

RECORD OF PROCEEDINGS

MINUTES OF THE CONSOLIDATED REGULAR MEETING OF THE BOARDS OF DIRECTORS OF THE GREENSPIRE METROPOLITAN DISTRICT NOS. 1 AND 3

Held: Tuesday, December 8, 2020 at 9:30 a.m., at 301 Centennial Drive, Milliken, Colorado, with members of the public invited to attend in person and via electronic meeting held through Zoom platform.

Attendance

A consolidated regular meeting of the Boards of Directors of the Greenspire Metropolitan District Nos. 1 and 3 was held and the following Directors, having confirmed their continued qualification to serve on the Boards were in attendance:

Bret Hall
John Hall

Absent: George Hall (absence excused).

Also in attendance 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*: Phillip Myers, Jim Hogue, and Rachel Theobald.

[Attended via Zoom where indicated*]

Call to Order and Declaration of Quorum

The meeting was opened, and it was noted that a quorum of the Boards was in attendance.

Disclosure Matters

The Boards 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 Boards 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 Boards determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Boards to act.

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Director Bret Hall's existing conflict of interest forms have been filed with the Secretary of State's office pursuant to Colorado statute, which includes information stating that he is a party to a contract to purchase property within the Districts under which he has an obligation to pay taxes on real property. He is employed by and is the Chief Operating Officer of Hall Irwin Corporation, Manager of Lot Holding Investments, LLC and has business interests with Traders Junction LLC. He is the son of Mr. George Hall, who is a Director on Greenspire Metropolitan Districts No. 1 & 3. Director Bret Hall further stated that he has an ownership interest in Windmill Homes, LLC and the Hall-Windsor Family Partnership, LLP. This disclosure is associated with the approval of items on the agenda which might affect his interests.

Director John Hall's existing conflict of interest forms have been filed with the Secretary of State's office pursuant to Colorado statute, which includes information stating that he is a party to a contract to purchase property within the Districts under which he has an obligation to pay taxes on real property. He is a manager at Lot Holding Investments, LLC. This disclosure is associated with the approval of items on the agenda which might affect his interests.

Written disclosures of these interests, including those for Director George Hall, had been filed with the Secretary of State prior to the meeting.

Approval of Minutes

The Boards reviewed the minutes from the November 17, 2020 consolidated special meeting. Upon motion made, seconded and unanimously carried, the Boards approved the minutes as presented.

Public Comment

The meeting was opened for public comment. The Board confirmed that per a request by Mr. Myers, his email correspondence dated November 17, 2020 will be added to the meeting minutes for purposes of public comment. There being no further public comment, the public comment portion of the meeting was closed.

Financial Matters

Ms. Eldridge presented the Board for District No. 1 with invoices for payment, including invoices from Xcel Energy, Centennial Consulting Group, SDA Insurance Pool, and UCC.

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After discussion and upon motion made, seconded and unanimously carried, the Board of District No. 1 approved the payment of the claims presented.

Discussion regarding Credits to Water Fee Invoices

Mr. Mielke addressed the issue of water invoice credits for 2017 and 2018 that had been raised at previous board meetings. Mr. Myers addressed the Boards, stating he did not believe the credits were authorized by board action and that he believes some properties did not receive credits. Mr. Mielke informed the Boards that he reviewed the Districts' meeting minutes and identified that discussion and approval of the credits were discussed at the consolidated board meeting in March 2020. Mr. Mielke explained the rationale for the credits, stating that many fees from 2017 and 2018 were not paid or collected, and that credits to the other accounts that did pay during those years would assist in treating residences equitably for water usage from 2017 through 2020. The Boards discussed the prior approval of the credits and the Boards' desire to confirm the prior approval. Upon motion made, seconded and unanimously carried, the Boards ratified the approval of the credits from the March 2020 board meeting.

Consider Adoption and/or Increase of Non-Potable Water Fees

The Board for District No. 1 reviewed and discussed the commercial water rate study from the District's management company, Centennial Consulting Group ("CCG"), and the receipt of an alternative proposal from Mr. Myers was noted. Mr. Wagner confirmed that he had notified the sole commercial property within the Districts of the present meeting.

The Board discussed the commercial non-potable water rates in CCG's proposal and identified that water prices from the Town of Windsor have increased and are expected to increase in 2021. The Board discussed variations on commercial water rates structures, with input from members of the public. After discussion, it was determined that billing the commercial property based on reading the non-potable water meter and billing on a 1,000-gallon basis was an appropriate manner for invoicing. The Board noted that the original commercial water study recommended a rate of \$2.50/1,000 gallons, but that water prices charged by the Town of Windsor had increased.

The Board also discussed the calculation for the residential flat rate, which is based on the cost to purchase water from the Town

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of Windsor, plus an approximately 24-25% increase to cover administrative and maintenance costs for the non-potable irrigation system. The Board discussed its desire to structure the commercial property's rates in the same manner, but to charge based on metered water usage. Mr. Myers stated that charging any less than \$4.06/1,000 gallons would be unfair to residential property owners based on his calculations. The Board considered calculations from the District's accountant and determined that a rate of \$4.20/1,000 gallons would result in the commercial property being charged for the same usage as the residential properties.

After discussion, and upon motion made, seconded and unanimously carried, the Board approved billing the commercial property for non-potable water usage during 2021 at the rate of \$4.20/1,000 gallons.

The Board requested CCG determine the number of water meters that would need to be replaced in order to establish a remote meter reading system for invoicing for water, and to obtain bids from meter installation companies for the Board's consideration. Mr. Wagner noted that approximately 83 properties will need their meters replaced and that he has contacted iPerl and Badger meter companies. Badger's software is more likely to work with other types of meters, but it will need to be confirmed what types of meters are within the Districts. Mr. Hogue offered to have Mr. Wagner identify his meter to assist in determining the types of meters in the District, and Mr. Wagner confirmed he would visit Mr. Hogue's property to document the type of meter.

The Board further discussed its desire to have the District create a survey for community members to complete, which will identify preferences in the way water is invoiced.

Manager Report

Mr. Wagner reported that he has identified various trees and sod on open space tracts that will be replaced under warranty by the contractor. He further noted that he has inspected various open space tracts to be conveyed to District No. 1 and will provide legal counsel with the tracts he inspected so the appropriate conveyance documents can be prepared.

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Other Business

Director John Hall informed the Boards and members of the public that the fencing that is being replaced by the developer is in the process of being completed. The developer removed the original contractor from the job due to poor work quality, and is discussing the project with three other contractors in order to remove the poorly installed fencing and replace it with properly installed fencing.

Adjournment

There being no other business to come before the Boards, the meeting was adjourned at approximately 10:30 a.m.


Secretary for the Meeting