

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF

THREE HILLS METROPOLITAN DISTRICT

Held: Wednesday, October 25, 2023 at 10:00 a.m.

This meeting was held via teleconference.

Attendance

The Special Meeting of the Board of Directors of the Three Hills Metropolitan District was called and held in accordance with the applicable laws of the State of Colorado. The following Directors, having confirmed their qualifications to serve, were in attendance:

Matthew Cavanaugh
Guillaume Pouchot
C. Regan Hauptman

Also present were Megan J. Murphy, White Bear Ankele Tanaka & Waldron, District Legal Counsel; and Alex Fink, CliftonLarsonAllen, LLP, District Accountant.

Call to Order/Declaration of Quorum

It was noted that a quorum of the Board was present and the meeting was called to order.

Conflict of Interest Disclosures

Ms. Murphy advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Tompkins 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 Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Tompkins inquired into whether members of the Board 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 Board to act.

Approval of Agenda

The Board reviewed the proposed agenda. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda as presented.

Public Comment

None.

Consent Agenda

Ms. Murphy reviewed the items on the consent agenda with the Board. Ms. Murphy advised the Board that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved and/or ratified.

- Minutes from September 20, 2023 Special Meeting; and
- Minutes from October 18, 2023 Annual Meeting.

Financial Matters

Consider Acceptance of Schedule of Cash Position and Unaudited Financial Statements

Mr. Fink presented the Schedule of Cash Position dated June 30, 2023 updated as of October 9, 2023 and unaudited financial statements dated September 30, 2023. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the Schedule of Cash Position and unaudited financial statements.

Consider Approval of Claims Payable

Mr. Fink presented the claims in the amount of \$4,563.86. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the claims.

Conduct Public Hearing on 2023 Budget Amendment and Consider Adoption of Resolution Amending 2023 Budget

Mr. Fink noted an amendment to the 2023 budget was not necessary.

Discuss Requirements of SB23-303 Relating to Limitations of Property Tax Revenue

The District's accountant explained to the board that Proposition HH will be on the ballot this November, which is a referred measure that would limit tax increases from the prior property tax year to the amount of inflation, and that would also temporarily reduce the valuation for assessment of certain residential and nonresidential property. Revenues for the payment of bonds and revenues from a mill levy approved by the local government's voters are excluded from the revenue calculation. Districts can impose a mill levy that exceeds the limit if they; publish a notice of their intent to exceed the limit in a newspaper; and post it on the District's website, at least 10 days in advance of the public hearing at which the mill levy will be considered. The notice must include, the proposed mill levy, any temporary property tax credits, the date, time, and location of the public hearing. At the meeting, the District must provide the public an opportunity to present oral testimony on the mill levy and must adopt a resolution to approve the mill levy after it has heard from

interested taxpayers. In exchange for the limit on tax increases and reduced valuation for assessment the ballot measure would allow the State to retain surplus revenue that would otherwise be required to be refunded to taxpayers. Because the District is holding its meeting before the election the District will need to approve a budget with alternate mill levy calculations, one calculation for if Proposition HH passes and one for if it fails. The motion to approve the budget resolution should include direction to the consultants to file the budget with the appropriate calculation based on the outcome of the election.

Conduct Public Hearing on 2024 Budget and Consider Adoption of Resolution Adopting 2024 Budget, Imposing Mill Levy and Appropriating Funds

The public hearing was opened on the proposed 2024 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.

Mr. Fink reviewed the 2024 Budget Resolution with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2024 Budget, appropriating funds therefor as shown in the 2024 Budget, subject to receipt of final assessed valuation, and directed its consultants to file the budget with the appropriate mill levy calculation based on whether or not Proposition HH is approved by the voters.

Other Financial Matters

None.

Management Updates

None.

Legal Matters

Consider Adoption of 2024 Annual Administrative Resolution

Ms. Murphy presented the 2024 Annual Administrative Resolution to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution subject to change of regular meeting times.

Approval of Renewal of Property and Liability Schedule and Limits, Workers Compensation Coverage, and SDA Membership for 2024

Ms. Murphy presented the property and liability schedule and limits to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the renewal, workers compensation coverage, and Special District Association membership for 2024.

Other Legal Matters

None.

Other Business

None.

Adjourn

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

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

Guillaume Pouchot

Guillaume Pouchot (Dec 6, 2023 16:06 MST)

Secretary for the Meeting

The foregoing minutes were approved on the 6th day of December, 2023.