

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
INDEPENDENCE METROPOLITAN DISTRICT NOS. 2, 3, 4, AND
THE INDEPENDENCE WATER & SANITATION DISTRICT
HELD
December 2, 2024**

A Regular Meeting of the Board of Directors of the Independence Metropolitan District Nos. 2, 3, 4 and the Independence Water & Sanitation District was held virtually on December 2, 2024, at 10:00 a.m. The meeting was open to the public.

ATTENDANCE:

In attendance for District Nos. 2 & 3 and the Independence Water & Sanitation District were Directors:

Timothy Craft, President
Jim Yates, Secretary/Treasurer
Randy Roberts, Assistant Secretary
Jeff Keeley, Assistant Secretary

In attendance for District No. 4 were Directors:

Timothy Craft, President
Jim Yates, Secretary/Treasurer
Jeff Keeley, Assistant Secretary
Sue Blair, Assistant Secretary

Also, in attendance were:

Blain Hawkins, Piper Sandler & Co.
Erica Montague, Greenberg Traurig, LLP
John Kolstoe
Johnathan Heroux
Dianne Miller, Miller Law, pllc
Kurt Schlegel, Special District Solutions, Inc.

CALL TO ORDER:

Mr. Schlegel stated that a quorum of the Board was present, and Director Craft called the meeting to order at 10:06 a.m.

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**CONFLICTS &
DISCLOSURE
STATEMENTS:**

Mr. Schlegel stated that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors prior to this meeting and no new conflicts of interest were disclosed at the meeting.

APPROVAL OF AGENDA:

After review of the Agenda Director Yates moved that the Board approve the Agenda as presented. Upon a second by Director Keeley a vote was taken, and the motion carried unanimously.

CONSENT AGENDA:

Director Keeley moved that the Board approve the Consent Agenda consisting of the following items, as presented:

1. Approval of District No. 4 Minutes from the Special Meeting of May 6, 2024
2. Approval of District Nos. 2 and 3 Minutes from the Special Meeting of July 29, 2024
3. Approval of Water & Sanitation District Minutes from the Special Meeting of July 29, 2024
4. Approval of Minutes from the Special Meeting for District No. 3 and the Water & Sanitation District held on October 15, 2024
5. Ratification of District Payments made through November 22, 2024

Upon a second by Director Yates a vote was taken, and the motion carried unanimously.

CORRESPONDENCE:

None

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

Water & Sanitation District Bond Resolution: Staff presented a proposed Resolution Authorizing the Issuance by the Independence Water & Sanitation District, Acting By and Through its Water Activity Enterprise, of its Special Revenue Refunding and Improvement Bonds, Series 2024 in an Aggregate Principal Amount not to Exceed \$ 45,000,000. Director Keeley moved that the Board approve the Resolution as presented. Upon a second by Director Yates a vote was taken, and the motion carried unanimously.

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Resolution Authorizing Refunding of Series 2019 and 2021 Bonds – Districts 2, 3, and 4: Staff presented a proposed Resolution Authorizing the Issuance by the Independence Metropolitan District No. 3 of its (i) Special Revenue Refunding and Improvement Senior Bonds, Series 2024A in an Aggregate Principal Amount not to Exceed \$58,000,000 and (ii) Special Revenue Refunding and Improvement Subordinate Bonds, Series 2024B in an Aggregate Principal Amount not to exceed \$ 10,000,000. Following discussion Director Yates moved that the Board approved the Refunding Resolution as presented. Upon a second by Director Keeley a vote was taken, and the motion carried unanimously.

NEW BUSINESS:

Annual Administrative Resolutions (all Districts): Following discussion, Director Keeley moved that the Board approve the Annual Administrative Resolutions, No. 2024-12-01 as presented. Upon a second by Director Yates a vote was taken, and the motion carried unanimously.

Workers’ Compensation Insurance Waiver Resolution (all Districts): Mr. Schlegel presented for the Board’s Review and Consideration a Resolution waiving Worker’s Compensation Insurance for the Districts for 2025. Director Keeley moved that the Boards adopt Resolutions No. 2024-12-02 as presented. Upon a second by Director Yates a vote was taken, and the motion carried unanimously.

Renewal of District Insurance and Special District Association (SDA) of Colorado Membership (all Districts) - Following discussion Director Keeley moved that the Boards direct management to renew the Districts’ insurance coverages and memberships in the SDA for 2025. Following a second by Director Yates a vote was taken, and the motion carried unanimously.

2025 Election Resolutions (all Districts): Mr. Schlegel discussed the requirement to conduct an election on May 6, 2025 to elect three (3) Directors whose terms will expire on that date. Director Keeley moved that the Boards approve and adopt Resolutions No. 2024-12-03, Calling for a May 6, 2025 Regular Elections for Directors. Following a second by Director Yates a vote was taken, and the motion carried unanimously.

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Resolution Amending and Restating Policy Regarding Colorado Open Records Act (CORA) Requests (all Districts): Mr. Schlegel discussed the need to update the Districts' CORA Request Policies to remain in compliance with State law. Director Keeley moved that the Boards adopt Resolutions No. 2024-12-04 Amending and Restating the Districts' Policies Regarding CORA Requests. Upon a second by Director Yates a vote was taken, and the motion carried unanimously.

FINANCIAL AND MANAGEMENT ITEMS:

2024 Budget Amendments: Mr. Schlegel stated that the required notice of the 2024 Budget Amendment Hearings was published in the Ranchland News and presented proposed 2024 Budget Amendments for Districts 2 and 3 and the Water & Sanitation District, that reflected increased expenditures for each that occurred in 2024. Director Craft opened the Public Hearing. There was no public comment and after some discussion, Director Craft closed the Public Hearing. Director Keeley moved that the Board approve and accept 2024 Budget Amendment Resolutions No. 2024-12-05 as presented, and appropriate the requisite funding as stated in the Resolutions. Upon a second by Director Yates, a vote was taken and the motion passed unanimously.

2025 District Budgets (all Districts): Mr. Schlegel stated that the required notice of the 2025 Budget Hearings was published in the Ranchland News and presented for the Board's Review and Consideration a proposed 2024 Budgets for the Independence Metropolitan District Nos. 2, 3, 4, and the Independence Water & Sanitation District. President Craft opened the Public Hearing on the proposed 2024 Operating Budget. There was no public comment and after some discussion, Director Craft closed the Public Hearing. Director Keeley moved that the Boards approve and adopt the 2025 Budget Resolutions No. 2024-12-06, Appropriating Funding for Expenditures and Approving the Certification of a sufficient Operations Mill Levy to cover projected 2025 Operations expenditures and a Debt Service Mill Levy of 55.055 Mills for 2024, pending receipt of the District's Final Assessed Valuation from Elbert County. Upon a second by Director Yates a vote was taken, and the motion carried unanimously.

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Review of Unaudited Financial Statements: Mr. Schlegel presented copies of the unaudited October 31, 2024 Financial Statements for all Districts for the Boards' review.

2024 Financial Audits (District No. 2 and 3, and the Water & Sanitation District): Mr. Schlegel reviewed the statutory requirements for the conduct of financial audits for the Districts, stated that full financial audits will be required for District Nos. 2, 3 and the Water & Sanitation Districts, and presented engagements letters for each from The Adams Group for consideration. Director Keeley moved that the Board approve and execute the 2024 Audit Engagement Letters for District Nos. 2 and 3, and the Water & Sanitation District as presented. Upon a second by Director Yates a vote was taken, and the motion carried unanimously.

Mr. Schlegel stated that District No. 4 qualifies for a 2024 Audit Exemption Application to be filed. Director Keeley moved that the Board appoint the District's Accountant to complete and file the 2024 Audit Exemption Applications for District No. 4 prior to the designated deadline. Upon a second by Director Yates a vote was taken, and the motion carried unanimously.

2026 Budget (all Districts): Director Keeley moved that that the Board appoint the District's Accountant to prepare the 2026 Budgets for all Districts. Upon a second by Director Yates a vote was taken, and the motion carried unanimously.

NEXT MEETING:

The Board members determined that the next regular meeting is scheduled for July 10, 2025, and Special Meetings will be called as necessary.

ADJOURNMENT:

There being no further business to come before the Board, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 10:40 a.m.

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The foregoing record constitutes a true and correct copy of the Minutes of the above referenced meeting and were approved by the District's Board of Directors on April 18, 2025.

Respectfully Submitted:

Secretary for the Meeting