

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF

HIGHLANDS METROPOLITAN DISTRICT NO. 3

Held: Wednesday, October 13, 2021, at 9:30 a.m.

*This meeting was held via teleconference.*

Attendance

The meeting of the Board of Directors of the Highlands Metropolitan District No. 3 was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Board, were in attendance:

James Spehalski  
Barry Talley

Director Linda Talley was absent. All absences are deemed excused unless otherwise noted in these minutes

Also present: Kristin B. Tompkins, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; and Diane Wheeler, Simmons & Wheeler, P.C., District Accountant.

Call to Order

It was noted that a quorum of the Board was present and the meeting was called to order.

Conflict of Interest Disclosures

Ms. Tompkins advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Tompkins reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Tompkins inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

## **Administrative Matters**

Agenda	Ms. Tompkins presented the Board with the agenda for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda as amended to move the Resolution Calling May 2022 Election to the regular agenda.
Public Comment	None.
Consent Agenda	Ms. Tompkins reviewed the items on the consent agenda with the Board. Ms. Tompkins advised the Board that any item may be moved from the consent agenda to the regular agenda upon the request of any director. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and/or adopted: <ul style="list-style-type: none"><li>• Minutes from August 5, 2021 Special Meeting</li><li>• Renewal of Property and Liability Schedule and Limits, Workers Compensation Coverage, and SDA Membership for 2022</li></ul>

## **Legal Matters**

Consider Adoption of Resolution Calling May 2022 Election	Ms. Tompkins presented the Resolution Calling May 2022 Election to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the Resolution Calling the May 2022 Election, designating the District's website as the second method for providing notice of Call for Nominations.
Consider Adoption of 2022 Annual Administrative Matters Resolution	Ms. Tompkins presented the 2022 Annual Administrative Matters Resolution to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the Resolution.
Discuss Status of Exclusion Agreement between Vista Highlands Development Corporation and FRH Realty LLC	Director Spehalski provided the Board with an update on the Exclusion Agreement with Vista Highlands Development Corporation and FRH Realty LLC, noting that this is still in process. No action was taken by the Board.
Discuss Status of Construction of Improvements under the Intergovernmental Agreement for Construction and Financing of Public Improvements, dated April 14, 2020, between the	The Board discussed the status of construction of improvements under the Intergovernmental Agreement for Construction and Financing of Public Improvements, dated April 14, 2020, between the District and Highlands Metropolitan District No. 2. Ms. Tompkins noted that there is money in escrow to be used by the District to fund certain improvements. Director Spehalski noted that the City and County of Broomfield has not yet triggered the need for the improvements.

District and Highlands  
Metropolitan District No. 2

Consider Rescinding  
Adoption of Resolution  
Concerning the Imposition of  
Capital Facilities Fees

Ms. Tompkins informed the Board that the Resolution Concerning the Imposition of Capital Facilities Fees was adopted by the Board on October 9, 2019; however, the Capital Facilities Fee schedule has not been confirmed and the resolution has not yet been recorded. Ms. Wheeler noted that based on the current financial projections, there is not a demonstrated need for a Capital Facilities Fee. Following discussion, upon a motion duly made and seconded, the Board unanimously approved rescinding the fee resolution.

**Financial Matters**

Consider Approval of  
Payables/Financials

Ms. Wheeler presented the Board with the claims payables, totaling \$12,228,20. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the claims payables.

Ms. Wheeler noted there were not financial statements to present.

Discuss Operations Budget

Director Spehalski noted that he is working with Mr. Cordova on the operations budget. The developer anticipates all internal roads will be paved by the end of 2021 and all other improvements will be completed in 2022.

Conduct Public Hearing on  
2021 Budget Amendment  
and Consider Adoption of  
Resolution Amending 2021  
Budget

Director Spehalski opened the public hearing on the 2021 Budget Amendment. Ms. Tompkins noted that the notice of the public hearing was published in accordance with Colorado law in the *Broomfield Enterprise*. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.

Ms. Wheeler reviewed the 2021 Budget Amendment Resolution with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution amending the General Fund to \$75,000.

The Board directed legal counsel and the District's accountant to file the 2021 Budget Amendment.

Conduct 2022 Budget  
Hearing and Consider  
Adoption of Resolution to  
Adopt 2022 Budget and Set  
Mill Levies

Director Spehalski opened the public hearing on the proposed 2022 Budget. Ms. Tompkins noted that the notice of the public hearing was published in accordance with Colorado law in the *Broomfield Enterprise*. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.

Ms. Wheeler reviewed the 2022 Budget and Budget Resolution with the Board.

Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2022 Budget as discussed, appropriating funds therefore, and certifying 73.664 mills in the general fund.

The Board directed legal counsel and the District's accountant to certify the mill levies by December 15, 2021 and file the 2022 Budget by January 30, 2022.

Discuss Potential Bond Issuance

The Board discussed a potential 2022 bond issuance. Director Spehalski noted he is working with Piper Sandler on updated financial models.

Other Financial Matters

None.

**Other Business**

The next regular meeting is scheduled for May 11, 2022.

Adjournment

There being no further business to come before the Board, and following discussion and upon a motion duly made, seconded, and unanimously carried, the Board determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

*Barry L Talley*  
Barry L Talley (Dec 21, 2021 17:15 MST)

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Secretary for the Meeting