

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF  
CRYSTAL VALLEY METROPOLITAN DISTRICT NO.2

Held: December 1, 2022 at 5:30 p.m. via teleconference and at Castle Pines Conference Room at Douglas County Libraries 360 Village Square Lane, Castle Pines, CO 80108.

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance:

Linda Sweetman  
Jerry Biesboer  
Carl Smith  
Brian Bates

Also present was Mark Costello; Kristen D. Bear, Esq. and Sean Allen, White Bear Ankele Tanaka & Waldron, District General Counsel. Nikolas Wagner and Andrea Weaver, Centennial Consulting Group, LLC.

Call to Order/Director  
Qualification

It was noted that a quorum of the Board was present and that the directors had confirmed their qualifications to serve, and therefore, Mr. Wagner called the meeting to order.

Director Disclosures

Mr. Wagner advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Bear reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Bear noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda

Mr. Wagner presented the proposed agenda to the Board for consideration. Following discussion, upon motion duly made by Director Sweetman and seconded by Director Smith, the Board unanimously approved the agenda as amended.

Public Comment

None.

Legal Representation

Ms. Bear introduced Mr. Sean Allen and explained that he will be replacing Ms. Bear when she retires.

Mr. Allen introduced himself and explained his history with White Bear Ankele Tanaka & Waldron.

The Board thanked Ms. Bear for all her hard work over the years.

Discuss and Appoint Director

Following discussion, upon a motion duly made by Director Smith and seconded by Director Biesboer, the Board appointed Mr. Mark Costello to the Board.

## Consent Agenda

The Board reviewed the items on the consent agenda. Ms. Bear advised the Board that any item may be removed from the consent agenda to the regular agenda upon the request of any director. Item e. Ratification of Escrow Agreement with Town of Castle Rock was removed and added under Legal Matters of the regular agenda.

Upon a motion duly made by Director Bates and seconded by Director Sweetman, the following items on the consent agenda were unanimously approved, ratified, and adopted:

- a. Approval of September 12, 2022 Special Meeting Minutes
- b. Approval of 2023 Renewal of Property and Liability Schedule and Limits
- c. Adoption of 2023 Annual Administrative Resolution
- d. Adoption of Resolution of the Board of Directors Designating the Location of Regular Meetings of the Board of Directors
- f. Approval of Resolution Calling May 3, 2023 Director Election
  - i. Designation of Method for Providing Notice of Call for Nominations: in addition to emailing to each registered elector at the email address provided by the county, or if no email is provided, by mailing to the household of each registered elector, notice of the call for nominations will be provided by posting on the District's website.

## Legal matters

Dissolution of Crystal Valley Metropolitan District No. 1

Ms. Bear updated the Board and explained the legal proceedings of the Dissolution of Crystal Valley Metropolitan District No. 1, and that Special Counsel Nicole has been appointed to oversee the proceedings. They do not expect any issues with the Town at this time.

Status of Central Corridor Construction

Ms. Bear updated the Board with the status of Central Corridor Construction. Much of the work has been completed. The HOA will also review the punch list items that need to be completed prior to the dissolution.

Lake Gulch Improvements

Ms. Bear updated the Board with the status of the walk through and pending punch list items to be completed. Ms. Bear indicated the Lake Gulch improvements will be accepted by the County upon completion of the punch list items.

Status of Escrow Interchange Release to Town

Ms. Bear presented concerns over the escrow account regarding the water tank improvements and developments.

Ratification of Escrow Agreement with Town of Castle Rock

Ms. Bear presented that UMB's requirements are too extensive for the Town's agreement. The Town is looking into possible alternates for Escrow Agents as well as UMB using a project fund in lieu of an escrow account. Director Sweetman asked if the Town could be the fiduciary agent. Ms. Bear stated that she is comfortable with the Town being the fiduciary if proper measures are taken.

The Board further discussed the escrow in relation to the Water Tank project. Following discussion, upon a motion duly made by Director Smith and seconded by Director Sweetman, the Board authorized the Crystal Valley Metropolitan Subdistrict to pay applicable items related to the Water Tank project for Crystal Valley Metropolitan District No. 2 in the amount of \$177,805.25 (pay applications Nos. 2 and 3). It was noted that pay application No. 1 was paid directly by the Town, and that the Town will be reimbursed pending receipt of the relevant pay application information and approval by the District.

## Financial Matters

Consider Approval of Payables and Financial Statements	Ms. Weaver presented the Payables and Financial Statements for the Board to review. Following discussion, the Board did not accept the financial statements at this time.
Consider 2023 Engagement of Centennial Consulting Group Management	Following discussion, upon a motion duly made by Director Biesboer and seconded by Director Bates, the Board authorized the 2023 engagement of Centennial Consulting Group subject to an independent contractor agreement, and for Director Sweetman to review and negotiate the proposed scope of work and compensation terms for the 2023 contract.
Public Hearing on 2022 Budget Amendment	Director Sweetman opened the public hearing on the 2022 Budget Amendment for the Subdistrict. Ms. Bear noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.
Consider Adoption of Resolution Amending 2022 Budget for Subdistricts	Following discussion, upon a motion duly made by Director Biesboer and seconded by Director Smith, the Board Approved the Amended 2022 Budget for the Subdistrict.
Public Hearing on 2023 Budget for Subdistrict	Director Sweetman opened the public hearing on adopting the 2023 Budget. Ms. Bear noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.
2023 Budget for Subdistrict	Following discussion, upon a motion duly made by Director Biesboer and seconded by Director Sweetman, the Board Approved the 2023 Budget for the Subdistrict, subject to Bond Counsel review.
Public Hearing on Amendment to 2022 Budget for Crystal Valley Metropolitan District No. 2	No amendment to the 2022 Budget for Crystal Valley Metropolitan District No. 2 is necessary.
Public Hearing on 2023 Budget for Crystal Valley Metropolitan District No. 2	Director Sweetman opened the public hearing on adopting the 2023 Budget. Ms. Bear noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections were received prior to the meeting. There being no public comment, the hearing was closed.
Consider Adoption of Resolution Approving 2023 Budget and 2023 Amendment to the Development Fee	Following discussion, upon a motion duly made by Director Biesboer and seconded by Director Sweetman, the Board Approved the 2023 Budget and 2023 amendment to the District development fee for a 5% increase thereof effective January 1, 2023.
2022 Audit	Following discussion, upon a motion duly made by Director Sweetman and seconded by Director Biesboer, the Board authorized Director Smith of the Board to engage with the Auditor.

## Other Business

Executive Session Pursuant to Section 24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice from special counsel concerning Accounting	Upon a motion duly made by Director Sweetman and seconded by Director Bates, followed by an affirmative vote of at least two-thirds of the quorum present, the Board enter into executive session for the purpose of receiving legal advice from special counsel concerning Accounting.
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Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the portion of this executive session that, in the opinion of legal counsel to the District, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

Upon a motion duly made by Director Sweetman and seconded by Director Bates, followed by an affirmative vote of at least two-thirds of the quorum present, the Board ended the executive session for the purpose of receiving legal advice from special counsel concerning Accounting.

Adjourn

There being no further business to come before the Board, and upon a motion duly made by Director Sweetman and seconded by Director Smith, and unanimously carried, the Board determined to adjourn the meeting.

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

*Brian Bates*

Brian Bates (Jun 12, 2023 10:57 MDT)

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Secretary for the Meeting

The foregoing minutes were approved on the 24th day of May, 2023.







# 2022-12-01-D2-Special Meeting-Final

Final Audit Report

2023-06-12

Created:	2023-06-12
By:	Nik Renee (nik@ccgcolorado.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA3jv9YVniELzysJsq1UffR-cAZkBZY1Lm

## "2022-12-01-D2-Special Meeting-Final" History

-  Document created by Nik Renee (nik@ccgcolorado.com)  
2023-06-12 - 3:48:05 PM GMT- IP address: 74.92.213.157
-  Document emailed to brian.bates16@gmail.com for signature  
2023-06-12 - 3:48:38 PM GMT
-  Email viewed by brian.bates16@gmail.com  
2023-06-12 - 4:54:27 PM GMT- IP address: 104.28.48.72
-  Signer brian.bates16@gmail.com entered name at signing as Brian Bates  
2023-06-12 - 4:57:20 PM GMT- IP address: 104.28.48.72
-  Document e-signed by Brian Bates (brian.bates16@gmail.com)  
Signature Date: 2023-06-12 - 4:57:22 PM GMT - Time Source: server- IP address: 104.28.48.72
-  Agreement completed.  
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