

NOTICE OF ANNUAL POOL MEMBERSHIP MEETING

To: Member Representatives and Alternate Member Representatives
Colorado Special Districts Property and Liability Pool (CSD Pool)

From: CSD Pool Board of Directors

Subject: **39th Annual CSD Pool Membership Meeting – Wednesday, September 16, 2026 at 3:15 p.m.**
The 39th Annual Membership Meeting of the CSD Pool will be held in person and virtually via the livestream option provided by SDA.

Highlights of the 2026 Membership Meeting

1. 2025 Year End Financial Results
2. Keynote Speaker Presentation: *Beyond Compliance* by Brad Johnson CSP, Safety Professional at Parker Water and Sanitation District
3. 2026 Pool Year-to-Date review and insurance market update
4. 2027 Renewals: What to expect for your district's Property, Liability, and Workers' Compensation coverage
5. Change to Pool Agreement/IGA to create Emeritus and Board Member In Training positions

Requirements for a Quorum

If a quorum is not present, members in attendance cannot take any action. Therefore, it is essential for you to attend the Annual Meeting either in person, virtually, or submit your proxy designation form.

In accordance with the Intergovernmental Agreement (IGA) that governs the actions of the CSD Pool, only the designated Member Representative or Alternate Member Representative may cast a vote at a meeting of the CSD Pool membership, unless another person is so authorized by the execution of a proxy designation form, as described below.

1. A proxy designation may be assigned to Mr. James Heckman, President of the CSD Pool Board of Directors, by **completing the proxy designation form, which will be made available in a separate email in August.** Please complete the proxy designation form no later than Friday, September 4.
2. Any person who will be in attendance at the Annual Membership Meeting may be designated as the member's proxy by indicating on the proxy form above.

The submitted proxy designation form may be withdrawn if the Member Representative or Alternate Member Representative decides to attend the meeting. To withdraw the proxy designation, contact the CSD Pool Administrator prior to or during the meeting at info@csdpool.org. Each Alternate Member Representative should check with his or her Member Representative regarding attendance and proxies.

If changes to the Member Representative and/or Alternate Member Representative are necessary, a written designation executed by the district's board of directors must be submitted to the CSD Pool office prior to the Annual Membership Meeting. A Member Representative form is available by request at info@csdpool.org.

CSD Pool Board of Directors Nominations

Three seats on the CSD Pool Board will be up for consideration, with terms commencing on January 1, 2027. All incumbent positions are eligible for reappointment. To nominate an individual, please complete the enclosed Nomination of Director form, which must be approved by the member district's board of directors. This form, along with the individual's brief biography, should be **submitted to the CSD Pool no later than Friday, August 21, 2026**. Board members are nominated by membership and appointed by the board of directors of the Special District Association of Colorado (SDA).

Please contact the CSD Pool Administrator at info@csdpool.org if you have any questions regarding this information.

Please complete and submit the proxy designation form no later than Friday, September 4, 2026 to ensure it is recorded prior to the CSD Pool's Annual Membership Meeting on Wednesday, September 16, 2026. **The proxy designation form will be made available in a separate email in August.**

If you have any questions regarding proxy designation, the membership meeting, or the voting process, please email info@csdpool.org.

39th ANNUAL POOL MEMBERSHIP MEETING
Wednesday, September 16, 2026 | 3:15 – 4:45 p.m.
Keystone Conference Center

AGENDA

Presiding:

Mr. James Heckman
Board President, Colorado Special Districts Property and Liability Pool
Representative, Fountain Sanitation District

Pursuant to Article IX of the Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool (Pool IGA), this message serves as the 45-day advance notice of the Annual Membership Meeting to be held on Wednesday, September 16, 2026, at 3:15 p.m.

This meeting will be held in-person and via livestream, and the quorum requirement to conduct the meeting will be based on the number of members in attendance in-person, virtually, and via proxies received.

- | | |
|-----------|--|
| 3:15 p.m. | Call to Order |
| 3:16 p.m. | Introduction of Board Members, Staff, and Pool Partners |
| 3:17 p.m. | President's Opening Statement |
| 3:25 p.m. | Confirm Quorum by Attendance and Proxy |
| 3:26 p.m. | Approval of 2025 Annual Membership Meeting Minutes |
| 3:27 p.m. | Member Vote on Proposed Pool IGA Amendment #2026-1 |
| 3:28 p.m. | Member Vote on Proposed Pool IGA Amendment #2026-2 |
| 3:29 p.m. | 2025 Yearend Financial Audit Report <ul style="list-style-type: none">▶ Allison Slife, CliftonLarsonAllen, LLP▶ Motion to Accept 2025 Yearend Financial Audit Report |
| 3:35 p.m. | Beyond Compliance: Understanding and Managing Safety in Special Districts <ul style="list-style-type: none">▶ Brad Johnson, CSP, Safety professional Parker Water |
| 4:15 p.m. | Midyear Review and Market Update <ul style="list-style-type: none">▶ Joseph DePaepe, Pool Administration |
| 4:30 p.m. | What to Expect on Your 2027 Renewals <ul style="list-style-type: none">▶ Ana Holdren, Renewal Process▶ Ana Holdren, Property and Liability Program▶ Jenniffer J. Alvarado, Workers' Compensation Program |
| 4:40 p.m. | Final Business <ul style="list-style-type: none">▶ Questions from the Membership |
| 4:45 p.m. | Adjourn |

Drawing for Door Prizes – You Must be Present to Win!



Minutes of the Colorado Special Districts Property and Liability Pool Annual Membership Meeting

HELD:

September 17, 2025

BOARD MEMBERS PRESENT:

Jim Heckman – Fountain Sanitation District, *President*
Yvonne Fischbach – Hyland Hills Park and Recreation District, *Vice President*
Sander Blackburn – Northern Colorado Water Conservancy District, *Secretary and Comptroller*
Sherri Baca – Pueblo City and County Library District
Jim Borland – Fort Collins/Loveland Water District
Amelia Deleon – Mile High Flood District
Stan Gengler – Estes Park Recreation and Park District
Bill Simmons – Beaver Creek Metropolitan District
Lorraine Haywood, Emeritus Board Member
Ann Terry – Special District Association of Colorado, *Ex Officio*

OTHERS PRESENT:

Joe DePaepe – McGriff, a Marsh & McLennan Agency LLC (*Pool Administrator*)
Jenniffer J. Alvarado – McGriff, a Marsh & McLennan Agency LLC (*Pool Administration Team*)
Kinsey Bailey-Barkley – McGriff, A Marsh & McLennan Agency LLC (*Pool Administration Team*)
Kyle Brown – McGriff, A March & McLennan Agency, LLC (*Pool Administration Team*)
Ana Holdren – McGriff, A March & McLennan Agency, LLC (*Pool Administration Team*)
Paula Lowder – McGriff, A March & McLennan Agency, LLC (*Pool Administration Team*)
Brennan Mendus – McGriff, A March & McLennan Agency, LLC (*Pool Administration Team*)
Chère Phillips – McGriff, A March & McLennan Agency, LLC (*Pool Administration Team*)
Alex Terlecky – McGriff, A March & McLennan Agency, LLC (*Pool Administration Team*)
Allison Ulmer – CSD Pool General Counsel
Alison Slife – (*CliftonLarsonAllen*)
John Paluczak – (*Safety National Casualty Corporation*)
Jason Bock – Sedgwick (*Claims Services Administration*)

Brian Bonnot – Sedgwick (*Claims Services Administration*)

Jessica Edwards – Sedgwick (*Claims Services Administration*)

Michael Hawkins – Sedgwick (*Claims Services Administration*)

Kimberly Pekar – Sedgwick (*Claims Services Administration*)

Kevin Small – Sedgwick (*Claims Services Administration*)

Cynthia Tucker – Sedgwick (*Claims Services Administration*)

Holly Young – Sedgwick (*Claims Services Administration*)

Greg Chambers – Workers' Compensation Panel Defense Counsel (*Dworkin, Chambers, Williams, York, Benson & Evans, PC*)

Christopher Crabtree – Workers' Compensation Panel Defense Counsel (*Dworkin, Chambers, Williams, York, Benson & Evans, PC*)

Melissa Evans – Workers' Compensation Panel Defense Counsel (*Dworkin, Chambers, Williams, York, Benson & Evans, PC*)

Sandra Pyun – Workers' Compensation Panel Defense Counsel (*Dworkin, Chambers, Williams, York, Benson & Evans, PC*)

Gary Benson – Property and Liability Panel Defense Counsel (*Dworkin, Chambers, Williams, York, Benson & Evans, PC*)

CALL TO ORDER

Jim Heckman called the meeting to order at 3:15 p.m. Mr. Heckman read the following statement: Pursuant to Section 7.4 of Article 7 of the CSD Pool IGA, which provides that any and all Pool Board Directors may participate telephonically; therefore, this annual membership meeting will be held in person and is being livestreamed. Mr. Heckman then explained the method for Member Representatives participating remotely to vote on motions.

Mr. Heckman then welcomed everyone to the 38th annual Membership Meeting, thanked the Special District Association staff, and introduced the Board of Directors, the CSD Pool staff, Sedgwick claims team, and other guests.

PRESIDENT'S OPENING STATEMENT

Mr. Heckman announced that Carbon Valley Parks & Recreation District was recognized by the Pool as the 2025 Safest District of the Year for demonstrating their strong commitment to loss control, risk management, and employee safety.

CONFIRMATION OF QUORUM BY ATTENDANCE AND PROXY

Joe DePaepe confirmed a quorum of the Members was present, either by personal attendance or by proxy. Excluding CSD Pool staff and Board Members, 127 people attended in person.

APPROVAL OF 2024 ANNUAL MEMBERSHIP MEETING MINUTES

A motion was made to approve the 2024 Annual Membership Meeting minutes as submitted. The motion was seconded and passed.

2024 FINANCIAL REPORT

Allison Slife from CliftonLarsonAllen presented the 2024 Yearend Financial Report. The report was presented to the CSD Pool Board in March 2025. Ms. Slife reported that an unmodified or clean opinion was issued for the 2024 year-end financials and the financials were presented in accordance with the statutory requirements. Ms. Slife stated that the CSD Pool maintains a strong financial position and reserves.

A motion was made to accept the 2024 CSD Pool Yearend Financial Report. The motion was seconded and passed.

KEYNOTE ADDRESS

Kyle Brown discussed how a district can prepare for a disruption. Mr. Brown discussed what a Business Continuity plan is and provided tools to keep the district running. It was an interactive presentation with audience participation.

MIDYEAR REVIEW AND MARKET UPDATE

Mr. DePaepe provided an update on the CSD Pool's membership, contributions, net income, reserve development, and positive financial position year-to-date. Mr. DePaepe noted that the previous trend in growth in membership continued in 2025.

WHAT TO EXPECT ON YOUR 2026 RENEWALS

Ana Holdren presented the 2026 renewal overview, including the fact that renewal notifications have been sent. Members must submit updates by October 31, 2025; otherwise, the site will close on November 1, and any non-responder will have their renewal processed automatically with a 10% surcharge.

Ms. Holdren explained that property rates will increase three to six percent, equipment breakdown rates will increase one to four percent, and auto physical damage rates will increase between five percent to eight percent depending on a Member's experience and district type.

Crime for all district types will see a two percent increase. The hail surcharge will increase by another seven percent in the hail prone counties.

Ms. Holdren further discussed building values will trend up between 2% and 3% based on the construction type while contents and inland marine scheduled items will increase by 4%.

Automobile values will not be trended down this year for depreciation because studies have shown that tariffs in the auto industry are increasing the cost of a new car which then increases the demand for used cars (increasing the cost). In addition, the cost of auto parts such as engines, electronics, body parts, aluminum and steel are driving up repair and maintenance costs. Note this only applies to vehicles valued at Actual Cash Value. For those valued at Replacement Cost (which includes emergency vehicles), we encourage members to review and update the vehicle value to ensure it is sufficient to replace the vehicle in the event of a total loss due to these increasing costs.

Additional rate adjustments or increased deductibles are possible for some individual members based on their own experience rating (losses compared to contributions).

Further, Members that do not use SambaSafety will pay a five percent surcharge on the auto physical damage contribution.

Ms. Holdren reviewed the 2026 liability coverage renewal. Ms. Holdren discussed rate increases for 2026 for general liability ranging from three percent to five percent. Public Officials Liability ranging from three percent to five percent. Auto liability ranging from three percent to six percent. No faulty water/sewer ranging from zero to five percent.

Further, Members that do not use SambaSafety will pay a five percent surcharge on the auto liability contribution.

Jenniffer Alvarado presented the workers' compensation 2026 renewal information, including on renewal submissions are due by end of business on October 17, 2025.

Ms. Alvarado explained for Board-Member-Only Coverage (BMO), the minimum remains the same at \$450 for members with a broker, and \$445 for members without a broker (direct discount). BMO coverages were automatically renewed on August 15. Ms. Alvarado answered questions from the membership.

Ms. Alvarado explained Members with at least one employee should budget a five to ten percent contribution increase over any increase that you might normally see due to an increase in the district's payroll. Non-responders will receive a ten percent increase on payroll starting December 1.

Renewal issuance could begin as early as mid-October, depending on when the approved rating factors from the Division of Insurance are received.

FINAL BUSINESS

There was no other business and there were no further questions from the membership.

ADJOURNMENT

A motion was made to adjourn. The motion was seconded and passed.

There being no further business, the meeting was adjourned at 4:40 p.m. Drawings for door prizes were then conducted.

Respectfully submitted:

By: _____
Paula Lowder, CSD Pool

Jim Heckman, President

CSD POOL 2026 ORGANIZATIONAL CHART

BOARD OF DIRECTORS

James Heckman / President FOUNTAIN SANITATION DISTRICT	Stan Gengler ESTES VALLEY RECREATION AND PARK DISTRICT
Yvonne Fischbach / Vice-President HYLAND HILLS PARK AND RECREATION DISTRICT	Bill Simmons BEAVER CREEK METROPOLITAN DISTRICT
Sander Blackburn / Secretary/Comptroller NORTHERN COLORADO WATER CONSERVANCY DISTRICT	Brad White GRAND FIRE PROTECTION DISTRICT NO. 1
Sherri Baca PUEBLO CITY-COUNTY LIBRARY DISTRICT	Lorraine Haywood EMERITUS BOARD MEMBER
James Borland FORT COLLINS / LOVELAND WATER DISTRICT	Ann Terry / Chief Executive Officer SPECIAL DISTRICT ASSOCIATION OF COLORADO
Amelia Deleon MILE HIGH FLOOD DISTRICT	

LIAISON

Meredith Quarles / Chief Operating Officer SPECIAL DISTRICT ASSOCIATION OF COLORADO
--

Pool Administration / Loss Prevention / Vendor Oversight / Claims Management MCGRIFF, A MARSH AND MCLENNAN AGENCY LLC COMPANY
--

Joe DePaepe CPCU CIC / Pool Administrator
Jennifer J. Alvarado / Deputy Pool Administrator

P&L OPERATIONS DIRECTOR	STRATEGIC RISK ADVISOR	CLAIMS ADVOCACY MGR.	MEMBER REPRESENTATIVES
Ana Holdren CIC, CRM	Lei Shi CIC, CRM, AU	Paula Lowder AIC	April Indalecio Elizabeth Teslik Jesse Himmelsbach Quynh Davidson Yuke Li
COMMUNICATIONS	SAFETY CONSULTANTS	UNDERWRITERS	
Alex Terlecky AAIP Makenzie Kellar Paige Wharton	Kyle Brown CSP, ASP, CPSI Brennan Mendus Hunter Freeman Kinsey Bailey-Barkley	Michael Brantner Cheyenne Wheeler CISR Juan Lacayo	

Holly Young / Client Service Director
Kevin Small / P&L Team Lead
Jessica Edwards / WC Team Lead
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

PROPERTY AND LIABILITY CLAIMS	WORKERS' COMPENSATION CLAIMS
Michelle Bywaters Debbie Misiak Kimberly Pekar	Jason Bock Michelle Bywaters Shane Cornell Michael Hawkins Ana Stewart

Allison Slife / Auditor CLIFTONLARSONALLEN, LLP	Allison Ulmer / General Counsel COLLINS COLE WINN & ULMER / CSD POOL
Thomas Meyer / Actuary SELECT ACTUARIAL SERVICES	Glenn Scott / Investment Advisor MORGAN STANLEY
Nanci Ayres / Accountant BEST ACCOUNTING, INC.	Cindy Baroway CPCU AIC / Claims Auditor INDEPENDENT CONTRACTOR

ADMINISTRATION AND VENDORS



Nomination of Director Form

ANNUAL MEMBERSHIP MEETING

Wednesday, September 16, 2026

Valid nominations include this completed/signed form, a biography, & timely submission by August 21, 2026.

The Board of Directors of _____
being a Member of the Colorado Special Districts Property and Liability Pool, hereby puts into nomination
_____ as the Designated Member Representative for the above named
Member and to serve on the Pool Board of Directors pursuant to Article 6.1 of the Pool's Intergovernmental
Agreement (IGA).

Approved by the Board of Directors this _____ day of _____, 2026.

Signed: _____

Print Name: _____ Title: _____

President/Secretary, Member District

The Board of Directors of the Special District Association of Colorado (SDA) appoints Members to the Pool Board for two-year terms of office, which begin January 1. No more than three members of the Board can represent any one type of special district. Holdover members include one library district, one sanitation district, one water and sanitation district, one metropolitan district, and one park and recreation district.

Incumbents whose two-year terms are expiring and who are eligible for re-appointment are:

James Borland	Fort Collins / Loveland Water District
Amelia Deleon	Mile High Flood District
Stan Gengler	Estes Valley Recreation & Park District

Nominations may be submitted via email to the CSD Pool and the SDA:

CSD Pool
info@csdpool.org

SDA of Colorado
meredith@sdaco.org

Please submit this signed nomination form, along with a brief biography of your nominee, no later than Friday, August 21, to be received prior to the Pool's Annual Membership Meeting on Wednesday, September 16, 2026.
(Applies to new Board Member application submissions only.)

AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT FOR THE COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL

This AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT FOR THE COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL (this “Amendment”) is entered into and adopted by the Members of the Colorado Special Districts Property and Liability Pool (the “Pool”) as of September 16, 2026.

RECITALS

WHEREAS, the Members are parties to that certain Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool, as amended through September 14, 2022 (the “Agreement”), which governs the organization and operation of the Pool; and

WHEREAS, Article 6 of the Agreement establishes the composition of the Board of Directors of the Colorado Special Districts Property and Liability Pool (the “Board”); and

WHEREAS, the Members desire to establish two non-voting positions on the Board: (1) a Director Emeritus position, to allow the Pool to continue benefiting from the experience and institutional knowledge of individuals who previously served as Directors; and (2) a Director-in-Training position, to allow an individual to gain experience with the governance and operations of the Pool before appointment as a Director; and

WHEREAS, Paragraph 9.1(a) of the Agreement authorizes Members to amend the Agreement by a two-thirds (2/3) vote of the Members present at a meeting following at least forty-five (45) days’ written notice.

NOW, THEREFORE, the Agreement is hereby amended as follows:

1. Defined Terms. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.
2. Addition of Director Emeritus. Article 6 of the Agreement is amended by adding a new Paragraph 6.8 as follows:

6.8 The Board may appoint one individual who previously served on the Board to serve as a Director Emeritus. A Director Emeritus shall serve in an advisory, non-voting capacity and may attend and participate in Board meetings but shall have no right to vote on any matter before the Board. A Director Emeritus shall not be counted for purposes of determining: (1) the nine-person composition of the Board under Paragraph 6.1; (2) the limitation on the number of Directors from any one type of special district under Paragraph 6.1; or (3) the existence of a quorum under Paragraph 7.3. The Board shall establish the term and any other conditions of service for a Director Emeritus, and may terminate the appointment of a Director Emeritus at any time. To the extent permitted by law, a Director Emeritus shall be entitled to the same liability protections and indemnification provided to a Director under Article 12.

3. Addition of Director-in-Training. Article 6 of the Agreement is amended by adding a new Paragraph 6.9 as follows:

6.9. The Board may appoint one or more individuals to serve as a Director-in-Training for a term of one (1) year. A Director-in-Training must be a Member Representative and shall serve for the purpose of gaining experience with the governance and operations of the Pool as a prospective Director. A Director-in-Training shall serve in a non-voting capacity and may attend and participate in Board meetings, but shall have no right to vote on any matter before the Board. A Director-in-Training shall not be counted for purposes of determining (1) the nine-person composition of the Board under Paragraph 6.1; (2) the limitation on the number of Directors from any one type of special district under Paragraph 6.1; or (3) the existence of a quorum under Paragraph 7.3. Service as a Director-in-Training does not entitle an individual to appointment as a Director, and it is not required for appointment as a Director. The Board may establish additional conditions of service for a Director-in-Training and may terminate the appointment of a Director-in-Training at any time. To the extent permitted by law, a Director-in-Training shall be entitled to the same liability protections and indemnification provided to a Director under Article 12.

4. No Other Changes. Except as expressly amended by this Amendment, all terms and provisions of the Agreement remain in full force and effect and are hereby ratified and confirmed.

5. Effective Date. This Amendment shall be effective upon its adoption.

IN WITNESS WHEREOF, the undersigned hereby certify that this Amendment was duly adopted by the Members of the Colorado Special Districts Property and Liability Pool in accordance with Paragraph 9.1(a) of the Agreement.

COLORADO SPECIAL DISTRICTS
PROPERTY AND LIABILITY POOL

By _____
James Heckman, Chairman and President

Attest:

Sander Blackburn, Secretary/Comptroller

BALLOT
Amendment #2026-1

**PROPOSED AMENDMENT #2026-1 TO THE COLORADO SPECIAL DISTRICTS PROPERTY
AND LIABILITY POOL INTERGOVERNMENTAL AGREEMENT**

VOTE “YES” OR “NO”

ADOPT AMENDMENT

YES (sample) NO (sample)

Amend the Colorado Special Districts Property & Liability Pool (CSD Pool) Intergovernmental Agreement, to add Paragraph 6.8 to read as follows:

6.8 The Board may appoint one individual who previously served on the Board to serve as a Director Emeritus. A Director Emeritus shall serve in an advisory, non-voting capacity and may attend and participate in Board meetings but shall have no right to vote on any matter before the Board. A Director Emeritus shall not be counted for purposes of determining: (1) the nine-person composition of the Board under Paragraph 6.1; (2) the limitation on the number of Directors from any one type of special district under Paragraph 6.1; or (3) the existence of a quorum under Paragraph 7.3. The Board shall establish the term and any other conditions of service for a Director Emeritus, and may terminate the appointment of a Director Emeritus at any time. To the extent permitted by law, a Director Emeritus shall be entitled to the same liability protections and indemnification provided to a Director under Article 12.

Explanation of Amendment to add Paragraph 6.8:

The proposed amendment would authorize the Board to appoint one former Board member as a Director Emeritus to provide institutional knowledge, continuity, and advisory support to the Board. A Director Emeritus could attend and participate in Board meetings but would not have voting authority and would not count toward the Board’s required composition or quorum requirements. The Board would determine the term and conditions of the appointment and could terminate the appointment at any time. To the extent permitted by law, the Director Emeritus would receive the same liability protections and indemnification as a voting Director.

BALLOT
Amendment #2026-2

**PROPOSED AMENDMENT #2026-2 TO THE COLORADO SPECIAL DISTRICTS PROPERTY
AND LIABILITY POOL INTERGOVERNMENTAL AGREEMENT**

VOTE “YES” OR “NO”

ADOPT AMENDMENT

YES (sample) NO (sample)

Amend the Colorado Special Districts Property & Liability Pool (CSD Pool) Intergovernmental Agreement, to add Paragraph 6.9 to read as follows:

6.9 The Board may appoint one or more individuals to serve as a Director-in-Training for a term of one (1) year. A Director-in-Training must be a Member Representative and shall serve for the purpose of gaining experience with the governance and operations of the Pool as a prospective Director. A Director-in-Training shall serve in a non-voting capacity and may attend and participate in Board meetings, but shall have no right to vote on any matter before the Board. A Director-in-Training shall not be counted for purposes of determining (1) the nine-person composition of the Board under Paragraph 6.1; (2) the limitation on the number of Directors from any one type of special district under Paragraph 6.1; or (3) the existence of a quorum under Paragraph 7.3. Service as a Director-in-Training does not entitle an individual to appointment as a Director, and it is not required for appointment as a Director. The Board may establish additional conditions of service for a Director-in-Training and may terminate the appointment of a Director-in-Training at any time. To the extent permitted by law, a Director-in-Training shall be entitled to the same liability protections and indemnification provided to a Director under Article 12.

Explanation of Amendment to add Paragraph 6.9:

The proposed amendment would authorize the Board to appoint one or more Member Representatives as Directors-in-Training for one-year terms to gain experience with the governance and operations of the Pool and prepare for potential future service as Directors. Directors-in-Training could attend and participate in Board meetings but would not have voting authority and would not count toward the Board’s required composition, or quorum requirements. Serving as a Director-in-Training would neither guarantee nor be required for future appointment as a Director. The Board could establish additional conditions of service and terminate an appointment at any time, and, to the extent permitted by law, Directors-in-Training would receive the same liability protections and indemnification as Directors.