

## **RECORD OF PROCEEDINGS**

### **MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF ELKHORN RANCH METROPOLITAN DISTRICT NO. 1 HELD AT 3:00 PM ON APRIL 19, 2022**

1. **Location and Attendance:** Pursuant to § 32-1-903 C.R.S., as amended, this meeting was conducted as an audio conference on +1 669 900 6833 (Meeting ID: 897 7354 0102) and videoconference on <https://us06web.zoom.us/j/89773540102>. This meeting of the Board of Directors was called and held, as shown, in accordance with Colorado law, including without limitation § 32-1-903(2), C.R.S. The following directors confirmed their qualification to serve on the Board:

Robert A. Lembke  
Laura Puca  
Kurt C. Schlegel  
Alfred Trujillo  
David Daum

Also present was Michael Davis and Marisa Davis of the Law Office of Michael E. Davis, LLC; Eric Weaver and James Shultz, Marchetti & Weaver; Jim Rae, Rae & Co.; Darren White, Chris Kitman, and Judy Shippy, Residents.

## 2. Approval of Consent Agenda.

- 2.1. Mr. Davis noted that a quorum of the Board was present and the Directors confirmed their qualification to serve.
- 2.2. Mr. Davis then advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each Board member confirmed the contents of written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act. Mr. Davis reported that the following written disclosures of the interests of all of the directors were filed with the Secretary of State prior to the meeting:
  - 2.2.1. Mr. Daum disclosed his interest as an owner of real or personal property interest located within the Elkhorn Ranch Metropolitan District No. 1; his financial interest in the entity previous named; and his financial interest in connection with official action as a Board member of Elkhorn Ranch Metropolitan District No. 1.
  - 2.2.2. Mr. Schlegel disclosed his interest as an owner of real or personal property interest located within the Elkhorn Ranch Metropolitan District No. 1; his financial interest in the entity previous named; and his financial interest in connection with official action as a Board member of Elkhorn ranch Metropolitan District No. 1.
  - 2.2.3. Ms. Puca disclosed her interest as an owner of real or personal property interest located within the Elkhorn Ranch Metropolitan District No. 1; her financial interest in the entity previous named; and her financial interest in connection with official action as a Board member of Elkhorn ranch Metropolitan District No. 1.
  - 2.2.4. Mr. Trujillo disclosed his interest as an owner of real or personal property interest located within the Elkhorn Ranch Metropolitan District No. 1; his financial interest in the entity previous named; and his financial interest in connection with official action as a Board member of Elkhorn ranch Metropolitan District No. 1.

2.2.5. Director Robert A. Lembke disclosed his interest as an owner of real or personal property interests located within the District. He further disclosed his interest in 160th Avenue Holdings, LLC, 70 Ranch, LLC, 70 Ranch Equities, LLC, 70 Ranch Holdings, LLC, 70 Ranch Resource Development, LLC, BPK Commercial, LLC, Bromley District Water Providers, LLC, BPK Holdings, LLC, Bromley Equities, LLC, Bromley Mineral Holdings, LLC, Bromley Park Industrial Land Co., LLC, Campos Verdes, LLC, CAW Equities, LLC, Centennial Ranch, LLC, Chambers Reservoir Equities, LLC, Colorado Water Network, LLC, CORAD Holdings, LLC, District 5, LLC, Elkhorn Land Company, LLC, Elkhorn Ranch, LLC, Elkhorn Mineral Holdings, LLC, Frontage Equities, LLC, Flywheel Holdings, LLC, H & A Minerals Holdings, LLC, Highland Equities, LLC, Highland View Corporation, Kersey Ag Company, LLC, Northern Colorado High Plans Producers, LLC, RAL Equities, LLC, RAL Holdings, LLC, Red Tierra Equities, LLC, Red Tierra Silver Peaks, LLC, Rock Creek Minerals, LLC, S3L Holdings, LLC, Scout Investments, LLC, Sisyphus Investments, LLC, SP Lochbuie, LLC, SP Equities, LLC, South Weld Holdings, LLC, SPL Commercial, LLC, United Milliken Reservoir Enterprise, LLC, The Bromley Companies, LLC, Wen37 Holdings, LLC, WCD Corporation, Metropolitan Maintenance & Administration, LLC, Weld Kil 270 Equities, LLC, T5NR63W, LLC, Weld County Drainage, LLCCAW Investments, LLC; his direct or indirect financial interests in the entities previously named; and his financial interest in connection with official action as a Board member of Adams East Metropolitan District, Altamira Metropolitan District No. 5, Bromley Park Metropolitan District Nos. 3, 5, 6, Cottonwood Greens Metropolitan District No. 5, Elkhorn Ranch Metropolitan District No. 1, Platte River Metropolitan District, Platte River Water Development Authority, Silver Peaks Metropolitan District No. 5, South Beebe Draw Metropolitan District, The Highlands Metropolitan District Nos. 1-5, United Water & Sanitation District, Weld Adams Water Development Authority, Front Range Infrastructure Authority.

2.3. **Approval of Agenda.** The Board reviewed the consent agenda including the November 19, 2021 meeting minutes. Upon motion by Director Schlegel and second by Director Puca, the consent agenda was approved unanimously.

3. **Public Comment.** Ms. Shippy reported a reduction in the use of the open spaces by off highway vehicles.
4. **Review and Consider Approval of Draft Financial Statements for 2021 Audit.** Mr. Weaver presented and reviewed with the Board the details of the 2021 financial statements and audit. Director Schlegel moved to approve the 2021 audited financial statements and Director Daum seconded. A discussion of the footnotes to the 2021 financial statements ensued and the motion and second was withdrawn. Upon motion by Director Trujillo and second by Director Puca, the Board unanimously approved the financial statements for purposes of the 2021 audit subject to inclusion of the following modifications to the footnotes: (1) update COLOTRUST footnote to reflect three portfolio options, (2) revision of header on Governmental Funds Balance Sheet/Statement of Net Positions from “Statement of Net Assets” to “Statement of Net Position”, (3) revision of header on Statement of

Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Statement of Activities from “Statement of Net Assets” to “Statement of Net Position”, and (4) revision regarding the Denver Foundation.

5. **Consider Use and Possible Appropriation of Funds from the District’s Denver Foundation Account.** The Board discussed the appropriation of funds from the District’s Denver Foundation Account. The Board requested counsel to review the agreement with the Denver Foundation to identify the restrictions on use of the funds.
6. **Consider Approval and Ratification of Payment of Claims.** The Board reviewed the claims totaling \$27,321.68. Upon motion by Director Trujillo and second by Director Schlegel, the claims were unanimously ratified.
7. **Consider Pavement Evaluation from Quality Paving Consultants and Possible Coordination With Elbert County for Road Maintenance and Repair.** The Board reviewed the pavement evaluation report from Quality Paving Consultants and discussed possible coordination with Elbert County for road maintenance and repair. Upon by Director Puca and second by Director Schlegel, the Board appointed a committee of Director Schlegel and Director Daum to negotiate with the County regarding road maintenance and repair.
8. **Consider Open Space Surveillance Report and Next Steps for Monitoring and Enforcement.** The Board reviewed the surveillance report regarding open space use by off highway vehicles. Upon motion by Director Trujillo and second by Director Schlegel, the Board authorized a committee of Director Schlegel and Director Trujillo to engage in further surveillance as needed under the existing contracts.
9. **Discuss Protective Covenants and Enforcement of Covenants, Conditions and Restrictions.** The Board discussed the Protective Covenants and Enforcement of Covenants, Conditions and Restrictions. Counsel was requested to add this item to the agenda of future annual meetings of the Board. No further action was taken.
10. **Other Business.** There was no other business at this time.
11. **Adjournment.** There being no further business to come before the Board, upon motion and second, the Board unanimously adjourned the meeting. The next regular meeting of the Board is scheduled for May 24, 2022.

Respectfully submitted,

DocuSigned by:

*Laura Puca*

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Secretary for the Meeting