

## **RECORD OF PROCEEDINGS**

### **MINUTES OF THE COMBINED SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF TWIN BUTTES METROPOLITAN DISTRICT NOS. 1-4**

**HELD:** Tuesday, May 1, 2019, at 2:30 p.m. at Keller Williams, Downstairs Conference Room, 700 Main Avenue, Durango, Colorado.

#### **ATTENDANCE:**

The combined special meeting of the Boards of Directors of the Twin Buttes Metropolitan District Nos. 1-4 was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Glenn D. Pauls, President (District Nos. 1-4)  
Scott Strand, Secretary/Treasurer (District No. 1 only)  
Russell J. Smith Jr., Secretary/Treasurer (District Nos. 2-4)  
Dianne Pauls, Assistant Secretary (District No. 1-4)  
Parker S. Newby, Assistant Secretary (District Nos. 1-4)

Absent was Director Robert H. Delves, absence excused.  
There are no vacancies on the Boards.

Also present were: Paula Schler, Secretary to the Boards, Steven (Willie) Wilson of Twin Buttes of Durango, Matthew R. Dalton (via telephone) of Spencer Fane, LLP, Debbie Wilson, Twin Buttes Controller, and Brian J. Hollingsworth and Steven D. Hovland with the accounting firm Dalby, Wendland & Co.

#### **CALL TO ORDER:**

Mr. Dalton noted that a quorum was present for the purpose of conducting a combined special meeting by the Boards of Directors and called the meeting of the Boards of Directors of the Twin Buttes Metropolitan District Nos. 1-4 to order.

#### **DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST:**

Mr. Dalton noted that general and transactional disclosure statements had been filed on April 26, 2019, on behalf of the members of the Boards of Directors with the office of the Colorado Secretary of State and with the Secretary of the District. Upon motion duly made, seconded and unanimously carried, the Boards directed that said disclosures be incorporated herein.

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### **MINUTES:**

The Boards reviewed the minutes from the meeting held December 13, 2018. Upon motion duly made by Director Glenn Pauls, seconded by Director Dianne Pauls, and unanimously carried, the Boards approved the minutes and authorized Ms. Schler to execute them as Secretary.

### **FINANCIAL MATTERS:**

Brian Hollingsworth with the accounting firm Dalby, Wendland & Co. (DW&C), the Districts' financial auditors, presented the financial reports to the Board consisting of 1) the Financial Statements and Independent Auditor's Report, 2) Audit Reporting Package and 3) Internal Control Deficiencies Letter. DW&C have provided the audits for the last three years and had nothing new to report. They found there were no errors to correct and all accounting was done in accordance with government standards. The reports are lengthy due to the numerous disclosures that are required of a Metro District. Mr. Wilson explained that the slight deficit reported was due to lower property revenue which is a result of the assessor's valuations. The valuations are intended to increase and it is predicted the 2019 valuations, payable in 2020, will be substantially greater providing more revenue for the Districts.

Mr. Hollingsworth described to the Board that certain Developer advances to District #2 to cover bonded debt service payment shortfalls and the cost of issuance for the 2018 bonds are treated as subsidies in the audit report however District #2 intends to enter into a reimbursement arrangement with Developer. The draft agreement was presented and explained to the Board by Matt Dalton, the District's attorney. The draft Funding Agreement was reviewed by the Board who chose to table the matter until further discussion and consideration could be conducted with the intention to bring the matter back for more discussion at the next board meeting.

**ATTORNEY ITEMS:** None

### **OTHER BUSINESS:**

- a. RETF Exemptions: The following approved exemption requests were ratified and accepted by the Board:
  1. Lot 16 – 39 Aster Lane – Katie Barrowclough, owner.
  2. Parcel G, Townhome Unit address of 1125 Twin Buttes Ave. – Twin Buttes Lot G, LLC, owner/builder.
- b. Postal Services Update: Director Scott Strand reported on the situation with mail boxes at Twin Buttes. USPS certified Cluster Box Units are being used per request of the USPS and Twin Buttes is administrating the process of organizing and assigning box units and

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providing the keys to property owners. Once the keys are provided, the rest of the service is turned over to the local USPS.

- c. Summer Events at Twin Buttes: Mr. Wilson reported on events occurring at Twin Buttes this summer, including local bike races and a Montessori School fundraiser.

**NEW BUSINESS:** There was no new business.

**ADJOURNMENT:**

Following discussion and upon motion duly made, seconded and unanimously approved the Boards adjourned the combined special meeting of the Boards of Directors of the Twin Buttes Metropolitan District Nos. 1-4.

The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Boards of Directors of Twin Buttes Metropolitan District Nos. 1-4.

  
Secretary to the Boards