

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
PROSPER REGIONAL WATER & SANITATION SERVICE
METROPOLITAN DISTRICT
(THE "DISTRICT")
HELD
OCTOBER 25, 2023

A Regular meeting of the Board of Directors of the Prosper Regional Water & Sanitation Service Metropolitan District (the "Board") was convened on Wednesday, October 25, 2023 at 1:30 p.m. The District Board meeting was held via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Maribeth D'Amico, President
Kari Wright, Secretary/Treasurer
Don Sullivan, Assistant Secretary
William Smith, Assistant Secretary

Also In Attendance Were:

Denise Denslow, Jason Carroll, Sandy Brandenburger, Chelsea Bojewski, and Marlena Brzeska-Cloyd; CliftonLarsonAllen LLP
MaryAnn McGeady, Esq. and Craig Sorensen; McGeady Becher P.C.
Brandon Collins, P.E.; Independent District Engineering Services, LLC ("IDES")

ADMINISTRATIVE MATTERS

Call to Order and Approval of Agenda: The Regular Board meeting was called to order at 1:30 p.m. Upon a motion duly made by Director Sullivan, seconded by Director Wright and, upon vote, unanimously carried, the Board approved the agenda, as amended.

Disclosure 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 and to the Board. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at the meeting and incorporated for the record those applicable disclosures made by the Board members prior to the meeting in accordance with statute. No new conflict disclosures were provided by the Directors. It was noted by Mr. Sorensen that disclosures of potential conflicts of interest were previously filed with the Secretary of State for all directors.

Quorum, Location of Meeting, Meeting Notices: The presence of a quorum was confirmed. 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

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meeting.

It was reported that notice was duly posted and that no objections to the video/telephonic manner of the meeting or any requests that the video/telephonic manner of the meeting be changed have been received by taxpaying electors within the District's boundaries.

Public Comment: There were no public comments.

Minutes of July 11, 2023 Special Meeting: Following review, upon a motion duly made by Director Sullivan, seconded by Director Wright and, upon vote, unanimously carried, the Board approved the minutes of the July 11, 2023 Special Meeting, as presented.

Requirements of Section 32-1-306, C.R.S., Transparency Notice and Mode of Eligible Elector Notification for 2024: Ms. Denslow confirmed that the Transparency Notice for 2024 will be posted and filed as required by statute.

Resolution Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices: Ms. Denslow discussed the business to be conducted in 2024, and the Board determined to schedule regular meetings for the 4th Wednesday of each month at 1:30 p.m., to be held virtually (or at the offices of McGeady Becher P.C.).

Following review and discussion, upon a motion duly made by Director Sullivan, seconded by Director Wright and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-10-01, Resolution Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices.

Insurance Matters:

Cyber Security and Increased Crime Insurance Coverage: Attorney McGeady discussed recent cyber security concerns and increased crime insurance coverage with the Board. Extensive discussion ensued.

Establishment of Insurance Committee: Following discussion, upon a motion duly made by Director Wright, seconded by Director Smith and, upon vote, unanimously carried, the Board appointed Director D'Amico as the Insurance Committee to make final determinations regarding additional insurance coverage.

Renewal of District's Insurance and Special District Association ("SDA") Membership for 2024: Following review and discussion, upon a motion duly made by Director Wright, seconded by Director Smith and, upon vote, unanimously carried, the Board authorized the renewal of the District's existing insurance coverage and Special District Association

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membership for 2024.

LEGAL MATTERS

November 7, 2023 Special Election: Mr. Sorensen discussed the status of the November 7, 2023 Special Election with the Board, noting that ballots were mailed out on October 16, 2023 and must be returned by November 7, 2023. Discussion regarding procedures and restrictions relating to return of ballots ensued.

Resolution No. 2023-10-02, Amending Policy on Colorado Open Records Act Requests: Following review and discussion, upon a motion duly made by Director D'Amico, seconded by Director Sullivan and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-10-02, Resolution Amending Policy on Colorado Open Records Act Requests.

FINANCIAL MATTERS

2023 Budget Amendment: Director D'Amico opened the public hearing to consider amendment of the 2023 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider amendment of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

Mr. Carroll informed the Board that no amendment to the 2023 Budget was required.

2024 Budget: Director D'Amico opened the public hearing to consider the proposed 2024 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider the 2024 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

Mr. Carroll reviewed the 2024 Budget with the Board. It was determined that no mill levy would be imposed. Following discussion, upon a motion duly made by Director Wright, seconded by Director Sullivan and, upon vote, unanimously carried, the Board approved the 2024 Budget, as presented, and adopted Resolution No. 2023-10-03 to Adopt the 2024 Budget and Appropriate Sums of Money. Staff was directed to make the appropriate statutory filings.

DLG-70 Certification of Tax Levies Form ("Certification"): Following discussion, upon a motion duly made by Director Smith, seconded by Director Sullivan and, upon vote, unanimously carried, the Board authorized the District

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Accountant to prepare, sign and file the Certification with the Board of County Commissioners and other interested parties.

2023 Audit Exemption: Following discussion, upon a motion duly made by Director Smith, seconded by Director Sullivan and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the Application for Exemption from Audit for 2023.

Preparation of 2025 Budget: Following discussion, upon a motion duly made by Director Smith, seconded by Director Sullivan and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2025 Budget.

MANAGER MATTERS

CliftonLarsonAllen LLP Master Service Agreement(s) (MSA) and 2024 Statement(s) of Work (“SOWs”) for 2024 Accounting and Management Services: Following review and discussion, upon a motion duly made by Director Smith, seconded by Director Sullivan the Board approved the 2024 MSA and SOW between the District and CliftonLarsonAllen LLP for 2024 Accounting and Management Services.

OTHER BUSINESS

The Board determined to cancel the November 22, 2023 regular meeting.

ADJOURNMENT

Upon a motion duly made by Director Wright, seconded by Director Smith and, upon vote, unanimously carried, meeting was adjourned at 2:42 p.m.

Respectfully submitted,

DocuSigned by:

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Secretary for the Meeting