RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE INDEPENDENCE METROPOLITAN DISTRICTS NOS. 1 - 3, AND THE INDEPENDENCE WATER & SANITATION DISTRICT HELD July 9, 2019

A Regular Board of Directors' Meeting of the Independence Metropolitan Districts Nos. 1 - 3, and the Independence Water & Sanitation District was held on July 9, 2019, at 2:30 p.m. at the offices of Special District Solutions, Inc. located at 9250 E. Costilla Avenue, 2nd Floor Conference Room, Greenwood Village, CO 80112. The meeting was open to the public.

ATTENDANCE:

In attendance were Directors:

Timothy Craft, President
Jeffrey Keeley, Secretary/Treasurer
Charles Foster, Assistant Secretary
Randy Roberts, Assistant Secretary

Director Simpson was not in attendance – Excused Absence

Also, in attendance were:

Dianne Miller, Miller & Associates
Kurt Schlegel, Special District Solutions, Inc.
Cliff Russell; Craft Companies

CALL TO ORDER:

President Craft noted that a quorum of the Board was present, called the meetings to order at 2:30 p.m.

CONFLICTS & DISCLOSURE STATEMENTS:

Ms. Miller 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 Keeley moved that the Board approve the Agenda as presented. Upon a second by Director Foster, a vote was taken and the motion carried unanimously.

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CONSENT AGENDA: Director Keeley moved that the Board approve the Consent Agenda as presented. Upon a second by Director Foster, a vote was taken and the motion carried unanimously.

PUBLIC COMMENT: None

UNFINISHED BUSINESS: Lakeside Purchase Agreement: The Board previously approved a purchase agreement for an influent screen and associated support with Lakeside at a cost of $63,900 at their May 29, 2019 business meeting. Mr. Schlegel stated that Director Simpson had contacted him prior to today's meeting and stated that the purchase agreement had been executed and requested that the Board consider ratification of the agreement. Director Keeley moved that the Board ratify the Board's decision to approve the Agreement. Upon a second by Director Foster, a vote was taken and the motion carried unanimously.

NEW BUSINESS: Stormwater Impact Fees: Director Craft stated that CVL Engineers are currently working on a study regarding Stormwater Impact Fees for the District. Discussion took place regarding Bond restrictions on revenues collected through these fees and also the imposition of Maintenance Fees for maintenance of stormwater infrastructure in the Districts. Ms. Miller suggested that Counsel draft the required Impact Fee Agreements and Resolutions for the Board's consideration at a later date and that the Board appoint a Consent Committee consisting of two (2) Directors that would have final approval of fees that are initially approved by the Board of Directors. Director Roberts moved that the Board direct Counsel to draft the requisite Stormwater Impact Fee and Maintenance Fee Agreements and Resolutions for the Board's consideration at their next meeting, and that the Board appoint Directors Craft and Keeley to serve as the Consent Committee that will review and have final approval authority for the imposition of such fees. Upon a second by Director Keeley, a vote was taken and the motion carried unanimously.

Bulk Water Sales and Rate Structure: Director Craft inquired as to the status of the Water & Sanitation District's water rate schedule. MSK completed an initial rate study however the District has not yet adopted a rate schedule for domestic or bulk water sales. Director Keeley moved that the Board direct MSK to update their initial water rate study to be used as a guide for setting

water rates, that the Board consider a rate of $9.50 per 1,000 gallons for bulk water sales, and that notice be published for the consideration and adoption of the Water & Sanitation District's Water Rate Schedule at their next meeting. Upon a second by Director Foster, a vote was taken and the motion carried unanimously.

Independence Metropolitan District No. 3 Quarterly Disclosure Report: Mr. Schlegel presented a copy of the Continuing Disclosure Quarterly Report as required for the District's Bonds for the Board's consideration. Director Keeley moved that the Board approve the Quarterly Report as presented and direct the District Manager to submit this report by the August 15, 2019 deadline. Upon a second by Director Foster, a vote was taken and the motion carried unanimously.

Independence Water & Sanitation District Quarterly Disclosure Report: Mr. Schlegel presented a copy of the Continuing Disclosure Quarterly Report as required for the District's Bonds for the Board's consideration. Director Keeley moved that the Board approve the Quarterly Report as presented and direct the District Manager to submit this report by the August 15, 2019 deadline. Upon a second by Director Foster, a vote was taken and the motion carried unanimously.

Partial Assignment of Subdivision Improvement Agreement: Ms. Miller presented a proposed Assignment of Rights and Delegation of Duties Pursuant to the Subdivision Improvement Agreement, which was approved September 7, 2017, for the Board's consideration. This Assignment pertains to the duties and obligations with respect to the Delbert Road North Segment Public Improvements. After some discussion Director Keeley moved that the Board approve the Assignment of Rights and Delegation of Duties Pursuant to the Subdivision Improvement Agreement as presented. Upon a second by Director Roberts, a vote was taken and the motion carried unanimously.

Loan Consent for CB Independence Holdings Company, LLC: To help fund infrastructure obligations, the developer is entering a credit agreement with Key Bank National Association. The Independence Metropolitan District No. 3 and Independence Water & Sanitation District's Board of Directors have been requested to consider a Loan Consent that will authorize the UMB Bank Bond Trustee to deposit all future reimbursement amounts into the lender's designated bank account. Director Foster moved

that the Board approve the Loan Consent pending final legal review and subject to the approval of the Board's Consent Committee. Upon a second by Director Roberts, a vote was taken and the motion carried unanimously.

Trans-Tech Energy and Environmental, Inc. Purchase Agreement: Mr. Schlegel presented a proposed purchase agreement between the Independence Water & Sanitation District and Tans-Tech Energy and Environmental, Inc. for a Bentax Ionizer for odor control and on-site system startup. Ms. Miller stated that Counsel has reviewed the Agreement and approved as to form. Director Keeley moved that the Board approve the Purchase Agreement as presented. Upon a second by Director Craft, a vote was taken and the motion carried unanimously.

CORE Consultants: Director Simpson requested Mr. Schlegel present to the Board for their consideration of a professional services agreement with CORE Consultants, Inc, for Metropolitan District Civil Engineering Services. After some discussion Director Keeley moved that subject to final legal review the Board approve a Professional Service Agreement with CORE Consultants, Inc. for Civil Engineering Services for the Districts. Upon a second by Director Roberts, a vote was taken and the motion carried unanimously.

FINANCIAL AND MANAGEMENT ITEMS:

Water & Sanitation District Project Fund Requisition No. 07: Mr. Schlegel presented the proposed Project Fund Requisition in the amount of $26,153.10, for the Board's consideration. Director Keeley moved that the Board approve and execute the Project Fund Requisition as presented. Upon a second by Director Roberts, a vote was taken and the motion carried unanimously.

Approval of July 2019 Claims: Mr. Schlegel presented a list of Independence Metropolitan District No. 1 claims for the Board's consideration. After review Director Keeley moved that the Board approve the claims presented for payment totaling $308,805.64 and represented by checks #1023 through 1025. Upon a second by Director Foster, a vote was taken and the motion carried unanimously.

Mr. Schlegel presented a list of Independence Metropolitan District No. 2 claims for the Board's consideration. After review Director Keeley moved that the Board approve the claims presented for payment totaling $330.00 and represented by check #1010. Upon a second by Director Foster, a vote was taken and the motion carried unanimously.

Mr. Schlegel presented a list of Independence Metropolitan District No. 3 claims for the Board's consideration. After review Director Keeley moved that the Board approve the claims presented for payment totaling $510.00 and represented by check #1011. Upon a second by Director Foster, a vote was taken and the motion carried unanimously.

Mr. Schlegel presented a list of Independence Water & Sanitation District claims for the Board's consideration. After review Director Keeley moved that the Board approve the claims presented for payment totaling $29,220.10 and represented by checks #1023 through 1025. Upon a second by Director Foster, a vote was taken and the motion carried unanimously.

Mr. Schlegel presented a list of Independence Overlay Metropolitan District claims for the Board's consideration. After review Director Keeley moved that the Board approve the claims presented for payment totaling $315.00 and represented by check #1011. Upon a second by Director Foster, a vote was taken and the motion carried unanimously.

DIRECTOR'S ITEMS: None

NEXT MEETING: **Thursday – August 15, 2019 at 1:30 p.m.**

ADJOURNMENT: There being no further business to come before the Board, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 3:00 p.m.

Respectfully Submitted:

Kurt C. Schlegel

Secretary for the Meeting