

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BLUE LAKE METROPOLITAN DISTRICT NO. 2 HELD SEPTEMBER 26, 2019

### ATTENDANCE

A special meeting of the Board of Directors of the Blue Lake Metropolitan District No. 1 was called and held Thursday, September 26, 2019 at 10:00 a.m. at Miller & Associates Law Offices, LLC; 1641 California Street, Suite 300, Denver, Colorado, in accordance with Colorado law. The following directors were present and confirmed their qualifications to serve on the Board:

Mark Bush  
Charles Foster  
Russell Watterson, Sr. (for a portion of the meeting)

Also present was:

Justin Siegal; Developer Representative

Michael Davis, Esq.; Miller & Associates Law Offices, LLC

Joel Meggers, Nancy Weiss (via speaker phone) and Lisa Jacoby; Community Resource Services of Colorado, LLC

### ADMINISTRATIVE MATTERS

**Call to Order and Declaration of Quorum:** Ms. Jacoby noted that a quorum of the Board was present and confirmed the Director's continuing qualification to serve.

Following discussion, upon motion duly made by Director Bush, seconded by Director Foster and, upon vote, unanimously carried, the absence of John Fair and Timothy Craft was excused.

It was noted that the Blue Lake Metropolitan District No. 2 and No. 1 meetings were run concurrently.

**Disclosure of Potential Conflicts of Interest:** Attorney Davis advised the Board that under Colorado law, certain disclosures are required before the Board can take official action at the meeting. The Board reviewed the agenda for the meeting and confirmed the contents of the written disclosures they had previously made,

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and stated the fact and summary nature of the individual interests that are set forth in the disclosures, as required under Colorado law, so that official action could be taken at the meeting.

Written disclosures of the interests of Directors were filed with the Secretary of State at least seventy-two (72) hours prior to the meeting.

**Agenda:** Following discussion, upon motion duly made by Director Bush, seconded by Director Foster and, upon vote, unanimously carried, the Agenda was approved as presented.

**Minutes:** The Board reviewed the Minutes from the November 29, 2018 Board Meeting. Upon motion duly made by Director Foster seconded by Director Bush and, upon vote, unanimously carried, the Minutes from the November 29, 2018 Board Meeting were approved as presented.

**2020 Annual Administrative Resolution and 2020 Meeting Dates:** Ms. Jacoby reviewed the 2020 Annual Administrative Resolution with the Board.

Following discussion, upon motion duly made by Director Bush, seconded by Director Foster, and upon vote, unanimously carried, the Board adopted the 2020 Annual Administrative Resolution and determined to schedule 2020 meetings on an as needed basis to be held at Miller & Associates Law Offices, LLC; 1641 California Street, Suite 300, Denver, Colorado.

**Resolution Calling the May 5, 2020 Regular Election:** The Board discussed the upcoming election and Resolution Calling the May 5, 2020 Election.

Following discussion, upon motion duly made by Director Bush, seconded by Director Foster and, upon vote, unanimously carried, the Board adopted the Resolution Calling the May 5, 2020 Election and appointed Michael Davis as the Designated Election Official and authorized him to perform all tasks required for the May 5, 2020 Regular Election of the Board of Directors for the conduct of a polling place/mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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## FINANCIAL ITEMS

**2018 Audit Engagement:** Following discussion, upon motion duly made by Director Foster, seconded by Director Watterson and, upon vote, unanimously carried, the Board ratified approval of the 2018 Audit Engagement Letter and Addendum between Haynie & Company and the District.

**2018 Budget Amendment Hearing:** The President opened the public hearing to consider the Resolution to Amend the 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following review and discussion, Director Foster moved to adopt the Resolution to Amend the 2018 Budget, Director Watterson seconded the motion and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2018 Budget, subject to review of final public improvement costs. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**2018 Audit:** Mr. Meggers reviewed the 2018 draft Audited Financial Statements with the Board.

Following review and discussion, upon motion duly made by Director Watterson, seconded by Director Bush and, upon vote, unanimously carried, the Board approved the 2018 Audited Financial Statements and authorized execution of the Representations Letter.

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**2019 Audit Engagement:** The Board reviewed the Haynie & Company proposal to perform the 2019 Audit.

Following discussion, upon motion duly made by Director Bush, seconded by Director Watterson and, upon vote, unanimously carried, the Board approved the engagement of Haynie & Company to perform the 2019 Audit, for an amount not to exceed \$4,800.

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**2019 Budget Amendment Hearing:** The President opened the public hearing to consider the Resolution to Amend the 2019 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2019 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following review, it was determined that a 2019 Budget Amendment was unnecessary.

**2020 Budget Hearing:** The President opened the public hearing to consider the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Ms. Jacoby reviewed the estimated 2019 expenditures and the proposed 2020 expenditures.

Following discussion, the Board considered the adoption of the Resolution to Adopt the 2020 Budget and Appropriate Sums of Money and Set Mill Levies (for the General Fund at 5.034 Mills and the Debt Service Fund at 50.622 for a total Mill Levy of 55.656 Mills). Upon motion duly made by Director Bush, seconded by Director Watterson and, upon vote, unanimously carried, the Resolution was adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2019. Ms. Jacoby was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Weld County and the Division of Local Government, not later than December 15, 2019.

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Ms. Jacoby was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2020. Copies of the adopted Resolution is attached to these Minutes and incorporated herein by this reference.

**Schedule of Cash Position and Financial Statements:** Ms. Jacoby reviewed the Schedule of Cash Position and unaudited Financial Statements for the period ending August 31, 2019 with the Board.

**Claims:** The Board considered ratifying the claims represented by check nos. 1005 - 1022, totaling \$25,481.38 and approving of the current claims represented by check no. 1023, totaling \$1,275.

Following discussion, upon motion duly made by Director Bush, seconded by Director Foster and, upon vote, unanimously carried, the Board ratified and or approved the payment of claims as presented.

## ATTORNEY ITEMS

**Update on Development:** The Board discussed the status of development.

**Partial Assignment of Advance and Reimbursement Agreement by and Between Blue Lake Metropolitan District Nos. 1 and 2 and Lochbuie Land I, LLC:** Attorney Davis and Mr. Meggers discussed the purpose of the Partial Assignment.

Following discussion, the Board determined to take no action at this time.

## OTHER ITEMS

There were no other items.

## ADJOURNMENT

There being no further business to come before the Board, upon unanimous vote the meeting for the District was adjourned.

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Secretary for the Meeting