

## RECORD OF PROCEEDINGS

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MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
ELBERT & HIGHWAY 86 COMMERCIAL METROPOLITAN DISTRICT  
(THE "DISTRICT")  
HELD  
NOVEMBER 28, 2022

A regular meeting of the Board of Directors of the Elbert & Highway 86 Commercial Metropolitan District (referred to hereafter as the "Board") was convened on Monday, November 28, 2022, at 4:00 p.m. This District Board meeting was held via Zoom. The meeting was open to the public.

### ATTENDANCE

#### Directors In Attendance Were:

Karl Nyquist, President  
Mark Harding, Assistant Secretary  
Todd Lambert, Assistant Secretary

Secretary/Treasurer Pretzler was absent and excused.

#### Also, In Attendance Were:

Denise Denslow, Thuy Dam and Jennifer VanValen; CliftonLarsonAllen LLP  
Dianne Miller; Miller & Associates Law Offices, P.C.  
Kevin McNeill; Pure Cycle Corporation  
Brad Eidt and Jeffrey Massey; Members of the Public

### ADMINISTRATIVE MATTERS

**Call to order and approval of agenda:** The meeting was called to order at 4:03 p.m. Following review, upon a motion duly made by Director Nyquist, seconded by Director Harding and, upon vote, unanimously carried, the Board approved the agenda, as presented.

**Disclosures of potential conflicts of interest:** The Board had previously filed Disclosure of Potential Conflict of Interest Statements with the Board and with the Secretary of State at least seventy-two (72) hours in advance of the meeting in accordance with statutory requirements.

**Quorum, location of meeting, and posting of meeting notice:** It was noted that a quorum was present allowing the Board to act on all matters to come before them at this meeting. Director Pretzler was absent and excused. The Board confirmed the location of the meeting and the posting of the meeting notice.

**Public comment:** Mr. Eidt inquired about two previously existing water meters, one for the sales trailer and one near the school monument sign. He stated they were removed and requested their reinstallation and asked if the \$5,000 water

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connection fee could be waived on behalf of the Elbert and Highway 86 Metropolitan District. Director Harding noted he would research any prior documentation. No action was taken.

Mr. Eidt inquired about the status of the traffic signal. Director Nyquist stated that the traffic signal design is still under review and installation will be completed sometime in 2023.

**Results of the May 3, 2022 Directors' Election:** The results of the May 3, 2022 Directors' Election were noted for the Board.

**Vacancy on the Board and appointment of District eligible elector to the Board of Directors of the District. Administer Oath of Office:** The Board discussed the vacancy on the Board. It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy on the Board was published in a newspaper having general circulation in the District and that no Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication.

As such, eligible elector, Kevin McNeill, was nominated to serve on the Board. Following discussion, upon motion duly made by Director Harding, seconded by Director Lambert and, upon vote, unanimously carried, the Board appointed Kevin McNeill to fill the vacancy on the Board.

**Appointment of officers:** Following discussion, upon motion duly made by Director Harding, seconded by Director Lambert and, upon vote, unanimously carried, the following slate of officers were appointed for the District:

President:	Karl Nyquist
Secretary/Treasurer:	David Pretzler
Assistant Secretary:	Mark Harding
Assistant Secretary:	Todd Lambert
Assistant Secretary:	Kevin McNeill

**Minutes from the March 21, 2022 regular Board meeting:** Following review, upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board approved the Minutes from the March 21, 2022 regular Board meeting, as presented.

**Resolution Regarding 2023 Annual Administrative Matters:** Following review, upon a motion duly made by Director Lambert, seconded by Director Harding and, upon vote, unanimously carried, the Board adopted the Resolution Regarding 2023 Annual Administrative Matters, as presented.

**2023 meeting dates and time: March 20<sup>th</sup> and November 20<sup>th</sup> at 1:00**

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**p.m.:** The Board confirmed the 2023 meeting dates and time.

**Requirements of Section 32-1-809, C.R.S. and compliance for 2023 (District Transparency Notice):** The Board directed staff for compliance for the 2023 District Transparency Notice.

**2023 insurance renewal documents needed to obtain or maintain insurance coverage through the Colorado Special Districts Property and Liability Pool and T. Charles Wilson Risk Management and membership in the Special District Association:** Ms. Denslow reviewed the 2023 insurance renewal documents with the Board and requested Director Harding's review of the District's property schedule. Following review and discussion, upon a motion duly made by Director Lambert, seconded by Director Nyquist and, upon vote, unanimously carried, the Board approved the 2023 insurance renewal documents needed to maintain insurance coverage through the Colorado Special Districts Property and Liability Pool and T. Charles Wilson Risk Management, subject to Director Harding's final review of the District's property schedule, and authorized the District's membership in the Special District Association.

### FINANCIAL MATTERS

**September 30, 2022 Financial Statements:** This item was discussed as part of the 2023 Budget review.

**Claims:** Following review, upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board ratified the approval of Claims in the amount of \$2,374,317.94, as presented.

**Quarterly Continuing Disclosure Report for the period ending November 9, 2022:** Following review, upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board ratified the approval of the Quarterly Continuing Disclosure Report for the period ending November 9, 2022 as presented.

**Public hearing to consider amendment of the 2022 Budget and Resolution to Amend the 2022 Budget:** Upon a motion duly made by Director Lambert, seconded by Director Nyquist and, upon vote, unanimously carried, the Board opened the public hearing at 4:27 p.m. There was no public comment received during or prior to the meeting. The Board closed the public hearing at 4:44 p.m. Ms. Dam reviewed the proposed 2022 amendment with the Board. Following review and discussion, upon a motion duly made by Director Nyquist, seconded by Director Harding and, upon vote, unanimously carried, the Board approved the amendment of the 2022 Budget and adopted the Resolution to Amend the 2022 Budget amending the Capital Projects Fund and the Enterprise Fund, as presented.

**Public hearing on the proposed 2023 Budget and Resolution to Adopt the**

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**2023 Budget and Appropriate Sums of Money:** Upon a motion duly made by Director Lambert, seconded by Director Nyquist and, upon vote, unanimously carried, the Board opened the public hearing at 4:27 p.m. There was no public comment received during or prior to the meeting. The Board closed the public hearing at 4:44 p.m. Ms. Dam reviewed the proposed 2023 Budget and September 30, 2022 Financial Statements with the Board. Discussion ensued. Following review, upon a motion duly made by Director Nyquist, seconded by Director Lambert and, upon vote, unanimously carried, the Board approved the 2023 Budget and adopted the Resolution to Adopt the 2023 Budget and Appropriate Sums of Money, as presented. Upon a motion duly made by Director Lambert, seconded by Director Nyquist and, upon vote, unanimously carried, the Board accepted the September 30, 2022 Financial Statements, as presented.

Director Lambert requested that the distribution of PILOT invoices be calendared and noted that he anticipates Lot 2 to close prior to or right after the end of 2022.

**District accountant to prepare and sign the DLG-70 Certification of Tax Levies form for certification to the Board of County Commissioners and other interested parties:** Following discussion, upon a motion duly made by Director Lambert, seconded by Director Nyquist and, upon vote, unanimously carried, the Board authorized the District accountant to prepare and sign the DLG-70 Certification of Tax Levies form for certification to the Board of County Commissioners and other interested parties.

**Appointment of District accountant to prepare 2024 Budget:** Following discussion, upon a motion duly made by Director Lambert, seconded by Director Nyquist and, upon vote, unanimously carried, the Board appointed the District accountant to prepare the 2024 Budget.

**Engagement Letter with Schilling & Company, Inc. to prepare the 2022 Audit:** Ms. Dam informed the Board that the engagement letter has not yet been received, but Dawn Schilling confirmed that the preparation fee will be increased by \$300 from the previous year. Following discussion, upon a motion duly made by Director Harding, seconded by Director Lambert and, upon vote, unanimously carried, the Board approved the engagement of Schilling & Company, Inc. to prepare the 2022 Audit in an amount not to exceed \$4,800.

### LEGAL MATTERS

**Resolution Calling a Regular Election for Directors on May 2, 2023, appointing the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election:** Attorney Miller reviewed the Resolution with the Board, noting that Director Harding's and Lambert's terms will expire in 2023 and Mr. McNeill, as an appointed Director, will be required to participate in the 2023 election process. Following review and discussion,

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upon a motion duly made by Director Harding, seconded by Director Nyquist and, upon vote, unanimously carried, the Board adopted the Resolution Calling a Regular Election for Directors on May 2, 2023, appointing the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election, as presented.

**Resolution Waiving Worker's Compensation Insurance for 2023:** Following review, upon a motion duly made by Director Harding, seconded by Director Nyquist and, upon vote, unanimously carried, the Board adopted the Resolution Waiving Worker's Compensation Insurance for 2023, as presented.

**Resolution No. 2015-11-05 Regarding the Retention and Disposal of Public Records and Adopting a Public Records Retention Schedule:** Following review, upon a motion duly made by Director Harding, seconded by Director Nyquist and, upon vote, unanimously carried, the Board ratified the adoption of Resolution No. 2015-11-05 Regarding the Retention and Disposal of Public Records and Adopting a Public Records Retention Schedule, as presented.

**Resolution No. 2016-05-02 Concerning the Adoption of a Public Records Policy:** Following review, upon a motion duly made by Director Harding, seconded by Director Nyquist and, upon vote, unanimously carried, the Board ratified the adoption of Resolution No. 2016-05-02 Concerning the Adoption of a Public Records Policy, as presented.

**Other:** None.

### MANAGER MATTERS

**CliftonLarsonAllen LLP Master Service Agreement and related statements of work:** Attorney Miller informed the Board that she is working on an amendment to the CliftonLarsonAllen LLP Master Service Agreement and related statements of work, but it will not be ready for approval until January 2023. Following discussion, upon a motion duly made by Director Nyquist, seconded by Director Harding and, upon vote, unanimously carried, the Board approved the CliftonLarsonAllen LLP Master Service Agreement, related statements of work and related amendment subject to final legal review.

**Other:** None.

### OTHER BUSINESS

None.

### ADJOURNMENT

There being no further business to come before the Board at this time, the Board adjourned the meeting at 4:54 p.m.

Respectfully submitted,

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DocuSigned by:

*David Pretzler*

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Secretary for the Meeting