

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARDS OF DIRECTORS OF

EAGLE BROOK MEADOWS METROPOLITAN DISTRICTS NOS. 1-3

HELD
February 2, 2023

The Combined Regular Meeting of the Boards of Directors (collectively, “Boards”) of the Eagle Brook Meadows Metropolitan District No. 1, Eagle Brook Meadows Metropolitan District No. 2, and Eagle Brook Meadows Metropolitan District No. 3 (collectively, “Districts”) was held via videoconference at 10:00 a.m. on Thursday, February 2, 2023. Notice of the combined meeting was duly posted.

ATTENDANCE:

Directors in Attendance for District Nos. 1 and 3:

Robert Eck, II, President
Erik Halverson, Assistant Secretary
Donald Guerra, Assistant Secretary

Directors in Attendance for District No. 2:

Robert Eck, II, President
Hope Pruett, Assistant Secretary
Jeanne Findley, Director

Directors Absent, but Excused for District No. 2

Brett Wisniewski, Director

Also in Attendance Were:

Deborah Early, Esq.; Icenogle Seaver Pogue, P.C.
Andrew Kunkel, Kevin Mitts, Nicole Wing, Shannon McEvoy, Randall Provencio, Adam Brix, Tracie Kaminski, Doug Campbell, Christy McCutchen, Amanda Castle, and Dawn Clark; Pinnacle Consulting Group, Inc.
Erich Menzel, Peter Sankhagowit, Paul Aiken, Bill and Nancy DeLaCroix, John VanDenBerg, Natalie DeLaCroix, Jamie Durner, Phil Woare, Jeff Hester, Andrew Mock, Marni & Donna, Nathan Bowers, Nathan E., Susan Taylor, Amy Marso, Leon and Alice, Michael Barbee, Kathleen Merrill, Amy, Lyn Ferguson, Laurie Heistand, Cathy Cwik, Mark Kitzerow, Mhenke, Kristin, Helen, Dawn and Amanda ; Members of the Public

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ADMINISTRATIVE ITEMS

Call to Order/ Declaration of Quorum: The meeting was called to order at 10:04 a.m. by Mr. Kunkel, noting that a quorum was present, with three of three Board members in attendance for District Nos. 1 and 3 and three of four Board members in attendance for District No. 2. The Directors in attendance confirmed their qualifications to serve.

Director Disclosure of any potential Conflicts of Interest: Ms. Early advised the Board that, pursuant to Colorado law, Board members are required to disclose certain potential conflicts of interest regarding any matters scheduled for discussion at this meeting and prior to taking official action at this meeting. Ms. Early noted that potential conflicts of interest disclosures were filed with the Colorado Secretary of State for Directors Eck, Halverson and Guerra as required by law. Directors Wisniewski, Pruett, and Findley did not have any potential conflicts of interests to report. Additionally, the Boards determined that the participation of all Board members present was necessary to obtain a quorum or otherwise enable the Board to act.

COMBINED MEETING

The Districts are meeting in a combined Board meeting. Unless otherwise noted, the matters set forth below shall be deemed to be the actions of the Eagle Brook Meadows Metropolitan District No. 1, Eagle Brook Meadows Metropolitan District Nos. 2, and Eagle Brook Meadows Metropolitan District No. 3.

APPOINTMENT TO FILL BOARD VACANCY AND ELECT OFFICERS

Ms. Early addressed the Boards and provided an overview of the process for appointing interested candidates to the Boards noting there is one interested candidate to the fill the vacancy on the Board for District No. 2. Ms. Early reported that Mr. Erich Menzel has submitted a letter of interest and that he qualifies as a candidate to be appointed to the Board of District No. 2. Ms. Early noted that Mr. Menzel will officially be a District No. 2 Board member upon taking his oath and office and filing such oath with the District Court. Mr. Menzel introduced himself and provided an overview of his qualifications to serve on the Board for District No. 2. Following review and discussion, and upon motion duly made by Director Pruett, seconded by Director Findley and, upon vote, unanimously carried, it was

RESOLVED to appoint Erich Menzel to the Board of Directors for District No. 2.

APPROVAL OF AGENDA

The Boards considered the agenda. Ms. Early requested that the Boards move Legal Item V.B. to after Management and Operational Matters Item VI. B. In addition, Mr. McEvoy indicated that Section III – Financial Item and an additional Public Comment section be provided after Management

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and Operational Matters Item VI. B. Upon motion duly made by Director Eck, seconded by Director Pruett and, upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as amended to (i) add an additional Public Comment section and (ii) move Section III – Financial Items and Legal Item V.B., after Management and Operational Matters Item VI.B.

PUBLIC COMMENT

The Boards opened the meeting to public comment.

Peter Sankhagowit commented on the implementation of the new operations and maintenance fee, requested further understanding from the Boards on the operations of the Districts and that the Boards consider cost savings in order to reduce the fees, and voiced concern with the lack of communication and transparency to the residents regarding the implementation of the operations and maintenance fee.

Bill DeLaCroix voiced his concerns regarding dead trees in the open space near his home and inquired if the trees will be replaced.

Paul Aiken voiced his gratitude to the Boards for the maintenance and improvements regarding the landscaping around the District but has concerns regarding the implementation of the operations and maintenance fees. He requested that the Districts be held accountable for the finances of the District and requested that the Districts work to ensure that they keep the fees as low as possible.

Erich Menzel requested that there be an increase in communication and transparency to the residents, and inquired about fence installments around the District.

John Vandenberg requested that the Boards increase communication and transparency to the residents and consider options for making the community more kid-friendly.

Jaimie Durner voiced her concerns regarding the implementation of the operations and maintenance fees and requested the Boards provide more information regarding how the Boards determined the total amount of fees owed. She stated she was under the impression the District was under budget and requested that the Boards consider areas where there could be potential cost savings around the District. She was also concerned with the lack of communication to the residents regarding the implementation of the operations and maintenance fees. Ms. Durner also requested the Boards

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consider moving the Board meetings to a later time and to provide an option of holding meetings in person rather than through a virtual platform.

Natalie DeLaCroix voiced her concerns regarding the implementation of the operations and maintenance fees and requested more information from the Boards regarding how Districts Nos. 1-3 work. Ms. DeLaCroix voiced concerns with the lack of communication and transparency to the residents regarding the implementation of the operations and maintenance fees. Ms. DeLaCroix requested verification of the Districts website.

There were no further comments.

CONSENT AGENDA

The Boards considered the following items on the consent agenda:

- A. Approval of Minutes – November 15, 2022, Special Meeting.
- B. Ratification of Payables.
- C. Ratification of Contract Modifications.

Following review and discussion, upon motion duly made by Director Eck, seconded by Director Halverson and, upon vote, unanimously carried, it was

RESOLVED to approve the consent agenda items, as presented.

CAPITAL INFRASTRUCTURE ITEMS

District Capital Infrastructure Report: Mr. Provencio reviewed the Capital Infrastructure Report with the Boards and answered questions. Mr. Provencio reviewed the Districts' landscape map with the Boards and explained each phase of the landscape projects.

Capital Fund Summary Review: Mr. Provencio reviewed the Capital Fund Summary Review with the Boards and answered questions.

LEGAL ITEMS

Districts' 2023 Regular Special District Election: Ms. Early reviewed the status of the 2023 Regular Special District Election with the Boards and answered questions.

MANAGEMENT AND OPERATIONAL MATTERS

District Manager's Report: Mr. Kunkel presented the management report to the Boards and answered questions. Ms. McCutchen reviewed the community management report with the Boards and answered questions. Ms. McCutchen provided the Districts' email and website information to the Boards and to the public attendees. Mr. Brix reviewed the operations and maintenance report with the Boards and answered questions. Mr. Brix

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reviewed landscape maintenance phases with the Boards and answered questions. Mr. Brix reviewed upcoming operations and maintenance plans with the Boards, which included upcoming plans for tree replacements throughout District No. 2.

Discussion Regarding OM Fees: Ms. Castle presented a detailed summary of the Districts' finances, budgets, and projections that were utilized to determine the need and the implementation of the operations and maintenance fees necessary for the Districts' long-term financial success. Ms. Castle further discussed the operations and maintenance fee implementation with the Boards and answered questions.

PUBLIC COMMENT

The Boards opened the meeting to public comment.

Natalie DeLaCroix provided additional comment on the operations and maintenance fees.

Paul Aiken voiced his gratitude for Ms. Castle's presentation regarding the summary of projections and assessments that were utilized to determine the implementation of the operation and maintenance fee. Mr. Aiken inquired about the formula that was used to indicate inflation rates and inquired what the Boards are doing to minimize costs for services around the District. Mr. Aiken requested that the Boards be transparent with the bidding process while exploring different vendors. Ms. Castle stated that a long-term model indicating revenues and expenditures, along with other indicators was utilized. She explained that this is constantly being reassessed, as the goal is to mitigate as much cost to the District as possible. Ms. Castle stated the accounting team collaborates diligently with the county assessor to gather the correct assessment rates. Mr. McEvoy explained that the facilities team consistently explores multiple vendors while ensuring that the bid process is competitive and that the vendors provide quality work. Ms. Early stated the Special Districts Act does not require bidding for operation and maintenance contracts.

Peter Sankhagowit inquired about mill levy increases and if the operations and maintenance fees are tax deductible. Mr. Sankhagowit also inquired about Board vacancies. Ms. Castle explained that operation and maintenance fees are not tax deductible and that the mill levy has been set. Ms. Early further explained that the mill levies were set and approved by the City of Loveland in the Districts' Service Plan. Ms. Early explained how a seat on the Board could become vacant and the steps to fill the vacancy, including appointing a member to a Board in between election years.

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Nancy DeLaCroix inquired about the build-out of the District. Ms. Castle explained the level of involvement and contributions from the developer. She further explained that if the assumption of the build-out of the District changes, then operations and maintenance of the District could change and the accounting team would re-evaluate revenues, expenditures, and operation and maintenance fees.

Erich Menzel inquired about the Loveland water program. Mr. McEvoy explained there is an agreement with the City of Loveland regarding water conservation.

2023 AMENDED BUDGET HEARING

Director Eck opened the 2023 Amended Budget Hearing for District No. 1. It was noted that notice of the hearing had been published on February 1, 2023, in *The Loveland Reporter-Herald* in accordance with state budget law. Ms. Castle reviewed the amended budget for District No. 1. There being no public input, Director Eck closed the hearing. The Board reviewed the amended 2023 budget, which amended total expenditures in the Operations and Maintenance Fund for District No. 1 to the following amounts:

District No. 1

Original Adopted O&M Fund: \$505,452

Amended O&M Fund: \$475,452

After review and discussion, upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, it was

RESOLVED to approve the Resolution to Amend the 2023 Budget for District No. 1.

LEGAL ITEMS CONT.

Third Amendment to 2021 Funding and Reimbursement Agreement with Front Range Investment Holdings, LCC, and in connection therewith, Refunding of an existing Subordinate Note and Issuance of New Subordinate for Operation Advances: Ms. Early presented to the District No. 1 Board, a Third Amendment to 2021 Funding and Reimbursement Agreement with Front Range Investment Holdings, LCC (“Front Range”), and in connection therewith, requested the Board refund the existing Subordinate Note and issue a new Subordinate Note to Front Range to evidence District No. 1’s reimbursement obligation for operation advances and answered questions. Following review and discussion, upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, it was

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RESOLVED to approve the Third Amendment to 2021 Funding and Reimbursement Agreement with Front Range Investment Holdings, LCC, and in connection therewith, authorized the refunding of the existing Subordinate Note and the issuance of new Subordinate Note to Front Range, as presented.


OTHER ITEMS

There were no Other Items brought before the Boards.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 12:28 p.m.

Respectfully submitted,



For Nicole Wing
Recording Secretary for the Meeting