

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE STONE CREEK METROPOLITAN DISTRICT (THE “DISTRICT”) HELD NOVEMBER 17, 2021

A Special Meeting of the Board of Directors (referred to hereafter as the “Board”) of the District was convened on Wednesday, the 17th day of November, 2021, at 1:00 p.m. The District Board meeting was held by Zoom without any individuals (neither District representatives nor the general public) attending in person. The meeting was open to the public.

Directors In Attendance Were:

Patrick L. Lyng
Peter J. Klymkow
Eric Kubly
Mauricio Barbera

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc. (“SDMS”)

Elisabeth A. Cortese, Esq.; McGeady Becher P.C.

Gigi Pangindian; CliftonLarsonAllen LLP (“CLA”)

Michael Sanders; Choke Cherry Investors, LLC

Kim Fiore; Independent District Engineering Services, LLC (“IDES”)

Scott Bronson, Lisa Hagstrom, Brian McCleery, Anne Messner, Mark Musgrave, Ashley Racich, Amanda Roper and Denise Fulham; Residents

**ADMINISTRATIVE
MATTERS**

Disclosures of Potential Conflicts of Interest: Attorney Cortese discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The Board noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Cortese requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney Cortese noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes.

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Quorum/Confirmation of Meeting Location/Posting of Notice: Ms. Ripko confirmed the presence of a quorum.

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, upon motion duly made by Director Lyng, seconded by Director Barbera and, upon vote unanimously carried, the Board noted that the District Board meeting was held by Zoom without any individuals (neither District representatives, nor the general public) attending in person. The Board further noted that notice providing the date, time and means of hosting the meeting was duly posted and that they have not received any objections, or any requests that the means of hosting the meeting be changed by taxpaying electors within the District's boundaries.

Agenda: Ms. Ripko distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Barbera and, upon vote, unanimously carried, the Agenda for the District's Special Meeting was approved, as presented.

Public Comment: There was no public comment.

Board Vacancy: The Board discussed the vacancy on the Board. It was noted that two candidates, Anne Messner and Ashley Racich, had expressed interest in filling the vacant seat.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote unanimously carried, the Board appointed Ashley Racich to fill the vacancy on the Board, pending administration and filing of the Oath of Director.

Appointment of Officers: Following discussion, upon motion duly made by Director Barbera, seconded by Director Klymkow and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Patrick L. Lyng
Treasurer	Peter J. Klymkow
Secretary	Peggy Ripko
Assistant Secretary	Eric Kubly
Assistant Secretary	Mauricio Barbera
Assistant Secretary	Ashley Racich

Minutes: The Board reviewed the Minutes of the August 25, 2021 Special Meeting.

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Following discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly and, upon vote unanimously carried, the Board approved the Minutes of the August 25, 2021 Special Meeting.

Resolution No. 2021-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: Ms. Ripko discussed with the Board Resolution No. 2021-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

The Board determined to meet at 2:00 p.m. on February 23, May 18, August 24, and November 16, 2022, virtually (via Zoom videoconference).

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-01; Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2022: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2022 and directed staff to post the Transparency Notice on the Special District Association’s website and the District’s website.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims released and held for the periods as follows:

Fund	Claims Released August 31, 2021 – Nov. 15, 2021
Total	\$ 52,706.18

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly, upon vote, unanimously carried, the Board approved the payment of claims released and claims held, as presented.

The Board then considered approval of the payment of claims, in the amount of \$40,313.96.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly and, upon vote, unanimously carried, the Board approved the payment of claims, in the amount of \$40,313.96.

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Unaudited Financial Statements: Ms. Pangindian presented the Unaudited Financial Statements for the period ending September 30, 2021, Schedule of Cash Position for the period ending September 30, 2021, updated November 10, 2021, and the Property Tax Reconciliation.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly and, upon vote, unanimously carried, the Board accepted the Unaudited Financial Statements for the period ending September 30, 2021, schedule of cash position for the period ending September 30, 2021, updated November 10, 2021, and the Property Tax Reconciliation.

Aging Report: There was no report at this time.

Engagement of Wipfli LLP for Preparation of 2021 Audit: The Board deferred discussion of this matter.

Seventh Amendment to Operating Funding Agreement by and between the District and Choke Cherry Investors, LLC: The Board entered into discussion regarding a Seventh Amendment to Operating Funding Agreement by and between the District and Choke Cherry Investors, LLC.

Following discussion, upon motion duly made by Director Barbera, seconded by Director Klymkow and, upon vote unanimously carried, the Board approved the Seventh Amendment to Operating Funding Agreement by and between the District and Choke Cherry Investors, LLC.

2021 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

Ms. Pangindian reviewed the estimated year-end 2021 revenues and expenditures.

Following review and discussion, Director Klymkow moved to adopt the Resolution to Amend 2021 Budget, Director Barbera seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-02 to Amend the 2021 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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2022 Budget Hearing: The President opened the public hearing to consider the proposed 2022 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.

Ms. Pangindian reviewed the proposed 2022 estimated revenues and expenditures.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-03 to Adopt the 2022 Budget and Appropriate Sums of Money and Resolution No. 2021-11-04 to Set Mill Levies (for the General Fund at 11.132 mills and the Debt Service Fund at 55.664 mills, for a total mill levy of 66.796 mills). Execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of the final Certification of Assessed Valuation from the County on or before December 10, 2021. The District Accountant was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County, not later than December 15, 2021. Ms. Ripko was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 31, 2022. Copies of the Resolutions are attached hereto and incorporated herein by this reference.

Submittal of Clubhouse/Pool Preliminary Budget to Cielo Metropolitan District, pursuant to the Clubhouse Joint Use and Operations Cost Sharing Agreement between the District and Cielo Metropolitan District: The Board entered into discussion regarding the submittal of the Clubhouse/Pool preliminary budget to Cielo Metropolitan District, pursuant to the Clubhouse Joint Use and Operations Cost Sharing Agreement between the District and Cielo Metropolitan District.

Following discussion, the Board acknowledged the submittal of the Clubhouse/Pool preliminary budget to Cielo Metropolitan District, pursuant to the Clubhouse Joint Use and Operations Cost Sharing Agreement between the District and Cielo Metropolitan District.

DLG-70 Mill Levy Certification Form: Following discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification Form for certification to the Board of County Commissioners and other interested parties.

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Resolution Authorizing Adjustment of the District Mill Levy in Accordance with Service Plan: The Board reviewed Resolution No. 2021-11-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with Service Plan.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with Service Plan. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

2023 Budget Preparation: The Board discussed the preparation of the 2023 Budget.

Following discussion, upon motion duly made by Director Barbera, seconded by Director Lyng and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2023 Budget. The Board determined to hold the public hearing to consider adoption of the 2023 Budget on November 16, 2022, at 1:00 p.m., via Zoom.

Master Service Agreement for Accounting Services between the District and CliftonLarsonAllen LLP and related Statement(s) of Work: The Board deferred discussion of this matter.

CAPITAL IMPROVEMENTS

Project Status Report: The Board discussed the Project Status Report, including the schedule for opening of the clubhouse and pool, noting that the clubhouse (meeting room and fitness room) were anticipated to be open in December (barring any COVID related restrictions) and that the pool was anticipated to be opened Memorial Day weekend. The Board appointed Directors Klymkow and Barbera to determine whether to continue the current reduction in the user fee due to late opening of the clubhouse and pool. Ms. Ripko was directed to take actions necessary to user access and alarms.

EXPENDITURE VERIFICATION/ COST CERTIFICATION

Expenditure Verification Report No. 11 Certifying District Eligible Improvements: The Board discussed the status of Expenditure Verification Report No. 11 Certifying District Eligible Improvements. Ms. Ripko was directed to add Ms. Fiore to correspondence related to processing of the pay applications and to provide the currently available documents to her.

Pay Applications under the Hudick Excavating, Inc. (“HEI”) Contract: The District did not receive any pay applications for consideration, and the Board did not take action on this item.

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LEGAL MATTERS

Resolution No. 2021-11-06; Calling a Regular Election for Directors on May 3, 2022, Appointing the Designating Election Official (“DEO”), and Authorizing the DEO to Perform all Tasks Required for the Conduct of Mail Ballot Election: Attorney Cortese discussed with the Board Resolution No. 2021-11-06; Calling a Regular Election for Directors on May 3, 2022, Appointing the DEO, and Authorizing the DEO to Perform all Tasks Required for the Conduct of Mail Ballot Election.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-06; Calling a Regular Election for Directors on May 3, 2022, Appointing the DEO, and Authorizing the DEO to Perform all Tasks Required for the Conduct of Mail Ballot Election.

Easement Deed and Agreement (Cielo Flow Meter Easement – Tract C, Stone Creek Ranch Filing No. 1) between the District and Denver Southeast Suburban Water and Sanitation District d/b/a Pinery Water and Wastewater District: The Board entered into discussion regarding the Easement Deed and Agreement (Cielo Flow Meter Easement – Tract C, Stone Creek Ranch Filing No. 1) between the District and Denver Southeast Suburban Water and Sanitation District d/b/a Pinery Water and Wastewater District.

Following discussion, upon motion duly made by Director Kubly, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved the Easement Deed and Agreement (Cielo Flow Meter Easement – Tract C, Stone Creek Ranch Filing No. 1) between the District and Denver Southeast Suburban Water and Sanitation District d/b/a Pinery Water and Wastewater District.

OPERATIONS AND MAINTENANCE **Pool/Clubhouse Completion and Timeline for Opening:** This item was previously discussed under the Project Status Report.

COVENANT ENFORCEMENT/ DESIGN REVIEW

Community Management: Ms. Ripko presented an update to the Board regarding Community Management matters, including the status and timing of various monthly inspections.

OTHER BUSINESS


No other business was discussed.

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ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By  _____
Secretary for the Meeting