

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
SECOND CREEK FARM METROPOLITAN DISTRICT NO. 3
HELD
OCTOBER 17, 2022

A regular meeting of the Board of Directors (“Board”) of the Second Creek Farm Metropolitan District No. 3 (“District”) was convened on Monday, October 17, 2022, at 3:30 p.m. via conference call. The meeting was open to the public via conference call.

ATTENDANCE

Directors In Attendance Were:

Joel H. Farkas, President
Toni Serra, Secretary
Kristin Sullivan, Treasurer

Also in Attendance Were:

Paula Williams, Jay Morse and Jennifer Henry, McGeady Becher P.C.
Margaret Henderson, CliftonLarsonAllen LLP

ADMINISTRATIVE MATTERS

Disclosure of Potential Conflicts of Interest: Attorney Williams discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Williams noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that Disclosure Statements for all Directors had been filed by the statutory deadline.

Agenda: The Board reviewed the proposed Agenda for the District’s regular meeting. Following discussion, upon motion duly made by Director Farkas, seconded by Director Serra, and upon vote unanimously carried, the Board approved the Agenda and excused the absence of Director Gold.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District’s Board meeting. Following discussion, and upon motion duly made by Director Farkas, seconded by Director Serra, and upon vote unanimously carried, the Board determined to hold this meeting via conference call and encouraged public participation via telephone. The Board noted that notice of this meeting and conference call number was duly posted and that it had not received any objections to the telephonic

meeting or any requests that the meeting be changed by taxpaying electors within the District's boundaries.

Public Comment: There were no public comments.

Meeting Minutes: The Board reviewed the minutes from the July 28, 2022 and August 8, 2022 Special Meetings. Following discussion, upon motion duly made by Director Farkas, seconded by Director Serra, and upon vote unanimously carried, the Board approved the minutes from the July 28, 2022 and August 8, 2022 Special Meetings.

Resolution No. 2022-10-01 Establishing 2022 Regular Meeting Dates, Time, and Location, and Designating Location for Posting of 24-Hour Notices: The Board discussed the business to be conducted in 2023, determined to hold meetings virtually, and scheduled regular meetings on July 31, 2023 and November 27, 2023 at 3:00 p.m., via conference call. Following discussion, upon motion duly made by Director Farkas, seconded by Director Serra, and upon vote unanimously carried, the Board adopted Resolution No. 2022-10-01.

District Insurance: Attorney Williams discussed insurance renewal with the Board. Following discussion, the Board authorized renewal of the District's insurance, including workers' compensation, and renewal of its Special District Association membership for 2023.

FINANCIAL MATTERS

Unaudited Financial Statements and Cash Position: Following discussion, upon motion duly made by Director Farkas, seconded by Director Serra, and upon vote unanimously carried, the Board accepted the unaudited financial statements and cash position for the period ending August 31, 2022.

Payment of Claims: The Board deferred discussion.

2022 Budget Amendment Hearing: The President opened the public hearing to consider amending the 2022 Budget.

It was noted that a Notice stating that the Board would consider amending the 2022 Budget, along with the date, time and place of the public hearing was published in a newspaper having general circulation within the District, in accordance with statutory requirements. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

It was determined that an amendment to the 2022 Budget was not needed at this time.

2023 Budget Hearing: The President opened the public hearing to consider the proposed 2023 Budget and discuss related issues.

It was noted that a Notice stating that the Board would consider adoption of the 2023 Budget, along with the date, time and place of the public hearing was published in a newspaper having general circulation within the District, in accordance with statutory requirements. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

Ms. Henderson reviewed the proposed 2023 Budget with the Board. Following discussion, the Board considered the adoption of the Resolution No. 2022-10-02 to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-10-03 to Set Mill Levies (a General Fund Mill Levy of 11.132 mills and a Debt Service Mill Levy of 50.000, for a total Mill Levy of 61.132 mills). Upon motion duly made by Director Farkas, seconded by Director Serra, and upon vote unanimously carried, Resolution Nos. 2022-10-02 and 2022-10-03 were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2022. The District Accountant was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Adams County no later than December 15, 2022. Legal Counsel was authorized to transmit the Certification of Budget to the Division of Local Government no later than January 31, 2023.

Resolution Authorizing Adjustment of District Mill Levy in Accordance with the Service Plan: Following discussion, it was determined this Resolution is not necessary.

DLG-70 Mill Levy Certification Form: Following discussion, upon motion made by Director Serra, seconded by Director Farkas, and upon vote unanimously carried, the Board authorized the District Accountant to prepare the DLG-70 Certification of Tax Levies form ("Certification"), appointed Director Farkas to sign the Certification and directed the District Accountant to file the Certification with the Board of County Commissioners and other interested parties.

2022 Audit: The Board discussed the requirements of an audit. Following discussion, upon motion duly made by Director Serra, seconded by Director Farkas, and upon vote unanimously carried, the Board engaged Fiscal Focus Partners, LLC to perform the 2022 Audit.

Statement of Work for Accounting Services ("SOW"): Ms. Henderson discussed the SOW with CliftonLarsonAllen LLP for 2023 services with the

Board. Following discussion, upon motion duly made by Director Farkas, seconded by Director Serra, and upon vote unanimously carried, the Board approved the SOW, subject to final legal review, and appointed CliftonLarsonAllen LLP to prepare the 2024 budget, and directed that the draft 2024 budget be the same as the adopted 2023 budget unless there was input from a Board Member to adjust those assumptions.

LEGAL MATTERS

May 2, 2023 Regular Directors' Election: Attorney Williams discussed the May 2, 2023 Regular Directors' election with the Board.

Following discussion, upon motion duly made by Director Farkas, seconded by Director Sullivan, and upon vote unanimously carried, the Board adopted Resolution No. 2022-10-04 Resolution Calling a Regular Election for Directors on May 2, 2023, appointing the Designated Election Official ("DEO"), and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Transparency Notice Required Under Section 32-1-809, C.R.S.: Attorney Williams informed the Board of the required transparency notice under Section 32-1-809, C.R.S. The Board directed District Counsel to post the required notice on the Special District Association website and the District's website.

CAPITAL
IMPROVEMENT
MATTERS

Transfer of Tracts / O&M: Director Farkas noted a special meeting will likely be called in November to discuss acceptance and maintenance of tracts and improvements.

OTHER BUSINESS

None.

ADJOURNMENT

Upon motion duly made and seconded, and, upon vote, unanimously carried, the meeting was adjourned.

The foregoing record constitutes a true and correct copy of the Minutes of the above-referenced meetings.

Respectfully submitted,

By Jennifer S. Henry
Secretary for the Meeting