

MINUTES OF A

JOINT SPEICAL MEETING OF THE BOARDS OF DIRECTORS

OF THE

MAYBERRY, COLORADO SPRINGS METROPOLITAN DISTRICT NOS. 1 & 2

AND MINUTES OF A

JOINT ORGANIZATIONAL MEETING OF THE BOARDS OF DIRECTORS

OF THE

MAYBERRY, COLORADO SPRINGS METROPOLITAN DISTRICT NOS. 3-8

Held: Wednesday, January 20, 2021, at 1:00 P.M.

Due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders, issued by the Colorado Department of Health and Environment (CDPHE), and the threat posed by the COVID-19 coronavirus, the meeting was held via teleconference.

ATTENDANCE

The meeting was held in accordance with the laws of the State of Colorado. The following directors were in attendance:

Lee Merritt

Also present were: Jennifer Gruber Tanaka, Esq., and Heather L. Hartung, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Carrie Bartow and Seef LeRoux, CliftonLarsonAllen, LLP, District Accountant; Brad Simons, PE, MMI Water Engineers, LLC, District Engineer; Randy Goodson, Foley Development; John Mick and Jason Kvols, eligible electors; and Alan Curtis, Esq., White & Jankowski, LLP, Water Counsel.

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order.

Declaration of Quorum and Confirmation of Director Qualifications Ms. Tanaka noted that a quorum for each of the Boards was present and that the directors had confirmed their qualification to serve.

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest Ms. Tanaka advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Tanaka reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Ms. Tanaka noted that a quorum was present and inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Boards determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Combined Meetings The Districts are meeting in a combined Board meeting. Unless otherwise noted below, the matters set forth below shall be deemed to be the actions of the Mayberry, Colorado Springs Metropolitan District Nos. 1-8, inclusive, collectively.

Approval of Agenda Ms. Tanaka presented the Boards with the proposed agenda for the meeting. Upon motion, duly seconded, the Boards unanimously approved the agenda as revised to add consideration of the engagement of D.A. Davidson & Co. as Underwriter for the 2021 Bonds under financial matters.

PUBLIC COMMENT None.

DIRECTORS MATTERS

Appointment of Directors to Boards Ms. Tanaka noted the vacancies on each of the Boards and noted that Mr. Mick and Mr. Kvols have indicated their interest in serving on the Boards. Ms. Tanaka reported that Mr. Mick and Mr. Kvols have each confirmed their eligibility to serve. Upon motion, duly seconded, the Boards unanimously appointed Mr. Mick and Mr. Kvols to the Boards. Ms. Tanaka reported that her office will file the certificates of appointment and administered oaths of office with the Division of Local Government and the District Court in accordance with Colorado law.

Election of Officers Ms. Tanaka reported the need to elect officers for the Districts. Ms. Tanaka noted that Colorado law requires that each District have a President and Treasurer. She also noted that each District must have a Secretary, which position is not required to be a Board

position. Upon motion, duly seconded, the Boards unanimously elected the following officers for each of the Boards:

President: John Mick
Secretary: Jason Kvols
Treasurer: Lee Merritt

CONSENT AGENDA

The Boards were presented with the consent agenda items. Upon motion, duly seconded, the Boards unanimously took the following actions:

- a. Approval of Minutes from the November 12, 2020 Joint Special Meeting (District Nos. 1 & 2)
- b. Adoption of Resolution 2021-01-01: 2021 Joint Annual Administrative Resolution (District Nos. 3-8)
- c. Adoption of Resolution 2021-01-02: Joint Resolution Extending Emergency Procedures and Authorizing Teleconferencing for Regular Meetings (District Nos. 3-8)
- d. Adoption of Resolution 2021-01-03: Joint Resolution Establishing an Electronic Signature (District Nos. 3-8)
- e. Adoption of Joint Resolution No. 2021-01-04: Providing for the Defense and Indemnification of Directors and Employees of the Districts (District Nos. 3-8)
- f. Adoption of Joint Resolution No. 2021-01-05: Adopting Colorado Special District Records Retention Schedule (District Nos. 3-8)
- g. Adoption of Joint Resolution No. 2021-01-06: Adopting Public Records Request Policy (District Nos. 3-8)
- h. Adoption of Joint Resolution No. 2021-01-07: Concerning the Location of Special and Regular Meetings (District Nos. 1-8)
- i. Adoption of Joint Resolution No. 2021-01-08: Designating the Location of Regular and Special Meetings Outside the District Boundaries
- j. Approval of SDA Memberships and Intergovernmental Agreement with Colorado Special Districts Property and Liability Pool (District Nos. 3-8)
- k. Approval of Insurance and Limits for Same (District Nos. 3-8)
- l. Approval of Agency Fee Agreement with T. Charles Wilson for Insurance Broker Services (District Nos. 3-8)
- m. Ratification of Claims (\$32,732.19) (District No. 1)
- n. Acceptance of Unaudited Financial Statements as of December 31, 2020 (District No. 1)
- o. Approval of Transaction Based Consent Letter as between District No. 1 and District Nos. 2-8 (District Nos. 1-8)
- p. Approval of Waiver of Conflict of Interest for Limited

Representation of Ellicott Utilities Commission Related to
Benton Well #2 Change Case and Related Matters for
White & Jankowski, LLP

**CONSULTANT
MATTERS**

Engagement of WHITE BEAR ANKELE TANAKA & WALDRON as General Counsel (District Nos. 3-8)

Ms. Tanaka presented the Boards with an engagement letter with her firm, WHITE BEAR ANKELE TANAKA & WALDRON, as General Counsel for District Nos. 3-8. Upon motion, duly seconded, the Boards unanimously approved the engagement.

Engagement of Spencer Fane, LLP as Special Counsel for Operating Agreement (District Nos. 3-8)

Ms. Tanaka presented the Boards with an engagement letter with Spencer Fane, LLP as Special Counsel for the Operating Agreement for District Nos. 3-8. Upon motion, duly seconded, the Boards unanimously approved the engagement.

Independent Contractor Agreement with MMI Water Engineers, LLC for District Engineer Services (District Nos. 3-8)

Ms. Tanaka presented the Boards with an Independent Contractor Agreement with MMI Water Engineers, LLC for District Engineer Services for District Nos. 3-8. Upon motion, duly seconded, the Boards unanimously approved the agreement.

Engagement Letter with White & Jankowski, LLP, for Water Rights Legal Counsel (District Nos. 3-8)

Ms. Tanaka presented the Boards with an engagement letter with White & Jankowski, LLP, for Water Rights Legal Counsel for District Nos. 3-8. Upon motion, duly seconded, the Boards unanimously approved the engagement.

Engagement Letter with CliftonLarsonAllen, LLP, for Accounting Services (District Nos. 3-8)

Ms. Tanaka presented the Boards with an engagement letter with CliftonLarsonAllen, LLP, for Accounting Services for District Nos. 3-8. Upon motion, duly seconded, the Boards unanimously approved the engagement.

FINANCIAL MATTERS

Public Hearings on 2021 Budgets and Adoption of Resolution Nos. 2021-01-09 (District No. 3), 2021-01-10 (District No. 4), 2021-01-11 (District No. 5), 2021-01-12 (District No. 6), 2021-01-13 (District No. 7), 2021-01-14 (District No. 8): Adopting Budget, Imposing Mill Levy and Appropriating Funds

Mr. Merritt opened the public hearings on the 2021 budgets for District Nos. 3-8. Ms. Tanaka reported that notice of the public hearings was provided in accordance with Colorado law and no objections were received prior to the hearings. Ms. Bartow reviewed the budgets with the Boards. There being no public comment, the hearings were closed.

Upon motion, duly seconded, the Boards of District Nos. 3-8 unanimously approved the budgets and adopted Resolution Nos. 2021-01-09 (District No. 3), 2021-01-10 (District No. 4), 2021-01-11 (District No. 5), 2021-01-12 (District No. 6), 2021-01-13 (District No. 7), 2021-01-14 (District No. 8): Adopting Budget, Imposing Mill Levy and Appropriating Funds.

Discuss Issuance of 2021 Bonds The Boards discussed the issuance of bonds in 2021 and noted that the desired closing date is April 2021. Mr. Goodson provided a high-level summary of the proposed structure for the issuance of the bonds.

Engagement of D.A. Davidson & Co. as Underwriter for 2021 Bonds The Boards were presented with an engagement letter from D.A. Davidson & Co. to serve as underwriter for the 2021 bonds. Upon motion, duly seconded, the Boards of District Nos. 3-8 unanimously approved the engagement.

DEVELOPMENT, ASSET, AND WATER MATTERS

Review and Discuss Mayberry Pump Testing Proposal and Funding Request Mr. Simons reported that this was discussed by the Boards at the November meeting and is for Colorado Water Well to pull equipment from the two existing wells, conduct video inspection for both and pump testing on one of the wells. The hope is to re-equip these wells so that a third well is not needed. The Boards noted the desire to proceed with the project. Mr. Simons will circulate the updated proposal to the Boards for reference and noted that the Boards previously approved the engagement of Colorado Water Well but the project was on hold pending funding. Mr. Merritt inquired into the timing for the project. Mr. Simons noted they are prepared to start immediately with the project.

Discuss Status of District No. 2's conveyance of certain water infrastructure, water rights and sewer infrastructure to District Mr. Simons reported that he drafted some conveyance documents for the transfer of the assets to the Districts. Mr. Simons will work with Mr. Kvolts to finalize the inventory and to establish a value for the improvements.

Update Regarding Discussions with Cherokee Metropolitan District

Water and wastewater coordination Mr. Simons reported that Cherokee Metropolitan District ("CMD") provides water and sanitary sewer service to areas adjacent to the Districts. Mr. Goodson has coordinated with CMD to discuss the possibility of coordinated services to the communities. Mr. Simons and Mr. Kvolts will continue to coordinate and discuss the various opportunities with CMD.

Chlorine analyzer at the Viewpoint tank site Mr. Simons reported that this project is complete. Mr. Simons was provided an opportunity to review the details for the project and provide comment back to CMD.

SCADA alarms for lift stations

Mr. Simons reported that CMD wanted to get the Ellicott Utilities Company’s (“EUC”) two sewer lift stations off of its alarm system to avoid possible liability of CMD due to any calls. Mr. Simons reported that there are 2 options available to resolve the issue: 1) with a phone line on site, the equipment cost is approximately \$1,000 per site; and 2) if communications are via cellular service, the equipment cost is approximately \$6,000 per site. Mr. Simons will review the options as more information becomes available and will provide a recommendation to the Boards. Mr. Kvols is working with CenturyLink regarding phone service to each site.

Discussion Regarding Development Activities

Lots 71 and 72 of the Viewpoint Estates subdivision

Mr. Simons reported that there are 2 lots north of Highway 94 that are part of the Viewpoint Estates subdivision. They are approximately 12 acres in size each and were intended to be commercial. The owner wants to redevelop these lots and replat them into 7 residential properties consisting of 2.5 acre lots.

Mayberry Colorado Springs filings, including infrastructure inspection and testing

Mr. Simons reported that Al Watson will be inspecting and testing the existing lines from the wells to the tank site and from the tank building onto the property, as well as the gravity sewer line to the wastewater treatment facility to determine their condition and any repair/replacement needs.

Sunset Village, including wastewater collection, conveyance, and treatment

Mr. Simons reported that there is a party interested in developing 40 additional lots. The lots are already platted and part of the 143 lots that CMD will provide water service to and for which the Districts will provide sanitary sewer services to in the future. Mr. Simons will prepare a memorandum addressing how these lots will be served by the Districts.

OTHER BUSINESS

Next Joint Regular Meeting

The next joint regular meeting is scheduled for November 11, 2021, at 9:00 A.M.

ADJOURNMENT

There being no further business to come before the Boards, upon motion, second and unanimous vote, the meeting was adjourned.

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

Jason Kvols
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Secretary for the Districts