

MINUTES OF A SPECIAL MEETING/WORK SESSION OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT NO. 2 (THE “DISTRICT”)
HELD
SEPTEMBER 19, 2024

A special meeting/work session of the Board of Directors of the Sterling Ranch Metropolitan District No. 2 (referred to hereafter as the “Board”) was convened on Thursday, September 19, 2024 at 3:00 p.m., via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in attendance were:

Willie Jackson, Secretary
Michael J. Bart, Assistant Secretary
Diane C. Black, Assistant Secretary

Director Deborah Vincellette, President, and Director Charles Collins, Treasurer, were absent and excused.

Also, In Attendance Were:

Korben Heim, Dylan Kirk and Seef Le Roux; CliftonLarsonAllen LLP (“CLA”)
Sean Allen, Esq.; White Bear Ankele Tanaka & Waldron
Sarah Steph; Classic Homes
Peggy Libbey; Morley Companies

ADMINISTRATIVE MATTERS

Call to Order and Agenda:

Upon a motion duly made by Director Black, seconded by Director Bart and, upon vote, unanimously carried, the Board called the meeting to order at 3:02 p.m.

The Board reviewed the agenda for the meeting. Following discussion, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board approved the agenda, as amended, to include an annual meeting discussion.

Disclosures of Potential Conflicts of Interest:

The Board 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 Attorney Allen that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and

no additional conflicts were disclosed at the meeting.

Quorum, Location of Meeting, Posting of Meeting Notice:

Upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board 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. This meeting was conducted via Microsoft Teams and encouraged public participation via Microsoft Teams. The Board further noted that notice providing the time, date and video link information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed by taxpaying electors within the District's boundaries.

Public Comment:

There was no public comment.

SEPTEMBER 24, 2024 MEETING PACKET REVIEW

Packet:

The Board reviewed and discussed the draft September 24, 2024 regular meeting packet..

Discussion Items:

Update on Enacted Property Tax Legislation by Special Legislative Session:

Director Bart asked about the updated property tax legislation. Attorney Allen reviewed the special legislative session resulting in the passage of HB24B-1001 impacting assessment rates and certain annual property tax revenue limits.

Overall Landscape Plan for Sterling Ranch Metropolitan District No. 2, As Approved by El Paso County, For Future Budgetary Development. District No. 2 Board to Give Input to Coordinating District No. 3 on Future O&M Budgetary Requirements Desired and Funded by District No. 2 Residents:

The Board asked management to obtain copies of the El Paso County approved landscape development plans for the Sterling Ranch development. . The Board would like to review the approved landscape development plans to better inform the Board in budgeting discussions. The Board noted its particular interest regarding the Challenger developed area.

Potential Request for CLA to Prepare a Budgetary Analysis on Future Overall District No. 2 O&M Requirements:

Director Bart asked about property tax changes that will impact the District's operations and maintenance property tax revenues in the future. Discussion

ensued. Following discussion, the Board asked CLA to give a cost proposal for generating an operations and maintenance analysis to meet the future operations and maintenance expenses projections. The analysis, if commissioned, will be used for long-term projection and the understanding of operations and maintenance needs for the District.

CLA to Prepare a Plan for Future Repair/Replacement of Existing Vinyl Fencing and Playground Equipment:

Discussion ensued regarding concerns for failing sections and needed funds for repairs. It was discussed to approach the HOA Board for cost-sharing replacement of District assets. The approach is to include funds for projects.

Meeting Preparation, Notification and Administration: Emails have been sent suggesting cancellation of meeting before the District No. 2 Directors have been asked for input. Some of these messages imply that District Nos. 1 and 3 meeting are being combined with District No. 2 which has led to some confusion. Also, receiving answers to questions directly from the Directors (quorum, etc.) has not been timely:

Discussion ensued regarding checking District emails, contact with District residents, quorum messages and Director one-on-one conversations. Following discussion, it was decided that a shorter timeline will be given to allow items to be picked up between meetings.

Meeting Management and Process for Recognizing Input to Directors' Meetings (Public, Other):

Discussion ensued regarding how to manage public comments, tangential discussions, etc., in order to accomplish business without an overrun on time.

Annual Meeting:

Mr. Heim reviewed the option of holding the annual meeting on November 14, 2024 from 5:30 p.m. to 7:30 p.m. The Board stated that they would prefer to start at 6:00 p.m. and to avoid overlap with HOA meetings.

ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Black, seconded by Director Bart and, upon vote, unanimously carried, the meeting was adjourned at 4:28 p.m.

Respectfully submitted,

By _____

Secretary for the Meeting