

MINUTES OF A JOINT REGULAR MEETING OF THE
BOARDS OF DIRECTORS

OF

LANTERNS METROPOLITAN DISTRICT NOS. 1 & 2

Held: Wednesday, October 19, 2022 at 11:00 a.m. via
teleconference.

Attendance

The joint regular 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.

District No. 1

Ben Both
Tim Westbrook
Reggie Carveth

District No. 2

Ben Both
Reggie Carveth

Also present were Megan J. Murphy, Esq., White Bear Ankele Tanaka & Waldron, District General Counsel; Carrie Bartow and Chase Worth, CliftonLarsonAllen, LLP, District Accountant; Eric Lehman, Toll Brothers; and Barrett Marrocco, Independent District Engineering Services.

Call to Order

A quorum of the Boards was present and the meeting was called to order.

Declaration of
Quorum/Director
Qualifications

Ms. Murphy reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Ms. Murphy inquired into whether members of the Boards 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 participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Joint Meetings The Boards of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted, all official action reflected in these minutes is the action of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Approval of Agenda The Boards reviewed the proposed agenda. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda as amended.

Public Comment None.

Consent Agenda The Boards reviewed the items on the consent agenda. Ms. Murphy advised the Boards that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were requested removed from the consent agenda. Upon motion duly made and seconded, the following items on the consent agenda were unanimously ratified, approved and adopted:

- July 27, 2022 Joint Special Meeting Minutes (District No. 1);
- July 20, 2022 Joint Special Meeting Minutes (District No. 2);
- 2021 Consolidated Annual Report to Town of Castle Rock;
- Special District Disclosure Notices Pursuant to §32-1-809, C.R.S.;
- Joint Resolution Calling May 2, 2023 Elections; and
- 2021 Audit Engagement Letters.

Legal Matters

Consider Adoption of 2023 Annual Administrative Resolution Ms. Murphy reviewed the 2023 Annual Administrative Resolution with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the 2023 Annual Administrative Resolution.

Discuss and Review Insurance General Liability Schedule and Limits, Consider Authorization to Bind Coverage Ms. Murphy reviewed the Insurance General Liability Schedule and Limits with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the Insurance General Liability Schedule and Limits and authorized legal counsel to bind coverage.

Consider Approval of Contractor Agreement with Heatherly Creative for Website Maintenance and Management

Ms. Murphy reviewed the Contractor Agreement with Heatherly Creative for Website Maintenance and Management with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the Contractor Agreement with Heatherly Creative for Website Maintenance and Management.

Discuss Board Member Contact Emails for District Website

Ms. Murphy noted that the new law requires contact information be posted on the Districts' website. She explained that a general email inbox can be set up so the emails come to White Bear Ankele Tanaka & Waldron and will be forwarded to the Boards if necessary. Following discussion, upon motion duly made and seconded, the Boards unanimously approved setting up a general email inbox.

Discuss Second Amendment to Independent Contractor Agreement with Independent District Engineering Services, LLC (District No. 2)

Deferred.

Discussion Regarding Storm Improvements

Mr. Marrocco noted IDES, the Districts' engineer, is reviewing the storm improvements and any requirements to convey these improvements to the Districts.

Other Legal Matters

None.

Financial Matters

Review Unaudited Financial Statements, Scheduled of Cash Position and Property Tax Statement

Ms. Bartow reviewed the July 31, 2022 financial statements with the Board of District No. 1. Following discussion, upon a motion duly made and seconded, the Board of District No. 1 accepted the schedule of cash position.

Ms. Bartow reviewed the July 31, 2022 financial statements with the Board of District No. 2. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 accepted the schedule of cash position.

Discuss Status of 2021 Audits

Ms. Bartow noted that the 2021 Audits noting that the 2021 Audit for District No. 1 has been filed and the 2021 Audit for District No. 2 is still in process.

Consider Adoption of Resolution Accepting District Eligible Costs and

Mr. Marrocco reviewed the Resolution Accepting District Eligible Costs with the Board of District No. 2. Ms. Bartow informed the Board of District No. 2 that CliftonLarsonAllen, LLP has not issued a cost certification report yet. Following discussion, upon a

Approving Requisition No. 4 (District No. 2) motion duly made and seconded, the Board of District No. 2 unanimously adopted the Resolution Accepting District Eligible Costs and Approving Requisition No. 4 subject to final reports from CliftonLarsonAllen.

Public Hearing on 2022 Budget Amendment (District No. 2) Director Both opened the public hearing on the 2022 Budget Amendment. Ms. Murphy noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Consider Approval of Resolution Amending the 2022 Budget (District No. 2) Ms. Bartow reviewed the Resolution Amending the 2022 Budget with the Board of District No. 2. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously adopted the resolution amending the Capital Projects Fund to \$26,000,000.

Public Hearing on proposed 2023 Budget (District No. 1) Director Both opened the public hearing on the proposed 2023 Budget. Ms. Murphy noted that the notice of public hearing was provided in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Consider Approval of Resolution Adopting the 2023 Budget (District No. 1) Ms. Bartow reviewed the 2023 Budget and Budget Resolution with the Board of District No. 1. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2023 Budget, appropriating funds therefor and certifying mills for the general fund and mills for the Debt Service fund as shown 2023 Budget subject to receipt of final assessed valuation.

Public Hearing on proposed 2023 Budget (District No. 2) Director Both opened the public hearing on the proposed 2023 Budget. Ms. Murphy noted that the notice of public hearing was provided in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Consider Approval of Resolution Adopting the 2023 Budget (District No. 2) Ms. Bartow reviewed the 2023 Budget and Budget Resolution with the Board of District No. 2. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2023 Budget, appropriating funds therefor and certifying mills for the general fund and mills for the Debt Service fund as shown 2023 Budget subject to receipt of final assessed valuation.

Consider Approval of Deferred.
Proposal for 2022 Audit
Services

Consider Approval of
Master Service Agreement
and Special Districts
Preparation Scope of Work
with CliftonLarsonAllen
LLP for District Accounting
Services

Ms. Bartow reviewed the Master Service Agreement and Special Districts Preparation Scope of Work with CliftonLarsonAllen LLP for District Accounting Services with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the Master Service Agreement and Special Districts Preparation Scope of Work with CliftonLarsonAllen LLP for District Accounting Services.

Other Financial Matters

None.

Other Business

Consider Appointment to
Fill Vacancies, Administer
Oaths of Office, Consider
Election of Officers

The Board of District No. 1 engaged in general discussion regarding existing vacancies. Following discussion, upon a motion duly made and seconded, the Board unanimously appointed Director Lehman and Director Osler to the Board of District No. 1. Mr. Both administered Oaths of Office.

The Board of District No. 2 engaged in general discussion regarding existing vacancies. Following discussion, upon a motion duly made and seconded, the Board unanimously appointed Director Lehman, Director Osler and Director Westbrook to the Board of District No. 2. Mr. Both administered Oaths of Office.

Adjourn

There being no further business to come before the Boards, and following discussion and upon motion duly made, seconded and unanimously carried, the Boards determined to adjourn the meeting.

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



[Reggie Carveth \(Jan 19, 2023 16:07 MST\)](#)

Secretary for the Meeting, District No. 1

The foregoing minutes were approved on the 19th day of January, 2023.



[Reggie Carveth \(Dec 5, 2022 15:40 MST\)](#)

Secretary for the Meeting, District No. 2

The foregoing minutes were approved on the 2nd day of December, 2022.