

**RESOLUTION**  
**ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**  
**(2021)**

---

The Board of Directors of the Water Valley Metropolitan District No. 1 (the “**Board**”), Town of Windsor, Weld County, Colorado (the “**District**”) held a special meeting held via teleconference on November 19, 2020, at the hour of 2:00 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

*[Remainder of Page Intentionally Left Blank.]*

## NOTICE AS TO PROPOSED 2021 BUDGET

**NOTICE OF PUBLIC HEARING ON THE PROPOSED 2021 BUDGETS  
AND  
NOTICE OF PUBLIC HEARING ON THE AMENDED 2020 BUDGETS**

NOTICE IS HEREBY GIVEN that proposed 2021 budgets have been submitted to the Boards of Directors (the "Boards") of the Poudre Tech Metropolitan District and Water Valley Metropolitan District Nos. 1-2 (the "Districts"). A copy of each of the proposed budgets is on file in the office of CliftonLarsonAllen LLP, 8390 E Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same are open for public inspection.

NOTICE IS FURTHER GIVEN that amendments to the 2020 budgets have been submitted to the Districts. A copy of each of the proposed amended budgets is on file in the office of CliftonLarsonAllen LLP, 8390 E Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same are open for public inspection.

Such proposed budgets and amended budgets will be considered at a public hearing during a joint meeting of the Districts to be held on Thursday, November 19, 2020 at 2:00 P.M. Due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Public Health and Environment, and the threat posed by the COVID-19 coronavirus, this meeting will be held via teleconferencing and can be joined through the directions below:

<https://zoom.us/j/99320626619?pwd=MVFuWkp5Z0pNSWI3MXJOSmQ5OVpPU>  
T09

Meeting ID: 993 2062 6619  
Passcode: 836116  
Call In #: 1(346)248-7799 or 1(669)900-9128

Any interested elector of the Districts may file or register any objections to the proposed budgets or amended budgets at any time prior to final adoption of the budgets and amended budgets by the governing body of the District.

BY ORDER OF THE BOARDS OF DIRECTORS:  
POUDRE TECH METROPOLITAN DISTRICT and  
WATER VALLEY METROPOLITAN DISTRICT NOS. 1-2

/s/ WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law  
Published: Greeley Tribune November 13, 2020-1753534

**Prairie Mountain Media, LLC**

**PUBLISHER'S AFFIDAVIT**

**County of Weld  
State of Colorado**

The undersigned, Elizabeth Maes, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Greeley Tribune*.
2. The *Greeley Tribune* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Weld County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Greeley Tribune* in Weld County on the following date(s):

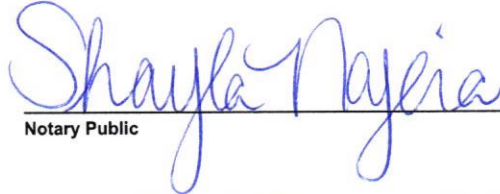
Nov 13, 2020



Signature

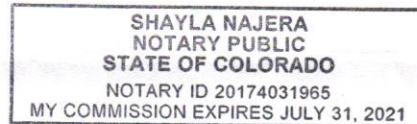
Subscribed and sworn to me before me this

13<sup>th</sup> day of November 2020



Notary Public

(SEAL)



Account: 1051175  
Ad Number: 1753534  
Fee: \$39.60

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2021 AND ENDING ON THE LAST DAY OF DECEMBER 2021.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 19, 2020, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2021. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a tax of 17.618 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2021 budget year, there is hereby levied a tax of

15.574 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2021 budget year, there is hereby levied a tax of 8.751 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2021 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Weld County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

***[Remainder of page intentionally left blank.]***

ADOPTED THIS 19<sup>TH</sup> DAY OF NOVEMBER, 2020.

WATER VALLEY METROPOLITAN DISTRICT NO. 1

DocuSigned by:  
*Martin Lind*  
2D24A9FEA47045E...  
\_\_\_\_\_  
Officer of the District

ATTEST:

DocuSigned by:  
*Justin Donahoo*  
1F0D65F83C2F44E...  
\_\_\_\_\_

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

DocuSigned by:  
*[Signature]*  
6B9E7F9291AB46D...  
\_\_\_\_\_  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF WELD  
WATER VALLEY METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held on Thursday, November 19, 2020, via teleconference as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 25th day of January, 2021.

DocuSigned by:  
*Lara Wynn*  
012FDF27A63244B...  
\_\_\_\_\_

**EXHIBIT A**

**BUDGET DOCUMENT**

**BUDGET MESSAGE**

**WATER VALLEY METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR YEAR ENDING DECEMBER 31, 2021**



**WATER VALLEY METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 364,243	\$ 368,728	\$ 270,305
REVENUES			
Property taxes	1,438,325	1,342,546	1,446,870
Specific ownership taxes	96,512	68,000	72,344
Interest income	12,792	2,700	700
Total revenues	<u>1,547,629</u>	<u>1,413,246</u>	<u>1,519,914</u>
Total funds available	<u>1,911,872</u>	<u>1,781,974</u>	<u>1,790,219</u>
EXPENDITURES			
General Fund	645,686	618,169	638,340
Debt Service Fund	897,458	893,500	796,000
Total expenditures	<u>1,543,144</u>	<u>1,511,669</u>	<u>1,434,340</u>
Total expenditures and transfers out requiring appropriation	<u>1,543,144</u>	<u>1,511,669</u>	<u>1,434,340</u>
ENDING FUND BALANCES	<u>\$ 368,728</u>	<u>\$ 270,305</u>	<u>\$ 355,879</u>
FUND BALANCE POLICY	\$ 100,000	\$ 100,000	\$ 100,000
RESERVE FUND (Required 250,856)	250,332	170,305	250,856
RESERVE FOR FUTURE DEBT SERVICE	-	-	5,023
TOTAL RESERVE	<u>\$ 350,332</u>	<u>\$ 270,305</u>	<u>\$ 355,879</u>

No assurance provided. See summary of significant assumptions.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/25/21

ACTUAL	ESTIMATED	BUDGET
2019	2020	2021

**ASSESSED VALUATION**

Residential	\$ 21,240,550	\$ 23,452,800	\$ 23,520,960
Commercial	3,995,040	4,815,430	4,588,080
Industrial	8,840	964,650	783,520
Agricultural	25,410	3,600	3,600
State assessed	648,490	654,550	694,820
Vacant land	316,060	279,570	166,790
Oil and gas	8,748,450	4,771,580	4,738,340
Certified Assessed Value	\$ 34,982,840	\$ 34,942,180	\$ 34,496,110

**MILL LEVY**

General	17.644	17.813	17.618
Debt Service	23.495	24.130	24.325
Total mill levy	41.139	41.943	41.943

**PROPERTY TAXES**

General	\$ 617,237	\$ 622,425	\$ 607,752
Debt Service	821,922	843,155	839,118
Levied property taxes	1,439,159	1,465,580	1,446,870
Adjustments to actual/rounding	(834)	(123,034)	-
Budgeted property taxes	\$ 1,438,325	\$ 1,342,546	\$ 1,446,870

**BUDGETED PROPERTY TAXES**

General	\$ 616,879	\$ 570,173	\$ 607,752
Debt Service	821,446	772,373	839,118
	\$ 1,438,325	\$ 1,342,546	\$ 1,446,870

No assurance provided. See summary of significant assumptions.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 101,888	\$ 118,396	\$ 100,000
REVENUES			
Property taxes	616,879	570,173	607,752
Specific ownership taxes	41,393	29,000	30,388
Interest income	3,922	600	200
Total revenues	<u>662,194</u>	<u>599,773</u>	<u>638,340</u>
Total funds available	<u>764,082</u>	<u>718,169</u>	<u>738,340</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	9,257	8,556	9,116
Miscellaneous	81	200	200
Transfers to PTMD - Other	636,348	609,413	629,024
Total expenditures	<u>645,686</u>	<u>618,169</u>	<u>638,340</u>
Total expenditures and transfers out requiring appropriation	<u>645,686</u>	<u>618,169</u>	<u>638,340</u>
ENDING FUND BALANCE	<u>\$ 118,396</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
FUND BALANCE POLICY	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
TOTAL RESERVE	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

No assurance provided. See summary of significant assumptions.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 262,355	\$ 250,332	\$ 170,305
REVENUES			
Property taxes	821,446	772,373	839,118
Specific ownership taxes	55,119	39,000	41,956
Interest income	8,870	2,100	500
Total revenues	<u>885,435</u>	<u>813,473</u>	<u>881,574</u>
Total funds available	<u>1,147,790</u>	<u>1,063,805</u>	<u>1,051,879</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	12,327	11,591	12,587
Bond interest - Series 2016	288,988	283,737	278,094
Bond principal - Series 2016	210,000	215,000	220,000
Paying agent fees	2,500	2,500	2,500
Miscellaneous	175	1,052	2,943
Transfers to PTMD - Other	5,599	-	-
Transfers to PTMD - Series 2010 Bonds	377,869	379,620	-
Transfers to PTMD - Series 2020 Bonds	-	-	279,876
Total expenditures	<u>897,458</u>	<u>893,500</u>	<u>796,000</u>
Total expenditures and transfers out requiring appropriation	<u>897,458</u>	<u>893,500</u>	<u>796,000</u>
ENDING FUND BALANCE	<u>\$ 250,332</u>	<u>\$ 170,305</u>	<u>\$ 255,879</u>
RESERVE FUND (Required 250,856)	\$ 250,332	\$ 170,305	\$ 250,856
RESERVE FOR FUTURE DEBT SERVICE	-	-	5,023
TOTAL RESERVE	<u>\$ 250,332</u>	<u>\$ 170,305</u>	<u>\$ 255,879</u>

No assurance provided. See summary of significant assumptions.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Water Valley Metropolitan District No. 1 (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Windsor, Weld County, Colorado in 1994, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide water and wastewater services, street construction, installation of safety control devices and construction and maintenance of parks and recreation facilities. The District is a Financing District organized in conjunction with two other related Districts – Poudre Tech Metropolitan District and Water Valley Metropolitan District No. 2. Poudre Tech Metropolitan District serves as the Operating District which is responsible for managing the construction and operation of facilities and improvements needed for Water Valley District Nos. 1 and 2 (Financing Districts) which are responsible for providing the funding and tax base needed to support the Financing Plan for capital improvements.

At its organizational election held on November 8, 1994, the voters approved general obligation indebtedness of \$6,590,000 for street system, \$450,000 for traffic and safety controls, \$3,175,000 for water system, \$3,415,000 for sanitation system, \$6,615,000 for parks and recreational facilities, \$795,000 for fire protection and \$525,000 for television relay system. The voters also approved an annual tax increase of \$1,700,000, or by such lesser annual amount as may be necessary to pay the District's general costs.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the mill levy adopted by the District.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenue – (continued)**

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected.

**Interest income**

Interest earned on the District's available funds has been estimated on an average interest rate of 0.25%.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**Transfer to Poudre Tech Metro District**

Property taxes generated from the 17.618 mills levied by the District for operations and maintenance, net of fees, are expected to be transferred to Poudre Tech Metropolitan District, the Operating District, which pays all administrative and operating expenditures of the District.

A portion of the property taxes generated from the 24.325 mills levied by the District for debt service, net of fees, are expected to be transferred to Poudre Tech Metropolitan District to pay for a portion of the debt service on the Series 2020 Bonds issued by Poudre Tech Metropolitan District.

**Debt Service**

Principal and interest payments are provided based on the attached debt amortization schedule from the General Obligation Refunding Bonds, Series 2016.

**Debt and Leases**

On January 31, 2014, the District entered into a Loan Agreement with First Western Trust Bank to obtain a loan in the aggregate original principal amount of up to \$7,210,000 (Loan). The maturity date of the Loan is January 31, 2021, with an interest rate of 4.04%, paid semiannually on June 1 and December 1. The proceeds from the initial Loan funding were used to refund the Series 2004 and 2007 General Obligation Bonds, finance certain public improvements, and pay the costs of issuing the Loan.

On July 8, 2016, the District issued \$7,100,000 in General Obligation Refunding Bonds, Series 2016 (Bonds) to prepay the Loan described above.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

The Bonds are general obligations of the District secured and payable from Pledged Revenue which include Property Tax Revenue, net of costs of collection, and any other legally available amounts. The Bonds are due December 1, 2040, with an interest rate of 2.00%-5.25%, paid semiannually on June 1 and December 1. The Bonds maturing on and after December 1, 2035, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the District is to determine and by lot maturities), on December 1, 2026, and on any date thereafter, upon payment of par, and accrued interest thereon, without redemption premium. The Bonds maturing on December 1, 2033, are subject to mandatory sinking fund redemption, prior to maturity, in part, by lot in such manner as the Trustee is to determine, on December 1 of each year at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve/Other Reserve**

The District has not provided for an emergency reserve equal to at least 3% of fiscal year spending for 2021, as defined under TABOR, because tax revenue is transferred to Poudre Tech Metropolitan District, the Operating District, which provides for the required reserve amount. However, the District has committed to maintain a reasonable level of unrestricted fund balance in the General Fund to mitigate temporary revenue shortfalls or unplanned one-time expenditures that may occur in the future.

**Debt Service Reserve**

The Series 2016 Bonds are secured by amounts on deposit in the Debt Service Reserve Fund which was funded from the bond proceeds in the amount of the reserve requirement of \$250,856.

**This information is an integral part of the accompanying budget.**

**WATER VALLEY METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2020**

**\$7,100,000**

**General Obligation Refunding Bonds, Series 2016**

**Dated July 8, 2016**

**Principal due December 1**

**Interest Rate 2.0%-5.25% Payable**

**June 1 and December 1**

<b>Year Ended December 31,</b>	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
2021	\$	220,000	\$	278,094	\$ 498,094
2022		225,000		272,044	497,044
2023		235,000		265,294	500,294
2024		240,000		257,950	497,950
2025		250,000		250,150	500,150
2026		260,000		241,712	501,712
2027		265,000		232,612	497,612
2028		275,000		222,012	497,012
2029		290,000		211,012	501,012
2030		300,000		199,412	499,412
2031		310,000		187,412	497,412
2032		325,000		175,013	500,013
2033		335,000		162,013	497,013
2034		350,000		148,613	498,613
2035		370,000		131,113	501,113
2036		385,000		112,613	497,613
2037		405,000		92,400	497,400
2038		430,000		71,138	501,138
2039		450,000		48,563	498,563
2040		475,000		24,938	499,938
	\$	6,395,000	\$	3,584,108	\$ 9,979,108

No assurance provided. See summary of significant assumptions.