

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF JOHNSTOWN NORTH METROPOLITAN DISTRICT NOS. 1-3

HELD
October 26, 2023

The Regular Meeting of Johnstown North Metropolitan District Nos. 1-3 was held via MS Teams and Teleconference on Thursday, October 26, 2023, at 11:30 a.m.

ATTENDANCE

Directors in Attendance:

Kim Perry, President & Chairperson
Sam Salazar, Assistant Secretary & Assistant Treasurer
Tim DePeder, Assistant Secretary & Assistant Treasurer

Directors Absent, but Excused:

Josh Kane, Treasurer & Secretary

Also in Attendance:

Deborah Early; Icenogle Seaver Pogue, P.C.
Bryan Newby, Kieyesia Conaway, Irene Buenavista, Jennifer Ondracek,
Stanley Holder, and Dillon Gamber; Pinnacle Consulting Group, Inc.
Samantha Cran; McWhinney.

ADMINISTRATIVE ITEMS

Call to Order: The Regular Meeting of the Boards of Directors (collectively, the “Boards”) of the Johnstown North Metropolitan District Nos. 1-3 (collectively, the “District”) was called to order by Director Perry at 11:37 a.m.

Coordinated Meetings: The Boards determined to hold joint meetings of the Districts and to prepare joint minutes of actions taken by the Districts at such meetings. Unless otherwise noted below, the matters set forth below shall be deemed to be the actions of the Board of Directors of Johnstown North Metropolitan District No. 1, with concurrence by the Boards of Directors of Johnstown North Metropolitan District Nos. 2, and 3.

Declaration of Quorum/Director Qualifications/Disclosure of Potential Conflicts of Interest: Director Perry noted that a quorum was present, with three out of four Directors in attendance. All Board Members confirmed their qualifications to serve on the Boards. Ms. Early noted that notices of potential conflicts of interest for all Board Members were filed with the Colorado Secretary of State at least 72 hours in advance of the meeting, disclosing that potential conflicts of interest may exist, as all Board Members are employees of McWhinney Real Estate Services, Inc.

RECORD OF PROCEEDINGS

which is associated with the primary landowner and developer of land within the District. Ms. Early advised the Boards that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Boards reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the 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 Boards determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Boards to act.

Approval of Agenda: The Boards considered the approval of the agenda. Following review and discussion, upon a motion duly made by Director DePeder, seconded by Director Salazar, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as amended to change the date of the Approval of Minutes to May 12, 2023, Special Meeting; to adjust the verbiage of agenda item II C. Financial Statements as of June 30, 2023; to make Consideration and Approval of 2024 Annual Administrative Matters Resolution as Agenda Item II D.; to shift item II D. Consideration and Approval of 2024 Meeting Resolution to II E., to shift item II E. Consideration and Approval of First Amendment to Amended and Restated Public Policy Resolution to II F., and to add item II G. Ratification of Contract Modifications.

Public Comment: There were no Public Comments received.

Director Comment: There were no Director Comments received.

CONSENT AGENDA

Director Perry reviewed the items on the consent agenda with the Boards. Director Perry advised the Boards 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 by Director Salazar, Seconded by Director DePeder, the following items on the consent agenda were unanimously approved, ratified, and adopted:

- A. Approval of Minutes – May 12, 2023, Regular Meeting.
- B. Payment of Claims.
- C. Financial Statements as of June 30, 2023.
- D. Approval of 2024 Annual Administrative Matters Resolution.
- E. Approval of 2024 Meeting Resolution.

RECORD OF PROCEEDINGS

- F. Approval of First Amendment to Amended and Restated Public Policy Resolution.
- G. Ratification of Contract Modifications.

DISTRICT MANAGER
ITEMS

Discuss Status of Sanitary Sewer Lift Station: Mr. Newby presented the Status of the Sanitary Sewer Lift Station to the Boards and answered questions.

District Manager's Report: Mr. Newby and Mr. Gamber presented the District Manager's Report to the Boards and answered questions.

2024 Master Service Agreements with Operations and Maintenance Service Contractors: Mr. Gamber presented the 2024 Master Service Agreements between District No. 1 and Operations and Maintenance Service Contractors to the District No. 1 Board and answered questions.

- i. Affordable Pest Control
- ii. All Sweep
- iii. DaVinci Signs
- iv. Foothills Landscape Maintenance
- v. Green Earth Midwest
- vi. McWhinney Real Estate Services
- vii. Ramey Environmental Services
- viii. SWPPP Colorado

Following review and discussion by the District No. 1 Board, upon a motion duly made by Director DePeder, seconded by Director Salazar, and upon vote, unanimously carried, it was

RESOLVED to approve the 2024 Master Service Agreements with Operations and Maintenance Service Contractors within the Approved 2024 Budget, as presented.

Authorization of District Manager to Execute 2024 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2024 Budget: Mr. Newby requested the District No. 1 Board consider delegating authority to the District Manager to Execute 2024 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2024 Budget. Following review and discussion by the District No. 1 Board, upon a motion duly made by Director Salazar, seconded by Director DePeder, and upon vote, unanimously carried, it was

RECORD OF PROCEEDINGS

RESOLVED to authorize the District Manager to Execute 2024 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2024 budget, as presented.

CAPITAL
INFRASTRUCTURE
ITEMS

District Project Manager Update: Mr. Holder presented the District Project Manager Update to the Boards and answered questions.

FINANCIAL ITEMS

Ratification of 2022 Audited Financial Statements: Ms. Buenavista reviewed the 2022 Audited Financial Statements for District Nos. 1 and 2 with the District Nos. 1 and 2 Boards and answered questions. Ms. Buenavista reported that the audit received a clean unmodified opinion. Following review and discussion by the District Nos. 1 and 2 Boards, upon a motion duly made by Director DePeder, seconded by Director Salazar, and upon vote, unanimously carried, it was

RESOLVED to ratify the 2022 Audited Financial Statements for District Nos. 1 and 2, as presented.

Engagement of John Cutler for 2023 Audit: Ms. Buenavista discussed and requested approval to engage John Cutler & Associates to perform the 2023 Audit for District Nos. 1 and 2 with the District Nos. 1 and 2 Boards and answered questions. Following review and discussion with the District Nos. 1 and 2 Boards, upon a motion duly made by Director Salazar, seconded by Director DePeder, and upon vote, unanimously carried, it was

RESOLVED to approve the engagement of John Cutler & Associates to perform the 2023 Audit for District Nos 1 and 2, not to exceed \$12,000.00 for both audits.

2023
AMENDED
BUDGET HEARING

Director Perry opened the 2023 Amended Budget Hearing for Johnstown North District No. 2. Mr. Newby reported that notice of the budget hearing was published on October 12, 2023, in the *Johnstown Breeze*, in accordance with state budget law. There being no public input, the public portion of the budget hearing was closed. Ms. Buenavista reviewed the amended budgets in detail and answered questions. The proposed amended budget for the District is as follows:

District No. 2
Capital Fund: \$327,138.00

RECORD OF PROCEEDINGS

Following review and discussion, upon a motion duly made by Director DePeder, seconded by Director Salazar, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolution to Adopt the 2023 Amended Budget and appropriate funds for District No. 2 and authorize such further actions of the officers and consultants necessary to sign related documents and submit and file such documents required to finalize the amended budget.

2024 BUDGET HEARING

Director Perry opened the 2024 Budget Hearing for Johnstown North Metropolitan District Nos. 1-3. Mr. Newby reported that notice of the budget hearing was published on October 12, 2023, in the *Johnstown Breeze*, in accordance with state budget law. Ms. Buenavista reviewed the mill levies, estimated revenues, and expenditures in detail and answered questions. The proposed budgets for the Districts are as follows:

District No. 1
General Fund: \$201,305.00
Capital Projects Fund: \$3,005,188.00

District No. 2
Mill Levy: 25.987 mills
General Fund: \$191,334.00
Debt Service Fund: \$436,310.00
Capital Projects Fund: \$531,330.00

District No. 3
Mill Levy: 26.494 mills
General Fund: \$629.00

There being no public input, the public portion of the budget hearings was closed. After further review and discussion, upon a motion duly made by Director DePeder, seconded by Director Salazar, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolutions to Adopt the 2024 Budgets for Johnstown North Metropolitan District Nos. 1-3, set the mill levies, and appropriate budgeted funds upon final certification of values being received by the County of Larimer on or before December 15, 2023, and approve all other documents related to the 2024 budgets. The District Manager is authorized to make minor modifications that may be necessary following receipt of final assessed values.

RECORD OF PROCEEDINGS

LEGAL ITEMS

Resolution to Increase Non-Potable Water Irrigation Rate: Ms. Early presented the Resolution to Increase Non-Potable Water Irrigation Rate to the Boards and answered questions. Following review and discussion, upon a motion duly made by Director DePeder, seconded by Director Salazar, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolution to Increase Non-Potable Water Irrigation Rate.

First Amendment to Advance and Reimbursement Agreement with Centerra Commercial, LLC, and in connection therewith, the refunding of Subordinate Note and Issuance of a new Subordinate Note to Secure District Reimbursement of capital advances: Ms. Early presented the First Amendment to Advance and Reimbursement Agreement with Centerra Commercial, LLC, and in connection therewith, the refunding of an existing Subordinate Note and issuance of a new Subordinate Note to secure District No. 1's reimbursement of capital advances, to the District No. 1 Board and answered questions. Following review and discussion, upon a motion duly made by Director Salazar, seconded by Director DePeder, and upon vote, unanimously carried, it was

RESOLVED to approve the First Amendment to Advance and Reimbursement Agreement with District No. 1 and Centerra Commercial, LLC, and in connection therewith, to approve the refunding of the existing Subordinate Note and to authorize the issuance of a new Subordinate Note.

DIRECTOR MATTERS

There were no Director Matters to come before the Boards.

OTHER MATTERS

There were no Other Matters to come before the Boards.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 12:09 p.m.

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

Respectfully submitted,

RECORD OF PROCEEDINGS

Kieyesia Conaway
Kieyesia Conaway, Recording Secretary for the Meeting