

MINUTES OF THE JOINT REGULAR MEETING OF THE
BOARDS OF DIRECTORS OF

KARL'S FARM METROPOLITAN DISTRICTS NOS. 1-3

Held: Wednesday, September 20, 2023, at 1:30 p.m. via
teleconference.

Attendance

The joint regular meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance:

David Goldberg
Daniel Frank
Marc Cooper
Richard Frank

Director Shoflick was absent. All absences are deemed excused unless otherwise noted in these minutes.

Also present were: George M. Rowley, White Bear Ankele Tanaka & Waldron, Attorneys at Law, General Counsel; Cathy Hamilton, Simmons & Wheeler, P.C., District Accountant; and Stan Fowler, Independent District Engineering Services.

**Call to Order/Declaration
of Quorum**

Director Goldberg noted that a quorum of each of the Boards was present and called the meeting to order.

**Director Conflict of
Interest Disclosures**

Mr. Rowley advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Rowley reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of 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. Mr. Rowley 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 participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Combined Meetings

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes is the action of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Approval of Agenda

Mr. Rowley presented the proposed agenda to the Boards for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda as presented.

Public Comment

None.

Consent Agenda

Mr. Rowley reviewed the items on the consent agenda with the Boards. No items were requested to be removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and adopted:

- a. May 23, 2023 Joint Special Minutes

Legal Matters

Consider Adoption of 2024 Annual Administrative Resolution

Mr. Rowley presented the 2024 Annual Administrative Resolution to the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the resolution.

Consider Colorado 811 Owner/Operator Membership for District or HOA

Mr. Rowley presented the Colorado 811 Owner and Operator Membership to the Boards. The Boards engaged in general discussion, no action taken.

Consider Adoption of Resolution Acceptance of District Eligible Costs (Reports 34, 35 & 36)

Mr. Rowley presented the Resolution Acceptance of District Eligible Costs to the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the resolution.

Discuss Amended and Restated Intergovernmental Agreement Regarding Facilities Funding and Construction

Mr. Rowley presented the Amended and Restated Intergovernmental Agreement regarding Facilities Funding and Construction to the Boards. Director Frank noted that he had reviewed the Amendment and that it looked accurate to him. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agreement.

Second Amendment to Funding and

Mr. Rowley presented the Second Amendment to the Funding and Reimbursement Agreement to the Boards. Following discussion,

Reimbursement Agreement (O&M) for District No. 1

upon a motion duly made and seconded, the Boards unanimously approved the agreement.

Discuss Requirements of SB23-303 Relating to Limitations on Property Tax Revenue

Mr. Rowley explained to the board that Proposition HH will be on the ballot this November, which is a referred measure that would limit tax increases from the prior property tax year to the amount of inflation, and that would also temporarily reduce the valuation for assessment of certain residential and nonresidential property. In exchange for the limit on tax increases and reduced valuation for assessment the ballot measure would allow the State to retain surplus revenue that would otherwise be required to be refunded to taxpayers. Because the District is holding its meeting before the election the District will need to approve a budget that may need to be recalculated if Proposition HH passes. The motion to approve the budget resolution should include direction to the consultants to file the budget with the appropriate calculation based on the outcome of the election.

Insurance Matters

Consider Approval for Renewal of General Liability Schedule and Limits Consider Approval and Authorization to Bind Coverage, Renewal of Special District Association of Colorado Membership, Payment of Agency Fee

Mr. Rowley presented the Renewal of General Liability, Workers Compensation and Agency Fee to the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the renewals.

Financial Matters

Consider Acceptance of Unaudited Financial Statements

Ms. Hamilton presented the financial statements to the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously accepted the financials.

Approval of Claims Listing

Ms. Hamilton presented the claims to the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the claims.

Conduct Public Hearing on 2023 Budget Amendment (District No. 1)

Director Goldberg opened the public hearing on the 2023 Budget Amendment. Mr. Rowley noted that the notice of public hearing was provided in accordance with Colorado Law. No written

objections were received prior to the meeting. There being no public comment, the hearing was closed.

Ms. Hamilton reviewed the Resolution Amending the 2023 Budget with the Board of District No. 1. Following discussion, upon a motion duly made and seconded, the Board of District No. 1 unanimously adopted the resolution amending the General Fund to \$120,000, and the Capital Fund to \$3,500,000.

Conduct Public Hearing on 2023 Budget Amendment (District No. 2)

Director Goldberg opened the public hearing on the 2023 Budget Amendment. Mr. Rowley noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.

Ms. Hamilton reviewed the Resolution Amending the 2023 Budget with the Board of District No. 2. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously adopted the resolution amending the General Fund to \$87,738.

Conduct Public Hearing on 2023 Budget Amendment (District No. 3)

Director Goldberg opened the public hearing on the 2023 Budget Amendment. Mr. Rowley noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.

Ms. Hamilton reviewed the Resolution Amending the 2023 Budget with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously adopted the resolution amending the Debt Service Fund to \$232,295, and the Capital Fund to \$10.

Conduct 2024 Budget Hearing and Consider Adoption of 2024 Budget Resolution (District No. 1)

Director Goldberg opened the public hearing on the proposed 2024 Budget. Mr. Rowley noted that the notice of public hearing was provided in accordance with Colorado law. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.

Ms. Hamilton reviewed the 2024 Budget Resolution with the Board of District No. 1. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2024 Budget, appropriating funds therefor as shown in the 2024 Budget, subject to receipt of final assessed valuation, and directed its consultants to file the budget with the

appropriate mill levy calculation based on whether or not Proposition HH is approved by the voters.

Conduct 2024 Budget Hearing and Consider Adoption of 2024 Budget Resolution (District No. 2)

Director Goldberg opened the public hearing on the proposed 2024 Budget. Mr. Rowley noted that the notice of public hearing was provided in accordance with Colorado law. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.

Ms. Hamilton reviewed the 2024 Budget Resolution with the Board of District No. 2. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2024 Budget, appropriating funds therefor as shown in the 2024 Budget, subject to receipt of final assessed valuation, and directed its consultants to file the budget with the appropriate mill levy calculation based on whether or not Proposition HH is approved by the voters.

Conduct 2024 Budget Hearing and Consider Adoption of 2024 Budget Resolution (District No. 3)

Director Goldberg opened the public hearing on the proposed 2024 Budget. Mr. Rowley noted that the notice of public hearing was provided in accordance with Colorado law. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.

Ms. Hamilton reviewed the 2024 Budget Resolution with the Board of District No. 3. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2024 Budget, appropriating funds therefor as shown in the 2024 Budget, subject to receipt of final assessed valuation, and directed its consultants to file the budget with the appropriate mill levy calculation based on whether or not Proposition HH is approved by the voters.

Other Business

None.

Adjournment

There being no further business to come before the Boards and following discussion, upon a motion duly made, the Boards unanimously determined to adjourn the meeting.

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

Marc Cooper
Marc Cooper (Mar 19, 2024 14:18 MDT)

Secretary for the Meeting

The foregoing minutes were approved by the Boards of Directors on the 18th day of March 2024.