

RECORD OF PROCEEDINGS

MINUTES OF A CONTINUED REGULAR MEETING OF THE BOARD OF DIRECTORS OF SOUTH SLOAN'S LAKE METROPOLITAN DISTRICT NO. 2

HELD

DECEMBER 2, 2022

A continued regular meeting of the Board of Directors ("Board") of the South Sloan's Lake Metropolitan District No. 2 ("District") was reconvened on Friday, December 2, 2022, at 9:30 a.m. This District Board meeting was held via Zoom Videoconference. The meeting was open to the public.

ATTENDANCE

Directors present and acting:

Beth Ellertson, President
Sarah Lavery, Secretary
Carl Koelbel, Treasurer
Brian Levitt, Assistant Secretary
James Bettis, Assistant Secretary

Also present were:

AJ Beckman, District Manager, Public Alliance, LLC
Geol Scheirman, District Manager, Public Alliance, LLC
Noël Nail, Administrative Manager, Public Alliance, LLC
Sarah Warner, Field Superintendent, Public Alliance, LLC
Jon Hoistad, Esq., McGeady Becher P.C.
Margaret Henderson, CliftonLarsonAllen, LLP

ADMINISTRATIVE MATTERS

Disclosure of Potential Conflicts of Interest: Attorney Hoistad noted a quorum was present and 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 members of the Board were requested 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 statute. It was noted by Mr. Hoistad that disclosures of potential conflicts of interest were filed with the Secretary of State by the statutory deadline.

Agenda: The Board reviewed the Agenda for the meeting and following discussion, upon motion duly made by Director Ellertson, seconded by Director Bettis and, upon vote, unanimously carried, the Board approved the Agenda as amended to discuss and consider approval of the Statement of Work for CliftonLarsonAllen, LLP ("CLA"), service proposals for landscape service from BrightView Landscaping, Inc. ("BrightView") items, and the engagement of A Squared Instruments and Controls for the installation of a Block 3 ejector pump.

Meeting Location: The Board entered into discussions regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the

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District's board meeting. Following discussion, upon motion duly made by Director Ellertson, seconded by Director Bettis and, upon vote, unanimously carried, the Board determined to conduct this meeting via Zoom videoconference. The Board noted that notice of this meeting and Zoom meeting information was duly posted on the District's website and the Board has not received any objections to the format or any requests that the meeting format be changed by taxpaying electors within the boundaries of the District.

Minutes of the August 19, 2022 Regular Meeting: Following discussion and review, upon a motion duly made by Director Ellertson, seconded by Director Koelbel and, upon vote unanimously carried, the Board approved the Minutes as presented.

Public Comment: There was no public comment.

Resolution No. 2022-12-01 Establishing Regular Meeting dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: The Board discussed business to be conducted in 2023 and location (virtual and/or physical) of meetings.

Following discussion and review, upon a motion duly made by Director Koelbel, seconded by Director Ellertson and, upon vote unanimously carried, the Board adopted Resolution No. 2022-12-01 Establishing Regular Meeting Dates, Time, and Location, and Designating Posting Location for 24-Hour Notices, and determined to hold 2023 meetings on the first Friday of every month at 9:00 a.m. via Zoom videoconference.

District Insurance and Special District Association ("SDA") membership: The Board discussed insurance and SDA 2023 membership.

Following discussion and review, upon a motion duly made by Director Koelbel, seconded by Director Ellertson and, upon vote unanimously carried, the Board approved renewing the District's general liability insurance coverage, public officials' coverage, workers' compensation coverage and instructed consultants to proceed accordingly. The Board further directed the renewal of the District's SDA membership.

Transparency Notice: The Board discussed the requirements of Section 32-1-809, C.R.S., the District Transparency Notice.

Following discussion and review, upon a motion duly made by Director Bettis, seconded by Director Koelbel and, upon vote unanimously carried, the Board directed staff to post the notice to the District's website, the website for the Special District Association of Colorado, and to file with the Division of Local Government.

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**FINANCIAL
MATTERS**

Payment of Claims: Ms. Henderson presented for the Board's review and approval the payment of claims for the period from August 13, 2022 to November 11, 2022.

Following discussion and review, upon a motion duly made by Director Bettis, seconded by Director Koelbel and, upon vote unanimously carried, the Board approved the payment of claims as presented.

Unaudited Financial Statements: Ms. Henderson presented for the Board's review and acceptance the unaudited financial statements. She mentioned that interest rates have increased to approximately 3%. The District is maximizing funds on deposit with C-safe to maximize interest income.

Director Bettis requested that Mr. Beckman coordinate a Board review of the District's bank balance.

Following discussion and review, upon a motion duly made by Director Bettis, seconded by Director Koelbel and, upon vote unanimously carried, the Board accepted the unaudited financial statements as presented.

2022 Audit Preparation: The Board discussed the statutory requirements for an audit. Ms. Henderson presented for the Board's approval a letter of engagement for Haynie & Company to perform the 2022 Audit.

Following discussion and review, upon a motion duly made by Director Ellertson, seconded by Director Koelbel and, upon vote unanimously carried, the Board appointed Haynie & Company to perform the 2022 Audit.

Public Hearing on Amendment to 2022 Budget: Director Ellertson noted that a public hearing to consider amendment to the District's 2022 Budget was opened on November 18, 2022 and continued. Director Ellertson reopened the continued public hearing to consider the proposed 2022 Budget amendment and discuss related issues.

It was noted that notice stating that the Board would consider an amendment to the 2022 Budget and 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 2022 Budget Amendment with the Board. Following discussion, upon motion duly made by Director Koelbel, seconded by Director Bettis and upon vote, unanimously carried, the Board adopted the Resolution to Amend the General Fund expenditures to \$575,195 for the 2022 Budget.

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Public Hearing on 2023 Budget: Director Ellertson noted that a public hearing to consider the proposed 2023 Budget was opened on November 18, 2022 and continued. Director Ellertson reopened the continued public hearing regarding the proposed 2023 Budget. Mr. Beckman noted that Publication of Notice stating the Board would consider adopting the 2023 Budget and the date, time, and place of the public hearing was made in a newspaper having general circulation within the District, and no written comments from the public were received. No public comments were received, and the public hearing was closed.

Ms. Henderson reviewed the 2023 Budget with the Board.

Following discussion and review, upon a motion duly made by Director Ellertson, seconded by Director Koelbel and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-02 to Adopt the 2023 Budget and Appropriate Sums of Money, and Resolution No. 2022-12-03 to Set Mill Levies (13.000 mills to the General Fund and 24.672 mills to the Debt Service Fund, for a total of 37.672 mills), and authorized the execution of the Certification of Budget. The District Accountant was directed to transmit the Certification of Tax Levies to the Denver Assessor not later than December 15, 2022. The District Manager was directed to Transmit the Certification of Budget to the Division of Local Government no later than January 30, 2023.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan: The Board determined that this Resolution was not necessary.

DLG-70 Mill Levy Certification Form: Following discussion, upon motion duly made by Director Koelbel, seconded by Director Bettis and, upon vote, unanimously carried, the Board authorized Director Ellertson to sign, and the District Accountant to prepare and file, the DLG-70 Mill levy Certification Form for certification to the City and County of Denver and all other interested parties.

2024 Budget Preparation: Following discussion and review, upon a motion duly made by Director Koelbel, seconded by Director Ellertson and, upon vote, unanimously carried, the Board approved the appointment of the District's Accountant to prepare the 2024 Budget.

OPERATIONS MATTERS

Manager's Report: Mr. Beckman presented his report to the Board.

The Board discussed utility vehicle parking and storage options, as the vehicle is expected to be delivered in January.

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Mr. Beckman updated the Board on the snow removal scope as it now includes a two inch trigger depth, and less hand shoveling and detail work. Additionally, he has asked BrightView for more timely reporting for cost incurred. Ms. Warner is working with BrightView for work and expense verifications including the number of workers on site and digital photo verification of work performed. The Board discussed the recent snowfall and the quality of work, and expressed concern that the workers were not utilizing machines, and may have cleared areas not included in the District's contract.

Mr. Beckman explained that BrightView would like the properties that have a "no ice melt" policy to sign a waiver to remove liability, and noted that it could be beneficial for the District as well.

Following discussion and review, upon a motion duly made by Director Bettis, seconded by Director Koelbel and, upon vote unanimously carried, the Board directed Attorney Hoistad to draft a waiver for the District.

2023 Landscaping Maintenance Proposal: Mr. Beckman presented for the Boards review and approval a proposal from BrightView for 2023 Landscaping Maintenance.

Following discussion and review, upon a motion duly made by Director Koelbel, seconded by Director Bettis and, upon vote unanimously carried, the Board approved the proposal.

2022 Tree Watering: Mr. Beckman presented for the Board's review and approval a proposal from BrightView for 2022 winter tree watering.

Following discussion and review, upon a motion duly made by Director Koelbel, seconded by Director Bettis and, upon vote unanimously carried, the Board approved the proposal.

2023 Tree Watering: Mr. Beckman presented for the Board's review and approval a proposal from BrightView for 2023 January-March winter tree watering.

Following discussion and review, upon a motion duly made by Director Koelbel, seconded by Director Bettis and, upon vote unanimously carried, the Board approved the proposal.

2022 Tree Wrapping: Mr. Beckman presented for the Board's review and approval a proposal from BrightView for 2022 tree wrapping.

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Following discussion and review, upon a motion duly made by Director Koelbel, seconded by Director Bettis and, upon vote unanimously carried, the Board approved the proposal.

Ejector Pump: Mr. Beckman presented for the Board's review and approval a proposal from A Squared Instruments and Controls for installation of ejector pump floats on Block 3.

Following discussion and review, upon a motion duly made by Director Koelbel, seconded by Director Bettis and, upon vote unanimously carried, the Board approved the installation subject to verification of a warranty.

Following the conclusion of this portion of the meeting, Directors Koelbel and Ellertson excused themselves.

**BOARD MEMBER
ITEMS**

None.

LEGAL ITEMS

Election Resolution: The Board discussed the May 2, 2023 Regular Director Election.

Following discussion and review, upon a motion duly made by Director Bettis, seconded by Director Levitt and, upon vote unanimously carried, the Board adopted Resolution No. 2022-12-04 Calling May 2, 2023 Election for Directors, which appointed AJ Beckman as the Designated Election Official, and authorized him to perform all tasks required for the conduct of a mail ballot election.

CLA Statement of Work: Ms. Henderson presented for the Board's review and approval a Statement of Work between the District and CLA for 2023 Accounting Services.

Following discussion and review, upon a motion duly made by Director Koelbel, seconded by Director Ellertson and, upon vote unanimously carried, the Board approved the Statement of Work for 2023 Accounting Services.

Following the completion of this portion of the meeting, Ms. Henderson excused herself.

OTHER ITEMS

Annual Meeting Notice: Following discussion and review, upon a motion duly made by Director Bettis, seconded by Director Levitt and, upon vote unanimously carried, the Board acknowledged the Annual Meeting Notice pursuant to the Service plan.

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ADJOURNMENT

There was no other business to come before the Board and upon a motion duly made by Director Bettis, seconded by Director Levitt and, upon vote unanimously carried, the meeting was adjourned at 11:05 a.m.

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

DocuSigned by:
Sarah Laverty
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Secretary