

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF

HIGHLANDS METROPOLITAN DISTRICT NO. 2

Held: Thursday, December 3, 2020, at 6:00 p.m., *via teleconference*

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

Attendance

The special meeting of the Board of Directors of the Highlands Metropolitan District No. 2, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Board, were in attendance:

James Spehalski
Allison Rochester
Gavin Adams
Devon Schad
Lloyd Rochester

Also present were Megan J. Murphy, Esq., and Audrey G. Johnson, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Brooke Hutchens, D.A. Davidson & Co., and Diane Wheeler, Simmons & Wheeler, P.C., District Accountant, and the following residents: John Hostetler and Miranda Hernandez.

Call to Order

Ms. Murphy noted that a quorum of the Board was present and called the meeting to order.

Conflict of Interest Disclosures

Ms. Murphy advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Murphy 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 Board at least 72 hours prior to the meeting, in accordance with Colorado

law, and those disclosures were acknowledged by the Board. Ms. Murphy inquired into whether members of the Board 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 Board to act.

Agenda

Ms. Murphy presented the proposed agenda to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda, as presented.

Consent Agenda

Ms. Murphy reviewed the items on the consent agenda with the Board. Ms. Murphy advised the Board that any item may be removed from the consent agenda to the regular agenda upon the request of any director. 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/or adopted:

- Minutes from October 14, 2020 special meeting
- Minutes from October 28, 2020 special meeting

Public Comment

None.

Financial Matters

Discuss Potential Refinancing of 2016 Bonds

Ms. Hutchens presented options for refinancing the 2016 bonds. The Board engaged in discussion regarding mill levy increases, a Service Plan amendment, and the funds required to construct a community pool. Following discussion, the Board directed Ms. Hutchens to present additional refinancing options assuming the new cash available is \$300,000.

Discuss Information Related to the Community Pool

The Board engaged in discussion regarding the community pool including the proposed financial contribution from each homeowner in order to finance a community pool. Following discussion, and upon motion duly made and seconded, the Board approved not to move forward with the community pool at this time.

Consider Adoption of Resolution to Amend 2020 Budget

Ms. Wheeler discussed a Resolution to the 2020 Budget Amendment with the Board. Following discussion, and upon motion duly made and seconded, the Board determined that the 2020 Budget Amendment was not necessary.

Consider Adoption of Resolution to Adopt 2021 Budget

Ms. Wheeler reviewed the 2021 Budget Resolution with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2021 Budget, appropriating funds therefor and certifying 5.000 mills for the general fund, 54.869 mills for the debt service fund.

The Board directed legal counsel and the District's accountant to certify the mill levy by December 15, 2020 and file the 2021 Budget by January 30, 2021.

Other Financial Matters

Ms. Wheeler presented the Board with outstanding claims in the amount of \$9,037.36 for ratification. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the claims.

Ms. Wheeler presented the Board with the claims payable in the amount of \$7,667.66. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the payment of claims as presented.

Other Business

Ms. Wheeler noted that an update on the bank account and Bill.com are in process and she expects both to be available to the Board by January, 2021.

Adjournment

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

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


Lloyd Rochester (Feb 24, 2021 10:52 MST)

Officer of the District

The foregoing minutes were approved by the Board of Directors on the 22nd day of February, 2021.