at the last meeting. Director Myers again indicated that the failure to obtain approval for the credits and giving credit to homeowners



## RECORD OF PROCEEDINGS

---

who never even lived in Greenspire during 2017 and 2018 was never approved and this was unacceptable. Mr. Mielke disagreed. Mr. Fry stated that he does not believe the water fee credits were approved at a Board meeting and that his resignation from the board was partially due to the failure of management to obtain approval from the boards before decisions were made and actions taken. Mr. Mielke stated that this issue was discussed at the last meeting as well.

The Board next reviewed a resolution for ratification of the 2019 application for exemption from audit, which was requested by Director Myers at the prior meeting. The Board reviewed and discussed the resolution, and upon motion made, seconded and unanimously carried, the Board approved the resolution as presented.

The Board discussed the annual report to the Town of Windsor. Director Myers stated that the report was incorrect because it states that the report was approved by the Board at the time of submittal, but that it was approved by ratification after the submittal. Mr. Mielke stated that ratification of annual reports has traditionally how the approvals have been handled due to the timing of submittals, but that future annual reports can be presented beforehand.

The Board discussed an open space tract within the community, Tract G, and Mr. Fry stated that it is still owned by the developer and is being watered. The Board requested Mr. Mielke research the status of the tract.

Director Myers asked how the District should deal with potential conflict of interest reporting problems. Director Myers indicated that Directors who violate Colorado statutes for an extended period and who are found to be mismanaging the Districts should be requested to resign or the board could consider filing a recall petition. Director Hogue indicated that the issues at hand should be discussed with the accused Director and no formal action was taken during the meeting. Mr. Mielke stated that Director Myers can address his specific concerns individually with the particular Board member.

Unfinished/Other Business  
{00500736}  
October 28, 2020  
Greenspire Metropolitan District No. 2

The Board determined no action was necessary with regard to



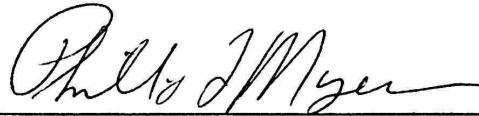
## RECORD OF PROCEEDINGS

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the previously received formal protests, and discussed holding its next Board meeting. The Board discussed tentatively setting the meeting for November 25<sup>th</sup>, but a firm date will be confirmed via email.

### Adjournment

There being no other business to come before the Board, the meeting was adjourned at approximately 8:30 p.m.



Secretary for the Meeting

*Phillip L. Myers*