

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF

HIGHLANDS METROPOLITAN DISTRICT NO. 3

Held: Thursday, December 1, 2022, at 9:15 a.m.

*via teleconference.*

Attendance

The special 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; Diane Wheeler, Simmons & Wheeler, P.C., District Accountant, and Barrett Marrocco, Independent District Engineering Services, Inc.

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. Director Talley and Director Spehalski noted their conflicts with respect to the proposed reimbursement to Vista Highlands Development Corporation. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

**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.

**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 and/or ratified:

- Minutes from September 19, 2022 Special Meeting

### **Legal Matters**

Consider Adoption of 2023 Annual Administrative Resolution Ms. Tompkins presented the 2023 Annual Administrative Resolution to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution.

Approval of Renewal of Property and Liability Schedule and Limits, Workers Compensation Coverage, and SDA Membership for 2023 Ms. Tompkins presented the Board with the Property and Liability Schedule and Limits. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the schedule, workers compensation coverage, and the SDA membership renewal.

Consider Approval of First Amendment to Funding and Reimbursement Agreement with Vista Highlands LLC Ms. Tompkins presented the First Amendment to Funding and Reimbursement Agreement with Vista Highlands Development Corporation to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the amendment.

Consider Adoption of Resolution Calling May 2, 2023 Election Ms. Tompkins presented the Resolution Calling May 2, 2023 Election to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution, designating the District's website as the second method of providing notice of call for nominations.

Consider Approval of Public Alliance for District Management Services Ms. Tompkins presented the proposal from Public Alliance for District Management Services to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the proposal, subject to final review and comment by Director Spehalski.

## Financial Matters

Consider Acceptance of Unaudited Financial Statements

No unaudited financial statements were presented.

Consider Approval of Claims Payable

Ms. Wheeler presented the claims to the Board in the amount of \$17,181.89. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the claims.

Conduct Public Hearing on 2022 Budget Amendment and Consider Adoption of Resolution Amending 2022 Budget

Ms. Wheeler informed the Board no 2022 Budget Amendment is necessary.

Conduct Public Hearing on 2023 Budget and Consider Adoption of Resolution Adopting 2023 Budget, Imposing Mill Levy and Appropriating Funds

The public hearing on the proposed 2023 Budget was opened. Ms. Tompkins noted that the notice of public hearing was provided in accordance with Colorado law and no written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Mr. Wheeler reviewed the proposed 2023 Budget with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2023 Budget, revised as discussed, appropriating funds therefor and certifying 15.000 mills in the general fund and 50.000 mills in the debt service fund, subject to receipt of the final assessed valuation.

The Board directed legal counsel and the District's accountant to certify the mill levies by December 15, 2022 and file the 2023 Budget by January 30, 2023.

Consider Adoption of Resolution No. 4 Regarding Acceptance of District Eligible Costs Pursuant to Public Improvements Acquisition and Reimbursement Agreement

Mr. Marrocco presented the Resolution Regarding Acceptance of District Eligible Costs pursuant to the Public Improvements Acquisition and Reimbursement Agreement with Vista Highlands Development Corporation in the amount of \$843,380.93 to the Board. Ms. Wheeler noted that she is working on the Accountant's Certification. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the Resolution.

Approval of Requisition No. 4 related to the District's Limited Tax General Obligation Bonds, Series 2022

Ms. Wheeler presented Requisition No. 4 to the Board. Ms. Wheeler noted this will close out the project fund of approximately \$605,000. Following discussion, upon a motion duly made and seconded, the Board unanimously approved Requisition No. 4.

Other Financial Matters

The Board directed Ms. Wheeler to gather proposals for the 2022 auditor.

**Other Business**

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 Talley*

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Secretary for the Meeting