MINUTES OF THE COORDINATED
ORGANIZATIONAL MEETING OF
WEST BOYD METROPOLITAN DISTRICTS NOS. 1-3

HELD
December 19, 2019

The Boards of Directors of West Boyd Metropolitan Districts Nos. 1-3 held a coordinated organizational meeting, open to the public, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 1:00 p.m., Thursday, December 19, 2019. Notice of the meeting was posted in one public place within the boundaries of the Districts.

ATTENDANCE

Directors in Attendance:
David Crowder
Kim Perry
Tim DePeder
Wendy Messinger
Josh Kane (via teleconference)

Also in Attendance:
Alan Pogue, Esq.; Icenogle Seaver Pogue, P.C.
Peggy Dowswell, Ryan Abbott, Brendan Campbell, Shannon McEvoy, Irene McCaffrey and Elaina Cobb; Pinnacle Consulting Group, Inc.
Jeff Breidenbach; McWhinney

CALL MEETING TO ORDER

The meeting was called to order at 1:06 p.m. by Director Crowder, as acting chairperson. The Directors in attendance confirmed their qualifications to serve.

QUALIFICATION OF BOARD MEMBERS/ OATHS OF OFFICE AND BONDS/ CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue discussed the process of qualifying Board members, affirmed that Oaths of Office had been administered and filed per Colorado law, and confirmed that Performance Bonds had been obtained for the Directors and Treasurer of each District, as required by law, and filed with the District Court and Division of Local Government.

Mr. Pogue further discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Boards of Directors to the Secretary of State. The members of the Boards were requested to disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted by Mr. Pogue that disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors.

APPROVAL OF AGENDA

The Boards reviewed the agenda. Upon motion duly made by Director Kane, seconded by Director DePeder, and upon vote, unanimously carried, the Boards

**RESOLVED** to approve the agenda**.**

APPOINTMENT OF OFFICERS

Appointment of Officers: The Boards discussed the duties of the Boards, and the offices of President, Secretary and Treasurer. Upon motion duly made by Director Kane, seconded by Director Perry, and upon vote, unanimously carried, the Officers for each District were elected and approved as follows:

President & Chairman: David Crowder
Vice President: Tim DePeder
Secretary: Kim Perry
Assistant Secretary/Treasurer: Wendy Messinger
Treasurer: Josh Kane

ORGANIZATIONAL MATTERS RESOLUTION

Mr. Pogue reviewed the Organizational Matters Resolution with the Boards. Upon motion duly made by Director Kane, seconded by Director Perry, and upon vote, unanimously carried, the Boards

**RESOLVED** to adopt the Organizational Matters Resolution.

INDEMNIFICATION RESOLUTION

Mr. Pogue reviewed the Resolutions Providing for the Defense and Indemnification of Directors and Employees of the Districts. Upon motion duly made by Director Kane, seconded by Director Perry, and upon vote, unanimously carried, the Boards

**RESOLVED** to approve the Resolutions Providing for the Defense and Indemnification of Directors and Employees of the Districts.

MEETING RESOLUTION

Mr. Pogue reviewed the Resolution Establishing Regular Meeting Dates, Times and Locations, and Designating Locations for Posting of 24-Hour

Notices for the Districts. Upon motion duly made by Director Kane, seconded by Director Perry, and upon vote, unanimously carried, the Board

**RESOLVED** to approve the Resolution Establishing Regular Meeting Dates, Times and Locations, and Designating Locations for Posting of 24-Hour Meeting Notices for the Districts, noting 2020 regular meetings of the Boards will be scheduled on the third Wednesday of the month on a quarterly basis starting at 12:00 p.m. at 2725 Rocky Mountain Ave., Loveland, Colorado 80538.

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PUBLIC COMMENT

There were no members of the public present.

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PUBLIC RECORDS POLICY RESOLUTION

Mr. Pogue reviewed the Public Records Policy Resolution regarding the inspection, retention and disposal of public records with the Boards. Upon motion duly made by Director Kane, seconded by Director Perry, and upon vote, unanimously carried, the Boards

**RESOLVED** to approve the Public Records Policy Resolution as presented.

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ENGAGEMENT OF CONSULTANTS

The Boards considered the engagement of District Legal Counsel, District Manager, and District Engineer. Upon motion duly made by Director Kane, seconded by Director DePeder and, upon vote, unanimously carried, the Board approved engagement of the following consultants:

District Legal Counsel: Icenogle Seaver Pogue, P.C.
District Manager, Accountant, and Project Administrator:
Pinnacle Consulting Group, Inc.
District Engineer: Merrick & Company

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DIRECTOR FEES

Mr. Pogue reviewed and discussed payment of Director's fees. Upon motion duly made by Director Kane, seconded by Director Perry, and upon unanimously carried, the Boards

**RESOLVED** to approve payment of Director's Fees in the amount of $100 per Board meeting for District No. 1. No director fees would be paid for Board members to attend meetings for District No. 2 and District No. 3.

INSURANCE COVERAGE

Insurance Coverage: Mr. Abbott discussed the insurance requirements with the Boards to obtain insurance coverage through the Colorado Special Districts Property and Liability Pool and join the Special District Association. Upon motion duly made by Director Kane seconded by Director Perry, and upon vote, unanimously carried, the Boards

**RESOLVED** to approve insurance coverage for Public Official's Liability, General Liability, Directors and Officers Liability, including Workers' Compensation, and membership to the Colorado Special District Association.

GOVERNMENTAL IMMUNITY MEMO

Mr. Pogue reviewed with the Boards the Governmental Immunity Memorandum.

RATIFICATION OF PAST ACTIONS

Following review and discussion of actions previously taken for and on behalf of the Districts prior to this organizational meeting, and upon motion duly made by Director Kane, seconded by Director Perry, and upon vote, unanimously carried, the Boards

**RESOLVED** to ratify all past actions taken for and on behalf of the Districts.

WEBSITE DISCLOSURE

The Boards gave direction to list the Districts on the websites for Pinnacle Consulting Group, Inc. and Icenogle Seaver Pogue, P.C. for public viewing.

FINANCIAL ITEMS

Execution of Form SS-4 Application for Employer Identification Number, Application for Sales Tax Exemption for Colorado Organizations and Application by Official Custodian for Assignment of PDPA number for Public Funds Deposited: The Boards discussed the Execution of Form SS-4 Application for Employer Identification Number, Application for Sales Tax Exemption for Colorado Organizations and Application by Official Custodian for Assignment of PDPA number for Public Funds Deposited in Banks. Upon motion duly made by Director DePeder, seconded by Director Kane, and upon vote, unanimously carried, the Boards

**RESOLVED** to approve the Execution of Form SS-4 Application for Employer Identification Number, Application for Sales Tax Exemption for Colorado Organizations and Application by Official Custodian for Assignment of PDPA number for Public Funds Deposited in Banks.

Selection of Bank: The Board for District No. 1 discussed the establishment of a District No. 1 operating account with First Bank authorizing all Board Members to be signers on the account. Upon motion duly made by Director DePeder, seconded by Director Kane, and upon vote, unanimously carried, the District No. 1 Board

**RESOLVED** to establish a policy regarding two signatures on all checks and to direct Pinnacle Consulting Group Inc. to take the necessary steps to open an operating account with First Bank, following receipt of the FEIN and PDPA numbers.

2019 Budget Preparation: Following review and discussion, upon motion duly made by Director Kane, seconded by Director DePeder and, upon vote, unanimously carried, the Boards ratified the appointment of Pinnacle Consulting Group, Inc. as the Budget Officer to prepare the 2019 and 2020 budgets for the Districts.

2019 PROPOSED BUDGET HEARING

Director Crowder opened the 2019 Budget Hearing for West Boyd Metropolitan Districts Nos. 1-3. Mr. Abbott reported that notices of the budget hearings had been published on December 9, 2019 in accordance with state budget law. Mr. Campbell reviewed the budgets for each District in detail, and answered questions pertaining to the mill levy and estimated revenues and expenditures. The budgets for each District and associated funds are as follows.

District No. 1:
General Fund Expenditures $25,000
Capital Fund Expenditures $0
Mill levy is 0 mills.

District No. 2:
General Fund Expenditures $0
Capital Fund Expenditures $0
Mill levy is 0 mills.

District No. 3:
General Fund Expenditures $0
Capital Fund Expenditures $0
Mill levy is 0 mills.

There being no public input, the public hearing was closed. Following review and discussion and upon motion duly made by Director Kane, seconded by Director DePeder, and upon vote, unanimously carried, the Boards

**RESOLVED** to approve the Resolutions to Adopt the 2019 Budgets for West Boyd Metropolitan Districts Nos. 1 - 3, and appropriate sums of money for the Districts as presented in the 2019 budgets.

2020 PROPOSED BUDGET HEARING

Director Crowder opened the 2020 Budget Hearing for West Boyd Metropolitan Districts Nos. 1-3. Mr. Abbott reported that notice of the budget hearing had been published on December 9, 2019 in accordance with state budget law. Mr. Campbell reviewed the budgets for each District in detail, and answered questions pertaining to the mill levy and estimated revenues and expenditures. The budgets for each District and associated funds are as follows.

District No. 1:
General Fund Expenditures $135,000
Capital Fund Expenditures $180,000
Mill levy is 0 mills.

District No. 2:
General Fund Expenditures $0
Capital Fund Expenditures $0
Mill levy is 0 mills.

District No. 3:
General Fund Expenditures $0
Capital Fund Expenditures $0
Mill levy is 0 mills.

There being no public input, the public hearing was closed. Following review and discussion and upon motion duly made by Director Kane, seconded by Director DePeder, and upon vote, unanimously carried, the Boards

**RESOLVED** to approve the Resolutions to Adopt the 2020 budgets for West Boyd Metropolitan Districts Nos. 1-3, set the mill levies, appropriate budgeted funds upon final certification of value and approve all other documents related to the 2020 budget. The District Manager is authorized to make minor modifications that may be necessary following receipt of final assessed values.

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FINANCIAL ITEMS, CONT.

Policy Authorizing Investments: Mr. Pogue reviewed with the Board the Resolution for Establishing of an Investment Policy per state statute. Upon motion duly made by Director Parmelee, seconded by Director DePeder and, upon vote, unanimously carried, the Boards

**RESOLVED** to approve the Resolution establishing of a policy authorizing investments, in accordance with statutes and designating Director Kane and Director DePeder as the financial subcommittee and directing them to work with Pinnacle Consulting Group, Inc. to engage consultants.

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ITEMS FROM LEGAL COUNSEL

Intergovernmental Agreement Concerning District Operations among West Boyd Metropolitan Districts No. 1 through 3.: Mr. Pogue presented to the Boards an Intergovernmental Agreement Concerning District Operations among West Boyd Metropolitan Districts Nos. 1 through 3 which sets for the obligations of the Districts with regard to the financing, construction, operation and maintenance of public improvements to serve the West Boyd development. Upon motion duly made by Director Kane and seconded by Director DePeder, the Boards

**RESOLVED** to approve the Intergovernmental Agreement concerning District Operations among West Boyd Metropolitan Districts Nos. 1 through 3.

The District No. 1 Board members acknowledged that they are employees of McWhinney Real Estate Services, Inc. ("MRES"), Manager of VDW Properties, LLC. ("VDW"). VDW is the proposed lender of the Improvement Acquisition, Advance and Reimbursement Agreement and 2020 Funding and Reimbursement Agreement, which are to be considered for approval by the District No. 1 Board as set forth in the agenda. The directors have filed conflicts of interest with the Secretary of State disclosing their potential conflicts of interests.

Improvement Acquisition, Advance and Reimbursement Agreement: Mr. Pogue presented to the Board for District No. 1 an Improvement Acquisition, Advance and Reimbursement Agreement with VDW Properties, LLC, and in connection therewith, a subordinate promissory note to evidence District No. 1's reimbursement obligation under the Agreement. The Agreement provides for the acquisition of public improvements by District No. 1 and the receipt of advances for construction of public improvements by District No. 1, and for the reimbursement of the Districts' organizational costs. Mr. Pogue indicated the Agreement was subject to review by VDW Properties, LLC. Following review and discussion, upon a motion duly made by Director Kane, seconded by Director DePeder, and upon vote, unanimously carried, the District No. 1 Board

**RESOLVED** to approve the Improvement Acquisition, Advance and Reimbursement Agreement and, in connection therewith, the subordinate promissory note issued thereunder, subject to final review by VDW Properties, LLC and District Counsel.

2020 Funding and Reimbursement Agreement: Mr. Pogue presented to the Board for District No. 1 a 2020 Funding and Reimbursement Agreement with VDW Properties, LLC for the funding of operations and maintenance expenses and other budgeted general fund expenditures of the Districts and, in connection therewith, a subordinate promissory note to evidence District No. 1's reimbursement obligation under the Agreement. Mr. Pogue indicated the Agreement was subject to review by VDW Properties, LLC. Following review and discussion, upon a motion duly made by Director Kane, seconded by Director DePeder, and upon vote, unanimously carried, the District No. 1 Board

**RESOLVED** to approve the 2020 Funding and Reimbursement Agreement and, in connection therewith, the subordinate promissory note issued thereunder, subject to final review by VDW Properties, LLC and District Counsel.

Consumer Data Protection Policy Resolution: Mr. Pogue presented to the Boards the Consumer Data Protection Policy Resolution for the Districts. After discussion and upon motion duly made by Director Kane and seconded by Director DePeder, the Boards

**RESOLVED** to approve the Consumer Data Protection Resolution as presented.

2020 Election Resolution: Mr. Pogue presented the Election Resolution for District Nos. 1-10. After discussion and upon motion duly made by Director Kane and seconded by Director DePeder, the Boards

**RESOLVED** to approve the 2020 Election Resolution as presented.

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<u>ADJOURNMENT</u> There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 1:20 p.m.

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

Respectfully Submitted,

Elaina M. Cobb, Secretary for the Meeting