

**POUDRE TECH METROPOLITAN DISTRICT
WATER VALLEY METROPOLITAN DISTRICT NOS. 1 & 2**

www.poudretechmetro.org

PTMD

Martin Lind, President
May 2025
Jerry Helgeson, Vice President
May 2027
John Jensen, Secretary/Treasurer
May 2025
Marissa Donahoo, Asst. Secretary
May 2025
Justin Donahoo, Asst. Secretary
May 2027

WVMD NO. 1

John Jensen, President
May 2025
Austin Lind
May 2027
Duane Sullivan, Secretary/Treasurer
May 2025
Justin Donahoo, Asst. Secretary
May 2027
James Porth, Jr., Asst. Secretary
May 2025

WVMD NO. 2

Martin Lind, President
May 2025
Jerry Helgeson, Vice President
May 2027
John Jensen, Secretary/Treasurer
May 2025
Marissa Donahoo, Asst. Secretary
May 2025
Justin Donahoo, Asst. Secretary
May 2027

NOTICE OF JOINT MEETING

Monday, July 31, 2023, at 9:30 a.m.

1625 Pelican Lakes Point, Suite 200, Windsor, CO

This meeting may be attended via teleconferencing through the directions below:

<https://us06web.zoom.us/j/82876007365?pwd=WEVSYU56Nlk0S0ZzN2cxa0lXbHB0Zz09>

Meeting ID: 828 7600 7365, Passcode: 513443, Call In#: 1(720)707-2699 or 1(719)359-4580

JOINT MEETING AGENDA

1. Call to Order
2. Declaration of Quorum/Director Conflict of Interest Disclosures/Affirmation of Qualifications
3. Approval of Agenda
4. Consider Election of Officers
5. Public Comment – Members of the public may express their views to the Boards on matters that affect the Districts. Comments will be limited to three (3) minutes per person.
6. Consent Agenda –The items listed below are a group of items to be acted on with a single motion and vote by the respective Boards. An item may be removed from the consent agenda to the regular agenda, by any Board member of the applicable District. Items on the consent agenda are then voted on by a single motion, second, and vote by the respective Boards.
 - a. Approval of Minutes from the April 25, 2023 Joint Meeting with Raindance Metropolitan District Nos. 1-4 (**enclosure**)
 - b. Ratification of Second Amended and Restated Recreation Amenities Use Policy for Water Valley (**enclosure**)
 - c. Ratification of Independent Contractor Agreement with Randy Schwalm for Farm Services (**enclosure**)
 - d. Ratification of Second Amendment to District Manager Agreement with Advance HOA for Accounts Receivable Services (**enclosure**)

- e. Approval of Independent Contractor Agreement with M&E Painting for Fence Painting Services (**enclosure**)
 - f. Approval of Independent Contractor Agreement with Altitude Athletic Surfaces for Pickle Ball Court Installation Services (**enclosure**)
7. District Manager Matters
- a. District Manager Report (*if any*)
8. Operations Matters
- a. Operations Report (*if any*)
9. Capital Report
- a. Update on Status of Sea Wall Repairs
10. Water Matters
- a. Consider Approval of Amended and Restated Water System Rules and Regulations (**enclosure**)
11. Legal Matters
12. Financial Matters
- a. Consider Approval of Financials/Payables (**enclosure**)
 - b. Conduct Public Hearing on 2022 Budget Amendment and Consider Adoption of Resolution Amending 2022 Budget (PTMD) (**enclosure**)
 - c. Presentation and Consider Approval of 2022 Audits (**enclosures**)
13. Other Business
14. Adjourn

2023 Joint Regular Meeting Schedule

October 19th at 9:00 a.m.

MINUTES OF A JOINT SPECIAL MEETING OF THE
BOARDS OF DIRECTORS

OF

POUDRE TECH METROPOLITAN DISTRICT, WATER
VALLEY METROPOLITAN DISTRICT NOS. 1 & 2, AND
RAINDANCE METROPOLITAN DISTRICT NOS. 1-4,

Held: Tuesday, April 25, 2023, at 10:00 a.m.

*This meeting was held via teleconference and at 1600
Pelican Lakes Point, Windsor, Colorado.*

Attendance

The joint special meeting of the Boards of Directors of the Poudre Tech Metropolitan District, Water Valley Metropolitan District Nos. 1 & 2, and Raindance Metropolitan District Nos. 1-4 was called and held in accordance with the applicable laws of the State of Colorado. The following Directors, have confirmed their qualifications to serve, were in attendance:

**Poudre Tech Metropolitan District and Water Valley
Metropolitan District Nos. 1 & 2**

Martin Lind, President (PTMD/WVMD No. 2)
Jerry Helgeson, Vice President (PTMD/WVMD Nos. 1 & 2)
Duane Sullivan, Secretary/Treasurer (WVMD No. 1)
Justin Donahoo, Asst. Secretary (PTMD/WVMD No. 1 & 2)
John Jensen, Secretary/Treasurer (PTMD/WVMD Nos. 1 & 2)
James Porth, Jr., Asst. Secretary (WVMD No. 1)
Marissa Donahoo, Asst. Secretary, (PTMD/WVMD No. 2)

Raindance Metropolitan District Nos. 1-4

Martin Lind, President (District Nos. 1-4)
Justin Donahoo, Secretary/Treasurer (District Nos. 1-4)
Austin Lind, Assistant Secretary (District Nos. 1, 2 & 4))
Ryan Scallon, Assistant Secretary (District No. 1 & 3)
Kris Kazian, Assistant Secretary (District No. 3)
Nate Kvamme, Assistant Secretary (District No. 2)
Garrett Scallon, Assistant Secretary (District No. 2)
Alan MacGregor, Assistant Secretary (District No. 3)

Also present were William P. Ankele, Jr., Esq., and Zachary P. White, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law (District Counsel); Gary Kerr, Lara Wynn, Colton Lind, Water

Valley Companies (District General Manager); Don Taranto, Matt Taranto – TST, Inc. Consulting Engineers (District Engineer); Gigi Pangindian – CliftonLarsonAllen (District Accountant); Cindy Beemer, Raindance MD No. 3 Director Elect; and Barry McGuiness, Raindance MD No. 2 Director Elect.

Call to Order/Declaration of Quorum

It was noted that a quorum of the Boards was present, and Director Martin Lind called the meeting to order and appointed Legal Counsel to direct the meeting.

Conflict of Interest Disclosures

Mr. White advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. White reported that disclosures for those directors that provided White Bear White Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Mr. White inquired into whether members of the Boards 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 Boards to act.

Combined Meetings

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes is the action of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Approval of Agenda

Mr. White presented the proposed agenda to the Boards for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda as presented.

Public Comment

Greg Flebbe asked about the status of repairs of the wooden pelican statute. Director Martin Lind reported that it is being repaired at the artists shop and is expected to be replaced this summer.

Consent Agenda

Mr. White reviewed the items on the consent agenda with the Boards. Mr. White advised the Boards that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were requested to be removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, adopted, and ratified:

PTMD/WVMD NOS. 1 & 2 Matters

- Minutes from the April 11, 2023 Joint Meetings

Raindance MD Nos. 1-4 Matters

- Minutes from the April 11, 2023 Joint Meetings

District Manager/Operations Matters

Operations Matters None.

Capital Matters None.

Water Matters None.

Waterdance Matters None.

Water Activity Enterprise

Water Activity Enterprise Presentation re Water Conservation, Water System Infrastructure and Capital Requirements, Operations Costs, Long-Term Financial Plan, and Water Service Fees and Rates.

Mr. Kerr presented to the Boards the results of the water enterprise rate structure analysis undertaken by TST, Inc. and financial analysis by CliftonLarsonAllen attached hereto. Following the presentation members of the Board spoke in favor of the recommendations and expressed a desire to both see the financial health of the Districts and the health of the water systems maintained into the future, and to encourage conservation of the valuable water resources of the Districts. It was noted that the average lot needs only approximately 42,000 gallons of water per year, but many are using well in excess of that amount. The Boards discussed how to encourage and educate users to track and reduce water usage.

Mr. White noted that notice of each of the Districts’ intent to increase water rates was posted in accordance with statute on the respective district websites. Director Martin Lind opened a public

hearing on the proposed water rates.

Greg Bielowski commented regarding the need to encourage conservation of water and asked whether excessive users should incur higher fees to encourage conservation.

Gail Miller commented regarding limited water resources in the region and expressed views in favor of the proposed actions by the Boards to encourage conservation.

Cindy Beemer commented in favor of a tiered rate structure for users.

Dani Kerkegi asked whether the proposed capital fees are planned to sunset once the water systems are completed.

Lucy Thames commented about the impact of larger lots in areas where the HOA's require substantial amounts of turf and plant material.

The public hearing was closed.

Members of the Boards shared their views:

Director Garrett Scallon discussed the need to conserve water and spoke about tools and methods available to property owners to track their own water usage.

Director Martin Lind discussed the proposed rate structure and recognized the impact it will have on residents of the District and on his own businesses, but stated he believed the rate structure needed to be adjusted. He also expressed his view that the rates will still be lower than the rates paid by Town of Windsor customers.

Director Kazian expressed his views that the changes are necessary while acknowledging the impact they will have on residents is significant. He shared tools he has used to track his own water usage.

Director Sullivan expressed his views about the cost impact to Water Valley residents who are already paying more for services like trash collection than residents in Raindance who have trash service as part of their HOA dues. He expressed a desire to engage with the HOA in Water Valley on cost issues which could off-set the water rate cost increases.

Director Jenson reviewed the financial proformas and expressed he believed the Boards had no choice but to increase the water rates and encourage conservation.

All members of the Boards engaged in a discussion about implementation of the increased water rates and education to the public about conservation. The Boards expressed a desire to give grace as the new rates are implemented to users making a good faith effort to conserve or who may have extraordinary circumstances like water line breaks.

Legal Matters

Consider Approval of Amended Fee Schedule re Implementation of Various Fees, Rates, Penalties and Charges for Water Services and Facilities (PTMD/WVMD Nos. 1 & 2)

Mr. Kerr presented the Amended Fee Schedule regarding Implementation of Various Fees, Rates, Penalties and Charges for Water Services and Facilities to the Boards of Poudre Tech Metropolitan District and Water Valley Metropolitan District Nos. 1 & 2. Following discussion, upon a motion duly made and seconded, the Boards adopted the fee schedule as presented, and directed management to give grace to customers making a good faith effort to conserve or who may have extraordinary circumstances. The Boards directed Legal Counsel to prepare an updated fee schedule and to work with management to post the updated fee schedules to the website.

Following discussion, upon a motion duly made and seconded, the Boards approved to direct staff and consultants to work to implement the conservation recommendations included in Mr. Kerr's presentation.

Consider Approval of Amended Fee Schedule re Implementation of Various Fees, Rates, Penalties and Charges for Water Services and Facilities (RDMD Nos. 1-4)

Mr. Kerr presented the Amended Fee Schedule re Implementation of Various Fees, Rates, Penalties and Charges for Water Services and Facilities to the Boards of Raindance Metropolitan District Nos. 1-4. Following discussion, upon a motion duly made and seconded, the Boards adopted the fee schedule as presented, and directed management to give grace to customers making a good faith effort to conserve or who may have extraordinary circumstances. The Boards directed Legal Counsel to prepare an updated fee schedule and to work with management to post the updated fee schedules to the website.

Following discussion, upon a motion duly made and seconded, the Boards approved to direct staff and consultants to work to implement the conservation recommendations included in Mr. Kerr's presentation.

Other Business

Director Kazian thanked the Boards for their service and noted that this would be his last meeting before his term of office expires on May 2, 2023. The Boards thanked Director Kazian for his service.

Next Meeting

Poudre Tech MD/Water Valley MD Nos. 1 & 2, July 31, 2023

Adjourn

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

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

Secretary for the Meeting Districts

The foregoing minutes were approved on the 31st day of July, 2023.

WELCOME

*WATER VALLEY & RAINDANCE
METRO DISTRICTS*

APRIL 25, 2023

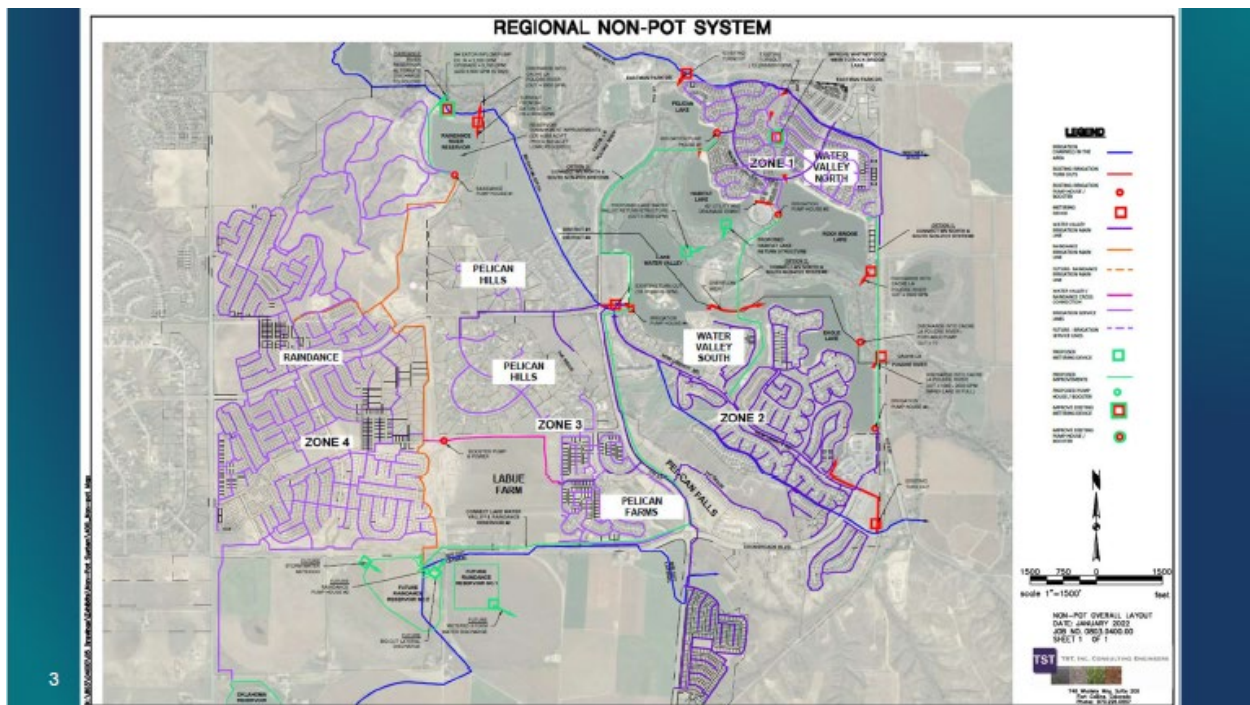
JOINT BOARD MEETING

Topics:

- Background & Overview of Non-Potable Water System
- Discuss Strength of Combined Systems
- The Need for Conservation
- Review Current Non-Potable and Potable Water Rates
- Discuss Capital Requirements
- Review Operating and Debt Service Pro Forma
- Discuss Recommendations
- Review Overall Metro District / HOA Costs

Background:

- Districts Engaged TST (District Civil Engineers), Martin & Wood (District Water Engineers), and Clifton Larson Allan (District Accountants) to Undertake a Thorough Evaluation of the Water Resources, Operations and Business of the Joint Water Enterprises, Including Analysis / Discussion of:
 - Current Water Supply, Water Rights, Lake Levels, and Adequacy of Current Senior and Junior Water Rights
 - Need for Water Conservation and Recommended Course of Action
 - Capital / Infrastructure Needs
 - Review of Current Operating Costs and Potential Further Economies of Scale / Efficiencies of Joint Operation
 - Impact of Inflation on Operations and Capital
 - Considering all the Above, Analysis of Service Fees and Recommendations for Needed Adjustment



Largest Non-Pot Water Utility in Colorado

- Serving Over 5,500 Homes and 15,000 Residents, Three Golf Courses, 30+ Commercial Customers, and 150+ Acres of Public Parks, Farms, and Open Spaces
- Service Area of >4,500 Acres (Seven Square Miles)
- Senior Water Rights Valued at Over \$50MM, \$10s of Millions of Junior Water Rights, all Adjudicated via 27 Water-Court Cases
- Six Storage Lakes with Total Surface Area of 286 acres, Able to Store Over 1.2 Billion Gallons of Water (3,625 Acre-Feet)
- Three Separate Ditches Drawing Water off the Poudre and Thompson Rivers.
- Five Pump Stations Able to Deliver 1,332,000 Gallons per Hour, 63+ Miles of Pipe and 360+ Control Valves
- In 2022, Delivered Over 787 million Gallons of Water (2,415 acre-feet), Returned Over 837 Million Gallons of Decreed Water (2,568 Acre-feet) to the River, and Flowed / Processed Over 814 Million Gallons (2,496 Acre-Feet) of Storm Water

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WATER VALLEY & RAINDANCE METRO DISTRICTS

The Strength of the Combined Systems:

- Significant Operating Efficiencies & Savings... Eliminates Redundant Personnel, Administrative Systems, Maintenance Equipment, and Generally achieves meaningful Economies of Scale
- Moves Return Flow Obligations and Significant Working Storage to Offsite / Non-Amenity Lakes (Raindance River Reservoir & Raindance Reservoir #2), Thereby Increasing the Average Level and Amenity Value of the Water Valley Lakes
- The Combination of all Senior and Junior Water Rights Provides Great Resiliency of Supply and Better Capacity to Serve in Dry Years and Time of Drought.
- Provides Significant Redundancies as to Pump and Storage Capacity, Improves Overall Reliability of the System, and offers huge flexibility as to system operations.
- Gives Access to Water from the Thompson River

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WATER VALLEY & RAINDANCE METRO DISTRICTS

Need for Conservation:

- Current Rate Structure Promotes Waste by Engendering an attitude of, "If I Have to Buy it, I'm Going to use it." Very Few Users Need 200,000 Gallons / Year
- Residences in Water Valley North Converted to Meters in the Past 12 Months, Prior to this, no Financial Incentive to Conserve
- The Correct Amount of Water to Apply to Sod During the Water Season is Approximately 21 Gallons per Square Foot / Year... so a 2,000 Square Foot Yard Only Needs 42,000 gallons of Water Per Year... On the Other Hand, A Half-Acre Yard (21,780 Square Feet) Would Require Approximately 457,000 Gallons / Year
- Based on Their Analysis, TST Estimates that:
 - Residents in Water Valley use at Least 50% More Water than is Necessary
 - Residents in Raindance use at Least 100% More Water than is Necessary (Some of this can be Attributed to Grow in of New Lawns)

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WATER VALLEY & RAINDANCE METRO DISTRICTS

Current Water Rates:

- **Current Water Valley Non-Potable Water Rates:**
 - Base Rate of \$354 / Year / Single-Family Unit Plus \$1.75 per K Gallon for use Over 201 K Gallons.
 - Base Rate of \$354 / Year / Multi-Family Unit Plus \$1.75 per K Gallon for use Over 201 K Gallons.
 - Base Rate of \$354 / Year / Commercial Unit Plus \$1.75 per K Gallon for use Over 201 K Gallons.
- **Current Raindance Non-Potable Water Rates:**
 - Base Rate of \$410 / Year / Single-Family Unit Plus \$2.05 per K Gallon for use Over 200 K Gallons.
 - Base Rate of \$246 / Year / Multi-Family Unit Plus \$2.05 per K Gallon for use Over 200 K Gallons.
 - Base Rate of \$410 / Year / Commercial Unit Plus \$2.05 per K Gallon for use Over 200 K Gallons.
- **Town of Windsor – 2023 Potable Water Rate**
 - Base rate of \$20.62 / month (247.44 / year) plus:

| | | |
|------------|--------------------|---|
| ➤ 1st Tier | \$6.07 / K Gallon | For up to 16,000 gallons / month |
| ➤ 2nd Tier | \$9.07 / K Gallon | For 16,001 through 22,500 gallons / month |
| ➤ 3rd Tier | \$13.52 / K Gallon | For use over 22,500 gallons / month |

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WATER VALLEY & RAINDANCE METRO DISTRICTS

Assumptions Concerning New Debt:

- Bank Loan, 7-year Note
- Interest Only for the First Year
- Thereafter, Amortize Over 30 years, Due in Full at 7 Years
- Interest Rate of 4.5%
- Gross Proceeds of \$6,390,000
- 2% Costs of Issuance - \$127,800
- 4% Reserve Requirements - \$255,600
- Net Proceeds of \$6,006,000
- First Year Payments of \$143,775 / Year
- Year Two through Seven Payments of \$392,292 / Year

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WATER VALLEY & RAINDANCE METRO DISTRICTS

Combined Enterprise Fund 10 Year Expense & Debt Service Estimates:

| | Pro Forma 2023 | Pro Forma 2024 | Pro Forma 2025 | Pro Forma 2026 | Pro Forma 2027 | Pro Forma 2028 | Pro Forma 2029 | Pro Forma 2030 | Pro Forma 2031 | Pro Forma 2032 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Service Costs: | | | | | | | | | | |
| Operations & Maintenance | \$ 1,098,000 | \$ 1,141,920 | \$ 1,187,597 | \$ 1,235,101 | \$ 1,284,505 | \$ 1,335,885 | \$ 1,389,320 | \$ 1,444,893 | \$ 1,502,689 | \$ 1,562,796 |
| General & Administrative | \$ 397,000 | \$ 412,880 | \$ 429,395 | \$ 446,571 | \$ 464,434 | \$ 483,011 | \$ 502,332 | \$ 522,425 | \$ 543,322 | \$ 565,055 |
| Tap Cost | \$ 982,800 | \$ 1,019,200 | \$ 1,062,996 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Maintenance Reserves | \$ 715,000 | \$ 743,600 | \$ 773,344 | \$ 804,278 | \$ 836,449 | \$ 869,907 | \$ 904,703 | \$ 940,891 | \$ 978,527 | \$ 1,017,668 |
| Contingency | \$ 44,200 | \$ 45,968 | \$ 47,807 | \$ 49,718 | \$ 51,708 | \$ 53,776 | \$ 55,927 | \$ 58,164 | \$ 60,491 | \$ 62,910 |
| Total Service Costs | \$ 3,237,000 | \$ 3,363,568 | \$ 3,501,139 | \$ 2,535,668 | \$ 2,637,096 | \$ 2,742,579 | \$ 2,852,282 | \$ 2,966,373 | \$ 3,085,029 | \$ 3,208,429 |
| Debt Service: | | | | | | | | | | |
| 2020 Bonds | \$ 1,073,798 | \$ 1,287,975 | \$ 1,291,725 | \$ 1,295,225 | \$ 1,303,475 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2022 Bank Loan | \$ 527,320 | \$ 516,681 | \$ 506,042 | \$ 495,403 | \$ 484,763 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2023 Bank Loan | \$ 143,775 | \$ 392,292 | \$ 392,292 | \$ 392,292 | \$ 392,292 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2027 Refunding Bonds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,886,000 | \$ 1,931,000 | \$ 1,968,500 | \$ 2,013,750 | \$ 2,051,250 |
| Paying Agent Fees | \$ 2,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 8,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| Total Debt Service | \$ 1,746,893 | \$ 2,201,948 | \$ 2,195,059 | \$ 2,187,920 | \$ 2,188,530 | \$ 1,889,000 | \$ 1,934,000 | \$ 1,971,500 | \$ 2,016,750 | \$ 2,054,250 |
| Total Cost of Service and Debt | \$ 4,983,893 | \$ 5,565,516 | \$ 5,696,198 | \$ 4,723,588 | \$ 4,825,626 | \$ 4,631,579 | \$ 4,786,282 | \$ 4,937,873 | \$ 5,101,779 | \$ 5,262,679 |

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WATER VALLEY & RAINDANCE METRO DISTRICTS

Optimal New Rate Structure Will:

- Unify Both Districts Under One Rate Structure
- Equitably Distribute Service Fees Across all User Groups (Residential, Commercial, Golf, Parks and Rec,...)
- Ensure Residents and All Users Receive Considerable Value from the Non-Pot Systems as Compared to the Cost of Irrigating with Town of Windsor Potable Water
- Eliminate the Incentive to Over Water and Encourage, Promote, and Incent Water Conservation
- Address the Considerable Impact of Inflation on Operation / Maintenance Costs and on Capital Costs
- Fund Necessary Capital Costs
- Provide a Sustainable Financial Model Now and for the Future

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WATER VALLEY & RAINDANCE METRO DISTRICTS

Service Fee Recommendations:

- Unify Both Districts Under One Rate Structure:
 - Single-Family Residential:
 - Annual Base Fee of \$247 per Single-Family Household plus \$3.80 / 1000 Gallons Service Fee for Water Actually Used
 - Multi-Family Residential:
 - Annual Base Fee of \$247 per Multi-Family Unit plus \$3.80 / 1000 Gallons Service fee for Water Actually Used
 - Large Public Amenity Bulk Users (Metro Districts, Golf Courses & Hoedown Hill):
 - \$2.80 / 1000 Gallons Service Fee for Water Actually Used
 - Commercial Users:
 - Annual Base Fee of \$247 per Parcel plus \$3.80 / 1000 Gallons Service fee for Water Actually Used

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WATER VALLEY & RAINDANCE METRO DISTRICTS

Water Use / Fee Comparison:

| WATER USE 1000 OF GALLONS | RATE / 1000 | WATER USE FEE | ANNUAL CAP FEE | TOTAL NON-POT FEE | ESTIMATED WINDSOR INCREMENTAL FEE |
|---------------------------------|-------------|---------------|-------------------|----------------------|--|
| 42 | \$3.80 | \$160 | \$247 | \$407 | \$438 |
| 80 | \$3.80 | \$304 | \$247 | \$551 | \$953 |
| 120 | \$3.80 | \$456 | \$247 | \$703 | \$1,493 |
| 160 | \$3.80 | \$608 | \$247 | \$855 | \$2,282 |
| 200 | \$3.80 | \$760 | \$247 | \$1,007 | \$2,575 |

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WATER VALLEY & RAINDANCE METRO DISTRICTS

Combined Enterprise Fund 10 Year Revenue Estimates

| | Pro Forma 2023 | Pro Forma 2024 | Pro Forma 2025 | Pro Forma 2026 | Pro Forma 2027 | Pro Forma 2028 | Pro Forma 2029 | Pro Forma 2030 | Pro Forma 2031 | Pro Forma 2032 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Funds Available | \$ 2,549,881 | \$ 3,024,756 | \$ 4,464,037 | \$ 4,960,232 | \$ 4,658,618 | \$ 4,431,846 | \$ 4,583,075 | \$ 4,770,912 | \$ 5,006,124 | \$ 5,284,353 |
| Single-Family Service Fees | \$ 1,823,664 | \$ 2,014,104 | \$ 2,216,860 | \$ 2,305,535 | \$ 2,397,756 | \$ 2,493,666 | \$ 2,593,413 | \$ 2,697,150 | \$ 2,805,036 | \$ 2,917,237 |
| Multi-Family Service Fees | \$ 723,246 | \$ 800,193 | \$ 882,138 | \$ 917,424 | \$ 954,121 | \$ 992,286 | \$ 1,031,977 | \$ 1,073,256 | \$ 1,116,186 | \$ 1,160,834 |
| Good Sam | \$ 68,040 | \$ 71,635 | \$ 75,712 | \$ 78,740 | \$ 81,890 | \$ 85,166 | \$ 88,572 | \$ 92,115 | \$ 95,800 | \$ 99,632 |
| Metro District Service Fees | \$ 299,096 | \$ 311,060 | \$ 323,502 | \$ 336,442 | \$ 349,900 | \$ 363,896 | \$ 378,452 | \$ 393,590 | \$ 409,334 | \$ 425,707 |
| Golf Course Service Fees | \$ 667,884 | \$ 694,599 | \$ 722,383 | \$ 751,279 | \$ 781,330 | \$ 812,583 | \$ 845,086 | \$ 878,890 | \$ 914,045 | \$ 950,607 |
| Commercial Service Fees | \$ 16,538 | \$ 23,649 | \$ 31,302 | \$ 32,554 | \$ 33,857 | \$ 35,211 | \$ 36,619 | \$ 38,084 | \$ 39,607 | \$ 41,192 |
| System Development / Cap Fees | \$ 877,500 | \$ 875,000 | \$ 877,500 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Tap Fees | \$ 982,800 | \$ 1,019,200 | \$ 1,062,996 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Water Service Revenues | \$ 5,458,768 | \$ 5,809,440 | \$ 6,192,393 | \$ 4,421,974 | \$ 4,598,854 | \$ 4,782,808 | \$ 4,974,119 | \$ 5,173,085 | \$ 5,380,008 | \$ 5,595,209 |

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WATER VALLEY & RAINDANCE METRO DISTRICTS

Combined Enterprise Fund 10 Year Pro Form Summary

| | Pro Forma 2023 | Pro Forma 2024 | Pro Forma 2025 | Pro Forma 2026 | Pro Forma 2027 | Pro Forma 2028 | Pro Forma 2029 | Pro Forma 2030 | Pro Forma 2031 | Pro Forma 2032 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Beginning Funds Available | \$ 2,549,881 | \$ 3,024,756 | \$ 4,464,037 | \$ 4,960,232 | \$ 4,658,618 | \$ 4,431,846 | \$ 4,583,075 | \$ 4,770,912 | \$ 5,006,124 | \$ 5,284,353 |
| Total Water Service Revenues | \$ 5,458,768 | \$ 5,809,440 | \$ 6,192,393 | \$ 4,421,974 | \$ 4,598,854 | \$ 4,782,808 | \$ 4,974,119 | \$ 5,173,085 | \$ 5,380,008 | \$ 5,595,209 |
| Total Service Costs | \$ 3,237,000 | \$ 3,363,568 | \$ 3,501,139 | \$ 2,535,668 | \$ 2,637,096 | \$ 2,742,579 | \$ 2,852,282 | \$ 2,966,373 | \$ 3,085,029 | \$ 3,208,429 |
| Services Surplus (Deficit) | \$ 2,221,768 | \$ 2,445,872 | \$ 2,691,254 | \$ 1,886,306 | \$ 1,961,758 | \$ 2,040,229 | \$ 2,121,837 | \$ 2,206,712 | \$ 2,294,979 | \$ 2,386,780 |
| Total Debt Service | \$ 1,746,893 | \$ 2,201,948 | \$ 2,195,059 | \$ 2,187,920 | \$ 2,188,530 | \$ 1,889,000 | \$ 1,934,000 | \$ 1,971,500 | \$ 2,016,750 | \$ 2,054,250 |
| Debt Service Coverage | 1.27 | 1.11 | 1.23 | 0.86 | 0.90 | 1.08 | 1.10 | 1.12 | 1.14 | 1.16 |
| Annual Surplus (Deficit) | \$ 474,875 | \$ 243,924 | \$ 496,195 | \$ (301,614) | \$ (226,772) | \$ 151,229 | \$ 187,837 | \$ 235,212 | \$ 278,229 | \$ 332,530 |
| Release of Reservoir Surety | | \$ 1,195,357 | | | | | | | | |
| Cumulative Surplus (Op & Debt) | \$ 3,024,756 | \$ 4,464,037 | \$ 4,960,232 | \$ 4,658,618 | \$ 4,431,846 | \$ 4,583,075 | \$ 4,770,912 | \$ 5,006,124 | \$ 5,284,353 | \$ 5,616,883 |

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WATER VALLEY & RAINDANCE METRO DISTRICTS

Further Recommendations:

- Considering the High Rate of Inflation, Best to Fund Necessary Capital Costs Sooner Rather Than Later
- Work with HOA to Modify Landscaping Requirements to Allow for Xeriscaping and Artificial Turf
- Metro Districts Should Consider Opportunities to Update Landscaping with Plantings that Require Less Water or Native Plantings that Don't Require Supplemental Irrigation.
- If Funding Allows, Consider Acquiring Additional Senior Water Rights and Building Additional Storage Beyond Raindance Reservoir #2
- Continue with Day of Week and Time of Day Water Restrictions to Help Manage Demand on the System
- Work Diligently to Educate Constituents on Water Scarcity in Colorado and the Need for Water Conservation
- Consider Hiring a Community Water Resource Officer to Help Educate Constituents and to Enforce Watering Restrictions

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WATER VALLEY & RAINDANCE METRO DISTRICTS

Overall Metro District / HOA Costs:

| | WATER VALLEY 1 | RAINDANCE 2 |
|---|-------------------|-------------------|
| > Assessor Appraised Value | \$ 700,000 | \$ 700,000 |
| > Statutory Assessment Rate | <u>6.950%</u> | <u>6.950%</u> |
| > Assessed Value | \$ 48,650 | \$ 48,650 |
| > Mill Levy | 42.786 mills | 43.834 mills |
| > Metro District Property Tax | \$ 2,082 | \$ 2,133 |
| > HOA Dues | \$ 140 | \$ 300* |
| > Non-Potable Water Fee (Assuming 42,000 Gallons) | <u>\$ 406</u> | <u>\$ 406</u> |
| > Total Costs | Per Year \$ 2,628 | Per Year \$ 2,839 |
| | Per Month \$ 219 | Per Month \$ 237 |

*Raindance HOA Includes Trash Services

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WATER VALLEY & RAINDANCE METRO DISTRICTS

*FURTHER
DISCUSSION*

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
POUDRE TECH METROPOLITAN DISTRICT**

**RESOLUTION ADOPTING A SECOND AMENDED AND RESTATED RECREATION
AMENITIES USE POLICY FOR WATER VALLEY**

WHEREAS, Poudre Tech Metropolitan District (the “**District**”) is a duly organized and validly existing special district, quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes (“C.R.S.”); and

WHEREAS, pursuant to Section 32-1-1001(l)(m), C.R.S., the District has the power to adopt, amend and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objects, and affairs of the board and of the special district”; and

WHEREAS, pursuant to § 32-1-1001(n), C.R.S., the Board is authorized to have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to the District by Article 1, Title 32, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District; and

WHEREAS, the District owns, operates, and maintains certain including lakes, beaches, pavilions, gazebos, trails, paths, tennis courts, open space, landscape tracts and turf fields (the “**Recreation Amenities**”) for the benefit of the residents, property owners, and taxpayers of the District, Water Valley Metropolitan District No. 1, and Water Valley Metropolitan District No. 2 (“**Water Valley**”), and the general public; and

WHEREAS, in Board of Directors of the District (the “**Board**”) previously adopted an Amended and Restated Recreation Amenities Use Policy, and an Amendment to Amended and Restated Recreation Amenities Use Policy (the “**Prior Policy**”) and desires to adopt this Second Amended and Restated Recreation Amenities Use Policy to update the policies and incorporate current practices for the use of the Recreation Amenities; and

WHEREAS, the Board finds that the adoption of this Amended and Restated Recreation Amenities Use Policy is in the best interest of the public health, safety, and welfare of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF POUUDRE TECH METROPOLITAN DISTRICT:

1. Adoption. The Board hereby adopts the Second Amended and Restated Recreation Amenities Use Policy (the “**Policy**”), attached hereto and incorporated herein as **Exhibit A**.

2. Authorization. The Board hereby directs the District Manager, as may be necessary, to implement and otherwise oversee compliance with the Policy.

3. Amendments. The District expressly reserves the right to amend, revise, redact, and/or repeal this Resolution and the Policy in whole or in part, from time to time, in order to further the purpose of carrying on the business, objects, and affairs of the District.

4. Effective Date. This Resolution and the Policy shall be effective immediately and shall remain in full force and effect until such time as such processes is repealed by the Board.

5. Severability. If any term or provision of the Policy are found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of the Policy as a whole but shall be severed from the Policy, leaving the remaining terms or provisions in full force and effect.

[Remainder of Page Intentionally Blank – Signature Page to Follow]

APPROVED AND ADOPTED this 31th day of July, 2023.

**POUDRE TECH METROPOLITAN
DISTRICT**, a quasi-municipal corporation and
political subdivision of the State of Colorado

Officer of the District

ATTEST:

APPROVED AS TO FORM

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

ATTACHMENT A

POUDRE TECH METROPOLITAN DISTRICT SECOND AMENDED AND RESTATED RECREATION AMENITIES USE POLICY

- 1. Preamble:** The Board of Directors of Poudre Tech Metropolitan District (the "**District**") has adopted the following Amended and Restated Recreation Amenities Use Policy (the "**Policy**") pursuant to Section 32-1-1001(1)(m), C.R.S., to provide for the orderly and efficient conduct of management, operation and control of the public facilities and services of the District. The District, pursuant to the provisions of its Service Plan approved by the Town of Windsor (the "**Service Plan**") has financed certain recreation amenities to serve the community commonly known as Water Valley (the "**Community**") including lakes, beaches, pavilions, gazebos, trails, paths, tennis courts, orchards, open space, landscape tracts and turf fields (collectively, the "**Recreation Amenities**").

Unless otherwise specified, all references to the "District" made herein shall refer to Poudre Tech Metropolitan District, as well its respective Board of Directors. All references herein to "District Manager" shall refer to an independent contractor engaged by the District to perform such services, with and to the extent authorized by the District, by contract or other valid allocation of authority.

- 2. District Recreation Amenities Use Generally:** The Recreation Amenities are available for use by the general public during the hours of operation set forth below, subject to this Recreation Amenities Use Policy ("**Policy**") on a first come, first serve basis, except as set forth in Section 3 below.

HOURS OF OPERATION:

Parks, gazebos, pavilions: 5:00 a.m. – 10:00 p.m.

Tennis courts: 7:30 a.m. – 9:00 p.m.

Beaches and Lakes: 5:00 a.m. – 10:00 p.m.

- 3. No Reservations/Commercial Activity/Organized Sports:** The Recreation Amenities are available for the general, informal use of the general public - no reservations are allowed without the prior written approval of the District. Commercial use of the Recreation Amenities is prohibited without the prior written approval of the District. For purposes of this policy "commercial use" shall mean use of the Recreation Amenities for promotion of any business or sale of any product or service, including but not limited to entrance fees or ticket sales. Recreation Amenities may not be reserved for organized sports without prior written approval of the District. For purposes of this policy "organized sports" shall mean any organized team which a coach or referee is present, or any team that is part of any organized league or organization, or as otherwise determined by the Board.

4. Recreation Pass Required: All members of the public residing in Water Valley (“**Residents**”) and members of the public not residing in Water Valley (“**Non-residents**”) are required to have a “Recreation Pass” issued by the District in their possession while using the Recreation Amenities, with exception of the paths and trails. If a Recreation Pass is not in the person’s possession, they and their guests will be asked to leave the area until a Recreation Pass is presented and may be subject to a fine. Recreation Passes are revocable by the District Manager, or their designee, as set forth in Section 7 of this Policy, if the Recreation Pass holder violates any regulation in this Policy, commits any act of vandalism, engages in unruly conduct or behavior that endangers the Recreation Pass holder, others, or District owned property or adjacent property. Parents or legal guardians of minor children will be held responsible for the actions of their minor children and may have their Recreation Passes revoked as a result of the actions of their minor children. Non-residents are required to pay reasonable fees as may be established by the District from time to time in order to obtain a Recreation Pass. All Residents and Non-residents wishing to obtain a Recreation Pass are required to complete a “Resident Recreation Pass Application and Agreement” or “Non-Resident Pass Application and Agreement” which may be obtained from the District Manager at the address below:

Advance HOA
1613 Pelican Lakes Point, Suite 200
Windsor, CO 80550

5. Prohibited Activities: Unless specifically authorized in writing by the District Manager, the activities described in this Section 4 are prohibited within the Recreation Amenities.

- a. Enter or remain in or refuse to leave during those times when the Recreation Amenities are not open for public use.
- b. Hold organized sports team practices or games.
- c. Except as set forth in this Policy, allow personal property to remain on the Recreation Amenities at the end of the hours of operation, including parking motor vehicles overnight.
- d. Operate private or commercial drones, or other recreational aircraft without approval of the District Manager.
- e. Deposit, leave or bury refuse, trash, pet waste, or litter except in designated trash receptacles.
- f. Place or post signs, or stick or place any handbill, poster, placard, sticker, or painted or printed matter on any public building, fence, power or light or telephone pole, or any other public structure.
- g. Permit pets to be off leash.
- h. Camp overnight.

- i. Install any structure, including but not limited to, tents, booths, stands, awnings, tree houses, rope swings, inflatable amusements or canopies, except that temporary awnings and umbrellas or other temporary portable structures for shade are permitted as long as such structures are not left unattended and are removed when user leaves. No stakes may be driven into the ground.
- j. Destroy, vandalize, deface or damage any property, buildings, structures, signs, equipment, fences, gates or locks regulating access.
- k. Use any amplified sound system that produces audible sound beyond twenty-five (25) feet.
- l. Play or practice golf or archery.
- m. Sell, serve, or dispense any alcoholic beverages unless a special event permit is obtained from the District Manager. The private, personal consumption of alcohol is permitted for persons twenty-one (21) years of age or older and in compliance with all applicable State and local laws and regulations.
- n. Smoke, including vaping and electronic cigarettes.
- o. Consume or possess any illegal drugs.
- p. Consume or possess marijuana.
- q. Bring into, possess, or have any glass bottles, or container, plates, or any other object made of glass.
- r. Engage in disorderly conduct or abusive language.
- s. Discharge explosives or fireworks or operate launch model rockets or other devices which may have an explosive charge.
- t. Conduct any commercial activity without prior written approval of the District Manager.
- u. Block, close off, or impair access to any trails or facilities.
- v. Hunt, shoot, kill, injure, trap or maim any animal, except for fishing as provided for in this Policy.
- w. Enter, without authorization, those areas and facilities posted or otherwise designated as closed to the general public, if any.
- x. Remove, cut down, disfigure rocks, trees, shrubs or other features of the natural environment. Picking fruit and vegetables in the orchards and farm fields during District approved picking seasons is permitted.

- y. Plant any trees, shrubs or other vegetation anywhere within the Recreation Amenities.
- z. Build a fire. Manufactured, portable outdoor fire pits and charcoal grills are permitted solely on a daily basis and must be broken down and removed at the end of the day, and site returned to previous condition. All wood burning devices must include a screen or spark arrester design feature to contain fire. No dumping of ash or charcoal is allowed.
- aa. Operate unauthorized motor vehicles, including all off-road vehicles such as ATVs, dirt bikes, and other recreational vehicles. Golf carts are permitted pursuant to Section 6. Electric scooters and bicycles are permitted.
- bb. Possess a weapon, unless authorized pursuant to C.R.S. 18-12-214, or any air rifle, spring-gun, sling, paintball gun, air soft gun or any other weapon.
- cc. Enter or use a private dock or watercraft without the express written consent of the owner of the dock or watercraft.
- dd. Fish, swim or recreate near a docked watercraft or private dock.

6. District Lakes and Beaches:

- a. **Generally:** The following regulations apply to all lakes (the “**Lakes**”) and beaches (the “**Beaches**”) operated by the District, except Lake Water Valley and its beaches which are not available for use by the public (the Lakes and Beaches are collectively referred to as the “**Lake Facilities**”), as depicted in **Exhibit A**, attached hereto and incorporated herein by this reference.
- b. **Passes/Permit Required:** No watercraft shall be permitted on the surface of any Lake without obtaining a Launch and Use Permit from the District Manager. Launch and Use Permits are provided to Recreation Pass holders only. Launch and Use Permits must be adhered to each registered watercraft on the starboard side, above the waterline. Recreation Passes are required to be on your person at all times while using the Lake Facilities and must be presented to a District Manager, or its designee, including District security patrol staff, upon request. Individuals using the Lake Facilities without a Launch and Use Permit or Recreation Pass may be asked to leave and may be subject to a penalty.
 - i. In order to verify that watercraft is in compliance with this Policy, inspections may be done routinely along the Beaches. Any watercraft missing a Launch and Use Permit may be removed and impounded pursuant this Policy.
 - ii. The District Manager shall have the authority to move, remove, or relocate all watercraft and any other personal property stored in or on the Beaches.
- c. **Lake Use and Watercraft Regulations:**

- i. Upon review and approval by the District, and upon such terms as the District determines are reasonable, the District allows for private dock installation on Eagle Lake and on Rockbridge Lake at the locations indicated on **Exhibit E** only. Dock installation will be considered on a case by case basis and is available only to owners of lots that abut the Beaches. Written approval by the District is required prior to the commencement of private dock installation or modification. In general, private docks cannot exceed 20 feet in length or width, there must be twenty (20) feet between each neighboring private dock to allow for adequate spacing, and private dock owners are solely responsible for the maintenance of the sand underneath and around the private dock and gangway. Property owners desiring to install a private dock should submit such request to the District Manager in writing. Any such request should include the property owners' name, address and contact information along with a description and depiction of the proposed dock, distances from adjacent docks, and any other relevant information that may aid the District in its decision to approve or disapprove the installation of the private dock.
- ii. Due to limited storage space at designated Boat Storage Locations (defined below) on the Beaches, Non-resident watercraft storage is prohibited.
- iii. Use of watercraft after sunset must have running lights for nighttime operation. Noise, voices, and music after dark to be kept at a volume so as not to create a disturbance, or that carries further than twenty-five (25) feet from the watercraft.
- iv. No boating, fishing or swimming shall be permitted in close proximity to or along the Pelican Lakes Golf Course fairways on Habitat Lake, Rock Bridge Lake or Eagle Lake.
- v. Watercraft must be no longer than twenty-four (24) feet using the U.S. Coast Guard Simplified Measurement System. Jet skis and other similar personal motorized watercraft are prohibited.
- vi. The speed limit on all Lakes is five (5) mph. All watercraft shall operate at wakeless speeds at all times.
- vii. Residents who plan to store watercraft on or near beaches overnight must store watercraft in designated areas only (the "**Boat Storage Locations**") as depicted in **Exhibit C**, attached hereto. Boat Storage Locations may be used between April 15 and October 15 only. If storage racks are provided, they will be available on a first come, first served basis and should be used before storing watercraft on the ground. The District is not responsible for damage or theft of watercraft stored at the Boat Storage Locations, or anywhere else on the Beaches. All residents who store watercraft at Boat Storage Locations will be required to obtain a storage permit from the District Manager and pay a storage fee. Any watercraft stored on the Beaches or at Boat Storage Locations without

a storage permit may be subject to removal and impound by the District Manager. Up to five (5) pontoon boats or other large watercraft may also be stored at designated locations on Rockbridge Lake. Residents desiring to store pontoon boats or other large watercraft on Rockbridge Lake may reserve a storage location for the year by contacting the District Manager and payment of a storage fee.

- viii.** Grandpa’s Pond watercraft storage from shoreline is permitted on a first come first serve basis. A limited number of watercraft can be stored here due to lack of space. All other watercraft must be stored within the approved Boat Storage Locations. Grandpa’s Pond is a channel and the level of water moves up and down. The District is not responsible to dredge the pond or channel to allow for clear access from Grandpa’s Pond into Eagle Lake. Transition of watercraft to Eagle Lake is an owner responsibility.
- ix.** Beaches are subject to routine maintenance. During these times, watercraft must be removed or relocated from the designated area being maintained. Notification will be provided to Launch and Use Permit holders informing of maintenance locations. If watercraft are not removed by the Launch and Use Permit holder the District may remove and impound the watercraft. The District will store impound watercraft bearing a valid Launch and Use Permit for at least fourteen (14) days, after which it may dispose of the impounded watercraft at the discretion of the District Manager. Watercraft not bearing a Launch and Use Permit will be impounded and may be disposed of at the discretion of the District Manager. Impounded watercraft will be subject to a storage and retrieval fee, which fee may be reduced by at the discretion of the District Manager by up to \$250.
- x.** If any “loose” or unattended watercraft are located on any of the Lakes, the owner will be notified according to the Launch and Use Permit affixed to the watercraft. If the watercraft is not recovered by the owner within 24-hours of notification, the watercraft will be impounded and subject to a storage and retrieval fee and possible disposal of the watercraft.
- xi.** Watercraft may be launched on Eagle Lake and Rockbridge Lake only at locations designated by the District Manager. Any person with a Launch and Use Permit desiring to launch their watercraft on Eagle Lake or Rockbridge Lake should contact the District Manager at least 24-hours prior to launching to obtain access to the launch areas.
- xii.** Water Trampolines/Slides/Water Toys - The following rules apply to all water toys intended to be placed in the Lakes by a property owner, including but not limited to trampolines, slides, water toys or any other similar apparatus, as determined by the District Manager (“Water Toys”):

- Owners must obtain prior approval from the District Manager before placing the Water Toys on a Lake each year.
- The District reserves the right to deny requests for Water Toys placed on the Lakes.
- If approved by the District Manager, owners must fill out a registration form and obtain a registration sticker to adhere to the Water Toy.
- Owners of Water Toys must provide the District Manager adequate proof of liability insurance as determined by the District Manager. The District must be added as an additional insured on the liability insurance policy.
- Any Water Toys placed on the Lakes must remain open for use by Recreation Pass holders when not in use by the Owner.
- Participants must wear a life jacket at all times.
- Participants are not permitted on Water Toys after 9 p.m. or before 9 a.m.
- Water Toys are permitted on the Lakes from Memorial Day to Labor Day, subject to the above conditions and restrictions.
- Water Toys not approved by the District or not used in a manner consistent with this Policy will be subject to removal.

d. Fishing Regulations:

The District takes great pride in its Lakes and permits fishing on Pelican Lake, Habitat Lake, Rockbridge Lake and Eagle Lake as depicted on the map attached hereto as **Exhibit A**. A depiction of the fish that may be found in the Lakes is attached hereto as **Exhibit B**. No fishing license necessary, but a Recreation Pass must be carried at all times. Fishing is not allowed on any of the entrance ponds, fountains, Shadow Pond, Bass Pond or Rockbridge Pond. The following restrictions apply:

- i. No fishing is allowed along the Pelican Lakes Golf Course fairways on Habitat Lake, Rock Bridge Lake or Eagle Lake.
- ii. Except as otherwise indicated on **Exhibit B**, only catch and release fishing shall be permitted and only in accordance with Department of Wildlife fishing regulations applicable to similar catch and release lakes. Fish should be unhooked and returned to the water immediately.
- iii. Only barbless hooks are permitted.
- iv. No unattended fishing poles or fishing lines.

- v. Absolutely no ice fishing is ever allowed.
- vi. Worms, minnows, crayfish and other live bait that comply with the State and local regulations can be used as well as artificial lures and manufactured baits.
- vii. No fishing allowed from private backyards, private docks or vacant lots except by the owner thereof.
- viii. All fisherman and watercraft users from both shore and from watercraft shall respect a five (5) yard radius setback from any boats or private docks when casting lines or operating watercraft.
- ix. Cast netting fishing is not permitted in any of the Lakes.
- x. Spearfishing and bow fishing is subject to State and local regulations.

7. Private Golf Carts:

- a. **Use Generally:** All golf cart drivers must be at least sixteen (16) years of age and possess a valid driver's license. Golf carts may only be operated within designated areas within the Water Valley as depicted in **Exhibit D**, attached hereto. Golf carts shall not be operated with more passengers than are seats on the golf cart. All passengers must remain seated while the golf cart is moving.
- b. **Registration Required:** All golf carts used or intended for use within Water Valley are required to be registered with the District. Golf Cart Registration Forms may be obtained from the District Manager. Any person found operating an unregistered golf cart may be subject to fines, at the discretion of the Board.
- c. **Golf Carts on Public Streets:** Use of private golf carts on designated public streets in Water Valley is permitted under the jurisdiction of the Town of Windsor pursuant to Resolution 2018-18, attached hereto as **Exhibit D**. All golf cart users must comply with all applicable ordinances of the Town of Windsor and laws of the State of Colorado regarding motor vehicles.
- d. **Lights:** Golf carts must be equipped and illuminated with head, tail and stop lamps and turn signals when used at night or low visibility.

8. Compliance/Enforcement:

- a. **Disorderly or Offensive Conduct.** The District Manager and its authorized representatives, including security patrols may request any individual to cease conduct that is:
 - i. In violation of any of the District's rules and regulations, including this Policy.
 - ii. Interferes with, or is abusive, toward any of the District's representatives in the normal operation of the Recreation Amenities.

iii. Interferes with any user or guest's use or enjoyment of the Recreation Amenities, or is abusive to any such person.

b. **Remedies Available for Disorderly or Offensive Conduct.** In the event that the offending party fails to cease such conduct after being requested and warned to do so, the District Manager, or its designee, is authorized to use any and all reasonable means he or she deems necessary to stop such conduct. This includes, but is not limited to, having the offender removed from the Recreation Amenities, the imposition of fines, or the revocation of further privileges at the Recreation Amenities.

c. **Violations.** If anyone is found to violate the District's rules and regulations, including this Policy, disciplinary measures may be administered by the District Manager as follows without the necessity of any action of the District's Board of Directors:

| | |
|---|-----------------|
| First offense: | Advisory Letter |
| Second offense within 90 days of the Advisory Letter: | \$100 |
| Third offense within 90 days of the Advisory Letter: | \$200 |

Users may also be restricted from use of the Recreation Amenities at the discretion of the District Manager and must apply for reinstatement. The District Manager shall determine whether the reinstatement is approved.

The District's Board of Directors shall be notified of all disciplinary measures by the District Manager and shall, in its discretion, have the ability to impose other disciplinary measures it deems appropriate at any point in time, which may include revocation of Recreation Amenities privileges for a user and/or user's family members. Any violations and disciplinary measures taken will be recorded in writing and kept on file by the District Manager. All violations may be reported to local law enforcement authorities as deemed necessary by the District Manager or the District's Boards of Directors.

d. **Restitution for Violation.** If any user or guest commits an act or omission that constitutes a violation of this Policy, and the violation causes the District to incur expenses, the user who commits the violation, or who is responsible for the guest who commits the violation, shall be liable to the District for all such expenses and shall repay the same to the District upon request. Such expenses may include, but shall not be limited to, reasonable attorneys' fees incurred as a result of the violation, as well as reasonable costs and/or attorneys' fees incurred in obtaining and collecting a judgment against a user who commits a violation or is responsible for a guest who commits a violation.

EXHIBIT A
DISTRICT LAKES

EXHIBIT B
WATER VALLEY FISH GUIDE

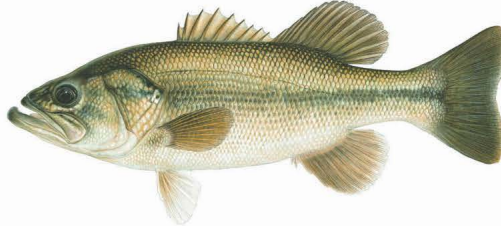


Fish Identification Guide

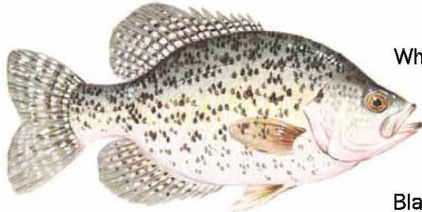
Here are the approximate 14 species of fish that inhabit our Water Valley Lakes



Smallmouth Bass – catch and release only

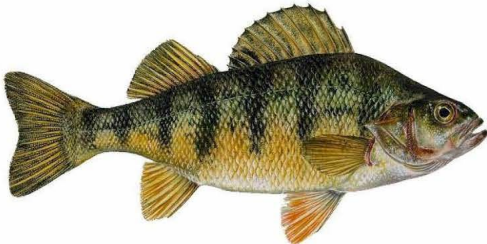
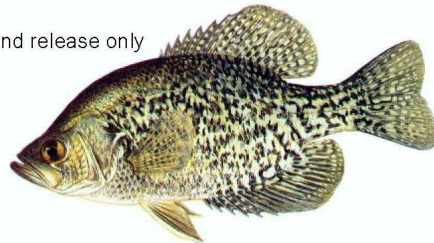


Largemouth Bass – catch and release only

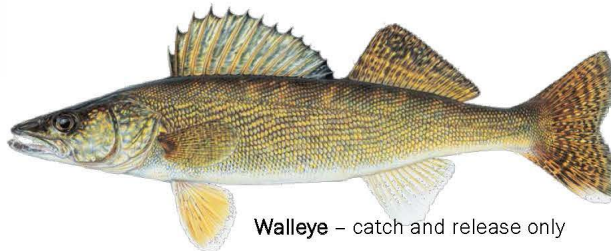


White Crappie – catch and release only

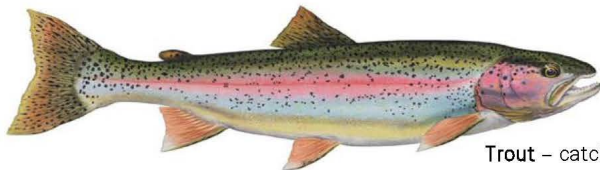
Black Crappie – catch and release only



Perch – may be caught and used for bait but cannot be taken off the premises



Walleye – catch and release only

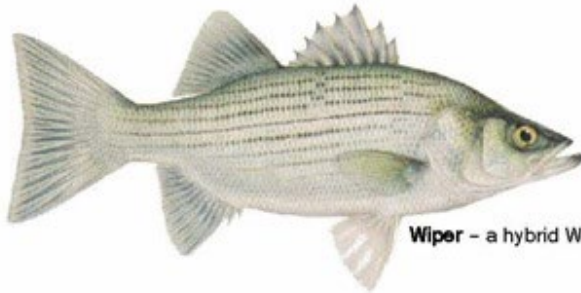


Trout – catch and release only

Water Valley Fish Identification Guide

Here are the approximate 14 species of fish that inhabit our Water Valley Lakes

Bluegill/Sunfish – may be caught and used for bait but cannot be taken off the premises



Wiper – a hybrid White Bass/Stripe Bass, catch and release only

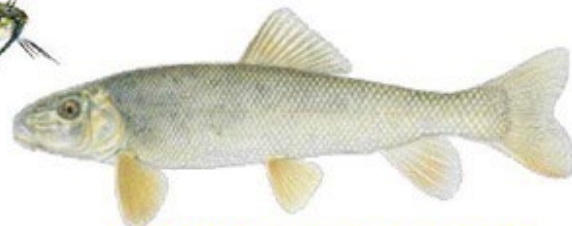
Bullhead Catfish – catch and release only



Gizzard Shad – may be caught or used as bait and cannot be taken off the premises



Channel Catfish – catch and release only



White Sucker – may be caught or used as bait and cannot be taken off the premises

Common and Mirror Carp – may be caught residents are encouraged to take them



EXHIBIT C
DESIGNATED AREAS FOR BOAT STORAGE

BOAT STORAGE AREA #1 – Eagle Lake at Boat Ramp



BOAT STORAGE AREA #2 – Rock Bridge Lake at Water Valley Parkway



BOAT STORAGE AREA #3 – Pelican Lake along Poudre River Trail



EXHIBIT D
TOWN RESOLUTION NO. 2018-18
AND
DESIGNATED GOLF CART AREAS

TOWN OF WINDSOR

RESOLUTION NO. 2018 - 18

A RESOLUTION APPROVING A PERMIT PURSUANT TO CHAPTER 8, ARTICLE VI OF THE *WINDSOR MUNICIPAL CODE* FOR THE PURPOSE OF ALLOWING THE USE OF GOLF CARS ON PUBLIC ROADWAYS WITHIN THE NEIGHBORHOODS KNOWN AS “WATER VALLEY (NORTH, SOUTH, AND PELICAN HILLS) AND SOUTH HILL (FRYE FARM AND PELICAN FARMS).

WHEREAS, the Town of Windsor (“Town”) is a Colorado home rule municipality with all powers and authority vested by Colorado law; and

WHEREAS, in 2009, the Town Board adopted an amendment to the *Windsor Municipal Code*, later codified at Chapter 8, Article VI, with respect to the operation of golf cars on public roadways (“Golf Car Code”); and

WHEREAS, the Golf Car Code contains various requirements for Town Board review and approval of neighborhood requests for permission to operate golf cars on public roadways; and

WHEREAS, except as approved by the Town Board, the Golf Car Code makes it clear that operation of golf cars on public streets is prohibited; and

WHEREAS, permission for the operation of golf cars on public roadways has already been provided for areas within the Water Valley Master Association, in Water Valley North, Water Valley South, and Pelican Hills (Hilltop Estates) through expansion and amendments to Resolution No. 2005-97 dated November 14, 2005, with respect to Neighborhood Electric Vehicles as then-defined under State law.

WHEREAS, the Water Valley Master Association (“Association”), jointly with the Poudre Tech Metro District has submitted a written request to the Town Board, seeking permission for the operation of golf cars on additional public roadways within a defined area, to include South Hill (Frye Farm and Pelican Farms); and

WHEREAS, the Town’s Police Department has undertaken the necessary administrative reviews, and has made its recommendations to the Town Board in this regard; and

WHEREAS, the Town Board has undertaken the necessary legislative review, and has concluded that, subject to the limitations, conditions and restrictions set forth herein, the requested permit should be issued pursuant to the Golf Car Code; and

WHEREAS, the within Resolution is intended to promote the public health, safety and welfare.

NOW, THEREFORE, be it resolved by the Town Board for the Town of Windsor, Colorado, as follows:

1. The foregoing recitals are incorporated herein as if set forth fully.
2. Pursuant to Chapter 8, Article VI of the *Windsor Municipal Code*, the operation of golf cars* shall be lawful upon public roadways within the geographical area depicted upon the attached Exhibit A ("Permit Area") for the areas inclusive within the Poudre Tech Metropolitan District, Water Valley Master Association, and the Pelican Farms Association.
3. The following conditions shall apply to the operation of golf cars within the Permit Area:
 - a. No golf car shall be operated by any person under the age of sixteen (16) years.
 - b. No golf car shall be operated by any person unless such person holds valid driving privileges pursuant to Title 42, C.R.S., or the equivalent under the law of any other jurisdiction within the United States.
 - c. No golf car shall be operated upon any sidewalk, pedestrian trail or recreational facility within the Town, whether or not such trail or recreational facility is operated under authority of the Town, unless the sidewalk, trail or recreational facility is posted as a designated golf car path. No golf cars shall be allowed on the Poudre River Trail.
 - d. Golf cars shall not be operated upon any roadway with a speed limit greater than 35 mph; and shall not be operated on any portion of Colorado State Highway 392 or Colorado State Highway 257. Golf cars shall only cross such roadways where golf car crossings are posted as set forth in Section 4 below.
 - e. The operator of a golf car must obey all traffic and parking regulations otherwise applicable to motor vehicles.
 - f. No golf car shall be operated between sunset and sunrise or at any other time when, due to insufficient light or unfavorable atmospheric conditions, persons and vehicles on the highway are not clearly discernible at a distance of one thousand (1,000) feet ahead, unless such golf car is equipped and illuminated with head lamps, tail lamps, stop lamps and turn signals as required under Title 42, Article 4, Part 2, C.R.S.
 - g. Golf cars shall be operated as close to the right side of the roadway as practicable, exercising due care when approaching, overtaking or passing

* As defined in Chapter 8, Article VI of the *Windsor Municipal Code*

a standing vehicle or one proceeding in the same direction or when approaching, overtaking or passing a pedestrian or bicyclist.

4. In addition to the operation-specific conditions set forth above, the permissions granted under this Resolution shall be expressly conditioned upon the posting of signage within the Permit Area, the cost of which shall be borne solely by the Association, which signage shall comply with the following requirements:
 - a. At each roadway intersection through which vehicular traffic may exit the Permit Area, a sign having a reflective surface area of no less than twenty-four by twenty-four inches ("24 X 24") shall face the exiting traffic lane, shall contain the universal symbol prohibiting golf cars, and shall either contain the phrase, "NO GOLF CARS BEYOND THIS POINT", or shall separately contain such phrase elsewhere upon the same sign post; and
 - b. Within fifty feet of each roadway intersection, a sign having a reflective surface of not less than twenty-four by twenty-four inches ("24 X 24") shall face approaching traffic, and shall contain a depiction of a golf car, and shall either contain the phrase, "GOLF CARS ON ROADWAY", or shall separately contain such phrase elsewhere upon the same sign post.
 - c. At every crossing of any State Highway or roadway posted at a speed limited greater than 35 mph, a sign having a reflective surface of not less than twenty-four by twenty-four inches ("24 X 24") shall face approaching traffic, and shall contain a depiction of a golf car, and shall either contain the phrase, "GOLF CARS CROSSING", or shall separately contain such phrase elsewhere upon the same sign post.
5. In addition to the foregoing requirements and limitations, the Association shall distribute a complete copy of the within Resolution by United States Mail, First Class postage pre-paid, to each of its members. The Association shall also distribute the attached Notification to any of its membership for which electronic mail addresses are maintained by the Association.
6. The Golf Car privileges granted herein are revocable if, in the sole discretion of the Windsor Town Board, the safety of the public cannot be assured.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 12th day of February, 2018.

TOWN OF WINDSOR, COLORADO

By: Kristie Melendez
Kristie Melendez, Mayor

ATTEST:

Patti Garcia
Patti Garcia, Town Clerk



Community Golf Cart Map



January 2018

- Per state law, no golf cart can drive along roads marked 35 mph or faster. New Liberty Rd., Crossroads & 7th St. are marked as at least 35 mph.
- Carts must be operated as close to the right side of the road as possible.



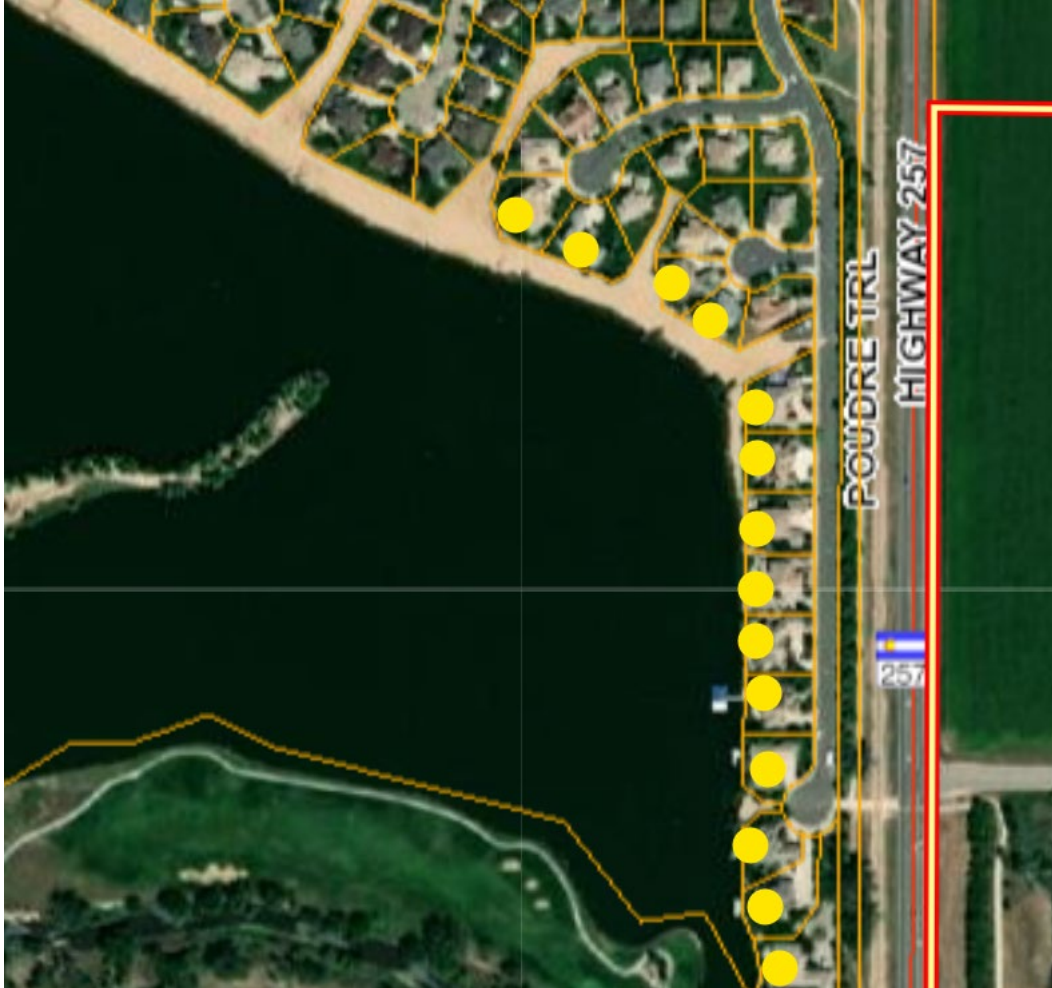
Future golf cart paths over 7th St. to & from Pelican Hills/Farms under review.

- Black line indicates city street & cart path friendly road.
- Gray line indicates cart path friendly trail.
- Red line indicates roads where carts cannot drive.
- Orange line indicates Poudre River Trail. (Carts cannot drive on this trail.)
- Blue circles indicate roads where carts must cross New Liberty Rd.
- White circles indicate roundabout.

(Golf cart usage is subject to Windsor Town Board permit requirements.)

EXHIBIT E

Allowed Dock Locations on Rockbridge Lake



POUDRE TECH METROPOLITAN DISTRICT AGREEMENT

Name of Contractor/Provider/Consultant: Randy Schwalm

Title of Agreement: 2023 Farm Services

Agreement Date: _____, 20__

This “Agreement” is made by and between Poudre Tech Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”) and the above-referenced contractor, provider, or other consultant (the “Contractor”).

Introduction. The District and the Contractor desire to enter into this Agreement to be effective the date above.

1. Scope of Services. The Contractor shall perform the services set forth in **Exhibit A** (the “**Services**”): (a) in a first-class manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period specified in the Agreement; (c) in such a manner as to minimize any annoyance, interference, or disruption to the residents, tenants, occupants, and invitees within the District; and (d) in compliance with all applicable federal, state, county, and local or municipal statutes, ordinances, and regulations.

2. Compensation of Services. Compensation for the Services provided under this Agreement shall be provided in accordance with the compensation schedule attached hereto as **Exhibit A**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided herein, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Exhibit A may take any form. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in Exhibit A, the terms in the body of this Agreement shall govern.

3. Repairs/Claims. The Contractor shall notify the District immediately, in writing, of any and all incidents/accidents which result in injury or property damage. The Contractor will promptly repair or, at the District’s option, reimburse the District for the repair of any damage to District property caused by the Contractor or its employees, agents, or equipment.

4. Independent Contractor. The Contractor is an independent contractor and nothing herein shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor is not entitled to workers’ compensation benefits or unemployment insurance benefits and the District will not provide any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives. The Contractor shall have full power and authority to select the means, manner, and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained.

5. Warranty and Permits. The Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services (collectively, the “**Work**”) will be of good quality and new, unless otherwise required or permitted by this Agreement. The Contractor further warrants that the Work will conform to all requirements of this Agreement and the applicable building code and all other applicable laws, ordinances, codes, rules, and regulations of any governmental authorities having jurisdiction over the Work. The Contractor hereby warrants the Work for a period of one (1) year from the date of completion and initial acceptance of the Work. The Contractor will immediately correct or replace any Work that is defective or not conforming to this Agreement at its sole expense to the reasonable satisfaction of the District. The Contractor’s guarantees and warranties shall

in all cases survive termination of this Agreement. This warranty shall be enforceable by the District, its successors and assigns.

6. Contractor's Insurance. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of the Agreement, the following insurance coverage: (i) Standard worker's compensation and employer's liability insurance covering all employees of Contractor involved with the performance of the services, with policy amounts and coverage in compliance with law; (ii) Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 general aggregate (iii) Comprehensive Automobile Liability Insurance covering all owned, non-owned, and hired automobiles used in connection with the performance of the services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage, and (iv) any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations; nor shall the purchase of the required insurance serve to limit the Contractor's liability. The Contractor shall be responsible for the payment of any deductibles on issued policies.

7. Indemnification. The Contractor shall defend, indemnify, and hold harmless the District and each of its directors, officers, contractors, employees, agents, and consultants, from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses, including legal expenses and attorneys' fees, arising directly or indirectly out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents, or employees. The Contractor is not obligated to indemnify the District for the District's own negligence. This indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation, or benefits payable by or for the Contractor under worker's compensation acts, disability acts, or other employee benefit acts. Such indemnity shall survive the expiration or termination of this Agreement. To the extent the District is or may be obligated to indemnify, defend, or hold Contractor harmless under the terms of the Agreement, any such indemnification obligation shall arise only to the extent permitted by applicable law and shall be limited solely to sums lawfully appropriated for such purpose in accordance with this Agreement.

8. Termination. This Agreement may be terminated by either party for cause or for convenience upon ten (10) days' prior written notice to the other party. If the Agreement is terminated, the Contractor shall be paid for all Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business.

9. Governing Law / Disputes. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions shall be in the District Court in and for the county in which the District is located.

10. Subject to Annual Appropriation and Budget. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The obligations of the District under this Agreement is subject to annual budgeting and appropriations, and the Contractor expressly understands and agrees that the decision whether or not to budget and appropriate funds is within the discretion of District's governing body, and the obligations of the District shall extend only to monies appropriated for the purposes of this Agreement and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. The District and Contractor understand and intend that the District's obligation to make payments and pay other amounts due under the Agreement shall constitute a current expense

and shall not in any way be construed to be a debt in contravention of any applicable constitutional or statutory limitations or requirements.

11. Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the §§ 24-10-101, *et seq.*, C.R.S.

12. Remedies. To the extent the Contractor's remedies for a District default under the Agreement include any right to accelerate amounts to become due under the Agreement, such acceleration shall be limited solely to sums lawfully appropriated for such purpose and shall further be limited to amounts to become due during the District's then-current fiscal period.

13. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being acknowledged that each party has contributed substantially and materially to the preparation of this Agreement.

14. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid, or unenforceable provision so that the resulting reformed provision is legal, valid, and enforceable.

15. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings, and commitments.

16. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

| | |
|------------------|--------------------|
| District: | Contractor: |
| By: _____ | By: _____ |
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |

Exhibit A
Scope of Services/Compensation Schedule

PTMD Farm Services Agreement 2023

Scope of Services:

Turnkey Farming Operation (with the exception of irrigation management) including:

1. Field Preparation – Kill active weeds, disk fields, and prepare the seed bed to a depth of 6 inches
2. Dry Fertilization – Apply ag grade slow-release fertilizer
3. Soil Amendments – Organic Materials
4. Seed species and seeding at recommended rates
5. Application of preemergent and post emergent herbicides to control weeds – Outlook, Sequence, Dicamba, Roundup.
6. Provide Record of Pesticide Application to Metro District Head of Operations within 24 hours of all pesticide applications
7. Additional application pesticides as needed
8. Irrigation Management - The irrigation system will be managed by the District Staff who may occasionally request feedback from the contractor during the weekly visit
9. Harvest crops if requested. Crops like sweet corn and pumpkins are intended to be directly harvested by residents.
10. Field cleanup and silage - Corn and sunflower stalks will be bailed and removed from the fields.
11. End of Season Field Preparation – Disk, level, and grade

Includes all labor, equipment, fuel, travel, etc.

Use of Metro District utility vehicle when needed

| Crop Seeding Chart | Seeding Window | Harvest Date | Planting Spec |
|---------------------------|-----------------------|---------------------|------------------------------|
| Early Sweet Corn (72 day) | May 15 – May 25 | Aug 15 – Sept 10 | Soil temp at 2” – 56 degrees |
| Late Sweet Corn (82 day) | May 15 – May 25 | Aug 30 – Sept 25 | Soil temp at 2” – 56 degrees |
| Ornamental Sunflower | May 10 – May 20 | Late Summer | Soil temp at 2” - 60 degrees |
| Confectionery Sunflower | May 10 – May 20 | Sept 10 – Sept 25 | Soil temp at 2” - 60 degrees |
| Corn Maze Field Corn | May 15 – May 25 | After Halloween | Soil temp at 2” – 56 degrees |
| Decorative Corn | May 10 – May 20 | Aug 30 – Sept 25 | Soil temp at 2” – 56 degrees |
| Pumpkin | June 1 – 15 | Early Oct | Soil temp at 2” – 70 degrees |
| White Pumpkin | June 1 – 15 | Early Oct | Soil temp at 2” – 70 degrees |
| Gourd | June 1 – 15 | Early Oct | Soil temp at 2” – 70 degrees |

Responsibilities

I. Tractor and Equipment Time – 125 hours at \$300 per hour: \$18,750

II. Inputs – Seed, fertilizer, and pesticides \$8,500

III. Farm Field Supervision – 3 hours per week for 15 weeks at \$40 per hour: \$ 900

IV. Irrigation – Irrigation management and repairs performed by District \$ 0

V. Seasonal Field Labor – Performed by District \$ 0

Total: \$28,150

Payment Schedule

Contractor will submit invoice for payment – Input costs of seed, fertilizer, and chemicals are included:

June 15 - \$14,075

October 15 - \$14,075

Additional Services – provided by Adam Samples to be billed at an hourly rate of \$40 per hour not to exceed \$10,000 in 2023. Additional services will be agreed upon and may include additional farm field maintenance or irrigation related maintenance.

Exhibit B

Planting Maps and Acreage

Main Park Field –

Resident like harvesting sweetcorn in the main park. In 2023, we will install an ornamental sunflower maze/walk on the east side of the field. Park construction activity will prevent the perennial herbs area from being developed in 2023.



RainDance West Field –

Topsoil was removed from this field and water pressure will be a challenge in 2023. The confectionery sunflowers will grow in poor soil and have a low water requirement.



RainDance East Field –

Keep the Corn Maze in the Same Location. Grow a variety of gourds behind Ted's Grill. Plant an area of colored and white pumpkins. Offer a large orange pumpkin patch.



Pelican Farms West Field –
Severe weed problem in this field in 2022. Switch to a more vertical crop in 2023



Pelican Farms Kestral Field –
Late season sweet corn.
Good Soil.



Pelican Farms West East
Poor soil from underground utility installations. Save the main corridor for large early season sweet corn. Add a demonstration area. Irrigation already installed.



| | RainDance | Pelican Farms | Total sq. ft. |
|--|-----------|---------------|---------------|
| Early Sweet Corn – Anthon or Equiv. row and seed spacing | 50,000 | 90,000 | 140,000 |
| Late Sweet Corn – Obsession II or Equiv. spacing | 25,000 | 105,000 | 130,000 |
| Ornamental Sunflower – None in 2023 | 0 | 0 | 0 |
| Confectionery Sunflower - | 85,000 | 0 | 85,000 |
| Corn Maze – silage - | 48,000 | 0 | 48,000 |
| Carving Pumpkin – Fat Jack or Equiv. spacing | 75,000 | 20,000 | 95,000 |
| White Pumpkin – World of Color or Equiv. spacing | 50,000 | 0 | 50,000 |
| Gourd – Mix of Autumn Wing, Gold Specs, Yosemite | 30,000 | 0 | 30,000 |
| Decorative Corn - | 0 | 35,000 | 35,000 |
| Demonstration Areas – District Transplanted & Maintained | 10,000 | 10,000 | 20,000 |
| | | | |

**SECOND AMENDMENT
TO THE
SERVICE AGREEMENT**

This Amendment to the Service Agreement between Poudre Tech Metropolitan District (“District”), a quasi-municipal corporation and political subdivision of the State of Colorado and Advance HOA Management, Inc., a Colorado Corporation (“Contractor”), is executed as of this 1st day of July 1, 2023.

RECITALS

WHEREAS, the District was organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating and maintaining certain public facilities and improvements for itself, its taxpayers, residents and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(i), C.R.S., the District is empowered to appoint, hire and retain agents, employees, engineers and attorneys; and

WHEREAS, the District desires to engage the Contractor to perform certain services as are needed by the District; and

WHEREAS, the District and Contractor are parties to that certain Service Agreement dated March 1, 2014 (the “Service Agreement”) and First Amendment to the Service Agreement dated August 1, 2023, whereby Contractor has performed management functions for the District in accordance with the terms thereof.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree to amend certain of its terms as follows:

1) To Replace Exhibit A – Compensation and Administrative Fee Schedule in its entirety, as follows:

Exhibit A

Compensation and Administrative Fee Schedule

Poudre Tech Metropolitan District

| | |
|---------------------------------|--|
| Monthly Management Fee: | \$4,500.00 - Increase to \$5,500.00 effective upon final accounts payables set up. |
| Accounts Payable Set up: | \$50.00 per hour |
| Project Contractor: | Sixty percent of base salary plus 30% per month (upon hire) |
| Client Services Representative: | Sixty percent of base salary plus 30% per month (upon hire) |
| Additional Staff: | Base salary plus 30% per month |
| Postage: | At Cost |
| Paper/Copy Costs: | \$.25 per copy |
| Envelopes: | Reg Ltr \$0.15; 6x9 \$0.25; 9x12 \$0.30 |
| Water Billing Statements | Membership mailings requiring envelopes a direct cost |
| Transfer Account to Attorney: | \$1.25 per statement |
| | \$50.00 per account. Applied to Owner Account |

| | |
|------------------------------------|------------------------|
| Collection Notices: | \$20.00 each |
| Returned Check Fee | \$20.00 per occurrence |
| Executive Advisory Fee | \$65.00 per hour |
| Website/Admin: | \$30.00 per month |
| Document Scanning/Record Storage | No Charge |
| Lockbox/Bank Fees | At Cost |
| After Hours Emergencies | No Charge |
| Faxes | No Charge |
| Long distance calls | No Charge |
| Additional Trip Charges | No Charge |
| Board meetings | No Charge |
| Third-Party Expense, if applicable | Direct reimbursement |

Note: Exhibit A fees are provided to give an indication of cost for supplies and ancillary services and are subject to change with notice.

2) To Replace Exhibit B – Duties and Responsibilities, in its entirety, as follows:

**Exhibit B
Duties and Responsibilities**

1. General Operational Management

- Assesses and advise the Board on matters pertaining to District capital needs, requirements for funding opportunities; opportunities for new and improved amenities; assessment of operational requirements; and opportunities for enhanced services to constituents.
- Ensure that the Board is properly informed and that sufficient information is provided to the Board to enable the Board to form appropriate judgments relative to operations.
- Lead, in conjunction with the Board, the development and implementation of the Districts strategic, financial and District’s operational plans.
- Assure that the Districts are appropriately organized and staffed, through internal or outsourced resources, necessary to efficiently administer the Districts and provide services to their constituents. Oversee, hire, lead, manage, evaluate, and terminate resources as necessary to enable the Districts to achieve approved plans, and deliver services to constituents.
- Assure that all District expenditures are within the authorized budgets and in conformity with Board directives and state statutes.
- Assure that effective internal controls and information systems are in place and effectively utilized relative to operations.
- Assure timely and effective communications with constituents, service providers, and other stakeholders.
- Assure timely and effective communications and coordination with District General Manager.
- Provide input and advice on financial forecasting, budgets and reporting.
- Monitor, direct, manage and lead the day-to-day operations of the Districts, conducting District activity in accordance with the direction of the Board.
- Provide leadership and direction to all outsource providers.
- Establish comprehensive operating plans, budgets, and result measurements for operations and for each capital project; allocate operating and capital resources; review progress; and make mid-course corrections.
- Design, implement, and staff the district’s operating organization structure as necessary to achieve goals and objectives, attain a high level of service, and maintain cost efficiency and effectiveness.

- Establish, in coordination with the Board, performance goals and objectives for operations. Direct all internal and external operating resources.
- Establish and enforce, in coordination with the Board, rules, regulations and policies.
- Design and administer appropriate escalation procedures for effective response to constituent needs and services.
- Manage and maintain excellent relationships with outsource providers, suppliers, contractors, and other outside constituents.
- Ensure District services meet the highest standards of quality and customer satisfaction.
- Assure all activities relating to capital expenditures are completed according to design specifications and in compliance with all contracts and legal requirements.

2. Physical Operational Management

- Management and operation of applicable District property, facilities and equipment, including: common areas, entryways and features, recreational amenities, greenways, trails, sidewalks, gardens and other common amenities and features.
- Conduct regular property inspections for examination of buildings and facilities.
- Develop actions plans for the ongoing maintenance and repairs for presentation to Board of Directions for approval.
- Provide oversight for all applicable service maintenance contacts.
- Maintain record of all facilities, property, and fixed assets of the District
- Arrange for performance of reserve study for all fixed assets.
- Develop RFPs and obtain competitive bids for services.
- Provide for 24/7 emergency services.

3. Service to Property Owners

- Receive and respond to all Property Owner service requests within 24 hours and keep record of such.
- Facilitate timely resolution of all constituent questions, complaints, recommendations.
- Conduct consistent review and recommend enhancement of all rules and regulations pertinent to District services, facilities and operations.
- Administration of recreational passes, or other service items
- Maintain District website, other electronic media, and customer communication technologies to provide customers with a convenient means for obtaining District information and to communicate with District officials
- Provide customers with credit card, ACH and e-check payment services through convenient web access.

4. Personnel Management

Recruit, employ and manage all Contractor assigned on-site personnel.

5. Accounting Services

- Provide accounts receivable services relating to the billing for non-potable water service, including: maintaining customer data base, invoicing, producing statements and aging of accounts, collection of past due accounts, other services customarily related to accounts receivable processing, and preparation and presentation of accounts receivable reports and ledgers as may be reasonably requested by the District. With respect to the provision of accounts receivable services, Contractor shall also provide:
 - 24 hour online access to Contractor's disbursements and bank account register.
 - Payment collection with same day deposit of funds upon receipt.

- Deposit of funds into FDIC-insured financial institutions.
- Receipt, review, and processing of invoices for timely payments to vendors
- Prepare detailed monthly financial reports and deliver electronically to District Accountant and District Manager, including:
 - Balance Sheet
 - Income Summary and Budget Variance
 - Aging and Prepaid Reports
 - Detailed General Ledger
 - Cash Disbursements
 - Detailed Payables Aging
 - Deposit Record
 - Bank Reconciliation
 - Bank statements with check images
 - Invoice images per period reported
 - Additional reports available upon request
- Audit Facilitation
- Assist in preparation of operating budget

Water Enterprise Management

Provide leadership and manage day-to-day activity associated with the operation, maintenance, and upkeep of the Districts’ non-potable water utility operations. Lead and direct all outsource providers and provide certain staff and office / operational resources required to accomplish the same.

6. Other Services

Provide certain other appurtenant services and resources that may be reasonably necessary to accomplish the forgoing or as may be reasonably requested by the Board.

The parties ratify and affirm the terms of the Service Agreement, as amended. In the event of a conflict between this Amendment and the terms of the Service Agreement and other amendments and extensions thereto, the terms of this Amendment shall apply.

The parties have executed their signatures on the dates indicated, in full understanding and agreement to the terms and conditions herein.

Advance HOA Management, Inc.



BY: Judy Smeltzer

ITS: Chief Executive Officer

DATE: 07/14/2023

Poudre Tech Metropolitan District

BY: _____

ITS: _____

DATE: _____

INDEPENDENT CONTRACTOR AGREEMENT
FENCE STAINING

This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the “**Agreement**”), is entered into as of the _____ day of _____ 2023, by and between POUDRE TECH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and M & E PAINTING, LLC, a Colorado limited liability company (the “**Contractor**”). The District and the Contractor are referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, the District was organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating, and maintaining certain public facilities and improvements for itself, its taxpayers, residents, and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(i), C.R.S., the District is empowered to appoint, hire, and retain agents, employees, engineers, and attorneys; and

WHEREAS, the District desires to engage the Contractor to perform certain services as are needed by the District to serve the property within and without its boundaries; and

WHEREAS, the Contractor has represented that it has the professional experience, skill, and resources to perform the services, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

TERMS AND CONDITIONS

1. **SCOPE OF SERVICES; PERFORMANCE STANDARDS.** The Contractor shall perform the services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Services**”): (a) in a professional manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period and pursuant to the Scope of Services specified in said **Exhibit A**; and (c) using reasonable commercial efforts to minimize any annoyance, interference, or disruption to the residents, tenants, occupants, and invitees within the District. **Exhibit A** may take any form, including forms which may include price and payment terms. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in **Exhibit A**, the terms in the body of this Agreement shall govern. Contractor shall have no right or authority, express or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement

(including **Exhibit A**) or through other authorization expressly delegated to or authorized by the District through its Board of Directors.

2. TERM/RENEWAL. This Agreement shall be effective as of the dated date hereof and shall terminate on the earlier to occur of: (i) termination pursuant to Section 18 hereof; (ii) completion of the Services; or (iii) December 31, 2023.

3. ADDITIONAL SERVICES. The District may, in writing, request the Contractor provide additional services not set forth in **Exhibit A**. The terms and conditions of the provision of such services shall be subject to the mutual agreement of the Contractor and the District pursuant to a written service/work order executed by an authorized representative of the District and the Contractor or an addendum to this Agreement. Authorization to proceed with additional services shall not be given unless the District has appropriated funds sufficient to cover the additional compensable amount. To the extent additional services are provided pursuant to this Section 3, the terms and conditions of this Agreement relating to Services shall also apply to any additional services rendered.

4. REPAIRS/CLAIMS. The Contractor shall notify the District immediately of any and all damage caused by the Contractor to District property and that of third parties. The Contractor will promptly repair or, at the District's option, reimburse the District for the repair of any damage to property caused by the Contractor or its employees, agents, or equipment. In addition, the Contractor shall promptly notify the District of all potential claims of which it becomes aware. The Contractor further agrees to take all reasonable steps to preserve all physical evidence and information, which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the District the opportunity to review and inspect such evidence, including the scene of any damage or accidents. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Services and shall provide all reasonable protection to prevent damage or injury to persons and property, including any material and equipment related to the Services, whether in storage on or off site, under the care, custody, or control of the Contractor or any of its subcontractors.

5. GENERAL PERFORMANCE STANDARDS.

a. The Contractor has by careful examination ascertained: (i) the nature and location of the Services; (ii) the configuration of the ground on which the Services are to be performed; (iii) the character, quality, and quantity of the labor, materials, equipment, and facilities necessary to complete the Services; (iv) the general and local conditions pertaining to the Services; and (v) all other matters which in any way may affect the performance of the Services by the Contractor. Contractor enters into this Agreement solely because of the results of such examination and not because of any representations pertaining to the Services or the provision thereof made to it by the District or any agent of the District and not contained in this Agreement. The Contractor represents that it has or shall acquire the capacity and the professional experience and skill to perform the Services and that the Services shall be performed in accordance with the standards of care, skill, and diligence provided by competent professionals who perform services of a similar nature to those specified in this Agreement. If competent professionals find that the Contractor's performance of the Services does not meet this standard, the Contractor shall, at the

District's request, re-perform the Services not meeting this standard without additional compensation.

b. The Contractor shall use reasonable commercial efforts to perform and complete the Services in a timely manner. If performance of the Services by the Contractor is delayed due to factors beyond the Contractor's reasonable control, or if conditions of the scope or type of services are expected to change, Contractor shall give prompt notice to the District of such a delay or change and receive an equitable adjustment of time and/or compensation, as negotiated between the Parties.

c. The Services provided under this Agreement shall be adequate and sufficient for the intended purposes and shall be completed in a good and workmanlike manner.

d. The Contractor agrees that it has complied and will continue to comply with all Laws while providing Services under this Agreement. "**Laws**" means: (i) federal, state, county, and local or municipal body or agency laws, statutes, ordinances, and regulations; (ii) any licensing, bonding, and permit requirements; (iii) any laws relating to storage, use, or disposal of hazardous wastes, substances, or materials; (iv) rules, regulations, ordinances, and/or similar directives regarding business permits, certificates, and licenses; (v) regulations and orders affecting safety and health, including but not limited to the Occupational Safety and Health Act of 1970; (vi) Wage and Hour laws, Worker Compensation laws, and immigration laws; and (vii) rules and regulations of the Colorado Department of Public Health and Environment..

e. The responsibilities and obligations of the Contractor under this Agreement shall not be relieved or affected in any respect by the presence of any agent, consultant, sub-consultant, or employee of the District. Review, acceptance, or approval by the District of the Services performed or any documents prepared by the Contractor shall not relieve the Contractor of any responsibility for deficiencies, omissions, or errors in said Services or documents, nor shall it be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

6. MONTHLY STATUS REPORT. The Contractor shall provide to the District, at the District's request, on or before the 25th of each month, a narrative progress and status report describing work in progress and results achieved during the reporting period, including a description of the Services performed during the invoice period and the Services anticipated to be performed during the ensuing invoice period ("**Monthly Report**").

7. COMPENSATION AND INVOICES.

a. Compensation. Compensation for the Services provided under this Agreement shall be in accordance with the compensation schedule attached hereto as **Exhibit B**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided in **Exhibit B** of this Agreement, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Any direct reimbursable costs for materials will be reimbursable at the Contractor's actual cost, provided that the Contractor shall make a reasonable attempt to notify the District of the estimated amount of such reimbursable costs (or

any material adjustments thereto subsequently identified) prior to commencing the requested services. Concurrent with the execution of this Agreement, the Contractor shall provide the District with a current completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) (“**W-9**”). No payments will be made to the Contractor until the completed W-9 is provided. The W-9 shall be attached hereto and incorporated herein as **Exhibit B-1**.

b. Invoices. Invoices for the Services shall be submitted monthly, by the 10th of each month, during the term of this Agreement and shall contain the following information:

- i. An itemized statement of the Services performed.
- ii. Any other reasonable information required by the District to process payment of the invoice, including project and/or cost codes as provided in any applicable written service/work order.

The District shall be charged only for the actual time and direct costs incurred for the performance of the Services. Invoices received by the District after the 10th of each month may be processed the following month.

8. TIME FOR PAYMENT. Payment for the Services shall be made by the District within thirty (30) days of receipt of: (i) a timely, satisfactory, and detailed invoice in the form required by Section 7; and (ii) if applicable, a reasonably satisfactory and detailed Monthly Report, for that portion of the Services performed and not previously billed. The District may determine to waive or extend the deadline for filing the Monthly Report, or may make payment for Services to the Contractor notwithstanding a delay in filing the Monthly Report, upon reasonable request of the Contractor, if it is in the interest of the District to do so. In the event a Board meeting is not scheduled in time to review payment of an invoice, the Board hereby authorizes payment for Services, subject to the appropriation and budget requirements under Section 27 hereof, without the need for additional Board approval, so long as any payment required to be made does not exceed the amounts appropriated for such Services as set forth in the District’s approved budget. Such payment shall require review and approval of each Monthly Report and invoice by two officers of the District.

9. INDEPENDENT CONTRACTOR. The Contractor is an independent contractor and nothing in this Agreement shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor shall have full power and authority to select the means, manner, and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained. The District shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state or federal income, or other tax contributions, insurance contributions (e.g. FICA taxes), workers’ compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions, or any other form of taxes, benefits, or insurance. The Contractor shall be responsible for its safety,

and the safety of its employees, sub-contractors, agents, and representatives. All personnel furnished by the Contractor will be deemed employees or sub-contractors of the Contractor and will not for any purpose be considered employees or agents of the District. **The Contractor is not entitled to worker's compensation benefits or unemployment insurance benefits, unless unemployment compensation coverage is provided by the Contractor or some other entity other than the District, and the Contractor is obligated to pay federal and state income taxes on moneys by it earned pursuant to this Agreement.**

10. **EQUAL OPPORTUNITY.** This Agreement is subject to all applicable laws and executive orders relating to equal opportunity and non-discrimination in employment and the Contractor represents and warrants that it will not discriminate in its employment practices in violation of any such applicable law or executive order.

11. **CONTRACTOR'S INSURANCE.**

a. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverage in the minimum amounts set forth in **Exhibit C**, attached hereto and incorporated herein by this reference. A waiver of subrogation and rights of recovery against the District, its directors, officers, employees, and agents is required for Commercial General Liability and workers' compensation coverage. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The District shall have the right to verify or confirm, at any time, all coverage, information, or representations contained in this Agreement.

b. Prior to commencing any work under this Agreement, the Contractor shall provide the District with a certificate or certificates evidencing the policies required by this Agreement, as well as the amounts of coverage for the respective types of coverage, which certificate(s) shall be attached hereto as **Exhibit C-1**. If the Contractor subcontracts any portion(s) of the Services, said subcontractor(s) shall be required to furnish certificates evidencing statutory workers' compensation insurance, comprehensive general liability insurance, and automobile liability insurance in amounts satisfactory to the District and the Contractor; provided, however, that sub-contractors of the Contractor shall not be required by the District to provide coverage in excess of that which is required hereunder of the Contractor. If the coverage required expires during the term of this Agreement, the Contractor or subcontractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

c. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations contained in this Agreement, nor shall the purchase of the required insurance serve to limit the Contractor's liability under any provision in this Agreement. The Contractor shall be responsible for the payment of any deductibles on issued policies.

12. CONFIDENTIALITY AND CONFLICTS.

a. Confidentiality. Any information deemed confidential by the District and given to the Contractor by the District, or developed by the Contractor as a result of the performance of a particular task, shall remain confidential. In addition, the Contractor shall hold in strict confidence, and shall not use in competition, any information which the Contractor becomes aware of under or by virtue of this Agreement which the District deems confidential, or which the District has agreed to hold confidential, or which, if revealed to a third party, would reasonably be construed to be contrary to the interests of the District. Confidential information shall not include, however, any information which is: (i) generally known to the public at the time provided to the Contractor; (ii) provided to the Contractor by a person or entity not bound by confidentiality to the District; or (iii) independently developed by the Contractor without use of the District's confidential information. During the performance of this Agreement, if the Contractor is notified that certain information is to be considered confidential, the Contractor agrees to enter into a confidentiality agreement in a form reasonably acceptable to the District and the Contractor. The Contractor agrees that any of its employees, agents, or subcontractors with access to any information designated thereunder as confidential information of the District shall agree to be bound by the terms of such confidentiality agreement.

b. Personal Identifying Information. During the performance of this Agreement, the District may disclose Personal Identifying Information to the Contractor. "**Personal Identifying Information**" means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., the Contractor agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to the Contractor; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

c. Conflicts. Prior to the execution of, and during the performance of this Agreement and prior to the execution of future agreements with the District, the Contractor agrees to notify the District of conflicts known to the Contractor that impact the Contractor's provision of Services to the District.

13. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Contractor pursuant to this Agreement, including, but not limited to, all maps, plans, drawings, specifications, reports, electronic files, and other documents, in whatever form, shall remain the property of the District under all circumstances, upon payment to the Contractor of the invoices representing the work by which such materials were produced. At the District's request the Contractor will provide the District with all documents produced by or on behalf of the Contractor pursuant to this Agreement. The Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services for a period of two (2) years after termination of this Agreement, shall make them available for the District's use and shall provide such copies to the District upon request at no cost.

14. LIENS AND ENCUMBRANCES. The Contractor shall not have any right or interest in any District assets, or any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated in this Agreement. The Contractor, for itself, hereby waives and releases any and all statutory or common law mechanic's, materialmen's, or other such lien claims, or rights to place a lien upon the District's property or any improvements thereon in connection with any Services performed under or in connection with this Agreement, and the Contractor shall cause all permitted subcontractors, suppliers, materialmen, and others claiming by, through, or under the Contractor to execute similar waivers prior to commencing any work or providing any materials in connection with the Services. The Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers, and materialmen, and release of lien respecting the Services at such time or times and in such form as may be reasonably requested by the District. The Contractor will provide indemnification against all such liens for labor performed and/or materials supplied or used by the Contractor and/or any other person in connection with the Services undertaken by the Contractor, in accordance with Section 15, below.

15. INDEMNIFICATION.

a. The Contractor shall defend, indemnify, and hold harmless the District and each of its directors, officers, contractors, employees, agents, and consultants (collectively, the "**District Indemnitees**"), from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses (the "**Claims**"), including reasonable legal expenses and attorneys' fees actually incurred, by the District Indemnitees arising directly or indirectly, in whole or in part, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents, or employees, in connection with this Agreement and/or the Contractor's performance of the Services or work pursuant to this Agreement. Notwithstanding anything else in this Agreement or otherwise to the contrary, the Contractor is not obligated to indemnify the District Indemnitees for the negligence of the District or the negligence of any other District Indemnitee, except the Contractor. Except as otherwise provided by applicable law, this indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation, or benefits payable by or for the Contractor under workers' compensation acts, disability acts, or other employee benefit acts, provided that in no event shall the Contractor be liable for special/consequential or punitive damages.

b. In the event the Contractor fails to assume the defense of any Claims under this Section 15 within fifteen (15) days after notice from the District of the existence of such Claim, the District may assume the defense of the Claim with counsel of its own selection, and the Contractor will pay all reasonable expenses of such counsel. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation.

c. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary with respect to its obligations under this Agreement, including the indemnity obligations set forth

in Section 15. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

16. ASSIGNMENT. The Contractor shall not assign this Agreement or parts thereof, or its respective duties, without the express written consent of the District. Any attempted assignment of this Agreement in whole or in part with respect to which the District has not consented, in writing, shall be null and void and of no effect whatsoever.

17. SUB-CONTRACTORS. The Contractor is solely and fully responsible to the District for the performance of all Services in accordance with the terms set forth in this Agreement, whether performed by the Contractor or a subcontractor engaged by the Contractor, and neither the District's approval of any subcontractor, suppliers, or materialman, nor the failure of performance thereof by such persons or entities, will relieve, release, or affect in any manner the Contractor's duties, liabilities, or obligations under this Agreement. The Contractor shall not subcontract any Services without prior written approval by the District. The Contractor agrees that each and every agreement of the Contractor with any subcontractor to perform Services under this Agreement shall contain an indemnification provision identical to the one contained in this Agreement holding the District harmless for the acts of the subcontractor. Prior to commencing any Services, a subcontractor shall provide evidence of insurance coverage to the District in accordance with the requirements of this Agreement. The Contractor further agrees that all such subcontracts shall provide that they may be terminated immediately without cost or penalty upon termination of this Agreement, other than payment for services rendered prior to the date of any such termination.

18. TERMINATION. In addition to the termination provisions contained in Section 2, above, this Agreement may be terminated for convenience by the Contractor upon delivery of thirty (30) days' prior written notice to the District and by the District by giving the Contractor thirty (30) days' prior written notice. Each Party may terminate this Agreement for cause at any time upon written notice to the other Party setting forth the cause for termination and the notified Party's failure to cure the cause to the reasonable satisfaction of the Party given such notice within the cure period set forth in Section 19. If this Agreement is terminated, the Contractor shall be paid for all the Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business. Should either Party to this Agreement be declared bankrupt, make a general assignment for the benefit of creditors, or commit a substantial and material breach of this Agreement in the view of the other Party, said other Party shall be excused from rendering or accepting any further performance under this Agreement. In the event of termination of this Agreement, the Contractor shall cooperate with the District to ensure a timely and efficient transition of all work and work product to the District or its designees. All time, fees, and costs associated with such transition shall not be billed by the Contractor to the District.

19. DEFAULT. If either Party fails to perform in accordance with the terms, covenants, and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, the non-defaulting party shall deliver written notice to the defaulting party of the default, at the address specified in Section 20 below, and the defaulting party will have ten (10) days from and after receipt of the notice to cure the default. If the default is not of a type which can be cured within such ten (10)-day period and the defaulting party gives written notice to the

non-defaulting party within such ten (10)-day period that it is actively and diligently pursuing a cure, the defaulting party will have a reasonable period of time given the nature of the default following the end of the ten (10)-day period to cure the default, provided that the defaulting party is at all times within the additional time period actively and diligently pursuing the cure. If any default under this Agreement is not cured as described above, the non-defaulting party will, in addition to any other legal or equitable remedy, have the right to terminate this Agreement and enforce the defaulting party's obligations pursuant to this Agreement by an action for injunction or specific performance.

20. NOTICES. Any notice or communication required under this Agreement must be in writing, and may be given personally, sent via nationally recognized overnight carrier service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, a notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided in this Section 20 of this Agreement, designate additional persons to whom notices or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the parties at their addresses set forth below:

District: Poudre Tech Metropolitan District
1625 Pelican Lakes Point, Suite 201
Windsor, Colorado 80550
Attention: Steve Southard
Phone: (970) 686-5825
Email: steve.southard@advancehoa.com

With a Copy to: WHITE BEAR ANKELE TANAKA & WALDRON
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122
Attention: Zachary P. White, Esq.
Phone: (303) 858-1800
E-mail: zwhite@wbapc.com

Contractor: M & E Painting
1542 Taurus Ct.
Loveland, CO 80537
Attention: Jim Grimm
Phone: (970) 207-1005
Email: jim@mandepainting.com

21. AUDITS. The District shall have the right to audit, with reasonable notice, any of the Contractor's books and records solely as are necessary to substantiate any invoices and payments under this Agreement (including, but not limited to, receipts, time sheets, payroll, and personnel records) and the Contractor agrees to maintain adequate books and records for such purposes during the term of this Agreement and for a period of two (2) years after termination of this Agreement and to make the same available to the District at all reasonable times and for so long thereafter as there may remain any unresolved question or dispute regarding any item pertaining thereto.

22. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties hereto relating to the Services, and sets forth the rights, duties, and obligations of each to the other as of this date, and hereby supersedes any and all prior negotiations, representations, agreements, or arrangements of any kind with respect to the Services, whether written or oral. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Contractor and the District.

23. BINDING AGREEMENT. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigns of the Parties hereto.

24. NO WAIVER. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in this Agreement, nor shall the waiver of any default be deemed a waiver of any subsequent default.

25. GOVERNING LAW.

a. Venue. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise. At the District's request, the Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and the District shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated.

b. Choice of Law. Colorado law shall apply to any dispute, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado.

c. Litigation. At the District's request, the Contractor will consent to being joined in litigation between the District and third parties, but such consent shall not be construed as an admission of fault or liability. The Contractor shall not be responsible for delays in the performance of the Services caused by factors beyond its reasonable control including delays caused by Act of God, accidents, failure of any governmental or other regulatory authority to act in a timely manner, or failure of the District to furnish timely information or to approve or disapprove of Contractor's Services in a timely manner.

26. GOOD FAITH OF PARTIES. In the performance of this Agreement, or in considering any requested approval, acceptance, consent, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, consent, or extension of time required or requested pursuant to this Agreement.

27. SUBJECT TO ANNUAL APPROPRIATION AND BUDGET. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The Contractor expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board and shall not constitute a mandatory charge, requirement, or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the District, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the District or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of District funds. The District's obligations under this Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

28. GOVERNMENTAL IMMUNITY. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

29. NEGOTIATED PROVISIONS. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed to the preparation of this Agreement.

30. SEVERABILITY. If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void, or unenforceable, such decision shall not affect the validity of any other portion of this Agreement which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid, or unenforceable provision so that the resulting reformed provision is legal, valid, and enforceable.

31. NO THIRD-PARTY BENEFICIARIES. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

32. OPEN RECORDS. The Parties understand that all material provided or produced under this Agreement may be subject to the Colorado Open Records Act, §§ 24-72-202, *et seq.*, C.R.S.

33. WARRANTY AND PERMITS. The Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services (collectively, the “**Work**”) will be of good quality and new, unless otherwise required or permitted by this Agreement. The Contractor further warrants that the Work will conform to all requirements of this Agreement and the applicable building code and all other applicable laws, ordinances, codes, rules, and regulations of any governmental authorities having jurisdiction over the Work. All materials are subject to the satisfaction and acceptance of the District, but payments for the completed Work will not constitute final acceptance nor discharge the obligation of the Contractor to correct defects at a later date. Such warranties set forth in this Agreement are in addition to, and not in lieu of, any other warranties prescribed by Colorado law.

a. The Contractor hereby warrants the Work for a period of one (1) year from the date of completion and initial acceptance of the Work. The Contractor will immediately correct or replace any Work that is defective or not conforming to this Agreement at its sole expense to the reasonable satisfaction of the District. The Contractor’s guarantees and warranties shall in all cases survive termination of this Agreement. This warranty shall be enforceable by the District, its successors and assigns.

b. Prior to final payment for any Services involving Work, and at any time thereafter but before the final inspection, as set forth below, the Contractor and the District shall, at the request of the District, conduct an inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with this Agreement. The Contractor’s fees and costs associated with the inspection shall be included in the compensation schedule set forth in **Exhibit B** and shall not be billed separately to the District. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in **Exhibit B**, the Contractor is deemed to have waived these fees and costs. After completion of the inspection, the District will provide the Contractor with written notice of any Work requiring corrective action. The Contractor agrees to correct or replace the defective Work within a reasonable time, as agreed to by the Parties, but in no event later than thirty (30) calendar days from the date of notice from the District, unless otherwise agreed to by the District.

c. The Contractor agrees that if warranty issues appear before payment has been made under this Agreement, the District may withhold payment until such warranty issues are resolved to the District’s satisfaction. If repair or replacement of any warranty or defective Work is not made by the Contractor promptly upon request by the District as set forth in this Agreement, in addition to any other remedy, the District may withhold any payment the District may owe to the Contractor, including payments under other contracts or agreements related or unrelated to the Work and Services.

d. The Contractor shall promptly notify the District of any Work, whether by the Contractor, its subcontractors or any third parties, which the Contractor believes to be defective or not conforming with this Agreement.

e. The Contractor shall, at its expense, obtain all permits, licenses, and other consents required from all governmental authorities, utility companies, and appropriate parties under any restrictive covenants in connection with the Work. The Contractor shall comply with all the terms and conditions of all permits, licenses, and consents.

f. At or around eleven (11) months, but no more than one (1) year, after the completion and acceptance of the Work, the Contractor and the District shall, at the request of the District, conduct a final inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with this Agreement. The Contractor's fees and costs associated with the inspection shall be included in the compensation schedule set forth in **Exhibit B** and shall not be billed separately to the District. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in **Exhibit B**, the Contractor is deemed to have waived these fees and costs. After completion of the final inspection, the District will provide the Contractor with written notice of any Work requiring corrective action. In the event the Contractor does not correct or replace the defective Work within thirty (30) calendar days from the date of notice from the District, or within such other reasonable time as agreed to by the Parties, the District may correct or replace the defective Work and the Contractor shall reimburse the District for the related costs and fees.

34. TAX EXEMPT STATUS. The District is exempt from Colorado state sales and use taxes. Accordingly, taxes from which the District is exempt shall not be included in any invoices submitted to the District. The District shall, upon request, furnish Contractor with a copy of its certificate of tax exemption. Contractor and subcontractors shall apply to the Colorado Department of Revenue, Sales Tax Division, for an Exemption Certificate and purchase materials tax free. The Contractor and subcontractors shall be liable for exempt taxes paid due to failure to apply for Exemption Certificates or for failure to use said certificate.

35. COUNTERPART EXECUTION. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

[Signature pages follow].

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

DISTRICT:
POUDRE TECH METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

Officer of the District

ATTEST:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel for the District

*District's Signature Page to Independent Contractor Agreement for Fence Staining Services
with M&E Painting, LLC, dated [_____] , 2023*

CONTRACTOR:

M & E Painting, LLC, a Colorado limited liability company

Printed Name

Title

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 2023, by _____, as the _____ of M & E Painting, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____

Notary Public

Contractor's Signature Page to Independent Contractor Agreement for Fence Staining Services with Poudre Tech Metropolitan District, dated [_____] , 2023

EXHIBIT A

SCOPE OF SERVICES

Preparation:

- Mask and cover areas not being stained: Cement, landscaping etc.

Stain Product, Color, etc.:

- Customer will provide all stain needed.
- M&E will provide all sundries (tape, paper, plastic, etc.)

Solid-color Stain Application:

- Majority of Solid-color stain will be applied by spraying. Some areas may be brush-rolled.

Cleanup:

- We perform a daily job site cleanup at the end of each day. Our crews may store some of their equipment near the maintenance buildings.
- Upon completion of the stain job, we will perform a full job site cleanup and walkthrough to ensure your home is clean and free of any work site debris.

EXHIBIT B

COMPENSATION SCHEDULE

Split-rail Fences to be Stained:

Pricing is based on linear feet for one side, top edges, and posts. Customer will supply all stain needed, as this will provide consistency throughout the neighborhoods. Estimate does not include spraying all wire mesh or pressure washing.

- Poudre Tech: Fence is also mostly one side only. Sections are 8ftX4ft and 8ftx5ft. These are also split rail fences with mostly 2 rails.

Price: \$1.50 per linear foot for all fence heights and number of rails (price does not include pressure wash but this can be added)

EXHIBIT B-1

CONTRACTOR'S COMPLETED W-9

EXHIBIT C

INSURANCE REQUIREMENTS

NOTE: All insurance required and provided hereunder shall also comply with the provisions of Section 11 of this Agreement.

1. Standard Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor involved with the performance of the Services, with policy amounts and coverage in compliance with the laws of the jurisdiction in which the Services will be performed.
2. Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 designated location, general aggregate; and \$1,000,000 umbrella. Such insurance will include coverage for contractual liability, personal injury, and broad form property damage, and shall include all major divisions of coverage and be on a comprehensive basis including, but not limited to:
 - a. premises operations;
 - b. personal injury liability without employment exclusion;
 - c. limited contractual;
 - d. broad form property damages, including completed operations;
 - e. medical payments;
 - f. products and completed operations;
 - g. independent consultants coverage; and
 - h. coverage inclusive of construction means, methods, techniques, sequences, and procedures, employed in the capacity of a construction consultant.

This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.

3. Comprehensive Automobile Liability Insurance covering all owned, non-owned, and hired automobiles used in connection with the performance of the Services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage. **This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**
4. If applicable: Contractor shall secure and maintain a third-party fidelity bond in favor of the District, covering the Contractor and its employees and agents who may provide or be responsible for the provision of Services where such activities contemplate the responsibility for money or property of the District. Such bond shall protect the District against any fraudulent or dishonest act which may result in the loss of money, securities,

or other property belonging to or in the possession of the District. Said bond shall be in an amount as determined by the District, from a surety acceptable to the District.

5. Any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement.

EXHIBIT C-1

CERTIFICATE(S) OF INSURANCE

EXHIBIT D

CERTIFICATE OF GOOD STANDING WITH COLORADO SECRETARY OF STATE

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

M & E Painting, LLC

is a

Limited Liability Company

formed or registered on 10/09/2004 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20041351339 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 06/21/2023 that have been posted, and by documents delivered to this office electronically through 06/23/2023 @ 09:57:35 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 06/23/2023 @ 09:57:35 in accordance with applicable law. This certificate is assigned Confirmation Number 15091390 .



Jena Griswold

Secretary of State of the State of Colorado

*****End of Certificate*****
Notice: A certificate issued electronically from the Colorado Secretary of State's website is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's website, <https://www.coloradosos.gov/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our website, <https://www.coloradosos.gov> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

**INDEPENDENT CONTRACTOR AGREEMENT
PICKLEBALL COURT CONVERSION**

This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the “**Agreement**”), is entered into as of the _____ day of _____ 2023, by and between POUFRE TECH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and ALTITUDE ATHLETIC SERVICES, LLC, a Colorado limited liability company (the “**Contractor**”). The District and the Contractor are referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

WHEREAS, the District was organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating, and maintaining certain public facilities and improvements for itself, its taxpayers, residents, and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(i), C.R.S., the District is empowered to appoint, hire, and retain agents, employees, engineers, and attorneys; and

WHEREAS, the District desires to engage the Contractor to perform certain services as are needed by the District to serve the property within and without its boundaries; and

WHEREAS, the Contractor has represented that it has the professional experience, skill, and resources to perform the services, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF SERVICES; PERFORMANCE STANDARDS. The Contractor shall perform the services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Services**”): (a) in a professional manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period and pursuant to the Scope of Services specified in said **Exhibit A**; and (c) using reasonable commercial efforts to minimize any annoyance, interference, or disruption to the residents, tenants, occupants, and invitees within the District. **Exhibit A** may take any form, including forms which may include price and payment terms. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in **Exhibit A**, the terms in the body of this Agreement shall govern. Contractor shall have no right or authority, express or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate

the District in any manner whatsoever, except to the extent specifically provided in this Agreement (including **Exhibit A**) or through other authorization expressly delegated to or authorized by the District through its Board of Directors.

2. TERM/RENEWAL. This Agreement shall be effective as of the dated date hereof and shall terminate on the earlier to occur of: (i) termination pursuant to Section 18 hereof; (ii) completion of the Services; or December 31, 2023.

3. ADDITIONAL SERVICES. The District may, in writing, request the Contractor provide additional services not set forth in **Exhibit A**. The terms and conditions of the provision of such services shall be subject to the mutual agreement of the Contractor and the District pursuant to a written service/work order executed by an authorized representative of the District and the Contractor or an addendum to this Agreement. Authorization to proceed with additional services shall not be given unless the District has appropriated funds sufficient to cover the additional compensable amount. To the extent additional services are provided pursuant to this Section 3, the terms and conditions of this Agreement relating to Services shall also apply to any additional services rendered.

4. REPAIRS/CLAIMS. The Contractor shall notify the District immediately of any and all damage caused by the Contractor to District property and that of third parties. The Contractor will promptly repair or, at the District's option, reimburse the District for the repair of any damage to property caused by the Contractor or its employees, agents, or equipment. In addition, the Contractor shall promptly notify the District of all potential claims of which it becomes aware. The Contractor further agrees to take all reasonable steps to preserve all physical evidence and information, which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the District the opportunity to review and inspect such evidence, including the scene of any damage or accidents. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Services and shall provide all reasonable protection to prevent damage or injury to persons and property, including any material and equipment related to the Services, whether in storage on or off site, under the care, custody, or control of the Contractor or any of its subcontractors.

5. GENERAL PERFORMANCE STANDARDS.

a. The Contractor has by careful examination ascertained: (i) the nature and location of the Services; (ii) the configuration of the ground on which the Services are to be performed; (iii) the character, quality, and quantity of the labor, materials, equipment, and facilities necessary to complete the Services; (iv) the general and local conditions pertaining to the Services; and (v) all other matters which in any way may affect the performance of the Services by the Contractor. Contractor enters into this Agreement solely because of the results of such examination and not because of any representations pertaining to the Services or the provision thereof made to it by the District or any agent of the District and not contained in this Agreement. The Contractor represents that it has or shall acquire the capacity and the professional experience and skill to perform the Services and that the Services shall be performed in accordance with the standards of care, skill, and diligence provided by competent professionals who perform services of a similar nature to those specified in this Agreement. If competent professionals find that the

Contractor's performance of the Services does not meet this standard, the Contractor shall, at the District's request, re-perform the Services not meeting this standard without additional compensation.

b. The Contractor shall use reasonable commercial efforts to perform and complete the Services in a timely manner. If performance of the Services by the Contractor is delayed due to factors beyond the Contractor's reasonable control, or if conditions of the scope or type of services are expected to change, Contractor shall give prompt notice to the District of such a delay or change and receive an equitable adjustment of time and/or compensation, as negotiated between the Parties.

c. The Services provided under this Agreement shall be adequate and sufficient for the intended purposes and shall be completed in a good and workmanlike manner.

d. The Contractor agrees that it has complied and will continue to comply with all Laws while providing Services under this Agreement. "**Laws**" means: (i) federal, state, county, and local or municipal body or agency laws, statutes, ordinances, and regulations; (ii) any licensing, bonding, and permit requirements; (iii) any laws relating to storage, use, or disposal of hazardous wastes, substances, or materials; (iv) rules, regulations, ordinances, and/or similar directives regarding business permits, certificates, and licenses; (v) regulations and orders affecting safety and health, including but not limited to the Occupational Safety and Health Act of 1970; (vi) Wage and Hour laws, Worker Compensation laws, and immigration laws; and (vii) rules and regulations of the Colorado Department of Public Health and Environment..

e. The responsibilities and obligations of the Contractor under this Agreement shall not be relieved or affected in any respect by the presence of any agent, consultant, sub-consultant, or employee of the District. Review, acceptance, or approval by the District of the Services performed or any documents prepared by the Contractor shall not relieve the Contractor of any responsibility for deficiencies, omissions, or errors in said Services or documents, nor shall it be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

6. MONTHLY STATUS REPORT. The Contractor shall provide to the District, at the District's request, on or before the 25th of each month, a narrative progress and status report describing work in progress and results achieved during the reporting period, including a description of the Services performed during the invoice period and the Services anticipated to be performed during the ensuing invoice period ("**Monthly Report**").

7. COMPENSATION AND INVOICES.

a. Compensation. Compensation for the Services provided under this Agreement shall be in accordance with the compensation schedule attached hereto as **Exhibit A**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided in **Exhibit A** of this Agreement, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Any direct reimbursable costs for materials will be reimbursable at the Contractor's actual cost, provided that the Contractor shall make a

reasonable attempt to notify the District of the estimated amount of such reimbursable costs (or any material adjustments thereto subsequently identified) prior to commencing the requested services. Concurrent with the execution of this Agreement, the Contractor shall provide the District with a current completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) (“**W-9**”). No payments will be made to the Contractor until the completed W-9 is provided. The W-9 shall be attached hereto and incorporated herein as **Exhibit B-1**.

b. Invoices. Invoices for the Services shall be submitted monthly, by the 10th of each month, during the term of this Agreement and shall contain the following information:

- i. An itemized statement of the Services performed.
- ii. Any other reasonable information required by the District to process payment of the invoice, including project and/or cost codes as provided in any applicable written service/work order.

The District shall be charged only for the actual time and direct costs incurred for the performance of the Services. Invoices received by the District after the 10th of each month may be processed the following month.

8. TIME FOR PAYMENT. Payment for the Services shall be made by the District within thirty (30) days of receipt of: (i) a timely, satisfactory, and detailed invoice in the form required by Section 7; and (ii) if applicable, a reasonably satisfactory and detailed Monthly Report, for that portion of the Services performed and not previously billed. The District may determine to waive or extend the deadline for filing the Monthly Report, or may make payment for Services to the Contractor notwithstanding a delay in filing the Monthly Report, upon reasonable request of the Contractor, if it is in the interest of the District to do so. In the event a Board meeting is not scheduled in time to review payment of an invoice, the Board hereby authorizes payment for Services, subject to the appropriation and budget requirements under Section 27 hereof, without the need for additional Board approval, so long as any payment required to be made does not exceed the amounts appropriated for such Services as set forth in the District’s approved budget. Such payment shall require review and approval of each Monthly Report and invoice by two officers of the District.

9. INDEPENDENT CONTRACTOR. The Contractor is an independent contractor and nothing in this Agreement shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor shall have full power and authority to select the means, manner, and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained. The District shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state or federal income, or other tax contributions, insurance contributions (e.g. FICA taxes), workers’ compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions,

or any other form of taxes, benefits, or insurance. The Contractor shall be responsible for its safety, and the safety of its employees, sub-contractors, agents, and representatives. All personnel furnished by the Contractor will be deemed employees or sub-contractors of the Contractor and will not for any purpose be considered employees or agents of the District. **The Contractor is not entitled to worker's compensation benefits or unemployment insurance benefits, unless unemployment compensation coverage is provided by the Contractor or some other entity other than the District, and the Contractor is obligated to pay federal and state income taxes on moneys by it earned pursuant to this Agreement.**

10. EQUAL OPPORTUNITY. This Agreement is subject to all applicable laws and executive orders relating to equal opportunity and non-discrimination in employment and the Contractor represents and warrants that it will not discriminate in its employment practices in violation of any such applicable law or executive order.

11. CONTRACTOR'S INSURANCE.

a. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverage in the minimum amounts set forth in **Exhibit C**, attached hereto and incorporated herein by this reference. A waiver of subrogation and rights of recovery against the District, its directors, officers, employees, and agents is required for Commercial General Liability and workers' compensation coverage. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The District shall have the right to verify or confirm, at any time, all coverage, information, or representations contained in this Agreement.

b. Prior to commencing any work under this Agreement, the Contractor shall provide the District with a certificate or certificates evidencing the policies required by this Agreement, as well as the amounts of coverage for the respective types of coverage, which certificate(s) shall be attached hereto as **Exhibit C-1**. If the Contractor subcontracts any portion(s) of the Services, said subcontractor(s) shall be required to furnish certificates evidencing statutory workers' compensation insurance, comprehensive general liability insurance, and automobile liability insurance in amounts satisfactory to the District and the Contractor; provided, however, that sub-contractors of the Contractor shall not be required by the District to provide coverage in excess of that which is required hereunder of the Contractor. If the coverage required expires during the term of this Agreement, the Contractor or subcontractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

c. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations contained in this Agreement, nor shall the purchase of the required insurance serve to limit the Contractor's liability under any provision in this Agreement. The Contractor shall be responsible for the payment of any deductibles on issued policies.

12. CONFIDENTIALITY AND CONFLICTS.

a. Confidentiality. Any information deemed confidential by the District and given to the Contractor by the District, or developed by the Contractor as a result of the performance of a particular task, shall remain confidential. In addition, the Contractor shall hold in strict confidence, and shall not use in competition, any information which the Contractor becomes aware of under or by virtue of this Agreement which the District deems confidential, or which the District has agreed to hold confidential, or which, if revealed to a third party, would reasonably be construed to be contrary to the interests of the District. Confidential information shall not include, however, any information which is: (i) generally known to the public at the time provided to the Contractor; (ii) provided to the Contractor by a person or entity not bound by confidentiality to the District; or (iii) independently developed by the Contractor without use of the District's confidential information. During the performance of this Agreement, if the Contractor is notified that certain information is to be considered confidential, the Contractor agrees to enter into a confidentiality agreement in a form reasonably acceptable to the District and the Contractor. The Contractor agrees that any of its employees, agents, or subcontractors with access to any information designated thereunder as confidential information of the District shall agree to be bound by the terms of such confidentiality agreement.

b. Personal Identifying Information. During the performance of this Agreement, the District may disclose Personal Identifying Information to the Contractor. "**Personal Identifying Information**" means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., the Contractor agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to the Contractor; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

c. Conflicts. Prior to the execution of, and during the performance of this Agreement and prior to the execution of future agreements with the District, the Contractor agrees to notify the District of conflicts known to the Contractor that impact the Contractor's provision of Services to the District.

13. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Contractor pursuant to this Agreement, including, but not limited to, all maps, plans, drawings, specifications, reports, electronic files, and other documents, in whatever form, shall remain the property of the District under all circumstances, upon payment to the Contractor of the invoices representing the work by which such materials were produced. At the District's request the Contractor will provide the District with all documents produced by or on behalf of the Contractor pursuant to this Agreement. The Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services for a period of two (2) years after termination of this Agreement, shall make them available for the District's use and shall provide such copies to the District upon request at no cost.

14. LIENS AND ENCUMBRANCES. The Contractor shall not have any right or interest in any District assets, or any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated in this Agreement. The Contractor, for itself, hereby waives and releases any and all statutory or common law mechanic's, materialmen's, or other such lien claims, or rights to place a lien upon the District's property or any improvements thereon in connection with any Services performed under or in connection with this Agreement, and the Contractor shall cause all permitted subcontractors, suppliers, materialmen, and others claiming by, through, or under the Contractor to execute similar waivers prior to commencing any work or providing any materials in connection with the Services. The Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers, and materialmen, and release of lien respecting the Services at such time or times and in such form as may be reasonably requested by the District. The Contractor will provide indemnification against all such liens for labor performed and/or materials supplied or used by the Contractor and/or any other person in connection with the Services undertaken by the Contractor, in accordance with Section 15, below.

15. INDEMNIFICATION.

a. The Contractor shall defend, indemnify, and hold harmless the District and each of its directors, officers, contractors, employees, agents, and consultants (collectively, the "**District Indemnitees**"), from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses (the "**Claims**"), including reasonable legal expenses and attorneys' fees actually incurred, by the District Indemnitees arising directly or indirectly, in whole or in part, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents, or employees, in connection with this Agreement and/or the Contractor's performance of the Services or work pursuant to this Agreement. Notwithstanding anything else in this Agreement or otherwise to the contrary, the Contractor is not obligated to indemnify the District Indemnitees for the negligence of the District or the negligence of any other District Indemnitee, except the Contractor. Except as otherwise provided by applicable law, this indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation, or benefits payable by or for the Contractor under workers' compensation acts, disability acts, or other employee benefit acts, provided that in no event shall the Contractor be liable for special/consequential or punitive damages.

b. In the event the Contractor fails to assume the defense of any Claims under this Section 15 within fifteen (15) days after notice from the District of the existence of such Claim, the District may assume the defense of the Claim with counsel of its own selection, and the Contractor will pay all reasonable expenses of such counsel. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation.

c. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary with respect to its obligations under this Agreement, including the indemnity obligations set forth

in Section 15. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

16. ASSIGNMENT. The Contractor shall not assign this Agreement or parts thereof, or its respective duties, without the express written consent of the District. Any attempted assignment of this Agreement in whole or in part with respect to which the District has not consented, in writing, shall be null and void and of no effect whatsoever.

17. SUB-CONTRACTORS. The Contractor is solely and fully responsible to the District for the performance of all Services in accordance with the terms set forth in this Agreement, whether performed by the Contractor or a subcontractor engaged by the Contractor, and neither the District's approval of any subcontractor, suppliers, or materialman, nor the failure of performance thereof by such persons or entities, will relieve, release, or affect in any manner the Contractor's duties, liabilities, or obligations under this Agreement. The Contractor shall not subcontract any Services without prior written approval by the District. The Contractor agrees that each and every agreement of the Contractor with any subcontractor to perform Services under this Agreement shall contain an indemnification provision identical to the one contained in this Agreement holding the District harmless for the acts of the subcontractor. Prior to commencing any Services, a subcontractor shall provide evidence of insurance coverage to the District in accordance with the requirements of this Agreement. The Contractor further agrees that all such subcontracts shall provide that they may be terminated immediately without cost or penalty upon termination of this Agreement, other than payment for services rendered prior to the date of any such termination.

18. TERMINATION. In addition to the termination provisions contained in Section 2, above, this Agreement may be terminated for convenience by the Contractor upon delivery of thirty (30) days' prior written notice to the District and by the District by giving the Contractor thirty (30) days' prior written notice. Each Party may terminate this Agreement for cause at any time upon written notice to the other Party setting forth the cause for termination and the notified Party's failure to cure the cause to the reasonable satisfaction of the Party given such notice within the cure period set forth in Section 19. If this Agreement is terminated, the Contractor shall be paid for all the Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business. Should either Party to this Agreement be declared bankrupt, make a general assignment for the benefit of creditors, or commit a substantial and material breach of this Agreement in the view of the other Party, said other Party shall be excused from rendering or accepting any further performance under this Agreement. In the event of termination of this Agreement, the Contractor shall cooperate with the District to ensure a timely and efficient transition of all work and work product to the District or its designees. All time, fees, and costs associated with such transition shall not be billed by the Contractor to the District.

19. DEFAULT. If either Party fails to perform in accordance with the terms, covenants, and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, the non-defaulting party shall deliver written notice to the defaulting party of the default, at the address specified in Section 20 below, and the defaulting party will have ten (10) days from and after receipt of the notice to cure the default. If the default is not of a type which can be cured within such ten (10)-day period and the defaulting party gives written notice to the

non-defaulting party within such ten (10)-day period that it is actively and diligently pursuing a cure, the defaulting party will have a reasonable period of time given the nature of the default following the end of the ten (10)-day period to cure the default, provided that the defaulting party is at all times within the additional time period actively and diligently pursuing the cure. If any default under this Agreement is not cured as described above, the non-defaulting party will, in addition to any other legal or equitable remedy, have the right to terminate this Agreement and enforce the defaulting party's obligations pursuant to this Agreement by an action for injunction or specific performance.

20. NOTICES. Any notice or communication required under this Agreement must be in writing, and may be given personally, sent via nationally recognized overnight carrier service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, a notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided in this Section 20 of this Agreement, designate additional persons to whom notices or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the parties at their addresses set forth below:

District: Poudre Tech Metropolitan District
1625 Pelican Lakes Point, Suite 201
Windsor, Colorado 80550
Attention: Steve Southard
Phone: (970) 686-5825
Email: steve.southard@advancehoa.com

With a Copy to: WHITE BEAR ANKELE TANAKA & WALDRON
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122
Attention: Zachary P. White, Esq.
Phone: (303) 858-1800
E-mail: zwhite@wbapc.com

Contractor: Altitude Athletic Surfaces
4604 Fenwood Drive
Highlands Ranch, CO 80130
Attention: George Tavaréz
Phone: (720) 908-1095
Email: gtavarez@altitudesurfaces.com

21. AUDITS. The District shall have the right to audit, with reasonable notice, any of the Contractor's books and records solely as are necessary to substantiate any invoices and payments under this Agreement (including, but not limited to, receipts, time sheets, payroll, and personnel records) and the Contractor agrees to maintain adequate books and records for such purposes during the term of this Agreement and for a period of two (2) years after termination of this Agreement and to make the same available to the District at all reasonable times and for so long thereafter as there may remain any unresolved question or dispute regarding any item pertaining thereto.

22. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties hereto relating to the Services, and sets forth the rights, duties, and obligations of each to the other as of this date, and hereby supersedes any and all prior negotiations, representations, agreements, or arrangements of any kind with respect to the Services, whether written or oral. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Contractor and the District.

23. BINDING AGREEMENT. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigns of the Parties hereto.

24. NO WAIVER. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in this Agreement, nor shall the waiver of any default be deemed a waiver of any subsequent default.

25. GOVERNING LAW.

a. Venue. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise. At the District's request, the Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and the District shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated.

b. Choice of Law. Colorado law shall apply to any dispute, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado.

c. Litigation. At the District's request, the Contractor will consent to being joined in litigation between the District and third parties, but such consent shall not be construed as an admission of fault or liability. The Contractor shall not be responsible for delays in the performance of the Services caused by factors beyond its reasonable control including delays caused by Act of God, accidents, failure of any governmental or other regulatory authority to act

in a timely manner, or failure of the District to furnish timely information or to approve or disapprove of Contractor's Services in a timely manner.

26. GOOD FAITH OF PARTIES. In the performance of this Agreement, or in considering any requested approval, acceptance, consent, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, consent, or extension of time required or requested pursuant to this Agreement.

27. SUBJECT TO ANNUAL APPROPRIATION AND BUDGET. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The Contractor expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board and shall not constitute a mandatory charge, requirement, or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the District, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the District or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of District funds. The District's obligations under this Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

28. GOVERNMENTAL IMMUNITY. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

29. NEGOTIATED PROVISIONS. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed to the preparation of this Agreement.

30. SEVERABILITY. If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void, or unenforceable, such decision shall not affect the validity of any other portion of this Agreement which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid, or unenforceable provision so that the resulting reformed provision is legal, valid, and enforceable.

31. NO THIRD-PARTY BENEFICIARIES. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is

the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

32. OPEN RECORDS. The Parties understand that all material provided or produced under this Agreement may be subject to the Colorado Open Records Act, §§ 24-72-202, *et seq.*, C.R.S.

33. WARRANTY AND PERMITS. The Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services (collectively, the “**Work**”) will be of good quality and new, unless otherwise required or permitted by this Agreement. The Contractor further warrants that the Work will conform to all requirements of this Agreement and the applicable building code and all other applicable laws, ordinances, codes, rules, and regulations of any governmental authorities having jurisdiction over the Work. All materials are subject to the satisfaction and acceptance of the District, but payments for the completed Work will not constitute final acceptance nor discharge the obligation of the Contractor to correct defects at a later date. Such warranties set forth in this Agreement are in addition to, and not in lieu of, any other warranties prescribed by Colorado law.

a. The Contractor hereby warrants the Work for a period of one (1) year from the date of completion and initial acceptance of the Work. The Contractor will immediately correct or replace any Work that is defective or not conforming to this Agreement at its sole expense to the reasonable satisfaction of the District. The Contractor’s guarantees and warranties shall in all cases survive termination of this Agreement. This warranty shall be enforceable by the District, its successors and assigns.

b. Prior to final payment for any Services involving Work, and at any time thereafter but before the final inspection, as set forth below, the Contractor and the District shall, at the request of the District, conduct an inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with this Agreement. The Contractor’s fees and costs associated with the inspection shall be included in the compensation schedule set forth in **Exhibit A** and shall not be billed separately to the District. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in **Exhibit A**, the Contractor is deemed to have waived these fees and costs. After completion of the inspection, the District will provide the Contractor with written notice of any Work requiring corrective action. The Contractor agrees to correct or replace the defective Work within a reasonable time, as agreed to by the Parties, but in no event later than thirty (30) calendar days from the date of notice from the District, unless otherwise agreed to by the District.

c. The Contractor agrees that if warranty issues appear before payment has been made under this Agreement, the District may withhold payment until such warranty issues are resolved to the District’s satisfaction. If repair or replacement of any warranty or defective Work is not made by the Contractor promptly upon request by the District as set forth in this Agreement, in addition to any other remedy, the District may withhold any payment the District may owe to the Contractor, including payments under other contracts or agreements related or unrelated to the Work and Services.

d. The Contractor shall promptly notify the District of any Work, whether by the Contractor, its subcontractors or any third parties, which the Contractor believes to be defective or not conforming with this Agreement.

e. The Contractor shall, at its expense, obtain all permits, licenses, and other consents required from all governmental authorities, utility companies, and appropriate parties under any restrictive covenants in connection with the Work. The Contractor shall comply with all the terms and conditions of all permits, licenses, and consents.

f. At or around eleven (11) months, but no more than one (1) year, after the completion and acceptance of the Work, the Contractor and the District shall, at the request of the District, conduct a final inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with this Agreement. The Contractor's fees and costs associated with the inspection shall be included in the compensation schedule set forth in **Exhibit A** and shall not be billed separately to the District. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in **Exhibit A**, the Contractor is deemed to have waived these fees and costs. After completion of the final inspection, the District will provide the Contractor with written notice of any Work requiring corrective action. In the event the Contractor does not correct or replace the defective Work within thirty (30) calendar days from the date of notice from the District, or within such other reasonable time as agreed to by the Parties, the District may correct or replace the defective Work and the Contractor shall reimburse the District for the related costs and fees.

34. TAX EXEMPT STATUS. The District is exempt from Colorado state sales and use taxes. Accordingly, taxes from which the District is exempt shall not be included in any invoices submitted to the District. The District shall, upon request, furnish Contractor with a copy of its certificate of tax exemption. Contractor and subcontractors shall apply to the Colorado Department of Revenue, Sales Tax Division, for an Exemption Certificate and purchase materials tax free. The Contractor and subcontractors shall be liable for exempt taxes paid due to failure to apply for Exemption Certificates or for failure to use said certificate.

35. COUNTERPART EXECUTION. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

[Signature pages follow].

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

DISTRICT:
POUDRE TECH METROPOLITIAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

Officer of the District

ATTEST:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel for the District

*District's Signature Page to Independent Contractor Agreement for Pickleball Court
Conversion Services with Altitude Athletic Surfaces, dated June __, 2023*

EXHIBIT A

SCOPE OF SERVICES/COMPENSATION SCHEDULE

Tennis to Pickleball Court Convesion

- **Power wash tennis courts with 3600 psi power, remove delaminated material and haul off site.**
- **Apply 1 coat black acrylic resurfacer.**
- **Apply 2 coats Pickleball Court Color System.**
 - **Back court playing area Dark Blue.**
 - **Outside playing area Medium Green.**
 - **Kitchen area (no volley zone) Light Blue.**
- **Layout prime and stripe 2" white tennis lines per A.S.B.A guidelines.**
- **Blow Courts Clean of dirt and debris.**

INSTALLED JOB FOR A TWO COURT CONFIGURATION \$12,000.00

INSTALLED JOB FOR A FOUR COURT CONFIGURATION \$13,000.00

ALTENATES:

- 1. Replace tennis net with a 48" black vinyl chain link fence, please add \$2,800.00 to contract.**
- 2. Heavy duty pickleball net system, please add \$2,600.00 ea. to contract.**
- 3. Light weight pickleball net system, please add \$500.00 ea. to contract.**

EXHIBIT B-1

CONTRACTOR'S COMPLETED W-9

EXHIBIT C

INSURANCE REQUIREMENTS

NOTE: All insurance required and provided hereunder shall also comply with the provisions of Section 11 of this Agreement.

1. Standard Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor involved with the performance of the Services, with policy amounts and coverage in compliance with the laws of the jurisdiction in which the Services will be performed.
2. Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 designated location, general aggregate; and \$1,000,000 umbrella. Such insurance will include coverage for contractual liability, personal injury, and broad form property damage, and shall include all major divisions of coverage and be on a comprehensive basis including, but not limited to:
 - a. premises operations;
 - b. personal injury liability without employment exclusion;
 - c. limited contractual;
 - d. broad form property damages, including completed operations;
 - e. medical payments;
 - f. products and completed operations;
 - g. independent consultants coverage; and
 - h. coverage inclusive of construction means, methods, techniques, sequences, and procedures, employed in the capacity of a construction consultant.

This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.

3. Comprehensive Automobile Liability Insurance covering all owned, non-owned, and hired automobiles used in connection with the performance of the Services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage. **This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**
4. If applicable: Contractor shall secure and maintain a third-party fidelity bond in favor of the District, covering the Contractor and its employees and agents who may provide or be responsible for the provision of Services where such activities contemplate the responsibility for money or property of the District. Such bond shall protect the District against any fraudulent or dishonest act which may result in the loss of money, securities,

or other property belonging to or in the possession of the District. Said bond shall be in an amount as determined by the District, from a surety acceptable to the District.

5. Any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement.

EXHIBIT C-1

CERTIFICATE(S) OF INSURANCE

EXHIBIT D

CERTIFICATE OF GOOD STANDING WITH COLORADO SECRETARY OF STATE

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Altitude Athletic Surfaces, LLC.

is a

Limited Liability Company

formed or registered on 08/22/2019 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20191665727 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 06/07/2023 that have been posted, and by documents delivered to this office electronically through 06/08/2023 @ 12:20:16 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 06/08/2023 @ 12:20:16 in accordance with applicable law. This certificate is assigned Confirmation Number 15051662 .



Secretary of State of the State of Colorado

*****End of Certificate*****
Notice: A certificate issued electronically from the Colorado Secretary of State's website is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's website, <https://www.coloradosos.gov/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our website, <https://www.coloradosos.gov> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

Poudre Tech Metropolitan District

WATER SYSTEM RULES AND REGULATIONS

July 31, 2023

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ARTICLE I - GENERAL

1.1 Authority

The Poudre Tech Metropolitan District (the “District”) is the service district for the Water Valley Metropolitan District Nos. 1-2 (the “Water Valley Districts”) and is a quasi-municipal corporation and political subdivision of the State of Colorado with the powers, whether specifically granted, reasonably implied, or necessary or incidental to those powers specifically granted for carrying out the objectives and purposes of the District.

1.2 Purpose

The purpose of these Rules and Regulations is to ensure an orderly and uniform administration of irrigation water operations within the boundaries of the community commonly known as Water Valley, Town of Windsor, Weld County, Colorado. These Rules and Regulations apply only to the Irrigation Water System (as defined herein), and not to the potable water system, which is managed and controlled by the Town of Windsor.

1.3 Policy

The authority of the District to adopt bylaws, rates, rules, and regulations is expressly conferred by Colorado statute. The Board of Directors of the District (the “Board”) expressly finds and determines that the adoption of the following rates, rules, and regulations is necessary for the health, safety, prosperity, security, and general welfare of the inhabitants of the District and those within the District’s service area, which includes the Water Valley Districts, and will ensure an orderly and uniform administration of the District affairs.

The Board of the District hereby declares that the Rules and Regulations hereinafter set forth will serve a public use and are necessary to promote the health, safety, prosperity, security, and general welfare of the inhabitants of Water Valley.

1.4 Scope

These Rules and Regulations shall be treated and considered as comprehensive regulations governing the operations and functions of the Irrigation Water System.

1.5 Intent of Rules and Regulations

It is intended that these Rules and Regulations shall be liberally construed to affect the general purposes set forth herein, and that each and every part hereof is separate and distinct from all other parts. No omission or additional material set forth in these Rules and Regulations shall be construed as an alteration, waiver, or deviation from any grant of power, duty, or responsibility, or limitation or restriction imposed or conferred upon the

Board by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other governmental entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law which is now enacted or may subsequently be enacted by the Colorado General Assembly, pertaining to the governmental or proprietary affairs of the District. Any ambiguity, conflict, omission, or question of interpretation of these Rules and Regulations shall be determined in the sole discretion of the District's Board.

1.6 Amendment

It is specifically acknowledged that the District shall retain the power to amend these Rules and Regulations, with respect to the District, to reflect those changes determined to be necessary by the Board. Prior notice of these amendments shall not be required to be provided by the District exercising its amendment powers pursuant to this Section. These Rules and Regulations may be altered, amended, or added to from time to time and such alterations, additions, or amendments shall be binding and of full force and effect as of the date of their adoption by the Board.

1.7 Miscellaneous

1.7.1 Usage and Titles

All words and phrases shall be construed and understood according to the common and approved usage of the language, but technical words and phrases and such others as may have acquired a particular and appropriate meaning in the law shall be construed and understood according to such particular and appropriate meaning. The title of any heading in these Rules and Regulations shall not be deemed in any way to restrict, qualify, or limit the effect of the provisions set forth in the section or subsection set forth under each heading.

1.7.2 Severability

Should any section, subsection, sentence, clause, or phrase of these Rules and Regulations be judicially determined to be invalid or unenforceable, such judgment shall not effect, impair, or invalidate the remaining provisions of these Rules and Regulations, the intention being that the various sections and provisions hereof are severable.

1.7.3 Prior Offenses

Nothing in these Rules and Regulations shall affect any offense or act committed or done, or any obligation, penalty, or forfeiture incurred by any Person or under any contract or right established or occurring before the effective date of these Rules and Regulations.

1.7.4 No Damage for Failure to Enforce

Nothing herein contained shall create any right to damages against the District, its directors, officers, agents, or employees for the District's failure to enforce any or all of these Rules and Regulations.

1.7.5 Availability of Service

Water service shall be available only in accordance with these Rules and Regulations, on the basis of the charges established therefor, and subject to all penalties and charges for violation thereof, or any statutes applicable and subject to the availability of facilities and capacity.

1.7.6 Control and Operation of Facilities

All water facilities and property of the District shall be under the management of the District Manager and the control of the Board. No other Person shall have any right to enter upon, inspect, operate, adjust, change, alter, move, or relocate any portion of the District's facilities without prior written consent of the Board or the District Manager.

1.7.7 Inspections

All inspections, observations, testing, and reviews performed by the District, whether of private premises to ensure compliance with these Rules and Regulations, or of the District's property and facilities, are performed for the sole and exclusive benefit of the District. No liability shall attach to the District by reason of any such inspections, observations, testing, or reviews or by reason of any denial or issuance of any approval or Permit for any work subject to the authority or jurisdiction of the District.

1.7.8 Ownership

The District exercises all rights and responsibilities attendant to the full ownership of the water facilities and, in the future, shall accept ownership responsibilities only for additional facilities which have been formally conveyed to and accepted by the District.

ARTICLE II DEFINITIONS

Unless the context specifically indicates otherwise, the meaning of the terms used herein shall be as follows:

2.1 Applicant

“Applicant” means any Person who applies to the District (as defined herein) for a service Connection or service disconnection, Main Line extension, or other such service agreement, or who attempts to have real property included within or excluded from the Water Valley Districts, as the case may be.

2.2 Board

“Board” and “Board of Directors” mean the Board of Directors of the District.

2.3 Constructor

“Constructor” means the landowner, developer, subdivider, or agency actually paying for the construction of the lines.

2.4 Contractor

“Contractor” means any Person authorized by the District to perform work and to furnish materials within the District.

2.5 Conservation Shut Down

“Conservation Shut Down” means a shutoff by the District of the Irrigation Water System.

2.6 Curb Stop

“Curb Stop” means a water service Shutoff Valve, located between the Main Line and the Meter Loop.

2.7 Customer

“Customer” means any entity authorized to connect to and use the Irrigation Water System under a Permit issued by the District.

2.8 District

“District” means the Poudre Tech Metropolitan District.

2.9 District Manager

“District Manager” means the Person retained by the Board to administer and supervise the affairs of the District and its employees.

2.10 District Engineer

“District Engineer” means that Person that has been authorized by the District to perform engineering services for the District.

2.11 Dwelling Unit

“Dwelling Unit” means one or more habitable rooms arranged, occupied, or intended or designed to be occupied by not more than one family with facilities for living, cooking, sleeping, and eating.

2.12 End Point

“End Point” means a transmitter used to read and send various data from the Meter to the Meter-reading software.

2.13 Equivalent Dwelling Unit

“Equivalent Dwelling Unit” or “Single Family Equivalent Dwelling Unit” means a use which is estimated to have an impact upon the Irrigation Water System equal to that of the average usage of a Dwelling Unit.

2.14 Gender

The use of any gender shall be applicable to all genders.

2.15 Inspector

“Inspector” means that Person who, under the direction of the District Manager, shall inspect all water Connections, excavations, installations of and repairs to the Irrigation Water System and facilities of the District, to ensure compliance with the Rules and Regulations.

2.16 Irrigation Water System

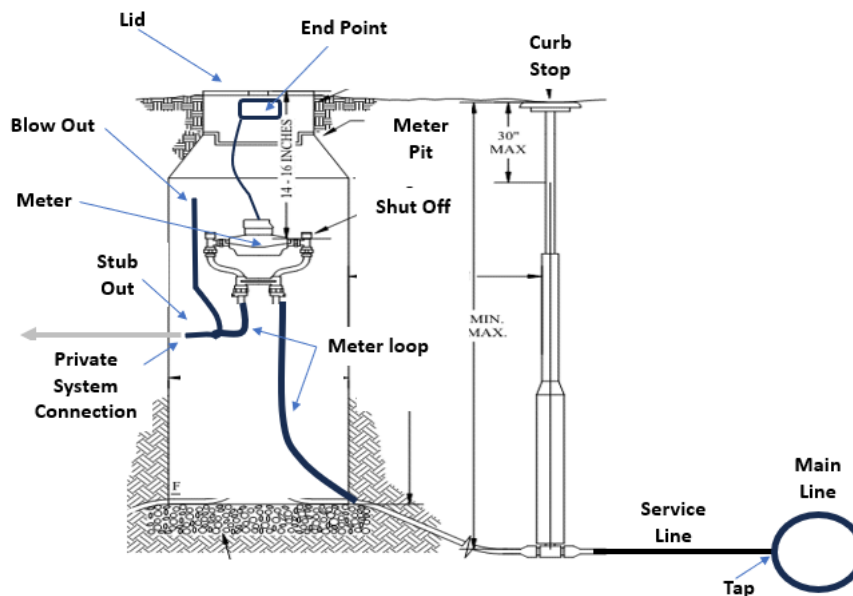
“Irrigation Water System” means any Main Line, appurtenances, accessories, or portion thereof owned and maintained by the District in connection with the management and control of irrigation water within the Water Valley Districts’ boundaries.

2.17 Meter

“Meter” means a device used to measure non-potable irrigation water use.

2.18 Meter Diagram

The following diagram is meant to serve as an aid in understanding the design and layout of the Meter:



2.19 Meter Loop

“Meter Loop” means the copper piping from the Curb Stop that connects the Meter to the Stub Out.

2.20 Permit

“Permit” means the written permission to connect to or enlarge the use for the Irrigation Water System of the District pursuant to the Rules and Regulations of the District.

2.21 Person

“Person” means any entity of any nature, whether public or private.

2.22 Privately Owned Irrigation System

“Privately Owned Irrigation System” means any water lines, sprinkler heads, and appurtenances used in the irrigation of an individual lot that is not owned part of the Service Line.

2.23 Rules and Regulations

“Rules and Regulations” means the Rules and Regulations of the District, including all amendments and policies as set forth in the District minutes and resolutions.

2.24 Service Line

“Service Line” means any District-owned and -maintained pipe, line, or conduit used or to be used to provide irrigation water service from the Water Main to the Curb Stop, whether or not the pipe, line, or conduit is connected.

2.25 Shall or May

Whenever “shall” is used herein, it shall be construed as a mandatory direction.

Whenever “may” is used herein, it shall be construed as a permissible but not mandatory direction.

2.26 Shutoff Valve

“Shutoff Valve” means a hand valve located on top of the Meter Loop in each lot, for purposes of turning on and off the water supply to a Privately Owned Irrigation System.

2.27 Singular and Plural

As pertains to these Rules and Regulations, the singular includes the plural and the plural the singular wherever applicable.

2.28 Stub-out

“Stub-out” means any Connection from a Privately Owned Irrigation System to the Meter Loop.

2.29 Tap or Connection

“Tap” or “Connection” means the connecting of the Service Line to the Main Line.

2.30 Tap Fee

“Tap Fee” means the payment to the District of a fee for the privilege of connecting a particular use to the Irrigation Water System, also referred to as Capital Facilities Fee.

2.31 Water Main and/or Main Line

“Water Main” and/or “Main Line” mean any pipe, piping, or system of piping used as a conduit for water in the Irrigation Water System and owned by the District.

2.32 Water Valley Districts

“Water Valley Districts” means the District and Water Valley Metropolitan District Nos. 1-2 and represents the service area to be provided irrigation water by the District.

2.33 Any Other Term

Any other term not herein defined shall be defined as presented in the “Glossary - Water and Sewage Control Engineering”, A.P.H.A., A.W.W.A., A.S.C.E., and F.W.S.A., latest editions.

**ARTICLE III
OWNERSHIP AND OPERATION OF FACILITIES**

3.1 Responsibilities of District

Except as otherwise provided by these Rules and Regulations, the District is responsible for the operation and maintenance of the Irrigation Water System, which operation and maintenance shall be carried out in a sound and economical manner, in accordance with these Rules and Regulations. The District shall not be liable or responsible for inadequate service or interruption of service brought about by circumstances beyond its control.

3.2 Liability of District

It is expressly stipulated that no claim for damage shall be made against the District by reason of the following: failure by an owner to maintain properly, including winterizing, a Privately Owned Irrigation System and District-owned Meter; breakage of Main Lines; interruption of water service and the conditions resulting therefrom; breaking of any Service Line, pipe, clock, or Meter; failure of the water supply; shutting off or turning on water; making of Connections or extensions; damage caused by water running or escaping from open or defective faucets; burst Service Lines or other facilities not owned by the District; damage to sprinkler systems, appliances, or other apparatuses, devices, or equipment used for irrigation of property, resulting from shutting water off or turning it on, or from inadequate, excessive, or sporadic pressures; or for doing anything to the system of the District deemed necessary by the Board or its agents.

3.3 Rights and Authority

The District shall have no responsibility for notification to Customers of any of the foregoing conditions. All irrigation water users within the Water Valley Districts shall be obligated to connect to Irrigation Water System. The District reserves the right to discontinue service to any property, at any time, for any reason deemed necessary or appropriate.

The District shall have the right to revoke service to any property for violations of these Rules and Regulations in accordance with the procedures set forth in these Rules and Regulations.

3.4 Ownership of Facilities

All existing and future Main Lines and other facilities connected with and forming an integral part of the Irrigation Water System are or shall become the property of the District, unless any contract with an owner or Customer provides otherwise. Said ownership will remain valid whether the Main Lines and other facilities are constructed, financed, paid for, or otherwise acquired by the District or any other Person.

3.4.1 Ownership of Irrigation Water Facilities

The District owns and is responsible for the maintenance of the Service Line, up to and including the Meter Loop on the Customer's property. The Customer is responsible for the maintenance of the Privately Owned Irrigation System serving his property, beginning at the end of the Meter Loop.

3.4.2 Ownership of Irrigation Water Meters

Notwithstanding the above, all irrigation water Meters and Shutoff Valves are or shall become the property of the District. Such ownership by the District shall remain valid whether the Meters and/or Shutoff Valves are installed, financed, paid for, repaired, or maintained by another Person, provided such Meters and/or Shutoff Valves are on a District-owned Irrigation Water System.

3.5 Inspection Powers and Authority of District Agents

Authorized employees or agents of the District, bearing proper credentials and identification, shall be permitted to enter upon all properties within the Service Area at all reasonable times for the purpose of inspection, observation, measurement, sampling, and testing, in accordance with the provisions of these Rules and Regulations. Failure to permit such inspection, observation, measurement, sampling, and/or testing upon the written request of the District Manager may result in a finding by the District that permission is being denied to conceal a violation, which may result in fines and/or the disconnection of service to the property of the party failing to permit such activity.

3.6 Modification, Waiver, and Suspension of Rules

The Board or the District Manager, acting on instructions of the Board, shall have the sole authority to waive, suspend, or modify these Rules and Regulations, and any such waiver, suspension, or modification must be in writing and signed by the Board or the District Manager. Such waiver shall not be deemed an amendment of the Rules and Regulations. No waiver will be deemed a continuing waiver.

**ARTICLE IV
USE OF IRRIGATION WATER SYSTEMS**

4.1 Unauthorized Tampering with Systems

4.1.1 Unauthorized Use

No unauthorized Person shall uncover, use, alter, disturb, or make any Connection with or opening onto, or use, alter, or disturb the Irrigation Water System without first obtaining a written Permit from the District. Unauthorized uses of or tampering with the Irrigation Water System include but are not limited to change in Customer's equipment, service, or use of property as defined in Section 5.7; an unauthorized activation or deactivation of irrigation water service; burying valve boxes; and modifying any irrigation water Meter, End Point, or Curb Stop. Any unauthorized use may result in fines and/or termination of service.

4.1.2 Malicious Damage to System

No Person shall maliciously, willfully, or negligently, break, damage, destroy, cover, uncover, deface, or tamper with any portion of the Irrigation Water System.

4.1.3 Violators Prosecuted

Any Person who violates the provisions of this Section 4.1 shall be prosecuted to the full extent of Colorado law.

4.1.4 Violators Fined

Any Person violating any of the provisions of these Rules and Regulations shall become liable to the District for payment of a fine as determined by the Board, plus any expense, loss, or damage occasioned by reason of such violation. Such costs shall constitute a perpetual lien upon the violator's property, as permitted under Section 32-1-1001, C.R.S., as amended, or a perpetual lien upon the property concerning which the violator was receiving services at the time of the violation in question, whichever the District Manager deems appropriate. See Section 5.8 regarding unauthorized Connections.

4.2 Use of Irrigation Water System

4.2.1 Request to Change or Move Meter Pit/Curb Stop and Repairs of Leaks

The Customer shall request in writing approval from the District prior to any expansion, addition, relocation, or modification to the service or use of property served by the Irrigation Water System. Each Customer shall be responsible for all costs associated with the construction, maintenance, and/or relocation of the Meter, Curb Stop, and length of the

Service Line up to the Curb Stop. Service Lines shall be constructed in accordance with these Rules and Regulations. No District-owned facilities shall be relocated by any Person other than District staff or Contractors.

The Customer shall repair any leaks or breaks in her Privately Owned Irrigation System within seventy-two (72) hours of obtaining knowledge of a leak or from the time of notification of such condition by the District. If satisfactory progress toward repairing said leak has not been completed within the same time period, the District Manager shall shut off the service until the leaks or breaks have been repaired. In addition, the District shall have the right to effect the repair, and the costs therefor shall constitute a lien on and against the property of such Customer, as security for payment of such cost, as provided for by Section 32-1-1001, C.R.S.

4.2.2 Stop and Waste Type Valve

The Customer shall not use stop and waste type valves in conjunction with a Privately Owned Irrigation System. It is the responsibility of the Customer to bury the Privately Owned Irrigation Systems with sufficient cover to prevent it from freezing.

4.2.3 Safety Devices

Each Customer having sprinkler systems, appliances, apparatuses, and/or other devices on his premises for irrigation, depending on pressure or water in pipes, or on a continual supply of water, shall provide, at his own expense, suitable safety devices to protect himself and his property against a stoppage of water supply or loss of pressure. The District expressly disclaims any liability or responsibility for any damage resulting from a Customer's failure to provide such appropriate protection.

4.2.4 Meters Required

At such time as the Board deems necessary, the District shall charge for water usage pursuant to Meters installed to serve each unit at rates to be determined by the Board. No future Connection shall be made to the Irrigation Water System without a Meter having been installed to serve the subject unit. All Meters shall have devices for remote reading. The type of Meter and location of the Meter shall be subject to the approval of the District.

The District shall install the initial Meter and shall have the right to test, remove, repair, or replace any and all Meters and End Points. The cost of each Meter and End Point and the cost of installation of each Meter and End Point by the District shall be borne by the District at the rate set forth in Appendix B. It shall be the duty of each Customer to notify the District if his Meter is operating defectively as soon as he becomes aware of such defective operation. If any Meter is suspected to be defective, the District shall diligently pursue repair or replacement of said Meter at the District's expense. The Meters referred to in this

Section and throughout these Rules and Regulations are separate from the water meters measuring the use of potable water from the Town of Windsor.

The Customer shall be given written notice that the District suspects the Meter is defective. The Customer shall be given fifteen (15) days in which to respond, which response shall include scheduling with the District an appointment for a Meter inspection and replacement. If the Customer fails to respond, the Customer will be placed on the unmetered rate set forth in Appendix B, effective with the following billing cycle.

The Customer shall be given a second written notice that the District suspects the Meter is defective. The Customer shall be given fifteen (15) days in which to respond to the second notice, which response shall include scheduling an appointment for a Meter inspection and replacement. If the Customer fails to respond to the second notice, the District may disconnect the water service and charge the Customer the capital fee while the service is disconnected.

4.2.5 Required Use of Irrigation Water System

It is not permitted to permanently irrigate property within the Water Valley Districts other than with the District's irrigation water, unless approved by the District, or as otherwise permitted by State law.

4.2.6 Pressure Reducing Valve ("PRV")

A PRV may be installed in Privately Owned Irrigation Systems after the Meter Loop.

4.3 Inactive Service

4.3.1 Definition

Inactive Service means that the Privately Owned Irrigation System for the property is connected to an Irrigation Water System but the Meter is not set and the District's distribution system is not used to deliver water to the property. Inactive Service occurs where the Service Line is constructed initially only to the valve at the property line for the purpose of installing the Service Line prior to the paving of the street or where a regular residential or commercial Tap is converted to inactive status commencing twelve (12) months after the date the application for such status is approved by the District.

4.3.2 Availability

Access to the Irrigation Water System is available to Applicants within the boundaries of the Water Valley Districts or any contracting entity.

4.4 Conservation Shut Down

A Conservation Shut Down is a management tool used to save irrigation water after heavy rainfall. Irrigation pumps are shut off for up to two (2) days when the community receives between .5 and .75 inches of rain and shut off for two (2) or three (3) days when rainfall totals exceed .75 inches and the soil is saturated. The pumps are turned on one (1) to two (2) days before additional irrigation is needed, based on the current soil moisture. The reactivation date is determined by the amount of water that is available in the soil.

ARTICLE V
APPLICATION FOR SERVICE

5.1 Inclusions

Service will be furnished, subject to these Rules and Regulations, to property included within the Water Valley Districts, pursuant to Section 32-1-401, C.R.S. It shall be incumbent upon the Applicant to furnish satisfactory evidence of inclusion whenever such evidence is requested by the District. Satisfactory evidence shall consist of tax receipt, or certification in lieu thereof, received from and signed by the County Treasurer, or documentation provided by one of the Water Valley Districts. A Person owning land within and without the boundaries of one of the Water Valley Districts who desires service to land currently located without the boundaries of the District, must include all of his land to be serviced by the Irrigation Water System into the boundaries of the applicable district. A formal petition for inclusion within one of the Water Valley Districts shall be made to such district, on its standard form, by the Applicant, accompanied by a non-refundable payment of One Thousand Dollars (\$1,000.00) for costs associated with the inclusion of the property, including but not limited to legal fees and the estimated costs of publication and preparation of documents. Any additional costs or legal fees which may occur shall be assessed and paid by the Applicant prior to approval of inclusion by the Board for the applicable district. Until paid, the Water Valley Districts will not process a petition for inclusion of property.

5.2 Service Outside the Water Valley Districts

No service shall ever be provided to property outside of the Water Valley Districts, except upon the express written consent of the District. Charges for furnishing service outside of the Water Valley Districts shall be at the discretion of the Board, but no service shall be furnished to property outside of the Water Valley Districts unless the charge therefor equals at least the cost of service, plus the estimated mill levy and Tap Fees for which such property would be responsible if it were within one of the Water Valley Districts. In every case where the District furnishes service to property outside the Water Valley Districts, the District reserves the right to discontinue the service when, in the judgment of the Board, it is in the best interest of the District to do so.

5.3 Application for Service

Application for service must be filed with the District in writing and accompanied by appropriate fees prior to any action to connect to the Irrigation Water System. Only upon authorized approval of the application and a receipt therefor may a Connection to the Irrigation Water System be made. The location of the Meter and the remote reading device shall be indicated on all applications for service.

5.3.1 Sprinkler System

If a water sprinkler system for lawn irrigation is to be used, it must be metered and meet the requirements of all applicable Town, County, and State codes.

5.3.2 Winter Taps

Taps may be made by appointment during the winter months at the District's sole discretion, provided that the Tap location is heated.

5.3.3 Additional Tap Information Required

All information requested by the District must be completed. In addition, the Meter location and arrangement, and a diagram of the Curb Stop valve box location must be included. A site plan or improvement plan shall accompany the Tap Permit application showing the location of the area to be irrigated relative to property lines.

5.3.4 Reassessment of Tap Fees

Should any information disclosed on the application prove at any time to be false, or should the Applicant omit any information, the District shall have the right to reassess the Tap Fee originally charged at the rate current to the discovery by the District of the false or omitted information, and/or disconnect the service in question, and/or back-charge the property in question for service fees that may be due and owing, and/or charge any other or additional fee or penalty specified in these Rules and Regulations. Any reassessment shall be due and payable, together with any penalties or other additional fees charged, and together with interest at the maximum legal rate on the entire balance, upon and from the date of the original application.

5.4 Denial of Application

The District reserves the exclusive right to deny application for service when, in the opinion of the District Board, the service applied for would create an excessive seasonal, or other, demand on the facilities. Denial may also be based upon an unresolved obligation between any of the Water Valley Districts and the Applicant, inadequate documentation of easements for Main Lines serving the property, or any other reason as determined by the Board or District Manager.

5.5 Cancellation of Application

The District reserves the right to revoke any prior approval of an application before service has been provided, and thereafter for any violation of these Rules and Regulations.

5.6 Moved or Destroyed Buildings

When a building is moved or destroyed, the original Tap authorization shall remain, provided that a written request is made to, and approved by, the Board or District Manager, prior to cessation of payment of service charges.

5.6.1 Abandoned Privately Owned Irrigation System

When a Privately Owned Irrigation System is abandoned permanently, the property owner or Customer shall close the Shutoff Valve on top of the Meter Loop.

5.7 Change in Customer's Equipment, Service or Use of Property

No expansion of or addition to the Customer's service or use of property served shall be made without the prior notification of and approval by the District. Any such change which, in the opinion of the District, will increase the burden placed on the Irrigation Water System by the Customer shall require a redetermination of the Tap Fee and service charge, and a payment by the Customer of any additional Tap Fee and service charge resulting from the redetermination. Subject to Section 5.6, above, Tap Fees previously paid with respect to the property in question shall be credited against the redetermined Tap Fee so that only the unpaid portion of any re-determined Tap Fee shall be due; provided, however, that redeterminations resulting in a conclusion that the Tap Fee, if assessed currently, would be in an amount less than that originally paid, shall not result in a refund to the Customer, and provided further that, when an expansion or change in use occurs which results in additional fees due, a credit for the existing use right shall be given.

5.7.1 Unauthorized Connection Fee

Any violation of this Section shall result in the assessment of an unauthorized Connection fee determined by the Board, as provided by Section 5.8 of these Rules and Regulations, and the District shall take those steps authorized by these Rules and Regulations and Colorado law regarding the collection of said fees. (Also, see Section 4.1 Unauthorized Tampering with Systems.)

5.7.2 Inspection Required

Any Customer believed to have changed equipment, service, or use of his property, in violation of this Section, shall be notified of such belief by the District, and shall be afforded fifteen (15) days from the date upon which the notice is mailed in which to respond to the District's notice. Any response by the Customer must include permission to make such inspection of the property in question as the Board or District Manager or his representatives deem necessary to establish clearly the nature of equipment, service, and use of the property in question. Failure to respond may result in the District discontinuing service to the property.

5.7.3 Redetermination of Tap Fees

The District Manager or his representatives shall inspect the property in question. Following inspection, the District Manager shall make a determination as to the change in the Customer's equipment, service, or use of the property in question, and shall re-determine any additional Tap Fees and service charges due. In the event the decision of the Board or District Manager is deemed unsatisfactory to the Customer, the Customer may present a complaint in accordance with the Hearing and Appeal Procedures, Article IX, of these Rules and Regulations.

5.8 Unauthorized Connections and Fees

No Person shall be allowed to connect onto the Irrigation Water System or to enlarge or otherwise change equipment, service, or use of property without prior payment of Tap Fees, approval of application for service, and adequate supervision and inspection of the Tap by District employees or agents. Any such Connection, enlargement, or change without payment, approval, supervision, and inspection shall be deemed an unauthorized Connection. Upon the discovery of any unauthorized Connections, the then-current Tap Fee shall become immediately due and payable, and the property shall automatically be assessed an additional unauthorized Connection fee equal to the then current Tap Fee per Equivalent Dwelling Unit as liquidated damages toward the District's costs associated with such unauthorized Connections.

The District shall send written notice to the owner of the property benefited by such Connections stating that an unauthorized Connection has been made between the subject property and the District's facilities. The owner shall then have fifteen (15) days from the date the notice is mailed to pay the then-current Tap Fee or proceed in accordance with the provisions of Section 5.7.2 of these Rules and Regulations.

5.9 Revocation of Service

The District may revoke service upon non-payment of any valid fees or charges owing to the District. In the event of non-payment, the Customer shall be given not less than fifteen (15) days' advance notice in writing of the revocation, which notice shall set forth:

1. The reason for the revocation;
2. That the Customer has the right to contact the District, and the manner in which the District may be contacted for the purpose of resolving the obligations; and
3. That there exists an opportunity for a hearing in accordance with Article IX of these Rules and Regulations.

If payment of the outstanding obligation or a request for a hearing is not received by the District within fifteen (15) days of the date of mailing of the revocation notice, the District

Manager shall disconnect the service and the Customer shall be assessed the cost of the disconnection. While the service is disconnected, the Customer shall continue to be assessed the base service charges for irrigation water.

5.10 Revocation of Tap Rights

The District may revoke the right to connect the Irrigation Water System and receive services under Section 5.3, above, upon non-payment of any fees owing to the District and remaining unpaid for a period of thirty (30) days, and whether or not the Customer owning the right to connect has actually connected to the Irrigation Water System. Such revocations shall be conducted in accordance with Section 5.9, above. If the right to connect to the Irrigation Water System is revoked, the Customer may reacquire such Tap rights only by reapplying for service in accordance with Section 5.3, above, and after paying all fees due and owing the District and the then-current Tap Fees charged by the District under these Rules and Regulations.

5.11 Activation/Deactivation of Service

All activations and deactivations of water service through a Curb Stop that has been connected to the Irrigation Water System pursuant to a written Permit issued by the District shall be performed only by District personnel regardless of the ownership of the Curb Stop or Service Line and regardless of the circumstances respecting the activation or deactivation. The District shall assess a single activation/deactivation fee in the amount of \$250.00 for any such activation or deactivation performed, except when initial service is provided and when the service is performed for Customers requiring maintenance to their Service Lines, in which case there shall be no charge. The District will provide this service only for a Tap for new construction, one time prior to the occupancy of the building located on the property served.

All other requests for activation or deactivation of the District's service may be granted or denied by the Board or District Manager in the Board's or District Manager's sole discretion. In new construction, at the time the Meter is set, service charges begin unless the District is requested to perform the turn-off. In this event the Customer will be charged \$250.00 when service is turned on.

**ARTICLE VI
CONSTRUCTION OF SERVICE LINES**

6.1 Compliance with Rules and Regulations

The requirements of these Rules and Regulations, and the Appendices attached hereto, are applicable to the construction of all Service Lines.

6.2 Inspection and Tapping Charges

All Taps shall be made by the District or its authorized representative and all Service Lines shall be inspected by a representative of the District. All irrigation water Service Lines are to be tested under normal operating pressure. Constructors of Service Lines shall schedule an open ditch inspection of all Service Lines. If said inspection is not made within twenty-four (24) hours of the request for inspection, excluding weekends and holidays, construction may proceed. There may be a charge for all inspections as determined from time to time by the Board. Further information regarding inspections and the charges for inspections may be obtained from the Board or the District Manager. Charges for each Tap are set forth in Appendix B, attached hereto.

6.3 Separate Service Lines Required

A separate and independent Service Line shall be provided for every lot and shall be installed at the expense of the property owner. There shall be one Meter installed for each separate lot served. A Curb Stop shall be located at the property line on all Service Lines. Each half of a duplex shall have a Curb Stop at the property line and shall have a separate Meter and Service Line. The Board or District Manager, in the exercise of his sole discretion, may provide an exemption from the above requirements for outdoor common space areas that are part of a condominium or other multi-family dwelling association. In such a case, the District shall bill the association for service charges assessed by the District for irrigation water usage in the association. In all cases where individual units are not separately metered, billing shall be to one entity for service to all units serviced through the same Meter or Service Line, and payment for less than all units shall be considered non-payment, allowing the District to terminate service.

6.4 Construction and Connection

The Contractor shall notify the District when the Service Line is ready for inspection and Connection to the District's main. One (1) working day's notice is required. The Connection shall be made to the main by District personnel. All Contractors, plumbers, and others doing work on any main, Service Lines, or structures in the Water Valley Districts shall comply with County, State, or local regulations on excavation, backfill, compaction, and restoration of surface. All Permits, fees, and licenses, including but not

limited to those fees set forth in Appendix B, shall be paid for by the Contractor, plumber, or others doing work in the Water Valley Districts, prior to the start of construction.

All excavations for service installation shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways, and other public or private property disturbed in the course of the work shall be restored in a manner satisfactory to the District. All daily inspection fees on construction required by any governmental agency, including the District, shall be paid by the plumber, Contractor, or others doing work for the District.

ARTICLE VII MAIN LINE EXTENSIONS

7.1 Compliance with Rules and Regulations

Main Line extensions shall comply with the requirements of these Rules and Regulations and the District's standard specifications for Service Line construction.

7.2 Main Line Extensions by the District

The District has the right to construct all Main Lines within the Water Valley Districts. Developers who desire to construct such Main Lines prior to the date planned by the District for their construction may do so as provided in Section 7.4 herein.

7.3 Procedure for Main Line Extension by the District

The District may construct a Main Line extension if the Board deems it in the best interest of the District to do so. All Main Line extensions which are so authorized shall be bid, as provided by State law, and contracted for by the Board, with the Constructor installing the Main Lines being responsible to the Board. The District, through the District Engineer, shall supervise construction activity and coordinate all matters pertaining to the completion of the subject project, including periodic and final payments to the Constructor, inspection, and as-built drawings.

7.3.1 Performance Bonds and One Year Warranty

Pursuant to Sections 38-26-105 and 38-26-106, C.R.S., performance and payment bonds equal to the contract price at a minimum shall be furnished to the District by the Constructor on all construction contracted by the District. All Main Lines constructed shall be accepted by the District upon completion of construction, subject to a one (1) year warranty period, during which the Constructor shall promptly, without cost to the District, correct any defective work. All daily inspection fees required by any governmental authority, including the District, shall be paid by the Constructor.

Constructors who have completed construction of Main Line extensions shall, before the Main Lines are accepted by the District, deed the Main Lines and all appurtenances to the District, free and clear of all liens and encumbrances, and furnish to the District a surety bond or other acceptable collateral which shall cover all maintenance for one (1) year from the date of acceptance of the Main Lines by the District. Prior to the acceptance of the Main Lines by the District, the Constructor shall provide to the District reproducible, as-built drawings including Stub-out locations, coordinates of manholes, rim and invert elevations, and easements.

7.4 Procedure for Main Line Extension by Developers

The District has no obligation to extend any Main Line. In the discretion of the Board or District Manager, the District may permit an Applicant to construct, at the sole expense of the Applicant, Main Lines prior to their construction by the District. The Applicant shall enter into a written Main Line extension agreement with the District prior to proceeding with any extension.

7.4.1 Application for Approval

All Applicants desiring to construct a Main Line within the District shall first make formal application to the Board or District Manager for approval. This application shall be in writing and shall contain a legal description of the property to be served by the Main Line, plans for such extension, and any other information required by the District, in its discretion. The staff shall then submit the recommended plans, with appropriate documentation, to the Board or District Manager for final approval. Said plans shall be reviewed for compliance with the District's specifications, and with other specifications and requirements appropriate to the situation. The cost of such study for compliance shall be borne by the Applicant.

7.4.2 Deposits with the District

Prior to the execution of the Main Line extension agreement with the District, the Applicant shall deposit with the District an amount sufficient to compensate the District for engineering fees, legal fees, and other costs, except direct construction costs, anticipated to be incurred by the District as a result of the application and the construction of the Main Line.

7.4.3 Performance and Payment Bonds

All contracts entered into by an Applicant for construction of any part of a Main Line shall be assignable to the District. All such contracts that an Applicant proposes to assign to the District shall include performance and payment bonds to be issued by the Contractor to the District pursuant to Sections 38-26-105 and 38-26-106, C.R.S. Said bonds shall be at a minimum equal to the contract price for the construction contracted for by the Applicant. All Main Lines shall be constructed according to applicable District, County, and State specifications. All Main Line extensions within the Water Valley Districts shall be made under the supervision of the District staff at the Applicant's expense. Similarly, all daily inspection fees on mains required by any governmental agency, including the District, shall be paid by Applicant. Such costs may be subject to cost recovery if so designated in the cost recovery contract.

7.4.4 Special Structures Designed by District Engineer

Special structures, such as pumping stations, pressure reducing valves, Meter vaults, etc., required to ensure proper operation of the extensions, shall be constructed from designs of the District Engineer or such other engineer as may be approved by the Board.

7.4.5 Oversizing of Main Lines

The Applicant shall be responsible for oversizing Main Line extensions as required by the District, at the District's expense, subject to future cost recovery by the District from future extenders. Specifically, a future extender may be required to reimburse the District for the cost of oversizing, including reasonable interest, upon connecting a further extension.

7.4.6 Documentation Required

Applicants who have completed construction of Main Lines shall, before the Main Lines are accepted by the District, deed the Main Lines and appurtenances to the District, free and clear of all liens and encumbrances, and furnish to the District bonds, which shall cover all maintenance for one (1) year from the date of acceptance of the Main Lines by the District. Prior to the acceptance of the Main Lines by the District, the Applicant shall provide the District with:

1. All easements necessary accompanying the Main Lines;
2. Four (4) Mylar, as-built drawings; and
3. A statement of the certified costs of the Main Lines.

7.4.7 Contract Required

No reimbursement or recovery of costs shall be permitted for Main Line extensions, except as provided by fully executed contracts with the District. The District shall, in its sole discretion, determine when reimbursement may be made for Main Line extensions.

7.5 Main Line Sizes

The size of the Main Line required to serve any area served by the Irrigation Water System shall be determined by the District.

7.6 Locations of Main Line Extensions

Main Lines shall be installed in roads or street rights-of-way, as well as in easements granted to the District. Where required, facilities must cross land not being subdivided, or where such land is under the Applicant's control for the granting of public rights-of-way, each Applicant who desires service will, in consultation with and with the approval of the District, plat and grant to the District appropriate rights-of-way and easements in which such facilities will be constructed.

The District shall maintain sole discretion over the location of any Main Line extensions, including control over any parallel lines.

ARTICLE VIII RATES AND CHARGES

7.7 General

The information contained in this Article is pertinent to all charges of whatever nature to be levied for the provision of irrigation water service. Said rates and charges are in existence and effect at this time, except as otherwise indicated, and shall remain in effect until modified by the Board pursuant to the applicable statutes of the State of Colorado. Nothing contained herein shall limit the Board from modifying rates and charges, or from modifying any classification.

7.8 Application of this Article

The rates, charges, and other information shown herein shall apply only to Customers inside the Water Valley Districts and shall in no way obligate the District with respect to services provided outside the boundaries of the Water Valley Districts.

7.9 Classification of Customers

For the purpose of levying fair, reasonable, uniform, and equitable charges, the following classifications and related definitions are provided:

7.9.1 Single-Family Residential Unit

Includes single-family unit; a patio home is included under the definition of single-family residential unit.

7.9.2 Multi-Family Unit

Includes duplex and clustered units, such as multi-family apartments, condominiums, and townhomes.

7.9.3 Hotel, Lodge, Motel, Accommodation Unit

Includes accommodation rooms or suites of rooms or apartments designed for short-term commercial rental. All other auxiliary uses, i.e., restaurants, bars, athletic facilities, and public restrooms, are included under Section 8.3.4.

7.9.4 Commercial, Industrial Service

All non-residential uses which are not included under Sections 8.3.1, 8.3.2, or 8.3.3.

7.10 Tap Fee

A Tap Fee shall be charged to all irrigation water service Customers of the District. Such Tap Fee is the Applicant's proportionate share of the Irrigation Water System cost in relation to the Applicant's use and may be used by the District for purposes of paying all or any part of the costs associated with the District's operation and maintenance expenses, including, without limitation, the District's ground maintenance services, such services to include but not be limited to the irrigation and landscaping of the Water Valley Districts' open spaces and any other budgeted, general-fund expenditures of the District. Such Tap Fee shall be assessed and paid upon the date of the initial transfer of title of any property to any purchaser in which a Single-Family Residential Unit or Multi-Family Unit shall be constructed on such property. Tap Fees shall be assessed as provided for in the schedule of fees and charges attached hereto as Appendix B; provided, however, that:

7.10.1 Prepaid Tap Fees

Tap Fees may be prepaid, and Tap Permits issued, at any time in advance of Connection, in which case the commencement of service charges shall be governed by Section 8.6 of these Rules and Regulations. No refund of Tap Fees will be paid.

7.10.2 Factors and Usage

The fees and charges reflected in Appendix B, or as otherwise set forth in any resolution concerning the imposition of fees as may be adopted by the Board, are based upon factors of usage and physical structure, and upon the application by the District Manager of those factors to the facts and circumstances surrounding the application.

7.10.3 Disputed Tap Application

If a dispute arises between the District and the Applicant regarding the calculation of Tap Fees or the nature and use of the structure as it applies to Appendix B, the dispute will be settled in accordance with Article IX of these Rules and Regulations.

7.11 Transfer of Tap Fees

No Tap Fee paid on behalf of one property, or any portion thereof, may be transferred to any other property unless:

7.11.1 Common Owner of Property

The owner requesting the transfer is the common owner of the property for which the Tap Fee has been paid and the property to which the transfer of the Tap Fee, or portion thereof, is being requested.

7.11.2 Good Credit

The owner requesting the transfer has no outstanding unpaid accounts with the District and has previously maintained good credit with the District.

7.11.3 No Previous Connection to System

The property to which the Tap Fee initially applied has never been connected to the Irrigation Water System.

7.11.4 Payment of Difference

The owner requesting the transfer shall pay to the District the difference between the Tap Fee which would otherwise be charged on the date the transfer is requested for the property to which transfer is being sought, and the Tap Fee previously paid, but in no event shall the District make a credit or refund. In the event an owner transfers only a portion of the total sum previously paid as a Tap Fee, the owner shall retain a credit, subject to the provisions of Section 5.10, for any non-transferred portion of the previously paid fee.

7.11.5 Approval in the Discretion of District

Any approval of a request for a transfer of a Tap or fees shall be in the sole discretion of the District.

7.12 Water Charge

Until such time as the District begins to meter actual water usage, a Capital Fee shall be charged as reflected in the Schedule of Fees and Charges, attached hereto as Appendix B, or as may be adopted by any resolution of the Board concerning the imposition of fees. Unless otherwise determined by the District, the Irrigation Season shall be the period of April 15 through October 15.

The Capital Fee may be used by the District for purposes of paying all or any part of the costs associated with the District's operation and maintenance expenses, including but not limited to the operation and maintenance of the District's irrigation system and the District's ground maintenance services, such services to include, but not be limited to, the irrigation and landscaping of the Water Valley Districts' open spaces, and any other budgeted expenditures of the District.

7.13 Amended Tap Fees

In those situations where a prospective user applies for a Permit for service to a property or use not defined in the preceding Article, or where, in the District Manager's opinion, said property represents a classification not contemplated in the establishment of the

previously defined Tap Fee, the Board or District Manager shall, in its/his sole discretion, establish a fair, reasonable, and equitable Tap Fee for said property.

7.14 Amended Water Charges

At such time as the District begins to meter actual water usage, the District shall charge for monthly water usage to be determined by the Board in its sole discretion. In addition, in those situations where, in the Board's or District Manager's sole discretion, the water charges imposed herein do not represent a fair, reasonable, and equitable charge for the intended use, the Board or District Manager, in its/his sole discretion, may adjust said rates.

7.15 Payment of Water Charges

It is the policy of the District to bill the Capital Fee and water usage fees in arrears.

When a condominium or other multi-unit dwelling association exists for a number of units receiving service for irrigation of outdoor common space for such units which do not have individual irrigation water service from the District, said association shall receive an annual invoice for the outdoor common space serviced by the association.

The District shall have the right to issue only one bill for irrigation water supplied to a multi-unit structure or development. Any structure with more than one living unit off the Service Line, which is not separately metered, shall establish one responsible party for irrigation water bills.

Payment of the Capital Fee and water usage fees shall become due, owing, and payable upon the date of written notification by the District that said Capital Fee and water usage fees are due. Where the Customer believes said statement is in error, the Customer must file, in writing, a notice to the District of the presumed error, and request a clarification from the District Manager. Upon review by the District Manager, and resubmittal and/or revision of the statement, payment shall be due no later than ten (10) days from the billing date of the resubmitted statement.

7.16 Penalty for Late Payment

If the Customer is late by fifteen (15) days or more in payment of any charges due the District, the District shall assess a late fee in the amount of \$15.00 and an interest charge at the rate of one percent (18%) per month on the unpaid balance. The District shall further have the right, in its sole discretion, to terminate service to any Customer who becomes thirty (30) days or more delinquent in payment for scheduled services, following the opportunity for a hearing as outlined herein.

The District shall assess to any Customer who is delinquent in payment of his account, all legal, court, disconnection, and other costs necessary to or incidental to the collection of said account.

Until paid, all such fees, rates, penalties, or charges shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of this state for the foreclosure of mechanics' liens.

7.17 Foreclosure Proceedings/Attorney's Fees

If it becomes necessary after other efforts (letters, posted notices) to collect delinquent payments of any fee or charge imposed by the District, the District shall attempt to collect such amounts pursuant to any then-adopted Resolution Concerning the Collection of Delinquent Fees and Charges, which measures may include foreclosure as provided for by Section 32-1-1001(1)(j)(I), C.R.S. All of the provisions of these Rules and Regulations to the contrary notwithstanding, all Customers/users of the Irrigation Water System hereby agree to be bound by these Rules and Regulations as a matter of contract and for which there is good and valuable consideration.

7.18 Certificate of Amounts of County Treasurer

In addition to any other means of collecting delinquent fees, rates, tolls, penalties, charges, or assessments made or levied solely for water services (including charges for availability of such service), the District may certify the delinquent amounts to the county treasurer for collection in the same manner as property taxes, in accordance with the provisions of statute, as amended. The District shall charge a fee for the administrative costs of this collection method, which fee shall be added to all delinquent amounts, including other penalties and interest charges, before certification.

7.19 Required Equipment – Radio Frequency Units

All irrigation water Service Lines shall be metered with the following equipment in addition to the local code requirements. The Meter body shall be a 5/8" X 3/4" PMM Water Meter, with a Sensus Frequency register and radio Unit. Once installed, the service will be inspected and tested for compatibility with the Irrigation Water System. Upon approval, service will then be activated by the District.

APPENDIX A
SERVICE LINE CONSTRUCTION

A.1 Rules and Regulations

The Applicant, Contractor, and property owner are responsible for knowledge of all provisions of the Rules and Regulations. The items below are restated for emphasis:

Tap Fees Tap Fees must be paid prior to the scheduling of any inspections by the District.

Service Charges Service Charges begin as of the date of turn on.

Unauthorized Tap ANY CHANGE IN USE, CONVERSION OF ADDITIONAL UNITS, OR CONNECTION OF NEW STRUCTURE MADE WITHOUT PAYMENT OF A TAP FEE WILL BE CONSIDERED AN “UNAUTHORIZED TAP.”

The occurrence of an unauthorized Tap is subject to a penalty charge, as well as payment of the appropriate Tap Fee.

Property Owner The property owner shall be held responsible in the event of nonpayment of all fees and charges due the District.

A.2 Standards for Service Lines

Prior to Service Line construction, the Constructor shall familiarize himself with the District standards and specifications. The owner or Constructor shall obtain approval for the location of the Service Line and submit appropriate sets of site and mechanical plans and inform the District’s personnel of intended schedule for construction.

Constructors shall apply for all permits. All permits, fees, and licenses shall be paid for by the Constructor plumber, or other doing the work in the District, prior to the start of construction.

A.3 Excavation

All excavation required for the installation of Service Lines shall be open trench work unless otherwise approved by the District Manager.

Pipe laying and backfill shall be performed in accordance with the District's standards and specifications. No excavation shall remain open for more than forty-eight (48) hours and all District mains are required to be covered overnight.

Where a street cut is required, the Contractor shall rebuild the road base in accordance with applicable City, County, or State regulations on excavation, backfill, compaction, and restoration of service. All excavation for all Service Lines shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways, and other public and private property disturbed in the course of the work shall be restored in a manner satisfactory to the District.

All backfill shall be maintained in a satisfactory condition and all places showing signs of settlement shall be filled and maintained during construction for a period of one year following completion of construction. When an Applicant is notified by the District that a backfill is hazardous, he shall correct such hazardous conditions at once.

A.4 Tapping the Main

The District's representative is authorized to make Taps onto the District's irrigation Water Mains. The Applicants of the irrigation water service Permit shall notify the District when the service is ready for inspection and Connection to the main. Appointments for inspection and Connection should be scheduled twenty-four (24) hours in advance. Contractor shall provide two (2) workers to assist the District in making the Taps on to the main.

A.5 Inspections

The Applicant for the irrigation Service Line Permit shall notify the District when the service is ready for inspection. Appointments for inspection and Connection should be scheduled twenty-four (24) hours in advance. The Connection shall be made by qualified personnel. All Service Lines shall be inspected by the District's representative, who shall have the authority to halt construction when, in his opinion, the District's Rules and Regulations for proper construction practices are being violated. Whenever any such violations occur, the District's representative shall, in writing, order further construction to cease until all deficiencies are corrected. No Service Lines shall be covered without the District representative's approval. Anyone making any installation without such approval shall be required to remove all soil or any other covering over the Service Line to allow its inspection.

A.6 Water Service Lines

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| Water Service Lines | Alignment of the water Service Line shall be located so as to take the shortest, most direct route, preferably perpendicular from the main to the Curb Stop. No water Service Line shall be laid parallel to any |
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| | bearing wall which might be thereby weakened. The water service shall be laid at a uniform grade in a straight alignment. |
| Pressure Test Required | Under supervision of the District representative, the water Service Line is to be water pressure tested at normal operating pressure from the Water Main to the building before backfill begins. |
| Curb Stop | <p>The Service Line shall have a Curb Stop control valve located at the property line, or as otherwise approved by the District, with easy access to the District. Curb Stop valve boxes must be accessible from the surface and located at the property line. The Curb Stop valve boxes must be installed prior to the Meter.</p> <p>The Service Line shall be a continuous line with no joints, if at all possible. Splices are allowed if distance exceeds the length of one hundred (100) feet. There shall be no splices between the Curb Stop and the main.</p> |
| Stub-Out | When water Service Lines are stubbed-out to property lines, the Stub-out shall be valved off and plugged, with a valve box installed to the ground surface. If no irrigation water Stub-out exists, District personnel will make all Taps up to two (2) inches. |
| Owner's Responsibility | The District is responsible for the maintenance of the water Service Line, up to and including the Curb Stop valve to the end of the Meter Loop. The Customer is responsible for the maintenance of the remaining portion of the private irrigation system after the Meter Loop, including the blow off cap. Owner is responsible for turning on/off the shut off valve located on the Meter Loop. Owner is responsible for properly winterizing their irrigation system as to avoid damages. serving the property. |
| Water Service Line Specification | Service Lines shall be constructed with type K copper up to two (2) inches; larger than two (2) inches shall be constructed with D.I.P. Service Lines shall be buried at least eight (8) feet with two (2) inch bedding and six (6) inch compacted cover. No lead-soldered fittings shall be allowed. All copper Connections must be compression joints or silver-soldered joints. Dry ice shall be used when making repairs to Curb Stop. All Taps larger than two (2) inches will be made by an approved Contractor and inspected by District personnel. Inspection of water Service Line is required. Inspection will be made with the Service Line under pressure. The District will record the actual location and depth of water Service Lines. |

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| Service Line Separation | A ten (10) foot separation must be maintained between water Service Lines. |
| Meters And Remotes | <p>All water Service Lines shall have a Meter before irrigation water is turned on. Meters shall be provided and installed by the District. The original cost of the Meter and cost of installation shall be borne by the Customer. Repairs and replacements are funded by the Capital Fee and performed by the District or other authorized Contractor at the discretion of the District.</p> <p>All Meters must be bronze-bodied 5/8" X 3/4" PMM ECR/WP Water Meters with remote-read unit. Contractor or owner will be supplied a Meter Loop to be installed in the location of the Meter. The Contractor will remove the spool and install the Meter and a remote read unit upon installation.</p> <p>It shall be the builder's/Contractor's responsibility to protect the Meter from freezing or other physical damage during construction. After completion of the construction and acceptance by the owner, it shall be the owner's responsibility to protect the Meter from freezing, from damage due to high water pressure (e.g., PRV), and other physical damage.</p> <p>All Meter installations must be in freeze-proof, convenient, and easily accessible areas. Meter pit and Curb Stop should be completely exposed and available to District staff and should not be covered or buried. Owner is responsible for exposing the Meter pit or Curb Stop if covered or buried. In the event of an emergency, the District reserves the right to remove landscaping, hardscaping, decking, patios, awnings, etc. within the 10 foot easement, from the mainline to the Meter or Curb Stop.</p> <p>Irrigation water will remain turned off at Curb Stop until the Meter is installed. All irrigation water is to be metered, including that used during construction.</p> |
| Pressure Reducing Valves | Individual, pressure-reducing valves are permitted on all water Service Lines and shall be located upstream from (ahead of) the Meter. |
| Shut off Valves | Contractor may install Shutoff Valves ahead of PRV and after the Meter Loop to facilitate future repairs. |
| Backflow Prevention | Backflow prevention devices are required on all facilities where required by the Colorado Department of Health. All devices will be inspected and certified as working properly every year by a certified Inspector. |

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| Construction | CONSTRUCTION SHALL BE IN ACCORDANCE WITH ALL APPLICABLE UNIFORM BUILDING CODES AND LOCAL BUILDING CODES. |
| Irrigation Water Turn on | <p>Irrigation water activation will be made by District personnel only from the main distribution system. Any service turned on by other than authorized personnel shall be considered illegal system tampering and subject to fees and penalties.</p> <p>All irrigation water shall be metered.</p> <p>All Meters will be installed by the District or authorized Contractor</p> <p>Irrigation water service is turned on and billing begins when the Meter is installed.</p> |

Appendix B

WATER SERVICE RATES, IRRIGATION WATER SYSTEM

Capital Fees and water usage fees are assessed each April with subsequent usage billings, for each Single-Family Residential Unit, Commercial Unit, and Multi-Family Unit, in the amount set forth in the District's adopted Fee Schedule, as may be amended from time to time. Unless otherwise determined by the District, the Irrigation Season shall be the period of April 15 through October 15.

WATERING SCHEDULE, IRRIGATION WATER SYSTEM – RESTRICTIONS OF USE

If conditions of supply so limit the water supply of the District's water system, that unrestricted water use may endanger the adequacy of that supply, the Board, exercising its discretion in the protection of the public health, safety, and welfare, may adopt the following emergency water use restrictions and such additional regulations and restrictions as are reasonably calculated under all conditions to conserve and protect that supply and to ensure a regular flow of water through the system. Emergency water use regulations and restrictions shall remain in force and effect until the Board determines that the conditions requiring their imposition no longer exist.

* Special Permits may be issued to allow for special circumstances, including establishing new sod or other circumstances approved by the District.

Links to docs below:

[irrigation_water_owner_guide_2023.pdf \(poudretechmetrodistrict.org\)](https://poudretechmetrodistrict.org/irrigation_water_owner_guide_2023.pdf)

[what_is_a_water_meter_and_transponder.pdf \(poudretechmetrodistrict.org\)](https://poudretechmetrodistrict.org/what_is_a_water_meter_and_transponder.pdf)

[residential_winterization_and_blow_out_process.pdf \(poudretechmetrodistrict.org\)](https://poudretechmetrodistrict.org/residential_winterization_and_blow_out_process.pdf)

Poudre Tech Metropolitan District
 Bill Payments
 November 9, 2022 through July 13, 2023

| Process Date | Vendor | Invoice Number | Disbursement Reference | Amount |
|--------------|---------------------------------------|-----------------|------------------------|-------------|
| 11/15/2022 | Xcel Energy | Multiple | N/A | \$ 7,758.12 |
| | | | Subtotal | 7,758.12 |
| 12/1/2022 | Poudre Valley REA | 62903001Oct22 | N/A | 29.87 |
| 12/1/2022 | Poudre Valley REA | 31858220Oct22 | N/A | 31.01 |
| 12/1/2022 | Poudre Valley REA | 30874001Oct22 | N/A | 31.10 |
| 12/1/2022 | Poudre Valley REA | 29796002Oct22 | N/A | 50.06 |
| 12/1/2022 | Poudre Valley REA | 30623001Oct22 | N/A | 93.65 |
| 12/1/2022 | Poudre Valley REA | 29067002Oct22 | N/A | 1,316.26 |
| 12/1/2022 | Poudre Valley REA | 30164003Oct22 | N/A | 3,650.78 |
| 12/1/2022 | Poudre Valley REA | 26857002Oct22 | N/A | 5,870.68 |
| | | | Subtotal | 11,073.41 |
| 12/5/2022 | 4 Rivers Equipment | 1356615 | 67586238 | 1,674.20 |
| 12/5/2022 | A-Z mobile Mechanic | 2362 | 67586975 | 2,260.73 |
| 12/5/2022 | Advance HOA Management Inc. | Multiple | 67627437 | 23,054.70 |
| 12/5/2022 | Arapahoe Rental | Multiple | N/A | 302.71 |
| 12/5/2022 | Bomgaars | 59944593 | 67591427 | 116.73 |
| 12/5/2022 | C&H Logistics LLC | 74263 | 67585858 | 160.00 |
| 12/5/2022 | CliftonLarsonAllen LLP | 3483223 | N/A | 5,879.29 |
| 12/5/2022 | CO Special Districts P&L Pool | 23PL-60779-1690 | 67590355 | 2,177.00 |
| 12/5/2022 | CPS Distributors Inc | 0008377863-001 | N/A | 1,373.11 |
| 12/5/2022 | Dale F Jones, S.E. Inc | 22-Oct | N/A | 5,832.00 |
| 12/5/2022 | DBC Irrigation Supply | Multiple | N/A | 56.38 |
| 12/5/2022 | Fine Tree Services Inc. | 374153 | 67588276 | 3,400.00 |
| 12/5/2022 | Lohr, Inc dba Country | 22-3593 | N/A | 120.00 |
| 12/5/2022 | Long View IT | 2793 | N/A | 250.00 |
| 12/5/2022 | Mail N Copy | 637577 | N/A | 108.00 |
| 12/5/2022 | Pelican Point Business Park | Multiple | 67589611 | 8,000.00 |
| 12/5/2022 | Randy Schwalm | 2022-3 | 67619148 | 14,250.00 |
| 12/5/2022 | Securitas - Security Services USA Inc | 10992749 | N/A | 9,046.08 |
| 12/5/2022 | Tab Enterprises LLC | Multiple | 67592525 | 1,400.00 |
| 12/5/2022 | The Home Depot | 6.03532E+15 | 67585744 | 755.63 |
| 12/5/2022 | TST Inc | 34730 | 67586413 | 1,031.00 |
| 12/5/2022 | UNCC | 222101100 | 67626246 | 124.80 |
| 12/5/2022 | US Bank | 6705859 | 67589288 | 2,750.00 |
| 12/5/2022 | White Bear & Ankele | Multiple | N/A | 10,852.82 |
| 12/5/2022 | Windsor Ace Hardware | Multiple | 67588592 | 371.77 |
| 12/5/2022 | Zak George Landscaping | Multiple | 67623944 | 87,215.26 |
| | | | Subtotal | 182,562.21 |
| 12/6/2022 | Advance HOA Management Inc. | PTMD-2022-24 | 67653946 | 12,345.21 |
| | | | Subtotal | 12,345.21 |
| 12/8/2022 | Poudre Valley REA | 65766002Oct22 | N/A | 32.71 |
| 12/8/2022 | Poudre Valley REA | 68931001Oct22 | N/A | 115.88 |
| | | | Subtotal | 148.59 |
| 12/12/2022 | Badger Meter | 80107590 | 67744557 | 207.37 |
| 12/12/2022 | C & C Contractors, LLC | 502 | 67744307 | 7,510.78 |
| 12/12/2022 | Colorado Water Well | Multiple | 67779060 | 81,213.48 |
| 12/12/2022 | CPS Distributors Inc | 0008222570-001 | N/A | 772.93 |
| 12/12/2022 | Galloway & Company Inc. | 110749 | N/A | 2,812.50 |

Poudre Tech Metropolitan District
 Bill Payments
 November 9, 2022 through July 13, 2023

| Process | | Disbursement | | |
|------------|---------------------------------------|-------------------|-----------|------------|
| Date | Vendor | Invoice Number | Reference | Amount |
| 12/12/2022 | Martin & Wood Water Consultants, Inc | 26410 | 67741670 | 2,560.00 |
| 12/12/2022 | Team Petroleum LLC | 601592 | N/A | 250.00 |
| 12/12/2022 | Trollco Inc | 1287 | 67774856 | 2,200.00 |
| Subtotal | | | | 97,527.06 |
| 12/15/2022 | Xcel Energy | Multiple | N/A | 133.40 |
| Subtotal | | | | 133.40 |
| 12/20/2022 | Xcel Energy | 53-2955960-6Nov22 | N/A | 4,552.21 |
| Subtotal | | | | 4,552.21 |
| 12/22/2022 | Acculocate LLC | 50 | 68008327 | 6,000.00 |
| 12/22/2022 | Aquatics Association Inc. | 5996 | 68040236 | 18,197.92 |
| 12/22/2022 | Badger Meter | Multiple | 68041855 | 57,466.23 |
| 12/22/2022 | Colorado Water Well | 22-0579 | 68005788 | 650.00 |
| 12/22/2022 | CPS Distributors Inc | Multiple | N/A | 736.36 |
| 12/22/2022 | Ground Engineering | 220028.0-1 | N/A | 4,000.00 |
| 12/22/2022 | Poudre Valley REA | 79209001Sep22 | 68005497 | 210.31 |
| 12/22/2022 | Power Services Company | Multiple | 68081944 | 3,990.00 |
| 12/22/2022 | Team Petroleum LLC | 602573 | N/A | 194.44 |
| 12/22/2022 | Timber Line Electric & Control | 21625 | 68009013 | 5,933.00 |
| 12/22/2022 | Trollco Inc | 1294 | 68080186 | 28,453.59 |
| Subtotal | | | | 125,831.85 |
| 12/28/2022 | Advance HOA Management Inc. | 240 | 68106264 | 4,500.00 |
| 12/28/2022 | Arapahoe Rental | 753800 | N/A | 730.75 |
| 12/28/2022 | Beavers Fish Farm Inc. | 2762 | 68138637 | 60,000.00 |
| 12/28/2022 | Bomgaars | Multiple | 68106316 | 1,157.10 |
| 12/28/2022 | EON Office | WO-3697609-1 | N/A | 76.65 |
| 12/28/2022 | Lohr, Inc dba Country | 22-3910 | N/A | 120.00 |
| 12/28/2022 | Mail N Copy | 632165 | N/A | 68.00 |
| 12/28/2022 | Pelican Point Business Park | 680 | 68108761 | 4,000.00 |
| 12/28/2022 | Securitas - Security Services USA Inc | 11029737 | N/A | 9,895.55 |
| 12/28/2022 | TST Inc | 34728R | 68107957 | 729.00 |
| 12/28/2022 | UNCC | 222111074 | 68138923 | 113.10 |
| 12/28/2022 | Verizon | 9920126137 | N/A | 445.70 |
| 12/28/2022 | Windsor Ace Hardware | Multiple | 68109323 | 106.57 |
| 12/28/2022 | Zak George Landscaping | Multiple | 68134897 | 21,043.55 |
| Subtotal | | | | 102,985.97 |
| 12/29/2022 | Poudre Valley REA | 62903001Nov22 | N/A | 29.87 |
| 12/29/2022 | Poudre Valley REA | 30623001Nov22 | N/A | 29.87 |
| 12/29/2022 | Poudre Valley REA | 30874001Nov22 | N/A | 30.91 |
| 12/29/2022 | Poudre Valley REA | 31858002Nov22 | N/A | 31.01 |
| 12/29/2022 | Poudre Valley REA | 29796002Nov22 | N/A | 47.03 |
| 12/29/2022 | Poudre Valley REA | 29067002Nov22 | N/A | 1,426.50 |
| 12/29/2022 | Poudre Valley REA | 26857002Nov22 | N/A | 1,787.27 |
| 12/29/2022 | Poudre Valley REA | 30164003Nov22 | N/A | 2,068.14 |
| Subtotal | | | | 5,450.60 |
| 12/30/2022 | Aquatics Association Inc. | Multiple | 68192862 | 43,607.27 |
| 12/30/2022 | Badger Meter | Multiple | 68192214 | 123,247.37 |
| 12/30/2022 | C&H Logistics LLC | Multiple | 68165135 | 8,250.00 |
| 12/30/2022 | Colorado Water Well | 22-0647 | 68164356 | 1,300.00 |

Poudre Tech Metropolitan District
Bill Payments
November 9, 2022 through July 13, 2023

| Process | | | Disbursement | |
|------------|---------------------------------------|----------------------|--------------|------------|
| Date | Vendor | Invoice Number | Reference | Amount |
| 12/30/2022 | Martin & Wood Water Consultants, Inc | 26470 | 68166344 | 852.50 |
| 12/30/2022 | Tab Enterprises LLC | 1923 | 68164923 | 1,440.00 |
| 12/30/2022 | TST Inc | 34834 | 68161359 | 615.00 |
| | | | Subtotal | 179,312.14 |
| 1/5/2023 | Poudre Valley REA | 65766002Nov22 | N/A | 32.42 |
| 1/5/2023 | Poudre Valley REA | 68931001Nov22 | N/A | 115.88 |
| | | | Subtotal | 148.30 |
| 1/11/2023 | Advance HOA Management Inc. | Multiple | 68388318 | 24,850.54 |
| 1/11/2023 | Pelican Lakes LLC | 121 | 68366085 | 1,193.41 |
| | | | Subtotal | 26,043.95 |
| 1/19/2023 | A-Z mobile Mechanic | 2380 | 68533138 | 740.00 |
| 1/19/2023 | AlphaCard | INV6976008 | N/A | 3,722.68 |
| 1/19/2023 | Badger Meter | 1545726 | 68531294 | 4,677.84 |
| 1/19/2023 | Bomgaars | 59943995 | 68534035 | 618.95 |
| 1/19/2023 | C&H Logistics LLC | Multiple | 68564712 | 31,875.00 |
| 1/19/2023 | CliftonLarsonAllen LLP | 3511312 | N/A | 6,314.53 |
| 1/19/2023 | Dale F Jones, S.E. Inc | 22-Dec | N/A | 1,721.25 |
| 1/19/2023 | EON Office | Multiple | N/A | 90.70 |
| 1/19/2023 | Galloway & Company Inc. | 115281 | N/A | 225.00 |
| 1/19/2023 | Interstate Battery of the Rockies | 394012 | 68531345 | 965.65 |
| 1/19/2023 | Justice Trucking & Excavating Inc | 40875 | 68531808 | 1,867.82 |
| 1/19/2023 | Lohr, Inc dba Country | 22-4173 | N/A | 120.00 |
| 1/19/2023 | Long View IT | Multiple | N/A | 650.62 |
| 1/19/2023 | Martin & Wood Water Consultants, Inc | 26533 | 68534767 | 3,980.00 |
| 1/19/2023 | Napa Auto Parts | Multiple | 68532661 | 208.64 |
| 1/19/2023 | Pelican Lakes LLC | 128 | 68531570 | 336.09 |
| 1/19/2023 | Pelican Lakes LLC | 122 | 68568674 | 12,875.00 |
| 1/19/2023 | Pelican Point Business Park | 698 | 68531960 | 4,000.00 |
| 1/19/2023 | Schrader Propane | Multiple | N/A | 387.59 |
| 1/19/2023 | Securitas - Security Services USA Inc | 11067174 | N/A | 8,135.14 |
| 1/19/2023 | Team Petroleum LLC | 340716 | N/A | 2,264.72 |
| 1/19/2023 | The Home Depot | 6.03532E+15 | 68536608 | 512.36 |
| 1/19/2023 | Transpro Inc. | 65614 | 68565125 | 14,400.00 |
| 1/19/2023 | Trollco Inc | Multiple | 68599145 | 35,984.95 |
| 1/19/2023 | TST Inc | Multiple | 68536767 | 3,454.65 |
| 1/19/2023 | UNCC | 222121010 | 68567329 | 91.00 |
| 1/19/2023 | Verizon | 9922508355 | N/A | 445.64 |
| 1/19/2023 | Wagner Equipment Co | C33879011 | N/A | 1,260.34 |
| 1/19/2023 | White Bear & Ankele | Multiple | N/A | 9,769.62 |
| 1/19/2023 | Zak George Landscaping | Multiple | 68532156 | 5,656.25 |
| | | | Subtotal | 157,352.03 |
| 1/20/2023 | Xcel Energy | 53-0010730954-3Dec22 | N/A | 47.41 |
| 1/20/2023 | Xcel Energy | 53-3930753-4Dec22 | N/A | 100.36 |
| 1/20/2023 | Xcel Energy | 53-2955960-6Dec22 | N/A | 1,902.05 |
| | | | Subtotal | 2,049.82 |
| 1/23/2023 | Advance HOA Management Inc. | PTMD-2023-1 | 68628430 | 12,039.67 |
| 1/23/2023 | CO Special Districts P&L Pool | Multiple | 68630559 | 55,283.00 |
| 1/23/2023 | Verizon | 9924890306 | N/A | 589.49 |

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| | | | Subtotal | 67,912.16 |
| 1/24/2023 | Tri-City Cycle | n/a | 4799 | 9,852.08 |
| | | | Subtotal | 9,852.08 |
| 1/26/2023 | Poudre Valley REA | 62903001Dec22 | N/A | 29.87 |
| 1/26/2023 | Poudre Valley REA | 30623001Dec22 | N/A | 30.34 |
| 1/26/2023 | Poudre Valley REA | 30874001Dec22 | N/A | 30.82 |
| 1/26/2023 | Poudre Valley REA | 31858002Dec22 | N/A | 30.91 |
| 1/26/2023 | Poudre Valley REA | 29796002Dec22 | N/A | 46.22 |
| 1/26/2023 | Poudre Valley REA | 30164003Dec22 | N/A | 463.50 |
| 1/26/2023 | Poudre Valley REA | 26857002Dec22 | N/A | 1,225.80 |
| 1/26/2023 | Poudre Valley REA | 29067002Dec22 | N/A | 1,536.34 |
| | | | Subtotal | 3,393.80 |
| 1/30/2023 | National Recreation Park Association | 4477661115-22AS | 68888980 | 337.50 |
| 1/30/2023 | Raindance Metropolitan District No. 1 | pelican bridge-1 | N/A | 921,258.02 |
| | | | Subtotal | 921,595.52 |
| 1/31/2023 | Advance HOA Management Inc. | PTMD-2023-2 | N/A | 12,721.02 |
| | | | Subtotal | 12,721.02 |
| 2/2/2023 | Poudre Valley REA | 65766002Dec22 | N/A | 32.34 |
| 2/2/2023 | Poudre Valley REA | 68931001Dec22 | N/A | 115.88 |
| | | | Subtotal | 148.22 |
| 2/10/2023 | Trollco Inc | 1313 | 69064369 | 29,420.54 |
| 2/10/2023 | Zak George Landscaping | Multiple | 69032315 | 517,500.00 |
| | | | Subtotal | 546,920.54 |
| 2/14/2023 | Advance HOA Management Inc. | PTMD-2023-3 | N/A | 12,053.13 |
| | | | Subtotal | 12,053.13 |
| 2/16/2023 | Xcel Energy | 53-0010730954-3Jan23 | N/A | 40.43 |
| 2/16/2023 | Xcel Energy | 53-39307534Jan23 | N/A | 92.54 |
| | | | Subtotal | 132.97 |
| 2/21/2023 | 4 Rivers Equipment | Multiple | 69173699 | 1,843.23 |
| 2/21/2023 | Advance HOA Management Inc. | Multiple | 69206227 | 10,549.75 |
| 2/21/2023 | Bomgaars | Multiple | 69175665 | 319.63 |
| 2/21/2023 | C&H Logistics LLC | Multiple | 69209948 | 68,995.00 |
| 2/21/2023 | CliftonLarsonAllen LLP | 3545586 | N/A | 3,872.72 |
| 2/21/2023 | Digi-Pix Signs | 10436 | 69173295 | 673.00 |
| 2/21/2023 | Galloway & Company Inc. | 114070 | N/A | 1,102.50 |
| 2/21/2023 | High Country Construction Inc | Multiple | 69200880 | 32,009.20 |
| 2/21/2023 | Lohr, Inc dba Country | Multiple | N/A | 240.00 |
| 2/21/2023 | Martin & Wood Water Consultants, Inc | 26274 | 69171566 | 2,150.00 |
| 2/21/2023 | Miracle Recreation | 851484 | 69174495 | 4,365.16 |
| 2/21/2023 | North Valley Bank | Interest 2/25 | 69172630 | 5,975.38 |
| 2/21/2023 | Pelican Lakes LLC | 137 | 69173840 | 170.91 |
| 2/21/2023 | Pelican Point Business Park | 703 | 69172065 | 4,000.00 |
| 2/21/2023 | Securitas - Security Services USA Inc | Multiple | N/A | 16,635.07 |
| 2/21/2023 | The Home Depot | Multiple | 69176054 | 2,945.57 |
| 2/21/2023 | Transpro Inc. | 65936 | 69175128 | 5,400.00 |
| 2/21/2023 | Trollco Inc | 1321 | 69207311 | 361.64 |
| 2/21/2023 | UNCC | 223010990 | 69200679 | 98.04 |
| 2/21/2023 | White Bear & Ankele | Multiple | N/A | 14,790.62 |

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| 2/21/2023 | Windsor Ace Hardware | 164421/4 | 69176373 | 54.99 |
| 2/21/2023 | Zak George Landscaping | Multiple | 69202857 | 42,143.01 |
| | | | Subtotal | 218,695.42 |
| 2/22/2023 | Advance HOA Management Inc. | PTMD-2023-4 | N/A | 14,030.89 |
| 2/22/2023 | Xcel Energy | 53-2955960-6Jan23 | N/A | 1,751.39 |
| | | | Subtotal | 15,782.28 |
| 2/23/2023 | Poudre Valley REA | 62903001Jan23 | N/A | 29.87 |
| 2/23/2023 | Poudre Valley REA | 30623001Jan23 | N/A | 30.53 |
| 2/23/2023 | Poudre Valley REA | 30874001Jan23 | N/A | 30.82 |
| 2/23/2023 | Poudre Valley REA | 31858002Jan23 | N/A | 30.91 |
| 2/23/2023 | Poudre Valley REA | 29796002Jan23 | N/A | 45.84 |
| 2/23/2023 | Poudre Valley REA | 79209001Jan23 | N/A | 421.29 |
| 2/23/2023 | Poudre Valley REA | 30164003Jan23 | N/A | 463.50 |
| 2/23/2023 | Poudre Valley REA | 26857002Jan23 | N/A | 1,048.97 |
| 2/23/2023 | Poudre Valley REA | 29067002Jan23 | N/A | 1,461.44 |
| | | | Subtotal | 3,563.17 |
| 3/2/2023 | Poudre Valley REA | 65766002Jan23 | N/A | 32.25 |
| 3/2/2023 | Poudre Valley REA | 68931001Jan23 | N/A | 115.88 |
| | | | Subtotal | 148.13 |
| 3/6/2023 | Outback Marine Construction, LLC | 81 | 4800 | 463.80 |
| | | | Subtotal | 463.80 |
| 3/7/2023 | Advance HOA Management Inc. | PTMD-2023-5 | N/A | 14,182.97 |
| | | | Subtotal | 14,182.97 |
| 3/22/2023 | Xcel Energy | 53-0010730954-3Feb23 | N/A | 45.49 |
| 3/22/2023 | Xcel Energy | 53-3930753-4Feb23 | N/A | 96.71 |
| 3/22/2023 | Xcel Energy | 53-2955960-6Feb23 | N/A | 1,669.52 |
| | | | Subtotal | 1,811.72 |
| 3/24/2023 | Advance HOA Management Inc. | PTMD-2023-6 | N/A | 15,728.12 |
| | | | Subtotal | 15,728.12 |
| 3/29/2023 | Arapahoe Rental | Multiple | N/A | 236.21 |
| 3/29/2023 | CliftonLarsonAllen LLP | 3572005 | N/A | 7,913.62 |
| 3/29/2023 | CPS Distributors Inc | FC0323-000000199 | 70064833 | 11.05 |
| 3/29/2023 | Pelican Point Business Park | 714 | 69960521 | 4,000.00 |
| 3/29/2023 | Special District Association | Multiple | N/A | 1,745.52 |
| 3/29/2023 | TST Inc | 35019 | 69948462 | 3,428.00 |
| 3/29/2023 | UNCC | 223020983 | 69982934 | 46.44 |
| 3/29/2023 | Verizon | 9927268045 | 70152741 | 538.00 |
| 3/29/2023 | Warehouse Supply Inc. | 23954 | 69956484 | 3,090.00 |
| 3/29/2023 | Windsor Ace Hardware | Multiple | 69946906 | 313.30 |
| | | | Subtotal | 21,322.14 |
| 3/30/2023 | Poudre Valley REA | 62903001Feb23 | N/A | 29.87 |
| 3/30/2023 | Poudre Valley REA | 30623001Feb23 | N/A | 30.97 |
| 3/30/2023 | Poudre Valley REA | 31858002Feb23 | N/A | 31.11 |
| 3/30/2023 | Poudre Valley REA | 30874001Feb23 | N/A | 31.11 |
| 3/30/2023 | Poudre Valley REA | 29796002Feb23 | N/A | 48.59 |
| 3/30/2023 | Poudre Valley REA | 79209001Feb23 | N/A | 214.04 |
| 3/30/2023 | Poudre Valley REA | 30164003Feb23 | N/A | 482.03 |
| 3/30/2023 | Poudre Valley REA | 26857002Feb23 | N/A | 1,092.67 |

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| 3/30/2023 | Poudre Valley REA | 29067002Feb23 | N/A | 1,702.56 |
| 3/30/2023 | Whitney Irrigation Company | 1861 | 4801 | 19,600.00 |
| | | | Subtotal | 23,262.95 |
| 4/4/2023 | North Valley Bank | Interest 3/25 | 70060944 | 6,448.80 |
| | | | Subtotal | 6,448.80 |
| 4/6/2023 | amazon.com | 40623 | N/A | 498.96 |
| 4/6/2023 | Poudre Valley REA | 65766002Feb23 | N/A | 32.43 |
| 4/6/2023 | Poudre Valley REA | 68931001Feb23 | N/A | 115.88 |
| | | | Subtotal | 647.27 |
| 4/7/2023 | Advance HOA Management Inc. | PTMD-2023-7 | N/A | 15,963.89 |
| 4/7/2023 | C&H Logistics LLC | 75111 | 4802 | 13,012.50 |
| | | | Subtotal | 28,976.39 |
| 4/11/2023 | DaVinci Signs Systems | 20630 | 4803 | 2,044.83 |
| | | | Subtotal | 2,044.83 |
| 4/17/2023 | Acculocate LLC | 59 | 70315797 | 6,000.00 |
| 4/17/2023 | Advance HOA Management Inc. | Multiple | 70318733 | 5,338.50 |
| 4/17/2023 | Badger Meter | Multiple | 70310908 | 179.05 |
| 4/17/2023 | C&H Logistics LLC | Multiple | 70307331 | 840.00 |
| 4/17/2023 | CliftonLarsonAllen LLP | 3612783 | N/A | 8,334.57 |
| 4/17/2023 | Dale F Jones, S.E. Inc | 23-Mar | N/A | 911.25 |
| 4/17/2023 | Lohr, Inc dba Country | 23-0659 | N/A | 120.00 |
| 4/17/2023 | Marina One LLC | Multiple | 70341214 | 48,737.50 |
| 4/17/2023 | Martin & Wood Water Consultants, Inc | Multiple | 70307913 | 5,188.75 |
| 4/17/2023 | Pelican Lakes LLC | 143 | 70302429 | 242.33 |
| 4/17/2023 | Pelican Lakes LLC | 147 | 70317167 | 632.16 |
| 4/17/2023 | Pelican Point Business Park | 722 | 70309950 | 4,000.00 |
| 4/17/2023 | Power Services Company | 21959 | 70314927 | 2,962.50 |
| 4/17/2023 | Securitas - Security Services USA Inc | 11186454 | N/A | 8,135.14 |
| 4/17/2023 | Timber Line Electric & Control | 7596 | 70314969 | 931.20 |
| 4/17/2023 | Trollco Inc | Multiple | 70338646 | 4,599.83 |
| 4/17/2023 | TST Inc | 35079 | 70311186 | 6,738.40 |
| 4/17/2023 | Verizon | 9929670890 | 70302582 | 485.96 |
| 4/17/2023 | White Bear & Ankele | 26981 | N/A | 7,495.32 |
| 4/17/2023 | Windsor Ace Hardware | 165572/4 | 70300950 | 24.98 |
| 4/17/2023 | Zak George Landscaping | Multiple | 70329871 | 50,356.40 |
| | | | Subtotal | 162,253.84 |
| 4/20/2023 | Xcel Energy | 53-0010730954-3Mar23 | N/A | 40.82 |
| 4/20/2023 | Xcel Energy | 53-3930753-4Mar23 | N/A | 56.62 |
| 4/20/2023 | Xcel Energy | 53-2955960-6Mar23 | N/A | 2,092.21 |
| | | | Subtotal | 2,189.65 |
| 4/21/2023 | North Valley Bank | Interest 04/25 | 70456115 | 13,799.66 |
| | | | Subtotal | 13,799.66 |
| 4/22/2023 | Advance HOA Management Inc. | PTMD-2023-8 | N/A | 15,242.03 |
| | | | Subtotal | 15,242.03 |
| 4/27/2023 | Poudre Valley REA | 62903001Mar23 | N/A | 29.87 |
| 4/27/2023 | Poudre Valley REA | 30623001Mar23 | N/A | 30.67 |
| 4/27/2023 | Poudre Valley REA | 30874001Mar23 | N/A | 30.91 |
| 4/27/2023 | Poudre Valley REA | 31858002Mar23 | N/A | 30.91 |

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| 4/27/2023 | Poudre Valley REA | 29796002Mar23 | N/A | 46.31 |
| 4/27/2023 | Poudre Valley REA | 30164003Mar23 | N/A | 463.50 |
| 4/27/2023 | Poudre Valley REA | 79209001Mar23 | N/A | 554.00 |
| 4/27/2023 | Poudre Valley REA | 26857002Mar23 | N/A | 1,062.94 |
| 4/27/2023 | Poudre Valley REA | 29067002Mar23 | N/A | 2,107.77 |
| | | | Subtotal | 4,356.88 |
| 4/28/2023 | amazon.com | 112-7003172-3933804 | N/A | 17.98 |
| 4/28/2023 | amazon.com | 112-8090003-7502663 | N/A | 28.99 |
| 4/28/2023 | amazon.com | 112-9174349-4221063 | N/A | 59.37 |
| 4/28/2023 | amazon.com | 112-3739168-3365027 | N/A | 76.44 |
| 4/28/2023 | amazon.com | 112-3655488-9443425 | N/A | 104.65 |
| 4/28/2023 | Pelican Lakes LLC | 151 | 4804 | 46,495.25 |
| | | | Subtotal | 46,782.68 |
| 5/1/2023 | C&H Logistics LLC | 75139-2 | 70602646 | 7,350.00 |
| | | | Subtotal | 7,350.00 |
| 5/4/2023 | Poudre Valley REA | 65766002Mar23 | N/A | 32.16 |
| 5/4/2023 | Poudre Valley REA | 68931001Mar23 | N/A | 115.88 |
| | | | Subtotal | 148.04 |
| 5/7/2023 | Advance HOA Management Inc. | PTMD-2023-9 | N/A | 14,944.26 |
| | | | Subtotal | 14,944.26 |
| 5/8/2023 | Acculocate LLC | 61 | 70727641 | 6,000.00 |
| 5/8/2023 | Advance HOA Management Inc. | Multiple | 70727231 | 5,180.40 |
| 5/8/2023 | Bobcat of the Rockies | 15248326 | 70727125 | 50.98 |
| 5/8/2023 | CliftonLarsonAllen LLP | 3649617 | N/A | 8,309.26 |
| 5/8/2023 | DBC Irrigation Supply | S4919123.001 | N/A | 24.80 |
| 5/8/2023 | Digi-Pix Signs | 10542 | 70728244 | 2,657.25 |
| 5/8/2023 | EON Office | WO-3710926-1 | N/A | 18.32 |
| 5/8/2023 | High Country Construction Inc | Multiple | 70727620 | 3,903.60 |
| 5/8/2023 | LEC Construction, LLC | 2667 | 70759240 | 11,185.00 |
| 5/8/2023 | Mail N Copy | 647937 | N/A | 220.00 |
| 5/8/2023 | Pelican Point Business Park | 731 | 70757542 | 13,757.17 |
| 5/8/2023 | TST Inc | 35080 | 70725480 | 480.45 |
| 5/8/2023 | UNCC | 223031060 | 70757302 | 77.40 |
| 5/8/2023 | Verizon | 9932079204 | 70727638 | 485.74 |
| 5/8/2023 | Windsor Ace Hardware | Multiple | 70726609 | 99.92 |
| 5/8/2023 | Zak George Landscaping | FTC18208 | 70725298 | 2,892.20 |
| | | | Subtotal | 55,342.49 |
| 5/15/2023 | Colorado Water Well | Multiple | 70906294 | 101,884.83 |
| | | | Subtotal | 101,884.83 |
| 5/17/2023 | AlphaCard | INV7028042 | N/A | 1,396.75 |
| 5/17/2023 | Colorado Water Well | Multiple | 70963645 | 43,844.91 |
| | | | Subtotal | 45,241.66 |
| 5/18/2023 | Xcel Energy | 53-0010730954-3Apr23 | N/A | 38.99 |
| 5/18/2023 | Xcel Energy | 53-3930753-4Apr23 | N/A | 112.79 |
| 5/18/2023 | Xcel Energy | 53-2955960-6Apr23 | N/A | 6,241.76 |
| | | | Subtotal | 6,393.54 |
| 5/22/2023 | Advance HOA Management Inc. | PTMD-2023-10 | N/A | 14,232.66 |
| | | | Subtotal | 14,232.66 |

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| 5/25/2023 | Northern Colorado Marine Inc | 3138 | N/A | 90,941.50 |
| 5/25/2023 | Poudre Valley REA | 62903001Apr23 | N/A | 29.87 |
| 5/25/2023 | Poudre Valley REA | 30874001Apr23 | N/A | 30.83 |
| 5/25/2023 | Poudre Valley REA | 31858002Apr23 | N/A | 30.91 |
| 5/25/2023 | Poudre Valley REA | 29796002Apr23 | N/A | 46.24 |
| 5/25/2023 | Poudre Valley REA | 30623001Apr23 | N/A | 126.20 |
| 5/25/2023 | Poudre Valley REA | 30164003Apr23 | N/A | 463.50 |
| 5/25/2023 | Poudre Valley REA | 79209001Apr23 | N/A | 677.67 |
| 5/25/2023 | Poudre Valley REA | 29067002Apr23 | N/A | 2,081.10 |
| 5/25/2023 | Poudre Valley REA | 26857002Apr23 | N/A | 5,402.00 |
| | | | Subtotal | 99,829.82 |
| 6/1/2023 | North Valley Bank | Interest 05/25 | 71228317 | 686.37 |
| 6/1/2023 | Poudre Valley REA | 65766002Apr23 | N/A | 31.96 |
| 6/1/2023 | Poudre Valley REA | 68931001Apr23 | N/A | 115.88 |
| | | | Subtotal | 834.21 |
| 6/7/2023 | Advance HOA Management Inc. | PTMD-2023-11 | N/A | 15,031.41 |
| | | | Subtotal | 15,031.41 |
| 6/12/2023 | Northern Colorado Water | 11677 | 4805 | 37,500.00 |
| | | | Subtotal | 37,500.00 |
| 6/13/2023 | Bomgaars | Multiple | 71458900 | 1,389.69 |
| | | | Subtotal | 1,389.69 |
| 6/20/2023 | Badger Meter | Multiple | 71572422 | 3,855.12 |
| | | | Subtotal | 3,855.12 |
| 6/21/2023 | Advance HOA Management Inc. | 250 | 71604419 | 4,500.00 |
| 6/21/2023 | AlphaCard | INV7058549 | N/A | 950.55 |
| 6/21/2023 | Arapahoe Rental | 776989 | N/A | 60.71 |
| 6/21/2023 | Bomgaars | 59017490 | 71603569 | 189.71 |
| 6/21/2023 | CliftonLarsonAllen LLP | 3724116 | N/A | 16,792.88 |
| 6/21/2023 | DBC Irrigation Supply | Multiple | N/A | 2,171.29 |
| 6/21/2023 | Digi-Pix Signs | 10648 | 71602332 | 940.16 |
| 6/21/2023 | Galloway & Company Inc. | Multiple | N/A | 1,885.00 |
| 6/21/2023 | Grainger | Multiple | N/A | 159.08 |
| 6/21/2023 | HighPointe Land Mang. | 1601 | 71601900 | 750.00 |
| 6/21/2023 | Integrity Pool Builders | 22918 | 71604108 | 2,619.11 |
| 6/21/2023 | Long View IT | Multiple | N/A | 880.00 |
| 6/21/2023 | Mail N Copy | 651237 | N/A | 55.00 |
| 6/21/2023 | Marina One LLC | Multiple | 71637453 | 48,737.50 |
| 6/21/2023 | Miracle Recreation | 856446 | 71601729 | 30.07 |
| 6/21/2023 | Monkey Movement Co | Multiple | 71601085 | 826.00 |
| 6/21/2023 | Napa Auto Parts | Multiple | 71602817 | 313.37 |
| 6/21/2023 | North Valley Bank | Interest 06/25 | 71604561 | 7,634.34 |
| 6/21/2023 | Pelican Lakes LLC | AprFuelPTMD | 71600511 | 885.35 |
| 6/21/2023 | Pelican Lakes LLC | 149 | 71604592 | 4,521.13 |
| 6/21/2023 | Pelican Lakes LLC | 05-23 PTMD | 71604413 | 10,000.00 |
| 6/21/2023 | Pelican Point Business Park | Multiple | 71639561 | 11,930.62 |
| 6/21/2023 | Securitas - Security Services USA Inc | Multiple | N/A | 16,744.01 |
| 6/21/2023 | Siteone Landscape Supply, LLC | Multiple | N/A | 181.03 |
| 6/21/2023 | The Home Depot | Multiple | 71601841 | 1,019.13 |

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| 6/21/2023 | Trollco Inc | Multiple | 71641372 | 2,046.47 |
| 6/21/2023 | UNCC | Multiple | 71638768 | 245.10 |
| 6/21/2023 | Vector Disease Control | Multiple | 71604460 | 2,880.22 |
| 6/21/2023 | Verizon | 9934465192 | 71601909 | 485.74 |
| 6/21/2023 | White Bear & Ankele | Multiple | N/A | 19,099.29 |
| 6/21/2023 | Windsor Ace Hardware | Multiple | 71601826 | 303.52 |
| 6/21/2023 | Xcel Energy | 53-3930753-4May23 | N/A | 516.53 |
| 6/21/2023 | Zak George Landscaping | Multiple | 71641386 | 109,507.23 |
| | | | Subtotal | 269,860.14 |
| 6/22/2023 | CO Special Districts P&L Pool | 23PL-60719-2128 | N/A | 910.00 |
| 6/22/2023 | Xcel Energy | 53-0010730954-3May23 | N/A | 121.95 |
| 6/22/2023 | Xcel Energy | 53-2955960-6May23 | N/A | 7,614.20 |
| | | | Subtotal | 8,646.15 |
| 6/23/2023 | Advance HOA Management Inc. | PTMD-2023-12 | N/A | 17,011.89 |
| | | | Subtotal | 17,011.89 |
| 6/26/2023 | Eagle Eye Resources, LLC | 002 | 4806 | 16,270.28 |
| | | | Subtotal | 16,270.28 |
| 6/29/2023 | Poudre Valley REA | 62903001May23 | N/A | 29.96 |
| 6/29/2023 | Poudre Valley REA | 30874001May23 | N/A | 31.01 |
| 6/29/2023 | Poudre Valley REA | 31858002May23 | N/A | 31.11 |
| 6/29/2023 | Poudre Valley REA | 29796002May23 | N/A | 47.75 |
| 6/29/2023 | Poudre Valley REA | 30623001May23 | N/A | 460.39 |
| 6/29/2023 | Poudre Valley REA | 79209001May23 | N/A | 518.41 |
| 6/29/2023 | Poudre Valley REA | 30164003May23 | N/A | 1,839.61 |
| 6/29/2023 | Poudre Valley REA | 29067002May23 | N/A | 2,454.19 |
| 6/29/2023 | Poudre Valley REA | 26857002May23 | N/A | 5,465.60 |
| | | | Subtotal | 10,878.03 |
| 7/11/2023 | Acculocate LLC | Multiple | 72015739 | 30,000.00 |
| 7/11/2023 | Advance HOA Management Inc. | Multiple | 71986570 | 6,646.13 |
| 7/11/2023 | Badger Meter | Multiple | 71988132 | 1,709.29 |
| 7/11/2023 | BH Eaton Ditch Company | 38 | 72013993 | 10,300.00 |
| 7/11/2023 | Big Cut Lateral & Reservoir Company | 2021 & 2022 Assessments | 71985512 | 3,099.37 |
| 7/11/2023 | Bomgaars | Multiple | 71985235 | 493.82 |
| 7/11/2023 | C&H Logistics LLC | Multiple | 71985383 | 420.00 |
| 7/11/2023 | CliftonLarsonAllen LLP | 3765142 | N/A | 13,815.21 |
| 7/11/2023 | Colorado Water Well | Multiple | 71986544 | 2,227.50 |
| 7/11/2023 | CPS Distributors Inc | 0010466467-001 | N/A | 1,414.16 |
| 7/11/2023 | Dale F Jones, S.E. Inc | 23-Apr | N/A | 1,653.75 |
| 7/11/2023 | DaVinci | 20630 | 71984897 | 2,044.83 |
| 7/11/2023 | Fine Tree Services Inc. | 374910 | 71988014 | 1,600.00 |
| 7/11/2023 | Ground Engineering | 233543.0-1 | N/A | 1,800.00 |
| 7/11/2023 | H2O and Things That Grow | 2022-1 | 71987476 | 6,600.00 |
| 7/11/2023 | Long View IT | 3094 | N/A | 600.00 |
| 7/11/2023 | Marina One LLC | 38 | 72015138 | 24,368.75 |
| 7/11/2023 | Martin & Wood Water Consultants, Inc | Multiple | 71986377 | 6,123.75 |
| 7/11/2023 | Monkey Movement Co | MM1747 | 71987575 | 488.00 |
| 7/11/2023 | Pelican Lakes LLC | 163 | 71986742 | 1,242.92 |
| 7/11/2023 | Pelican Lakes LLC | 129 | 71987883 | 7,407.30 |

Poudre Tech Metropolitan District
 Bill Payments
 November 9, 2022 through July 13, 2023

| Process | | | | Disbursement | |
|-----------|---|----------------|--|--------------------|------------------------|
| Date | Vendor | Invoice Number | | Reference | Amount |
| 7/11/2023 | Pelican Lakes LLC | 115 | | 71987834 | 7,407.30 |
| 7/11/2023 | Pelican Lakes LLC | 113 | | 71988145 | 7,407.30 |
| 7/11/2023 | Pelican Lakes LLC | 140 | | 71986078 | 7,407.30 |
| 7/11/2023 | Pelican Lakes LLC | 157 | | 71987420 | 7,407.30 |
| 7/11/2023 | Pelican Lakes LLC | 156 | | 72015367 | 57,361.13 |
| 7/11/2023 | Pelican Point Business Park | 755 | | 71986332 | 5,965.31 |
| 7/11/2023 | Quantum Pump & Controls | Multiple | | 72015887 | 25,308.81 |
| 7/11/2023 | Sage Telecommunication Corp of Colo LLC | 150692 | | 71984609 | 3,200.00 |
| 7/11/2023 | Securitas - Security Services USA Inc | 11302114 | | N/A | 16,270.28 |
| 7/11/2023 | SignHippo | SH211362 | | 71985940 | 745.00 |
| 7/11/2023 | Siteone Landscape Supply, LLC | 131010755-001 | | N/A | 301.42 |
| 7/11/2023 | Timber Line Electric & Control | Multiple | | 71984562 | 2,854.50 |
| 7/11/2023 | Trollco Inc | Multiple | | 72041453 | 46,048.98 |
| 7/11/2023 | TST Inc | Multiple | | 72016096 | 17,202.76 |
| 7/11/2023 | UNCC | 223061117 | | 72014072 | 172.86 |
| 7/11/2023 | Vector Disease Control | PI-A00012425 | | 71984434 | 1,440.11 |
| 7/11/2023 | Verizon | 9936831450 | | 71987252 | 485.74 |
| 7/11/2023 | White Bear & Ankele | 28461 | | N/A | 7,553.31 |
| 7/11/2023 | Windsor Ace Hardware | Multiple | | 71988017 | 352.72 |
| 7/11/2023 | Zak George Landscaping | Multiple | | 71984791 | 6,698.41 |
| 7/11/2023 | Zak George Landscaping | Multiple | | 72014956 | 145,105.24 |
| | | | | Subtotal | 490,750.56 |
| | | | | Grand Total | \$ 4,305,101.82 |

**POUDRE TECH METROPOLITAN DISTRICT
GENERAL FUND
AMENDED 2022 BUDGET SCHEDULE**

| | ORIGINAL BUDGET 2022 | AMENDED BUDGET 2022 | FURTHER AMENDED BUDGET 2022 |
|---|-------------------------|-------------------------|-----------------------------------|
| BEGINNING FUND BALANCES | \$ 244,332 | \$ 422,035 | \$ 422,035 |
| REVENUES | | | |
| Developer Advance - Office overhead | 60,000 | 60,000 | 60,000 |
| Reimbursed Expenditures | - | - | 477,452 |
| Note proceeds | 800,000 | 920,000 | - |
| Transfer from WV No. 1 - Operations | 770,533 | 789,431 | 787,013 |
| Transfer from WV No. 2 - Operatoins | 1,743,426 | 1,773,831 | 1,756,739 |
| Other Revenue | - | 2,500 | - |
| Total revenue | <u>3,373,959</u> | <u>3,545,762</u> | <u>3,081,204</u> |
| Total funds available | <u>3,618,291</u> | <u>3,967,797</u> | <u>3,503,239</u> |
| EXPENDITURES | | | |
| General and administration | | | |
| Accounting | 70,000 | 70,000 | 70,262 |
| Administration | | | |
| Staffing | 313,300 | 250,000 | 181,549 |
| Management fee | 38,000 | 38,000 | 37,800 |
| Other | 10,000 | - | - |
| Audit | 27,000 | 27,754 | 27,754 |
| Banking fees | 200 | 200 | 134 |
| Consulting and studies | 10,000 | 40,000 | 36,613 |
| Contingency | - | 2,500 | 505 |
| Dues and memberships | 2,000 | 1,739 | 1,739 |
| Insurance | 50,000 | 51,579 | 64,054 |
| Legal | 60,000 | 75,000 | 67,222 |
| Miscellaneous | 5,000 | 5,000 | 6,137 |
| Office supplies | 5,000 | 7,000 | 9,918 |
| Office overhead | 60,000 | 60,000 | 60,000 |
| Rent | 24,000 | 24,000 | 24,000 |
| Repayment of Developer adv - Certified costs | - | - | 477,452 |
| Repayment of Developer adv - Office overhead | 60,000 | 60,000 | - |
| Operations and Maintenance | | | |
| Electricity and gas | 46,000 | 65,000 | 66,504 |
| Landscape and Open Space | | | |
| Softscape - Landscape contract | 395,000 | 400,000 | 412,000 |
| Special projects and moving | 180,000 | 300,000 | 277,727 |
| Snow Removal | 50,000 | 50,000 | 50,387 |
| Pest control | 11,000 | 11,000 | 8,509 |
| District events | 60,000 | 60,000 | 54,444 |
| Repairs and maintenance | 60,000 | 200,000 | 97,448 |
| Patrol services | 120,000 | 175,000 | 136,927 |
| Beach maintenance | 30,000 | 40,000 | 41,477 |
| Aqua park management | 40,000 | 86,000 | 76,181 |
| IGA - RMD1 - Reimbursement for 7th Street Bridge | - | - | 921,258 |
| Hardscape - Fence improvements/Staining | 10,000 | 20,000 | 17,245 |
| Capital Outlay | | | |
| Tree replacement | 60,000 | 60,000 | 2,965 |
| Capital projects - 7th Street Bridge | 800,000 | 920,000 | - |
| Capital projects - Farm Field Irrigation | 150,000 | 191,916 | 191,916 |
| Capital projects - PTMD | - | 84,939 | - |
| Capital projects - Sprinkler upgrades | - | 7,290 | 7,290 |
| Capital projects - Curb & Sidewalk and Boat Ramp | - | 38,583 | 38,583 |
| Equipment acquisition | 40,000 | - | - |
| Debt Service | | | |
| Principal on operating line of credit | 400,000 | - | - |
| Interest on operating line of credit | 25,000 | - | - |
| Total expenditures | <u>3,211,500</u> | <u>3,422,500</u> | <u>3,466,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>3,211,500</u> | <u>3,422,500</u> | <u>3,466,000</u> |
| ENDING FUND BALANCES | <u>\$ 406,791</u> | <u>\$ 545,297</u> | <u>\$ 37,239</u> |

**POUDRE TECH METROPOLITAN DISTRICT
RESOLUTION TO FURTHER AMEND 2022 BUDGET**

WHEREAS, the Board of Directors of Poudre Tech Metropolitan District (the “**District**”) certifies that at a special meeting of the Board of Directors of the District held July 31, 2023, a public hearing was held regarding the 2022 amended budget, and, subsequent thereto, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors:

WHEREAS, the Board of Directors of the District adopted an amended budget and appropriated funds for fiscal year 2022 as follows:

| | |
|--------------|-------------|
| General Fund | \$3,422,500 |
| and; | |

WHEREAS, the necessity has arisen for additional expenditures by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for fiscal year 2022; and

WHEREAS, funds are available for such expenditure.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District does hereby amend the adopted budget for fiscal year 2022 as follows:

| | |
|--------------|-------------|
| General Fund | \$3,466,000 |
|--------------|-------------|

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the funds named above for the purpose stated, and that any ending fund balances shall be reserved for purposes of complying with Article X, Section 20 of the Colorado Constitution.

[Remainder of Page Intentionally Left Blank]

ADOPTED JULY 31, 2023.

DISTRICT:

POUDRE TECH METROPOLITAN DISTRICT a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____
Officer of the District

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

STATE OF COLORADO
COUNTY OF WELD
POUDRE TECH METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a meeting held at via teleconference on Thursday, July 31, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 31 day of July, 2023.

WATER VALLEY METROPOLITAN DISTRICT NO. 1
Weld County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
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YEAR ENDED DECEMBER 31, 2022**

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INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

WATER VALLEY METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2022

| | <u>Governmental Activities</u> |
|--------------------------------------|------------------------------------|
| ASSETS | |
| Cash and Investments | \$ 101,140 |
| Cash and Investments - Restricted | 278,604 |
| Receivable - County Treasurer | 12,289 |
| Property Taxes Receivable | <u>1,530,227</u> |
| Total Assets | <u>1,922,260</u> |
| LIABILITIES | |
| Accrued Interest Payable - Bonds | 22,108 |
| Noncurrent Liabilities: | |
| Due Within One Year | 235,000 |
| Due in More than One Year | <u>5,909,399</u> |
| Total Liabilities | <u>6,166,507</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Tax Revenue | <u>1,530,227</u> |
| Total Deferred Inflows of Resources | <u>1,530,227</u> |
| NET POSITION | |
| Restricted For: | |
| Debt Service | 11,550 |
| Unrestricted | <u>(5,786,024)</u> |
| Total Net Position | <u><u>\$ (5,774,474)</u></u> |

See accompanying Notes to Basic Financial Statements.

WATER VALLEY METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

| | | Program Revenues | | | Net Revenues (Expenses) and Change in Net Position |
|---|----------------------------|--|--|----------------------------|---|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | |
| FUNCTIONS/PROGRAMS | | | | | |
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 11,416 | \$ - | \$ - | \$ - | \$ (11,416) |
| Intergovernmental - Transfers to PTMD - for Operations and Capital Costs | 787,013 | - | - | - | (787,013) |
| Intergovernmental - Transfers to PTMD - for Debt Service | 285,220 | - | - | - | (285,220) |
| Interest and Related Costs on Long-Term Debt | 267,156 | - | - | - | (267,156) |
| | <u>\$ 1,350,805</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(1,350,805)</u> |
| GENERAL REVENUES | | | | | |
| | | | | | 1,461,992 |
| | | | | | 78,642 |
| | | | | | 6,904 |
| | | | | | <u>1,547,538</u> |
| CHANGE IN NET POSITION | | | | | 196,733 |
| | | | | | <u>(5,971,207)</u> |
| NET POSITION - END OF YEAR | | | | | <u>\$ (5,774,474)</u> |

See accompanying Notes to Basic Financial Statements.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

| | General | Debt Service | Total Governmental Funds |
|--|------------|-----------------|--------------------------------|
| ASSETS | | | |
| Cash and Investments | \$ 101,140 | \$ - | \$ 101,140 |
| Cash and Investments - Restricted | - | 278,604 | 278,604 |
| Receivable - County Treasurer | 6,379 | 5,910 | 12,289 |
| Property Taxes Receivable | 791,549 | 738,678 | 1,530,227 |
| Total Assets | \$ 899,068 | \$ 1,023,192 | \$ 1,922,260 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ - | \$ - | \$ - |
| Total Liabilities | - | - | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Tax Revenue | 791,549 | 738,678 | 1,530,227 |
| Total Deferred Inflows of Resources | 791,549 | 738,678 | 1,530,227 |
| FUND BALANCES | | | |
| Restricted: | | | |
| Debt Service | - | 284,514 | 284,514 |
| Committed: | | | |
| Operations (PTMD) | 107,519 | - | 107,519 |
| Total Fund Balances | 107,519 | 284,514 | 392,033 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 899,068 | \$ 1,023,192 | |

Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

| | |
|----------------------------------|-------------|
| Bonds Payable | (5,950,000) |
| Bond Premium | (194,399) |
| Accrued Interest Payable - Bonds | (22,108) |

Net Position of Governmental Activities

\$ (5,774,474)

WATER VALLEY METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

| | <u>General</u> | <u>Debt Service</u> | <u>Total Governmental Funds</u> |
|--|-------------------|-------------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 758,933 | \$ 703,059 | \$ 1,461,992 |
| Specific Ownership Taxes | 40,824 | 37,818 | 78,642 |
| Interest Income | 1,280 | 5,624 | 6,904 |
| Total Revenues | <u>801,037</u> | <u>746,501</u> | <u>1,547,538</u> |
| EXPENDITURES | | | |
| County Treasurer's Fees | 11,367 | 10,530 | 21,897 |
| 2016 G.O. Bonds - Interest | - | 272,044 | 272,044 |
| 2016 G.O. Bonds - Principal | - | 225,000 | 225,000 |
| Paying Agent Fees | - | 2,500 | 2,500 |
| Miscellaneous | 49 | 75 | 124 |
| Transfers to PTMD - Operations and Capital Costs | 787,013 | - | 787,013 |
| Transfers to PTMD - Series 2020 Bonds | - | 285,220 | 285,220 |
| Total Expenditures | <u>798,429</u> | <u>795,369</u> | <u>1,593,798</u> |
| NET CHANGE IN FUND BALANCES | 2,608 | (48,868) | (46,260) |
| Fund Balances - Beginning of Year | <u>104,911</u> | <u>333,382</u> | <u>438,293</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 107,519</u> | <u>\$ 284,514</u> | <u>\$ 392,033</u> |

See accompanying Notes to Basic Financial Statements.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2022**

| | |
|--|-------------|
| Net Change in Fund Balance - Governmental Fund | \$ (46,260) |
|--|-------------|

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

| | |
|------------------------------------|---------|
| 2016 G.O. Bond - Principal Payment | 225,000 |
|------------------------------------|---------|

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | |
|---|--------|
| Accrued Interest on Bonds - Change in Liability | 562 |
| Amortization of Bond Premium | 17,431 |
| | 17,431 |

| | |
|---|------------|
| Change in Net Position of Governmental Activities | \$ 196,733 |
|---|------------|

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 744,573 | \$ 751,258 | \$ 758,933 | \$ 7,675 |
| Specific Ownership Taxes | 37,229 | 44,231 | 40,824 | (3,407) |
| Interest Income | 100 | 600 | 1,280 | 680 |
| Other Revenue | - | 1,000 | - | (1,000) |
| Total Revenues | <u>781,902</u> | <u>797,089</u> | <u>801,037</u> | <u>3,948</u> |
| EXPENDITURES | | | | |
| County Treasurer's Fees | 11,169 | 11,269 | 11,367 | (98) |
| Miscellaneous | 200 | 300 | 49 | 251 |
| Contingency | - | 1,000 | - | 1,000 |
| Transfers to PTMD - Operations and Capital Costs | <u>770,533</u> | <u>789,431</u> | <u>787,013</u> | <u>2,418</u> |
| Total Expenditures | <u>781,902</u> | <u>802,000</u> | <u>798,429</u> | <u>3,571</u> |
| NET CHANGE IN FUND BALANCE | - | (4,911) | 2,608 | 7,519 |
| Fund Balance - Beginning of Year | <u>100,000</u> | <u>104,911</u> | <u>104,911</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ 100,000</u></u> | <u><u>\$ 100,000</u></u> | <u><u>\$ 107,519</u></u> | <u><u>\$ 7,519</u></u> |

See accompanying Notes to Basic Financial Statements.

WATER VALLEY METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

Water Valley Metropolitan District No. 1 (the 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 Metropolitan District Nos. 1 and 2 (Financing Districts) which are responsible for providing the tax base needed to support the financing of capital improvements.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District has no employees, and all operations and administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

WATER VALLEY METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest, and other related costs of debts issued by the District and Poudre Tech Metropolitan District (Operating District).

WATER VALLEY METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

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 always 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenue is recorded as revenue in the year they are available or collected.

Amortization

Original Issue Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

WATER VALLEY METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

| | |
|-----------------------------------|--------------------------|
| Cash and Investments | \$ 101,140 |
| Cash and Investments - Restricted | <u>278,604</u> |
| Total Cash and Investments | <u><u>\$ 379,744</u></u> |

Cash and investments as of December 31, 2022, consist of the following:

| | |
|--------------------------------------|--------------------------|
| Deposits with Financial Institutions | \$ 124,945 |
| Investments | <u>254,799</u> |
| Total Cash and Investments | <u><u>\$ 379,744</u></u> |

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

At December 31, 2022, the District’s cash deposits had a bank and carrying balance of \$124,945.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2022, the District had the following investments:

| <u>Investment</u> | <u>Maturity</u> | <u>Amount</u> |
|--------------------------------------|------------------------|-------------------|
| Colorado Local Government | Weighted Average Under | |
| Liquid Asset Trust (COLOTRUST PLUS+) | 60 Days | <u>\$ 254,799</u> |

WATER VALLEY METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor’s. COLOTRUST EDGE is rated AAAsf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2022:

| | Balance at December 31, 2021 | Additions | Payments/ Reductions | Balance at December 31, 2022 | Due Within One Year |
|--|------------------------------------|-------------|-------------------------|------------------------------------|---------------------------|
| General Obligation Refunding Bonds, Series 2016 | \$ 6,175,000 | \$ - | \$ 225,000 | \$ 5,950,000 | \$ 235,000 |
| Total | 6,175,000 | - | 225,000 | 5,950,000 | <u>\$ 235,000</u> |
| Series 2016 Bond Premium | 211,830 | - | 17,431 | 194,399 | |
| Total | <u>\$ 6,386,830</u> | <u>\$ -</u> | <u>\$ 242,431</u> | <u>\$ 6,144,399</u> | |

WATER VALLEY METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

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 semi-annually on June 1 and December 1. The proceeds of the initial draw from the Loan were used to (i) advance refund the District's Series 2004 and Series 2007 Bonds in order to reduce annual interest costs and effect other economies, (ii) to finance additional costs of public improvements, and (iii) pay for the costs of issuing the Loan.

On July 8, 2016, the District issued \$7,100,000 in General Obligation Refunding Bonds, Series 2016 (2016 Bonds) to prepay the Loan described above. The 2016 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 2016 Bonds are due December 1, 2040, with an interest rate of 2.00%-5.25%, paid semiannually on June 1 and December 1. The 2016 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 within maturities), on December 1, 2026, and on any date thereafter, upon payment of par, and accrued interest thereon, without redemption premium. The 2016 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.

Unused lines of credit

The 2016 Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the 2016 Bonds.

Events of default

Events of default occur if the Districts: (a) fails to pay the principal of, premium if any, or interest on the Bonds when due (b) defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution, and fails to remedy the same after notice thereof pursuant to the Indenture or (c) files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

Termination Events

The 2016 Bonds do not have a termination provision.

Acceleration

The 2016 Bonds are not subject to acceleration.

WATER VALLEY METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The 2016 Bonds will mature as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 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 |
| 2028-2032 | 1,500,000 | 994,861 | 2,494,861 |
| 2033-2037 | 1,845,000 | 646,752 | 2,491,752 |
| 2038-2040 | 1,355,000 | 144,639 | 1,499,639 |
| Total | <u>\$ 5,950,000</u> | <u>\$ 3,033,970</u> | <u>\$ 8,983,970</u> |

Further, the District entered into a Capital Pledge Agreement in October 2010, as amended on January 31, 2014, and again on April 21, 2015, pursuant to which the District is obligated to impose an ad valorem property tax levy without limitation as to the rate to pay a portion of principal and accrued interest on Poudre Tech Metropolitan District's Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2010 A, B, and C in the aggregate principal amount of \$25,675,000 issued pursuant to a 2010 Indenture of Trust with UMB Bank. The Third Amendment, dated September 1, 2020, made changes to provide for payment for the 2020 Operating District Bonds. During 2022, the District transferred \$285,220 to Poudre Tech Metropolitan District in compliance of its obligation under the Capital Pledge Agreement.

NOTE 5 AUTHORIZED DEBT

On November 8, 1994, the District's voters authorized the issuance of indebtedness in an amount not to exceed \$21,565,000. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

| | Amount Authorized on November 8, 1994 | Authorization Used for 2004 Bonds | Authorization Used for 2007 Bonds | Authorization Used for Pledge Agreement with Operating District 2010 Bonds | Authorization Used for Portion of 2014 Refunding | Authorization Used for 2014 Loan | Authorized But Unissued |
|------------------------------|--|--|--|--|---|---|-------------------------------|
| Water | \$ 3,175,000 | \$ (507,000) | \$ (367,500) | \$ (1,778,334) | \$ (522,166) | \$ - | \$ - |
| Sanitation | 3,415,000 | (1,267,500) | (918,750) | - | (1,228,750) | - | - |
| Streets | 6,590,000 | (507,000) | (367,500) | - | (655,300) | - | 5,060,200 |
| Parks and Recreation | 6,615,000 | (253,500) | (892,500) | - | (1,257,675) | (2,934,325) | 1,277,000 |
| Traffic/Safety Protection | 450,000 | - | (78,750) | - | - | - | 371,250 |
| Fire Protection | 795,000 | - | - | - | - | - | 795,000 |
| TV Relay/ Translation | 525,000 | - | - | - | - | - | 525,000 |
| Total | <u>\$ 21,565,000</u> | <u>\$ (2,535,000)</u> | <u>\$ (2,625,000)</u> | <u>\$ (1,778,334)</u> | <u>\$ (3,663,891)</u> | <u>\$ (2,934,325)</u> | <u>\$ 8,028,450</u> |

WATER VALLEY METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 AUTHORIZED DEBT (CONTINUED)

Pursuant to the Service Plan, the maximum general obligation bonded indebtedness for Financing Districts is not expected to exceed \$21,000,000 exclusive of costs of issuance, organization costs, inflation, contingencies, and other similar costs.

The 2016 Bonds constitutes a financing of District indebtedness at a lower interest rate and the principal amount of the Bonds is not in excess of the original principal amount of the Loan; therefore, the issuance of the 2016 Bonds did not require electoral authorization.

In the future, the District may issue a portion or all of the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this audit, the amount and timing of any future debt issuances are not determinable.

NOTE 6 NET POSITION

The District has a deficit unrestricted net position. This negative net position is a result of the District being responsible for the repayment of long-term debts and accrued interest issued to finance public improvements (i) constructed and/or acquired by the District, and (ii) constructed and/or acquired by Poudre Tech Metropolitan District, Operating District, for the benefit of the District, which public improvements are either owned and maintained by Poudre Tech Metropolitan District or conveyed to other governmental entities.

NOTE 7 RELATED PARTIES

The developer of the property which constitutes the District is Trollco Inc., a Colorado corporation (Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer, and may have conflicts of interest in dealing with the District.

NOTE 8 AGREEMENTS

District Operating Agreement

Poudre Tech Metropolitan District (Operating District) and District Nos. 1 and 2 (collectively, the Taxing Districts) have entered into a District Operating Agreement dated January 30, 2014. The purpose of the District Operating Agreement is to set forth the rights and obligations of the Taxing Districts to fully fund and of the Operating District to provide operations on behalf of all the Districts. Based on the integrated nature of the public improvements, it is most efficient and cost effective to combine the operations, maintenance, and administration and to have the Operating District provide those services for the benefit of all the Districts. The agreement shall be interpreted consistent with the Service Plan.

WATER VALLEY METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 AGREEMENTS (CONTINUED)

Capital Pledge Agreement

The District entered into a Capital Pledge Agreement in October 2010, as amended on January 31, 2014, and again on April 21, 2015, pursuant to which the District is obligated to impose an ad valorem property tax levy without limitation as to the rate to pay for a portion of principal and accrued interest payable on PTMD's Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2010 A, B, and C in the aggregate principal amount of \$25,675,000 issued pursuant to a 2010 Indenture of Trust with UMB Bank (2010 Bonds).

The First Amendment, dated January 31, 2014, made changes to the allocation between District Nos. 1 and 2's required debt service on the 2010 Bonds. The Districts later determined that the changes were not necessary, and therefore, the Capital Pledge Agreement, was amended for a second time on April 21, 2015, to reinstate the original definitions and allocations.

The Third Amendment, dated September 1, 2020, made changes to provide for the payment of the 2020 Operating District Bonds, to remove UMB as a party to the agreement and add US Bank as a party to the agreement.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

WATER VALLEY METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As of December 31, 2022, the District has not provided for an emergency reserve equal to at least 3% of fiscal year spending, as defined under TABOR, because net tax revenue is transferred to Poudre Tech Metropolitan District, the Operating District. 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.

The District's management has taken steps it believes are necessary to comply with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------------|---------------------------------|--------------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 689,756 | \$ 703,059 | \$ 13,303 |
| Specific Ownership Taxes | 34,488 | 37,818 | 3,330 |
| Interest Income | 300 | 5,624 | 5,324 |
| Total Revenues | <u>724,544</u> | <u>746,501</u> | <u>21,957</u> |
| EXPENDITURES | | | |
| County Treasurer's Fees | 10,346 | 10,530 | (184) |
| 2016 G.O. Bonds - Interest | 272,044 | 272,044 | - |
| 2016 G.O. Bonds - Principal | 225,000 | 225,000 | - |
| Paying Agent Fees | 2,500 | 2,500 | - |
| Miscellaneous | 3,890 | 75 | 3,815 |
| Transfers to PTMD - Series 2020 Bonds | 285,220 | 285,220 | - |
| Total Expenditures | <u>799,000</u> | <u>795,369</u> | <u>3,631</u> |
| NET CHANGE IN FUND BALANCE | (74,456) | (48,868) | 25,588 |
| Fund Balance - Beginning of Year | <u>330,813</u> | <u>333,382</u> | <u>2,569</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ 256,357</u></u> | <u><u>\$ 284,514</u></u> | <u><u>\$ 28,157</u></u> |

WATER VALLEY METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022

\$7,100,000 General Obligation Refunding Bonds, Series 2016
Dated July 8, 2016
Principal Due December 1, Interest Rate 2.00%-5.25%
Payable June 1 and December 1

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 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 |
| Total | <u>\$ 5,950,000</u> | <u>\$ 3,033,970</u> | <u>\$ 8,983,970</u> |

**CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2016**

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE II
HISTORY OF DISTRICT'S ASSESSED VALUATION AND MILL LEVIES
YEAR ENDED DECEMBER 31, 2022**

| Levy/Collection Year | Assessed Valuation | Percent Increase | Mill Levies | | |
|-------------------------|-----------------------|---------------------|-----------------|----------------------|--------------------|
| | | | General Fund | Debt Service Fund | Total Mill Levy |
| 2010/2011 | \$ 26,688,250 | - % | 10.000 | 10.000 | 20.000 |
| 2011/2012 | 23,459,270 | (12.10) | 10.000 | 16.000 | 26.000 |
| 2012/2013 | 23,145,380 | (1.34) | 6.000 | 33.000 | 39.000 |
| 2013/2014 | 22,683,319 | (2.00) | 7.000 | 32.000 | 39.000 |
| 2014/2015 | 22,201,960 | (2.12) | 13.250 | 25.750 | 39.000 |
| 2015/2016 | 42,796,050 | 92.76 | 13.300 | 25.700 | 39.000 |
| 2016/2017 | 47,810,900 | 11.72 | 30.430 | 8.570 | 39.000 |
| 2017/2018 | 43,490,270 | (9.04) | 20.070 | 18.930 | 39.000 |
| 2018/2019 | 34,982,840 | (19.56) | 17.644 | 23.495 | 41.139 |
| 2019/2020 | 34,942,180 | (0.12) | 17.813 | 24.130 | 41.943 |
| 2020/2021 | 34,496,110 | (1.28) | 17.618 | 24.325 | 41.943 |
| 2021/2022 | 34,197,090 | (0.87) | 21.773 | 20.170 | 41.943 |
| 2022/2023 | 35,771,360 | 4.60 | 22.128 | 20.650 | 42.778 |

Sources: Weld County Assessor's Office and the District.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

**TABLE III
2022 ASSESSED AND "ACTUAL" VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
YEAR ENDED DECEMBER 31, 2022**

| Class | Assessed Valuation | Percent of Assessed Valuation | "Actual" Valuation | Percent of "Actual" Valuation |
|-------------------|-----------------------------|-------------------------------------|------------------------------|-------------------------------------|
| Oil and Gas | \$ 4,065,070 | 11.35 % | \$ 6,289,336 | 1.63 % |
| Residential | 24,742,120 | 69.18 | 355,973,393 | 92.15 |
| Vacant Land | 128,430 | 0.36 | 442,855 | 0.11 |
| Commercial | 5,835,210 | 16.31 | 20,121,439 | 5.21 |
| State Assessed | 6,740 | 0.02 | 23,256 | 0.01 |
| Personal Property | 649,870 | 1.82 | 2,240,908 | 0.58 |
| Industrial | 340,610 | 0.95 | 1,174,518 | 0.30 |
| Agricultural | 3,310 | 0.01 | 12,552 | 0.01 |
| Total | <u>\$ 35,771,360</u> | <u>100.00 %</u> | <u>\$ 386,278,257</u> | <u>100.00 %</u> |

Source: Weld County Assessor's Office

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE IV
HISTORY OF DISTRICT'S PROPERTY TAX COLLECTIONS
YEAR ENDED DECEMBER 31, 2022**

| Levy/Collection Year | Taxes Levied | Property Tax Collections | Tax Collections as Percent of Tax Levied |
|-------------------------|--------------|-----------------------------|--|
| 2010/2011 | \$ 533,765 | \$ 523,386 | 98.06 % |
| 2011/2012 | 609,941 | 609,133 | 99.87 |
| 2012/2013 | 902,670 | 896,487 | 99.32 |
| 2013/2014 | 884,649 | 874,174 | 98.82 |
| 2014/2015 | 865,876 | 850,566 | 98.23 |
| 2015/2016 | 1,669,045 | 1,668,329 | 99.96 |
| 2016/2017 | 1,864,625 | 1,863,857 | 99.96 |
| 2017/2018 | 1,696,121 | 1,696,162 | 100.00 |
| 2018/2019 | 1,439,159 | 1,438,325 | 99.94 |
| 2019/2020 | 1,465,580 | 1,459,313 | 99.57 |
| 2020/2021 | 1,446,870 | 1,446,870 | 100.00 |
| 2021/2022 | 1,434,329 | 1,461,992 | 101.93 |

Source: Through 2014/2015 - from the Official Statement for the General Obligation Refunding Bonds, Series 2016. From 2015/2016 - from the District.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

**TABLE VII
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2022**

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | | |
| Property Taxes | \$ 872,871 | \$ 616,879 | \$ 619,763 | \$ 607,752 | \$ 758,933 |
| Specific Ownership Taxes | 66,675 | 41,393 | 29,544 | 30,494 | 40,824 |
| Interest Income | 1,404 | 3,922 | 5,189 | 388 | 1,280 |
| Total Revenues | <u>940,950</u> | <u>662,194</u> | <u>654,496</u> | <u>638,634</u> | <u>801,037</u> |
| EXPENDITURES | | | | | |
| County Treasurer's Fees | 12,839 | 9,257 | 9,370 | 9,122 | 11,367 |
| Miscellaneous | 120 | 81 | 220 | 75 | 49 |
| Prior Year Abatement | 21,390 | - | - | - | - |
| Transfer to Poudre Tech - Other ¹ | 911,518 | 636,348 | 519,924 | 767,904 | 787,013 |
| Total Expenditures | <u>945,867</u> | <u>645,686</u> | <u>529,514</u> | <u>777,101</u> | <u>798,429</u> |
| NET CHANGE IN FUND BALANCES | (4,917) | 16,508 | 124,982 | (138,467) | 2,608 |
| Fund Balances - Beginning of Year | <u>106,805</u> | <u>101,888</u> | <u>118,396</u> | <u>243,378</u> | <u>104,911</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 101,888</u> | <u>\$ 118,396</u> | <u>\$ 243,378</u> | <u>\$ 104,911</u> | <u>\$ 107,519</u> |

¹Transfer to Poudre Tech for operations and capital costs.

Source: District's audited financial statements for the years ended December 31, 2018-2022.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

TABLE VIII

**DEBT SERVICE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2022**

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | | |
| Property Taxes | \$ 823,291 | \$ 821,446 | \$ 839,550 | \$ 839,118 | \$ 703,059 |
| Specific Ownership Taxes | 62,888 | 55,119 | 40,021 | 42,102 | 37,818 |
| Interest Income | 6,185 | 8,870 | 8,418 | 631 | 5,624 |
| Total Revenues | <u>892,364</u> | <u>885,435</u> | <u>887,989</u> | <u>881,851</u> | <u>746,501</u> |
| EXPENDITURES | | | | | |
| County Treasurer's Fees | 12,109 | 12,327 | 12,693 | 12,594 | 10,530 |
| Transfer to Poudre Tech - Other ¹ | - | 5,599 | - | - | - |
| Miscellaneous | 494 | 175 | 101 | 74 | 75 |
| Prior Year Abatement | 20,175 | - | - | - | - |
| Debt Service: | | | | | |
| Trustee Fees/Paying Agent Fees | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Transfer to Poudre Tech - 2010 PTMD Bonds | 375,072 | 377,869 | 379,620 | - | - |
| Transfer to Poudre Tech - 2020 PTMD Bonds | - | - | - | 279,876 | 285,220 |
| Bond Interest | 293,600 | 288,988 | 283,738 | 278,094 | 272,044 |
| Bond Principal | 205,000 | 210,000 | 215,000 | 220,000 | 225,000 |
| Total Expenditures | <u>908,950</u> | <u>897,458</u> | <u>893,652</u> | <u>793,138</u> | <u>795,369</u> |
| NET CHANGE IN FUND BALANCES | (16,586) | (12,023) | (5,663) | 88,713 | (48,868) |
| Fund Balances - Beginning of Year | <u>278,941</u> | <u>262,355</u> | <u>250,332</u> | <u>244,669</u> | <u>333,382</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 262,355</u> | <u>\$ 250,332</u> | <u>\$ 244,669</u> | <u>\$ 333,382</u> | <u>\$ 284,514</u> |

¹ Transfer to Poudre Tech for capital costs.

Source: District's audited financial statements for the years ended December 31, 2018-2022.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE IX
GENERAL FUND BUDGET SUMMARY AND COMPARISON
YEAR ENDED DECEMBER 31, 2022**

| | 2021 Budget (As Amended) | 2022 Budget (As Amended) | 2022 Year-to-Date Actual |
|---|-----------------------------|-----------------------------|--------------------------------|
| BEGINNING FUND BALANCE | \$ 243,378 | \$ 104,911 | \$ 104,911 |
| REVENUES | | | |
| Property Taxes | 607,752 | 751,258 | 758,933 |
| Specific Ownership Taxes | 30,494 | 44,231 | 40,824 |
| Interest Income | 388 | 600 | 1,280 |
| Other Revenue | - | 1,000 | - |
| Total Revenues | <u>638,634</u> | <u>797,089</u> | <u>801,037</u> |
| Total Funds Available | 882,012 | 902,000 | 905,948 |
| EXPENDITURES | | | |
| County Treasurer's Fees | 9,122 | 11,269 | 11,367 |
| Miscellaneous | 3,624 | 300 | 49 |
| Contingency | - | 1,000 | - |
| Transfer to Poudre Tech | 768,000 | 789,431 | 787,013 |
| Total Expenditures | <u>780,746</u> | <u>802,000</u> | <u>798,429</u> |
| TOTAL EXPENDITURES REQUIRING APPROPRIATION | <u>780,746</u> | <u>802,000</u> | <u>798,429</u> |
| ENDING FUND BALANCE | <u>\$ 101,266</u> | <u>\$ 100,000</u> | <u>\$ 107,519</u> |

Sources: District's adopted 2021 and 2022 budgets and the District's audited financial statements for the year ended December 31, 2022.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE X
DEBT SERVICE FUND BUDGET SUMMARY AND COMPARISON
YEAR ENDED DECEMBER 31, 2022**

| | <u>2021 Budget</u> | <u>2022 Budget</u> | <u>2022 Year-to-Date Actual</u> |
|---|--------------------|--------------------|---|
| BEGINNING FUND BALANCE | \$ 170,305 | \$ 330,813 | \$ 333,382 |
| REVENUES | | | |
| Property Taxes | 839,118 | 689,756 | 703,059 |
| Specific Ownership Taxes | 41,956 | 34,488 | 37,818 |
| Interest Income | 500 | 300 | 5,624 |
| Total Revenues | <u>881,574</u> | <u>724,544</u> | <u>746,501</u> |
| Total Funds Available | 1,051,879 | 1,055,357 | 1,079,883 |
| EXPENDITURES | | | |
| County Treasurer's Fees | 12,587 | 10,346 | 10,530 |
| Miscellaneous | 2,943 | 3,890 | 75 |
| Bond Interest | 278,094 | 272,044 | 272,044 |
| Bond Principal | 220,000 | 225,000 | 225,000 |
| Paying Agent Fees | 2,500 | 2,500 | 2,500 |
| Transfer to Poudre Tech - 2020 PTMD Bonds | 279,876 | 285,220 | 285,220 |
| Total Expenditures | <u>796,000</u> | <u>799,000</u> | <u>795,369</u> |
| TOTAL EXPENDITURES REQUIRING APPROPRIATION | <u>796,000</u> | <u>799,000</u> | <u>795,369</u> |
| ENDING FUND BALANCE | <u>\$ 255,879</u> | <u>\$ 256,357</u> | <u>\$ 284,514</u> |

Sources: District's adopted 2021 and 2022 budgets and the District's audited financial statements for the year ended December 31, 2022.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
Weld County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
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YEAR ENDED DECEMBER 31, 2022**

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INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

WATER VALLEY METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2022

| | Governmental Activities |
|--------------------------------------|----------------------------|
| ASSETS | |
| Cash and Investments | \$ 151,017 |
| Cash and Investments - Restricted | 316,236 |
| Receivable - County Treasurer | 24,268 |
| Property Taxes Receivable | 3,222,770 |
| Total Assets | 3,714,291 |
| LIABILITIES | |
| Accrued Interest Payable - Bonds | 25,447 |
| Noncurrent Liabilities: | |
| Due Within One Year | 265,000 |
| Due in More than One Year | 6,766,685 |
| Total Liabilities | 7,057,132 |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Tax Revenue | 3,222,770 |
| Total Deferred Inflows of Resources | 3,222,770 |
| NET POSITION | |
| Restricted for: | |
| Debt Service | 14,263 |
| Unrestricted | (6,579,874) |
| Total Net Position | \$ (6,565,611) |

See accompanying Notes to Basic Financial Statements.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

| | | Program Revenues | | | Net Revenues (Expenses) and Changes in Net Position |
|---|----------------------------|--|--|----------------------------|--|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | |
| FUNCTIONS/PROGRAMS | | | | | |
| Primary Government: | | | | | |
| Government Activities: | | | | | |
| General Government | \$ 23,068 | \$ - | \$ - | \$ (23,068) | |
| Intergovernmental - Transfers to PTMD - for Operations and Capital Costs | 1,756,739 | - | - | (1,756,739) | |
| Intergovernmental - Transfers to PTMD - for Debt Service | 948,587 | - | - | (948,587) | |
| Interest and Related Costs on Long-Term Debt | 313,648 | - | - | (313,648) | |
| | <u>\$ 3,042,042</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (3,042,042)</u> | |
| GENERAL REVENUES | | | | | |
| | | | | 2,817,559 | |
| | | | | 154,094 | |
| | | | | 159,725 | |
| | | | | 10,935 | |
| | | | | <u>3,142,313</u> | |
| CHANGE IN NET POSITION | | | | | |
| | | | | 100,271 | |
| | | | | <u>(6,665,882)</u> | |
| | | | | <u>\$ (6,565,611)</u> | |

See accompanying Notes to Basic Financial Statements.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

| | General | Debt Service | Total Governmental Funds |
|---|--------------|-----------------|--------------------------------|
| ASSETS | | | |
| Cash and Investments | \$ 151,017 | \$ - | \$ 151,017 |
| Cash and Investments - Restricted | - | 316,236 | 316,236 |
| Receivable - County Treasurer | 13,206 | 11,062 | 24,268 |
| Property Taxes Receivable | 1,767,257 | 1,455,513 | 3,222,770 |
| Total Assets | \$ 1,931,480 | \$ 1,782,811 | \$ 3,714,291 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Total Liabilities | \$ - | \$ - | \$ - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Tax Revenue | 1,767,257 | 1,455,513 | 3,222,770 |
| Total Deferred Inflows of Resources | 1,767,257 | 1,455,513 | 3,222,770 |
| FUND BALANCES | | | |
| Restricted: | | | |
| Debt Service | - | 327,298 | 327,298 |
| Committed: | | | |
| Operations (PTMD) | 164,223 | - | 164,223 |
| Total Fund Balances | 164,223 | 327,298 | 491,521 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 1,931,480 | \$ 1,782,811 | |
| Amounts reported for governmental activities in the position are different because: | | | |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. | | | |
| Bonds Payable | | | (6,800,000) |
| Bond Premium | | | (231,685) |
| Accrued Interest Payable - Bonds | | | (25,447) |
| Net Position of Governmental Activities | | | \$ (6,565,611) |

See accompanying Notes to Basic Financial Statements.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

| | <u>General</u> | <u>Debt Service</u> | <u>Total Governmental Funds</u> |
|---------------------------------------|--------------------------|--------------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 1,533,223 | \$ 1,284,336 | \$ 2,817,559 |
| Specific Ownership Taxes | 83,853 | 70,241 | 154,094 |
| Payment in Lieu of Taxes | 159,725 | - | 159,725 |
| Interest Income | 2,470 | 8,465 | 10,935 |
| Total Revenues | <u>1,779,271</u> | <u>1,363,042</u> | <u>3,142,313</u> |
| EXPENDITURES | | | |
| County Treasurer's Fees | 23,018 | 19,282 | 42,300 |
| 2016 G.O. Bond Interest | - | 313,162 | 313,162 |
| 2016 G.O. Bond Principal | - | 260,000 | 260,000 |
| Miscellaneous | 50 | 99 | 149 |
| Paying Agent Fees | - | 2,500 | 2,500 |
| Transfers to PTMD - Other | 1,756,739 | - | 1,756,739 |
| Transfers to PTMD - Series 2020 Bonds | - | 948,587 | 948,587 |
| Total Expenditures | <u>1,779,807</u> | <u>1,543,630</u> | <u>3,323,437</u> |
| NET CHANGE IN FUND BALANCES | (536) | (180,588) | (181,124) |
| Fund Balances - Beginning of Year | <u>164,759</u> | <u>507,886</u> | <u>672,645</u> |
| FUND BALANCES - END OF YEAR | <u><u>\$ 164,223</u></u> | <u><u>\$ 327,298</u></u> | <u><u>\$ 491,521</u></u> |

See accompanying Notes to Basic Financial Statements.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

| | |
|--|--------------|
| Net Change in Fund Balance - Total Governmental Fund | \$ (181,124) |
|--|--------------|

Amounts reported for governmental activities in the Statement of Activities are different because:

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

| | |
|-------------------------------------|---------|
| 2016 G.O. Bonds - Principal Payment | 260,000 |
|-------------------------------------|---------|

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | |
|---|--------|
| Accrued Interest on Bonds - Change in Liability | 650 |
| Amortization of Bond Premium | 20,745 |
| | 20,745 |

| | |
|---|--------------------------|
| Change in Net Position of Governmental Activities | \$ <u><u>100,271</u></u> |
|---|--------------------------|

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 1,529,952 | \$ 1,529,952 | \$ 1,533,223 | \$ 3,271 |
| Specific Ownership Taxes | 76,498 | 90,991 | 83,853 | (7,138) |
| Payment in Lieu of Taxes | 159,725 | 159,725 | 159,725 | - |
| Interest Income | 300 | 1,573 | 2,470 | 897 |
| Other Revenue | - | 1,500 | - | (1,500) |
| Total Revenues | <u>1,766,475</u> | <u>1,783,741</u> | <u>1,779,271</u> | <u>(4,470)</u> |
| EXPENDITURES | | | | |
| County Treasurer's Fees | 22,949 | 22,949 | 23,018 | (69) |
| Miscellaneous | 100 | 220 | 50 | 170 |
| Transfers to PTMD - Funding for Operations | 1,743,426 | 1,773,831 | 1,756,739 | 17,092 |
| Contingency | - | 1,500 | - | 1,500 |
| Total Expenditures | <u>1,766,475</u> | <u>1,798,500</u> | <u>1,779,807</u> | <u>18,693</u> |
| NET CHANGE IN FUND BALANCE | - | (14,759) | (536) | 14,223 |
| Fund Balance - Beginning of Year | <u>150,000</u> | <u>164,759</u> | <u>164,759</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ 150,000</u></u> | <u><u>\$ 150,000</u></u> | <u><u>\$ 164,223</u></u> | <u><u>\$ 14,223</u></u> |

See accompanying Notes to Basic Financial Statements.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

Water Valley Metropolitan District No. 2 (the 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. 1. 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 Metropolitan Districts Nos. 1 and 2 (Financing Districts) which are responsible for providing the tax base needed to support financing of capital improvements.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District has no employees, and all operations and administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest, and other related costs of debts issued by the District and Poudre Tech Metropolitan District (Operating District).

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

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 always 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The unearned property tax revenue is recorded as revenue in the year they are available or collected.

Amortization

Original Issue Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

| | |
|-----------------------------------|--------------------------|
| Cash and Investments | \$ 151,017 |
| Cash and Investments - Restricted | <u>316,236</u> |
| Total Cash and Investments | <u><u>\$ 467,253</u></u> |

Cash and investments as of December 31, 2022, consist of the following:

| | |
|--------------------------------------|--------------------------|
| Deposits with Financial Institutions | \$ 176,293 |
| Investments | <u>290,960</u> |
| Total Cash and Investments | <u><u>\$ 467,253</u></u> |

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District’s cash deposits had a bank and carrying balance of \$176,293.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2022, the District had the following investments:

| <u>Investment</u> | <u>Maturity</u> | <u>Amount</u> |
|---|-----------------------------------|-------------------|
| Colorado Local Government Liquid Asset Trust (COLOTRUST) | Weighted Average Under 60 Days | <u>\$ 290,960</u> |

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAsf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

| | Balance at December 31, 2021 | Additions | Payments | Balance at December 31, 2022 | Due Within One Year |
|--|------------------------------------|-------------|-------------------|------------------------------------|------------------------|
| General Obligation Refunding Bonds, Series 2016 | \$ 7,060,000 | \$ - | \$ 260,000 | \$ 6,800,000 | \$ 265,000 |
| Total | 7,060,000 | - | 260,000 | 6,800,000 | <u>265,000</u> |
| Series 2016 Bond Premium | 252,430 | - | 20,745 | 231,685 | |
| Total | <u>\$ 7,312,430</u> | <u>\$ -</u> | <u>\$ 280,745</u> | <u>\$ 7,031,685</u> | |

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

On January 31, 2014, the District entered into a loan agreement with First Western Trust Bank to obtain a loan in the aggregate original amount of up to \$8,240,000 (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 of the initial draw from the Loan were used to finance certain public improvements, reimburse the Developer for prior advances related to public improvements constructed by the Developer on behalf of the District, and pay the costs of issuing the Loan.

On July 8, 2016, the District issued \$8,125,000 in General Obligation Refunding Bonds, Series 2016 (2016 Bonds) to prepay the Loan described above. The 2016 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 2016 Bonds are due December 1, 2040, with an interest rate of 2.00%-5.25%, paid semiannually on June 1 and December 1. The 2016 Bonds maturing on December 1, 2040, 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 within maturities), on December 1, 2026, and on any date thereafter, upon payment of par, and accrued interest thereon, without redemption premium. The 2016 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.

Unused lines of credit

The 2016 Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the 2016 Bonds.

Events of default

Events of default occur if the Districts: (a) fails to pay the principal of, premium if any, or interest on the Bonds when due (b) defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution, and fails to remedy the same after notice thereof pursuant to the Indenture or (c) files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

Termination Events

The 2016 Bonds do not have a termination provision.

Acceleration

The 2016 Bonds are not subject to acceleration.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The 2016 Bonds will mature as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|----------------------|
| 2023 | \$ 265,000 | \$ 305,362 | \$ 570,362 |
| 2024 | 275,000 | 297,081 | 572,081 |
| 2025 | 285,000 | 288,144 | 573,144 |
| 2026 | 295,000 | 278,525 | 573,525 |
| 2027 | 305,000 | 268,200 | 573,200 |
| 2028-3032 | 1,710,000 | 1,148,600 | 2,858,600 |
| 2033-2037 | 2,115,000 | 745,938 | 2,860,938 |
| 2038-2040 | 1,550,000 | 165,638 | 1,715,638 |
| Total | <u>\$ 6,800,000</u> | <u>\$ 3,497,488</u> | <u>\$ 10,297,488</u> |

Further, the District entered into a Capital Pledge Agreement in October 2010, as amended on January 31, 2014, and again on April 21, 2015, pursuant to which the District is obligated to impose an ad valorem property tax levy without limitation as to the rate, to pay a portion of principal and accrued interest on Poudre Tech Metropolitan District's Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2010 A, B, and C in the aggregate principal amount of \$25,675,000 issued pursuant to a 2010 Indenture of Trust with UMB Bank. The Third Amendment, dated September 1, 2020, made changes to provide for payment of the 2020 Operating District Bonds. In 2022, the District transferred \$948,587 to Poudre Tech Metropolitan District in compliance of its obligation under the Capital Pledge Agreement.

NOTE 5 AUTHORIZED DEBT

On November 8, 1994, the District's voters authorized the issuance of indebtedness in an amount not to exceed \$30,405,000. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

| | Amount Authorized on November 8, 1994 | Authorization Used for 2005 Bonds | Authorization Used for 2008 Bonds | Authorization Used for Pledge Agreement with Operating District 2010 Bonds | Authorization Used for 2014 Loan | Authorized But Unissued |
|---------------------------|--|---|---|--|--|----------------------------|
| Water | \$ 5,720,000 | \$ (900,000) | \$ - | \$ (3,076,562) | \$ (565,767) | \$ 1,177,671 |
| Sanitation | 6,150,000 | (3,075,000) | - | (578,924) | (2,378,342) | 117,734 |
| Streets | 11,865,000 | (2,325,000) | (5,200,000) | (1,883,849) | (2,215,857) | 240,294 |
| Parks and Recreation | 4,860,000 | (1,050,000) | - | - | (2,985,132) | 824,868 |
| Traffic/Safety Protection | 710,000 | (150,000) | - | (291,690) | (94,902) | 173,408 |
| Fire Protection | 420,000 | - | - | - | - | 420,000 |
| TV Relay/Translation | 680,000 | - | - | - | - | 680,000 |
| Total | <u>\$ 30,405,000</u> | <u>\$ (7,500,000)</u> | <u>\$ (5,200,000)</u> | <u>\$ (5,831,025)</u> | <u>\$ (8,240,000)</u> | <u>\$ 3,633,975</u> |

Pursuant to the Service Plan, the maximum general obligation bonded indebtedness for Financing Districts is not expected to exceed \$21,000,000 exclusive of costs of issuance, organization costs, inflation, contingencies, and other similar costs.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 AUTHORIZED DEBT (CONTINUED)

The electoral authorization used for 2005 Bonds was reallocated in January 2014 through a resolution approved by the District's Board of Directors for the purpose of correlating/adjusting the allocation with the actual uses of net proceeds.

The 2016 Bonds constitutes a financing of District indebtedness at a lower interest rate and the principal amount of the Bonds is not in excess of the original principal amount of the Loan; therefore, the issuance of the 2016 Bonds did not require electoral authorization.

In the future, the District may issue a portion or all of the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this audit, the amount and timing of any future debt issuances are not determinable.

NOTE 6 NET POSITION

The District has a deficit in unrestricted net position. This negative net position is a result of the District being responsible for the repayment of long-term debts and accrued interest issued to finance public improvements (i) constructed and/or acquired by the District, and (ii) constructed and/or acquired by Poudre Tech Metropolitan District, Operating District, for the benefit of the District, which public improvements are either owned and maintained by Poudre Tech Metropolitan District or conveyed to other governmental entities.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Trollco Inc., a Colorado corporation (Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer, and may have conflicts of interest in dealing with the District.

NOTE 8 AGREEMENTS AND COMMITMENTS

District Operating Agreement

Poudre Tech Metropolitan District (Operating District) and District Nos. 1 and 2 (collectively, the Taxing Districts) have entered into a District Operating Agreement dated January 30, 2014. The purpose of the District Operating Agreement is to set forth the rights and obligations of the Taxing Districts to fully fund and of the Operating District to provide operations on behalf of all the Districts. Based on the integrated nature of the public improvements, it is most efficient and cost effective to combine the operations, maintenance, and administration and to have the Operating District provide those services for the benefit of all the Districts. The agreement shall be interpreted consistent with the Service Plan.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 AGREEMENTS AND COMMITMENTS (CONTINUED)

Capital Pledge Agreement

The District entered into a Capital Pledge Agreement in October 2010, as amended on January 31, 2014, and again on April 21, 2015, pursuant to which the District is obligated to impose an ad valorem property tax levy without limitation as to the rate to pay for a portion of principal and accrued interest payable on PTMD's Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2010 A, B, and C in the aggregate principal amount of \$25,675,000 issued pursuant to a 2010 Indenture of Trust with UMB Bank (2010 Bonds).

The First Amendment dated January 31, 2014, made changes to the allocation between District Nos. 1 and 2's required debt service on the 2010 Bonds. The Districts later determined that the changes were not necessary, and therefore, the Capital Pledge Agreement, was amended for a second time on April 21, 2015, to reinstate the original definitions and allocations.

The Third Amendment, dated September 1, 2020, made changes to provide for the payment of the 2020 Operating District Bonds, to remove UMB as a party to the agreement and add US Bank as a party to the agreement.

Infrastructure Acquisition and Reimbursement Agreement

An Infrastructure Acquisition and Reimbursement Agreement (IARA), dated January 30, 2014, was entered into by the District and Trollco, Inc. (Developer) pursuant to which the District agrees to reimburse the Developer for all District Eligible Costs incurred by the Developer for public infrastructure within the boundaries of the District. "District Eligible Costs" means all costs of any kind related to the provision of the public infrastructure that may be lawfully funded by the District under Colorado's Special District Act and the Service Plan, and with respect to which the District has available electoral authorization to incur indebtedness to finance the same. The provision for repayment of amounts under this agreement shall be subject to annual appropriation by the District.

Agreement Regarding Payment in Lieu of Taxes

The Developer sold a property to The Evangelical Lutheran Good Samaritan Society (Society) as evidenced by a Definitive Purchase Agreement, dated February 10, 2004, between the Developer and the Society. The property sold by the Developer to the Society is located within the District and PTMD (collectively, the Districts). Under the agreement, the Society, a tax-exempt entity, agrees to pay the Districts, on an annual basis, an amount equal to whatever mill levy is assessed by the Districts for other property owners within the Districts, based on the assessed valuation of the property sold to the Society as determined by Weld County.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or acts of God.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 RISK MANAGEMENT (CONTINUED)

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As of December 31, 2022, the District has not provided for an emergency reserve equal to at least 3% of fiscal year spending, as defined under TABOR, because net tax revenue is transferred to Poudre Tech Metropolitan District, the Operating District. 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.

The District's management has taken steps it believes are necessary to comply with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------------|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 1,281,596 | \$ 1,281,596 | \$ 1,284,336 | \$ 2,740 |
| Specific Ownership Taxes | 64,080 | 73,691 | 70,241 | (3,450) |
| Interest Income | 400 | 2,500 | 8,465 | 5,965 |
| Other Revenue | - | 1,500 | - | (1,500) |
| Total Revenues | <u>1,346,076</u> | <u>1,359,287</u> | <u>1,363,042</u> | <u>3,755</u> |
| EXPENDITURES | | | | |
| County Treasurer's Fees | 19,224 | 19,224 | 19,282 | (58) |
| 2016 G.O. Bond Interest | 313,162 | 313,162 | 313,162 | - |
| 2016 G.O. Bond Principal | 260,000 | 260,000 | 260,000 | - |
| Miscellaneous | 3,896 | 1,015 | 99 | 916 |
| Paying Agent Fees | 2,500 | 2,500 | 2,500 | - |
| Contingency | - | 1,500 | - | 1,500 |
| Transfers to PTMD - Series 2020 Bonds | 956,218 | 964,099 | 948,587 | 15,512 |
| Total Expenditures | <u>1,555,000</u> | <u>1,561,500</u> | <u>1,543,630</u> | <u>17,870</u> |
| NET CHANGE IN FUND BALANCE | (208,924) | (202,213) | (180,588) | 21,625 |
| Fund Balance - Beginning of Year | <u>502,016</u> | <u>507,886</u> | <u>507,886</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ 293,092</u></u> | <u><u>\$ 305,673</u></u> | <u><u>\$ 327,298</u></u> | <u><u>\$ 21,625</u></u> |

WATER VALLEY METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022

\$8,125,000 General Obligation Refunding Bonds, Series 2016
Dated July 8, 2016
Principal Due December 1, Interest Rate 2.00% - 5.25%
Payable June 1 and December 1

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|----------------------|
| 2023 | \$ 265,000 | \$ 305,362 | \$ 570,362 |
| 2024 | 275,000 | 297,081 | 572,081 |
| 2025 | 285,000 | 288,144 | 573,144 |
| 2026 | 295,000 | 278,525 | 573,525 |
| 2027 | 305,000 | 268,200 | 573,200 |
| 2028 | 315,000 | 256,000 | 571,000 |
| 2029 | 330,000 | 243,400 | 573,400 |
| 2030 | 340,000 | 230,200 | 570,200 |
| 2031 | 355,000 | 216,600 | 571,600 |
| 2032 | 370,000 | 202,400 | 572,400 |
| 2033 | 385,000 | 187,600 | 572,600 |
| 2034 | 400,000 | 172,200 | 572,200 |
| 2035 | 420,000 | 151,200 | 571,200 |
| 2036 | 445,000 | 129,150 | 574,150 |
| 2037 | 465,000 | 105,788 | 570,788 |
| 2038 | 490,000 | 81,375 | 571,375 |
| 2039 | 515,000 | 55,650 | 570,650 |
| 2040 | 545,000 | 28,613 | 573,613 |
| Total | <u>\$ 6,800,000</u> | <u>\$ 3,497,488</u> | <u>\$ 10,297,488</u> |

**CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2016**

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE II
CONSTRUCTION ACTIVITY IN FIRST PHASE OF WV2 DEVELOPMENT
YEAR ENDED DECEMBER 31, 2022**

| Home Type/Homebuilder | Total Platted Lots/Planned Units ¹ | Base Sales Price | Square Footage | Building Permits Issued ² | Remaining Inventory ³ |
|-------------------------|--|-----------------------|----------------|---|-------------------------------------|
| Single-Family Detached: | 884 | | | 884 | - |
| D.R. Horton | 94 | \$359,950-\$469,950 | 1,782 - 4,130 | 94 | - |
| Cal Atlantic Homes | 117 | \$345,490-450,590 | 1,871 - 2,734 | 117 | - |
| Lennar | 55 | \$359,900-\$379,900 | 1,671 - 1,988 | 55 | - |
| JUMA Homes ⁴ | 46 | \$390,000-\$510,000 | 1,325 - 1,771 | 46 | - |
| Other ⁵ | 572 | Unknown | Unknown | 572 | - |
| Single-Family Attached: | 150 | | | 150 | - |
| Landmark ⁶ | 150 | \$272,400 - \$339,900 | 1,455 - 1,794 | 150 | - |
| Multi-Family: | 292 | | | 60 | 232 |
| Apartments | 220 | -- | -- | - | 220 |
| Condos | 56 | Unknown | Unknown | 56 | - |
| Duplex | 16 | -- | -- | 4 | 12 |
| Total | <u>1,326</u> | | | <u>1,094</u> | <u>232</u> |

Development Activity - Subsequent Phases of WV2 Development

| Home Type/Homebuilder | Total Platted Lots/Planned Units ¹ | Base Sales Price | Square Footage | Building Permits Issued ² | Remaining Inventory ³ |
|-------------------------------------|--|-------------------------|----------------|---|-------------------------------------|
| Single-Family Detached: | 306 | | | 267 | 39 |
| Trumark Homes Pelican Shores | 70 | \$700,000 - \$1,500,000 | 1,325 - 2,500 | 39 | 36 |
| JUMA Homes Ridgeline Lots | 34 | \$900,000 - \$1,500,000 | 2,500 - 4,000 | 26 | 9 |
| Pelican Farms | 202 | \$375,000 - \$750,000 | 2,000 - 4,500 | 202 | - |
| Mid-Family: | 491 | | | 491 | - |
| Apartments | 196 | For Rent | -- | 196 | - |
| Apartments - Luxury / Active Adults | 120 | For Rent | -- | 120 | - |
| Senior Living - Independent Living | 121 | For Rent | -- | 121 | - |
| Senior Living - Memory Care | 54 | For Rent | -- | 54 | - |
| Total | <u>797</u> | | | <u>758</u> | <u>39</u> |
| Grand Total | <u>2,123</u> | | | <u>1,852</u> | <u>271</u> |

¹ Reflects the total number of lots platted for single-family detached homes, single-family attached homes, and condominiums as well as the total number of apartment units planned as of the date of this report.

² Represents lots for which the Town of Windsor has issued a building permit, as of date of this report. This includes lots for which title has transferred to individual homeowners as well as lots upon which homes may have been constructed but have not yet been sold to homeowners. No specific information is available to the District with regard to the total number of homes that have been sold and closed to homeowners.

³ Represents lots for which no building permit has been issued by the Town of Windsor.

⁴ Lots replatted from Single-Family Attached to Single-Family Detached in 2017.

⁵ Includes custom homebuilders and other miscellaneous homebuilders, for which no additional information is known or provided.

Source: The District and the Town of Windsor.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE III
HISTORY OF DISTRICT'S ASSESSED VALUATION AND MILL LEVIES
YEAR ENDED DECEMBER 31, 2022**

| Levy/Collection Year | Assessed Valuation | Percent Increase | Mill Levies | | |
|-------------------------|-----------------------|---------------------|-----------------|----------------------|--------------------|
| | | | General Fund | Debt Service Fund | Total Mill Levy |
| 2010/2011 | \$ 20,113,720 | - % | 0.000 | 20.000 | 20.000 |
| 2011/2012 | 16,893,730 | (16.01) | 0.000 | 26.000 | 26.000 |
| 2012/2013 | 17,836,630 | 5.58 | 0.000 | 39.000 | 39.000 |
| 2013/2014 | 18,266,193 | 2.41 | 0.000 | 39.000 | 39.000 |
| 2014/2015 | 20,326,230 | 11.28 | 0.000 | 39.000 | 39.000 |
| 2015/2016 | 84,359,680 | 315.03 | 15.975 | 23.025 | 39.000 |
| 2016/2017 | 81,309,260 | (3.62) | 20.907 | 18.093 | 39.000 |
| 2017/2018 | 57,038,740 | (29.85) | 11.554 | 27.446 | 39.000 |
| 2018/2019 | 65,477,360 | 14.79 | 15.155 | 25.984 | 41.139 |
| 2019/2020 | 63,277,390 | (3.36) | 15.412 | 26.531 | 41.943 |
| 2020/2021 | 63,402,150 | 0.20 | 14.943 | 27.000 | 41.943 |
| 2021/2022 | 67,032,590 | 5.73 | 22.824 | 19.119 | 41.943 |
| 2022/2023 | 75,337,090 | 12.39 | 23.458 | 19.320 | 42.778 |

Sources: Weld County Assessor's Office and the District.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

**TABLE IV
2022 ASSESSED AND "ACTUAL" VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
YEAR ENDED DECEMBER 31, 2022**

| Class | Assessed Valuation | Percent of Assessed Valuation | "Actual" Valuation | Percent of "Actual" Valuation |
|----------------|-----------------------|-------------------------------------|-----------------------|-------------------------------------|
| Oil and Gas | \$ 15,854,640 | 21.03 % | \$ 24,515,540 | 3.14 % |
| Residential | 50,320,390 | 66.79 | 724,976,883 | 92.82 |
| Vacant Land | 1,964,860 | 2.61 | 6,776,178 | 0.87 |
| Commercial | 6,348,510 | 8.43 | 21,891,328 | 2.80 |
| State Assessed | 842,790 | 1.12 | 2,906,231 | 0.37 |
| Agricultural | 2,560 | 0.01 | 9,758 | 0.00 |
| Industrial | 3,340 | 0.01 | 11,500 | 0.00 |
| Total | <u>\$ 75,337,090</u> | <u>100.00 %</u> | <u>\$ 781,087,418</u> | <u>100.00 %</u> |

Source: Weld County Assessor's Office

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE V
HISTORY OF DISTRICT'S PROPERTY TAX COLLECTIONS
YEAR ENDED DECEMBER 31, 2022**

| Levy/Collection Year | Taxes Levied | Property Tax Collections | Tax Collections as Percent of Tax Levied |
|-------------------------|--------------|-----------------------------|--|
| 2010/2011 | \$ 402,274 | \$ 401,271 | 99.75 % |
| 2011/2012 | 439,237 | 435,729 | 99.20 |
| 2012/2013 | 695,629 | 679,303 | 97.65 |
| 2013/2014 | 712,382 | 712,071 | 99.96 |
| 2014/2015 | 792,723 | 787,415 | 99.33 |
| 2015/2016 | 3,290,028 | 3,294,992 | 100.15 |
| 2016/2017 | 3,171,061 | 3,103,222 | 97.86 |
| 2017/2018 | 2,224,511 | 2,230,812 | 100.28 |
| 2018/2019 | 2,693,673 | 2,692,820 | 99.97 |
| 2019/2020 | 2,654,043 | 2,596,192 | 97.82 |
| 2020/2021 | 2,659,276 | 2,659,039 | 99.99 |
| 2021/2022 | 2,811,548 | 2,817,559 | 100.21 |

Source: Through 2014/2015 - from the Official Statement for the General Obligation Refunding Bonds, Series 2016. From 2015/2016 - from the District.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

**TABLE VIII
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2022**

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | | |
| Property Taxes | \$ 660,893 | \$ 991,995 | \$ 953,974 | \$ 947,334 | \$ 1,533,223 |
| Specific Ownership Taxes | 50,109 | 66,734 | 46,290 | 47,538 | 83,853 |
| Payment in Lieu of Taxes - Good Samaritan | 122,123 | 124,135 | 134,856 | 145,410 | 159,725 |
| Interest Income | 1,000 | 5,792 | 12,562 | 1,036 | 2,470 |
| Total Revenues | <u>834,125</u> | <u>1,188,656</u> | <u>1,147,682</u> | <u>1,141,318</u> | <u>1,779,271</u> |
| EXPENDITURES | | | | | |
| Miscellaneous | 120 | 59 | 171 | 178 | 50 |
| County Treasurer's Fees | 9,920 | 14,887 | 14,486 | 14,225 | 23,018 |
| Transfer to Poudre Tech - Other ¹ | 829,433 | 1,166,027 | 814,506 | 1,442,259 | 1,756,739 |
| Total Expenditures | <u>839,473</u> | <u>1,180,973</u> | <u>829,163</u> | <u>1,456,662</u> | <u>1,779,807</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(5,348)</u> | <u>7,683</u> | <u>318,519</u> | <u>(315,344)</u> | <u>(536)</u> |
| NET CHANGE IN FUND BALANCES | (5,348) | 7,683 | 318,519 | (315,344) | (536) |
| Fund Balances - Beginning of Year | <u>159,249</u> | <u>153,901</u> | <u>161,584</u> | <u>480,103</u> | <u>164,759</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 153,901</u> | <u>\$ 161,584</u> | <u>\$ 480,103</u> | <u>\$ 164,759</u> | <u>\$ 164,223</u> |

¹ Transfer to Poudre Tech for operations and capital costs.

Source: District's audited financial statements for the years ended December 31, 2018-2022.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

**TABLE IX
DEBT SERVICE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2022**

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | | |
| Property Taxes | \$ 1,569,919 | \$ 1,700,825 | \$ 1,642,218 | \$ 1,711,705 | \$ 1,284,336 |
| Specific Ownership Taxes | 119,030 | 114,419 | 79,686 | 85,894 | 70,241 |
| Interest Income | 8,504 | 17,260 | 22,561 | 2,028 | 8,465 |
| Total Revenues | <u>1,697,453</u> | <u>1,832,504</u> | <u>1,744,465</u> | <u>1,799,627</u> | <u>1,363,042</u> |
| EXPENDITURES | | | | | |
| County Treasurer's Fees | 23,566 | 25,524 | 24,938 | 25,702 | 19,282 |
| Transfer to Poudre Tech - Other ¹ | - | 61,097 | - | - | - |
| Miscellaneous | 100 | 110 | 75 | 100 | 99 |
| Debt Service: | | | | | |
| Bond Interest | 337,894 | 332,606 | 326,606 | 320,175 | 313,162 |
| Bond Principal | 235,000 | 240,000 | 245,000 | 255,000 | 260,000 |
| Paying Agent Fees | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Transfer to Poudre Tech - 2010 PTMD Bonds | 1,214,727 | 1,222,500 | 1,229,420 | - | - |
| Transfer to Poudre Tech - 2020 PTMD Bonds | - | - | - | 938,300 | 948,587 |
| Total Expenditures | <u>1,813,787</u> | <u>1,884,337</u> | <u>1,828,539</u> | <u>1,541,777</u> | <u>1,543,630</u> |
| NET CHANGE IN FUND BALANCES | (116,334) | (51,833) | (84,074) | 257,850 | (180,588) |
| Fund Balances - Beginning of Year | <u>502,277</u> | <u>385,943</u> | <u>334,110</u> | <u>250,036</u> | <u>507,886</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 385,943</u> | <u>\$ 334,110</u> | <u>\$ 250,036</u> | <u>\$ 507,886</u> | <u>\$ 327,298</u> |

¹ Transfer to Poudre Tech for capital costs.

Source: District's audited financial statements for the years ended December 31, 2018-2022.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE X
GENERAL FUND BUDGET SUMMARY AND COMPARISON
YEAR ENDED DECEMBER 31, 2022**

| | 2021 Budget (As Amended) | 2022 Budget (As Amended) | 2022 Year-to-Date Actual |
|---|-----------------------------|-----------------------------|--------------------------------|
| BEGINNING FUND BALANCE | \$ 480,103 | \$ 164,759 | \$ 164,759 |
| REVENUES | | | |
| Property Taxes | 947,334 | 1,529,952 | 1,533,223 |
| Specific Ownership Taxes | 47,538 | 90,991 | 83,853 |
| Payment in Lieu of Taxes - Good Samaritan | 145,410 | 159,725 | 159,725 |
| Interest Income | 1,036 | 1,573 | 2,470 |
| Other Revenue | - | 1,500 | - |
| Total Revenues | <u>1,141,318</u> | <u>1,783,741</u> | <u>1,779,271</u> |
| Total Funds Available | 1,621,421 | 1,948,500 | 1,944,030 |
| EXPENDITURES | | | |
| County Treasurer's Fees | 14,225 | 22,949 | 23,018 |
| Miscellaneous | 12,447 | 220 | 50 |
| Transfer to Poudre Tech | 1,442,259 | 1,773,831 | 1,756,739 |
| Contingency | - | 1,500 | - |
| Total Expenditures | <u>1,468,931</u> | <u>1,798,500</u> | <u>1,779,807</u> |
| TOTAL EXPENDITURES AND TRANSFERS OUT REQUIRING APPROPRIATION | <u>1,468,931</u> | <u>1,798,500</u> | <u>1,779,807</u> |
| ENDING FUND BALANCE | <u>\$ 152,490</u> | <u>\$ 150,000</u> | <u>\$ 164,223</u> |

Sources: District's adopted 2021 and 2022 budgets and the District's audited financial statements for the year ended December 31, 2022.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE XI
DEBT SERVICE FUND BUDGET SUMMARY AND COMPARISON
YEAR ENDED DECEMBER 31, 2022**

| | <u>2021 Budget</u> | <u>2022 Budget (As Amended)</u> | <u>2022 Year-to-Date Actual</u> |
|---|--------------------|-------------------------------------|---|
| BEGINNING FUND BALANCE | \$ 39,800 | \$ 507,886 | \$ 507,886 |
| REVENUES | | | |
| Property Taxes | 1,711,858 | 1,281,596 | 1,284,336 |
| Specific Ownership Taxes | 85,593 | 73,691 | 70,241 |
| Interest Income | 400 | 2,500 | 8,465 |
| Other Revenue | - | 1,500 | - |
| Total Revenues | <u>1,797,851</u> | <u>1,359,287</u> | <u>1,363,042</u> |
| Total Funds Available | 1,837,651 | 1,867,173 | 1,870,928 |
| EXPENDITURES | | | |
| County Treasurer's Fees | 25,678 | 19,224 | 19,282 |
| Miscellaneous | 3,347 | 1,015 | 99 |
| Paying Agent Fees | 2,500 | 2,500 | 2,500 |
| Bond Interest - Series 2016 | 320,175 | 313,162 | 313,162 |
| Bond Principal - Series 2016 | 255,000 | 260,000 | 260,000 |
| Transfer to Poudre Tech - 2010 PTMD Bonds | 938,300 | 964,099 | 948,587 |
| Contingency | - | 1,500 | - |
| Total Expenditures | <u>1,545,000</u> | <u>1,561,500</u> | <u>1,543,630</u> |
| TOTAL EXPENDITURES REQUIRING APPROPRIATION | <u>1,545,000</u> | <u>1,561,500</u> | <u>1,543,630</u> |
| ENDING FUND BALANCE | <u>\$ 292,651</u> | <u>\$ 305,673</u> | <u>\$ 327,298</u> |

Sources: District's adopted 2021 and 2022 budgets and the District's audited financial statements for the year ended December 31, 2022.

**POUDRE TECH METROPOLITAN DISTRICT
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**POUDRE TECH METROPOLITAN DISTRICT
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INSERT INDEPENDENT AUDITOR'S REPORT

(1)

Draft. No assurance is provided on these financial statements.

BASIC FINANCIAL STATEMENTS

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Cash and Investments | \$ 1,039,033 | \$ 2,332,344 | \$ 3,371,377 |
| Cash and Investments - Restricted | 54,800 | - | 54,800 |
| Accounts Receivable | - | 29,556 | 29,556 |
| Prepaid Expenses | 2,177 | - | 2,177 |
| Capital Assets, Not Being Depreciated | 177,644 | 10,934,653 | 11,112,297 |
| Capital Assets, Net | <u>6,672,895</u> | <u>4,393,322</u> | <u>11,066,217</u> |
| Total Assets | <u>7,946,549</u> | <u>17,689,875</u> | <u>25,636,424</u> |
| LIABILITIES | | | |
| Accounts Payable | 1,058,265 | 926,217 | 1,984,482 |
| Prepaid Assessments | - | 16,185 | 16,185 |
| Accrued Interest Payable | 49,820 | 22,165 | 71,985 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 645,000 | 264,000 | 909,000 |
| Due in More Than One Year | <u>21,173,591</u> | <u>6,336,000</u> | <u>27,509,591</u> |
| Total Liabilities | <u>22,926,676</u> | <u>7,564,567</u> | <u>30,491,243</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | (14,726,904) | 8,727,975 | (5,998,929) |
| Restricted for: | | | |
| Emergency Reserves | 54,800 | - | 54,800 |
| Unrestricted | <u>(308,023)</u> | <u>1,397,333</u> | <u>1,089,310</u> |
| Total Net Position | <u>\$ (14,980,127)</u> | <u>\$ 10,125,308</u> | <u>\$ (4,854,819)</u> |

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

| | Program Revenues | | | Net Revenues (Expenses) and Change in Net Position | | | |
|--|---------------------|----------------------------|--|---|----------------------------|-----------------------------|-----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| FUNCTIONS/PROGRAMS | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 587,181 | \$ - | \$ 2,543,752 | \$ - | \$ 1,956,571 | \$ - | \$ 1,956,571 |
| Public Works and Parks and Recreation | 1,471,026 | - | - | - | (1,471,026) | - | (1,471,026) |
| Interest and Related Costs on Long-Term Debt | 505,623 | - | - | 1,233,807 | 728,184 | - | 728,184 |
| Total Governmental Activities | 2,563,830 | - | 2,543,752 | 1,233,807 | 1,213,729 | - | 1,213,729 |
| Business-Type Activities: | | | | | | | |
| Nonpotable Water Services | 1,659,725 | 1,024,303 | - | 57,500 | - | (577,922) | (577,922) |
| Total Business-Type Activities | 1,659,725 | 1,024,303 | - | 57,500 | - | (577,922) | (577,922) |
| Total Governmental and Business-Type Activities | <u>\$ 4,223,555</u> | <u>\$ 1,024,303</u> | <u>\$ 2,543,752</u> | <u>\$ 1,291,307</u> | 1,213,729 | (577,922) | 635,807 |
| GENERAL REVENUES | | | | | | | |
| Reimbursed Expenditures | | | | | 477,452 | - | 477,452 |
| SPECIAL ITEMS | | | | | | | |
| Donated properties | | | | | 64,185 | - | 64,185 |
| Capital Assets Contribution from Raindance Metropolitan District No. 1 | | | | | 1,842,516 | - | 1,842,516 |
| Total General Revenues and Special Items | | | | | 2,384,153 | - | 2,384,153 |
| CHANGE IN NET POSITION | | | | | 3,597,882 | (577,922) | 3,019,960 |
| Net Position - Beginning of Year | | | | | (18,578,009) | 10,703,230 | (7,874,779) |
| NET POSITION - END OF YEAR | | | | | <u>\$ (14,980,127)</u> | <u>\$ 10,125,308</u> | <u>\$ (4,854,819)</u> |

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

| | General | Debt Service | Total Governmental Funds |
|---|--------------|-----------------|--------------------------------|
| ASSETS | | | |
| Cash and Investments | \$ 1,039,033 | \$ - | \$ 1,039,033 |
| Cash and Investments - Restricted | 54,800 | - | 54,800 |
| Prepaid Expenses | 2,177 | - | 2,177 |
| Total Assets | \$ 1,096,010 | \$ - | \$ 1,096,010 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 1,058,265 | \$ - | \$ 1,058,265 |
| Total Liabilities | 1,058,265 | - | 1,058,265 |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid Expenses | 2,177 | - | 2,177 |
| Restricted: | | | |
| Emergency Reserves | 54,800 | - | 54,800 |
| Unassigned: | | | |
| General Government | (19,232) | - | (19,232) |
| Total Fund Balances | 37,745 | - | 37,745 |
| Total Liabilities and Fund Balances | \$ 1,096,010 | \$ - | |
| Amounts reported for governmental activities in the statement of net position are different because: | | | |
| Capital assets used in governmental activities are not financial resources, therefore not reported in the fund financial statements. | | | |
| Capital Assets, Not Being Depreciated | | | 177,644 |
| Capital Assets, Net | | | 6,672,895 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period, therefore not reported in the fund financial statements. | | | |
| Bonds Payable | | | (19,965,000) |
| Bond Premium | | | (1,545,827) |
| Accrued Interest Payable - Bonds | | | (49,820) |
| Developer Advances Payable | | | (181,616) |
| Accrued Interest Payable - Developer Advances | | | (126,148) |
| Net Position of Governmental Activities | | | \$ (14,980,127) |

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

| | General | Debt Service | Government Funds |
|--|------------|-----------------|---------------------|
| REVENUES | | | |
| Transfer from Water Valley No. 1 - Other | \$ 787,013 | \$ - | \$ 787,013 |
| Transfer from Water Valley No. 1 - Series 2020 Bonds | - | 285,220 | 285,220 |
| Transfer from Water Valley No. 2 - Other | 1,756,739 | - | 1,756,739 |
| Transfer from Water Valley No. 2 - Series 2020 Bonds | - | 948,587 | 948,587 |
| Reimbursed Expenditures | 477,452 | - | 477,452 |
| Total Revenues | 3,021,204 | 1,233,807 | 4,255,011 |
| EXPENDITURES | | | |
| General and Administrative: | | | |
| Accounting | 70,262 | - | 70,262 |
| Audit | 27,754 | - | 27,754 |
| Administrative: | | | |
| Staffing | 181,549 | - | 181,549 |
| Management Fee | 37,800 | - | 37,800 |
| Banking Fees | 134 | - | 134 |
| Consulting and Studies | 36,613 | - | 36,613 |
| Dues and Memberships | 1,739 | - | 1,739 |
| Insurance | 64,054 | - | 64,054 |
| Legal | 67,222 | - | 67,222 |
| Miscellaneous | 6,136 | - | 6,136 |
| Office supplies | 9,918 | - | 9,918 |
| Rent | 24,000 | - | 24,000 |
| Office Overhead | 60,000 | - | 60,000 |
| Operations and Maintenance: | | | |
| Electricity and Gas | 66,504 | - | 66,504 |
| Softscape - Landscape Contract | 412,000 | - | 412,000 |
| Special Projects and Moving | 277,727 | - | 277,727 |
| Snow Removal | 50,387 | - | 50,387 |
| Repairs and Maintenance | 97,448 | - | 97,448 |
| Pest Control | 8,509 | - | 8,509 |
| Security | 136,927 | - | 136,927 |
| Beach Maintenance | 41,477 | - | 41,477 |
| Aqua Park Management | 76,181 | - | 76,181 |
| District Events | 54,444 | - | 54,444 |
| Hardscape - Fence Improvements/Staining | 17,245 | - | 17,245 |
| Capital Outlay: | | | |
| Tree Replacement | 2,965 | - | 2,965 |
| Capital Projects - Farm Field Irrigation | 191,916 | - | 191,916 |
| Capital Projects - 7th Street Bridge | 921,258 | - | 921,258 |
| Capital Projects - Sprinkler | 7,290 | - | 7,290 |
| Capital Projects - Curb & Sidewalk and Boat Ramp | 38,583 | - | 38,583 |
| Debt Service: | | | |
| Bond Interest Series 2020 | - | 616,438 | 616,438 |
| Bond Principal Series 2020 | - | 620,000 | 620,000 |
| Paying Agent/Trustee Fees | - | 2,750 | 2,750 |
| Total Expenditures | 2,988,042 | 1,239,188 | 4,227,230 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 33,162 | (5,381) | 27,781 |
| OTHER FINANCING SOURCES (USES) | | | |
| Developer Advances - Office Overhead | 60,000 | - | 60,000 |
| Repayment of Dev. Advances - Acquired Facilities/Certified Costs | (477,452) | - | (477,452) |
| Total Other Financing Sources (Uses) | (417,452) | - | (417,452) |
| NET CHANGE IN FUND BALANCES | (384,290) | (5,381) | (389,671) |
| Fund Balances - Beginning of Year | 422,035 | 5,381 | 427,416 |
| FUND BALANCES - END OF YEAR | \$ 37,745 | \$ - | \$ 37,745 |

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ (389,671)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

| | |
|--|-----------|
| Capital Outlay | 1,226,197 |
| Depreciation | (232,177) |
| Capital Assets Contribution from Raindance Metropolitan District No. 1 | 1,842,516 |

Long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

| | |
|--|----------|
| Developer Advances | (60,000) |
| Repayment of Developer Advances | 477,452 |
| Repayment of Bonds - Principal Portion | 620,000 |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | |
|--|----------|
| Accrued Interest on Bonds - Change in Liability | 1,550 |
| Accrued Interest on Developer Advances - Change in Liability | (43,812) |
| Accretion of Bond Premium | 155,827 |
| | 155,827 |

| | |
|---|--------------|
| Change in Net Position of Governmental Activities | \$ 3,597,882 |
|---|--------------|

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Transfer from Water Valley No. 1 | \$ 770,533 | \$ 787,013 | \$ 787,013 | \$ - |
| Transfer from Water Valley No. 2 | 1,743,426 | 1,756,739 | 1,756,739 | - |
| Reimbursed Expenditures | - | 477,452 | 477,452 | - |
| Other Income | - | 73,761 | - | (73,761) |
| Total Revenues | <u>2,513,959</u> | <u>3,094,965</u> | <u>3,021,204</u> | <u>(73,761)</u> |
| EXPENDITURES | | | | |
| General and Administrative: | | | | |
| Accounting | 70,000 | 70,262 | 70,262 | - |
| Audit | 27,000 | 27,754 | 27,754 | - |
| Administrative: | | | | |
| Staffing | 313,300 | 181,549 | 181,549 | - |
| Management Fee | 38,000 | 37,800 | 37,800 | - |
| Other | 10,000 | - | - | - |
| Banking Fees | 200 | 134 | 134 | - |
| Consulting and Studies | 10,000 | 36,613 | 36,613 | - |
| Dues and Memberships | 2,000 | 1,739 | 1,739 | - |
| Insurance | 50,000 | 64,054 | 64,054 | - |
| Legal | 60,000 | 67,222 | 67,222 | - |
| Miscellaneous | 5,000 | 6,137 | 6,136 | 1 |
| Office supplies | 5,000 | 9,918 | 9,918 | - |
| Contingency | - | 34,505 | - | 34,505 |
| Rent | 24,000 | 24,000 | 24,000 | - |
| Office Overhead | 60,000 | 60,000 | 60,000 | - |
| Operations and Maintenance: | | | | |
| Electricity and Gas | 46,000 | 66,504 | 66,504 | - |
| Softscape - Landscape Contract | 395,000 | 412,000 | 412,000 | - |
| Special Projects and Moving | 180,000 | 277,727 | 277,727 | - |
| Snow Removal | 50,000 | 50,387 | 50,387 | - |
| Repairs and Maintenance | 60,000 | 97,448 | 97,448 | - |
| Pest Control | 11,000 | 8,509 | 8,509 | - |
| Security | 120,000 | 136,927 | 136,927 | - |
| District Events | 60,000 | 54,444 | 54,444 | - |
| Aqua Park Management | 40,000 | 76,181 | 76,181 | - |
| Beach Maintenance | 30,000 | 41,477 | 41,477 | - |
| Hardscape - Fence Improvements/Staining | 10,000 | 17,245 | 17,245 | - |
| Capital Outlay: | | | | |
| Tree Replacement | 60,000 | 2,965 | 2,965 | - |
| Capital Projects - Farm Field Irrigation | 150,000 | 191,916 | 191,916 | - |
| Equipment Acquisition | 40,000 | - | - | - |
| Capital Projects - 7th Street Bridge | 800,000 | 921,258 | 921,258 | - |
| Capital Projects - Curb & Sidewalk and Boat Ramp | - | 38,583 | 38,583 | - |
| Capital Projects - Sprinkler | - | 7,290 | 7,290 | - |
| Debt Service: | | | | |
| Principal on Line of Credit | 400,000 | - | - | - |
| Interest on Line of Credit | 25,000 | - | - | - |
| Total Expenditures | <u>3,151,500</u> | <u>3,022,548</u> | <u>2,988,042</u> | <u>34,506</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (637,541) | 72,417 | 33,162 | (39,255) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Developer Advances - Office Overhead | 60,000 | 60,000 | 60,000 | - |
| Note Proceeds | 800,000 | - | - | - |
| Repayment of Developer Advances - Office Overhead | (60,000) | - | - | - |
| Repayment of Developer Advances - Certified Costs | - | (477,452) | (477,452) | - |
| Total Other Financing Sources (Uses) | <u>800,000</u> | <u>(417,452)</u> | <u>(417,452)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 162,459 | (345,035) | (384,290) | (39,255) |
| Fund Balance - Beginning of Year | <u>244,332</u> | <u>422,035</u> | <u>422,035</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 406,791</u> | <u>\$ 77,000</u> | <u>\$ 37,745</u> | <u>\$ (39,255)</u> |

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2022**

| | <u>Enterprise Fund</u> |
|---------------------------------------|-----------------------------|
| ASSETS | |
| Cash and Investments | \$ 2,332,344 |
| Accounts Receivable | 29,556 |
| Capital Assets, Not Being Depreciated | 10,934,653 |
| Capital Assets, Net | <u>4,393,322</u> |
| Total Assets | <u>17,689,875</u> |
| LIABILITIES | |
| Accounts Payable | 926,217 |
| Prepaid Assessments | 16,185 |
| Accrued Interest Payable | 22,165 |
| Noncurrent Liabilities: | |
| Due Within One Year | 264,000 |
| Due in More Than One Year | <u>6,336,000</u> |
| Total Liabilities | <u>7,564,567</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 8,727,975 |
| Unrestricted | <u>1,397,333</u> |
| Total Net Position | <u><u>\$ 10,125,308</u></u> |

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2022**

| | <u>Enterprise Fund</u> |
|--|---------------------------------|
| OPERATING REVENUES | |
| Service Fees | \$ 966,803 |
| Water Meter Sales | <u>57,500</u> |
| Total Operating Revenues | <u>1,024,303</u> |
| OPERATING EXPENSES | |
| Billing | 110,928 |
| Electricity and Gas | 135,386 |
| Repairs and Maintenance | 477,102 |
| Scada | 41,370 |
| Delivery and Ditch Expenses | 106,955 |
| Water System Manager and Field Staff | 250,000 |
| Depreciation | <u>160,148</u> |
| Total Operating Expenses | <u>1,281,889</u> |
| OPERATING INCOME (LOSS) | (257,586) |
| OTHER REVENUES AND EXPENSES | |
| System Development Fees | 57,500 |
| Loan Interest | (219,836) |
| Cost of Issuance | <u>(158,000)</u> |
| Total Other Revenues and Expenses | <u>(320,336)</u> |
| CHANGE IN NET POSITION | (577,922) |
| Net Position - Beginning of Year | <u>10,703,230</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 10,125,308</u></u> |

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|-----------------|
| Receipts from Customers | \$ 1,019,749 |
| Payments to Suppliers/Contractors | <u>(77,095)</u> |
| Net Cash Provided by Operating Activities | 942,654 |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | |
|---|------------------|
| Payment to Developer - Advances for Manager and Field Staff | <u>(250,000)</u> |
| Net Cash Used by Noncapital Financing Activities | (250,000) |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|---|------------------|
| Payment - Loan Principal | (3,444,000) |
| Payment - Loan Interest | (209,869) |
| Payment - Cost of Issuance | (158,000) |
| Payments - Capital Projects | (2,440,553) |
| Receipt - System Development Fees | 57,500 |
| Receipt - Loan Issuance | <u>6,600,000</u> |
| Net Cash Provided by Capital and Related Financing Activities | <u>405,078</u> |

NET INCREASE IN CASH AND INVESTMENTS

1,097,732

Cash and Investment - Beginning of Year

1,234,612

CASH AND INVESTMENTS - END OF YEAR

\$ 2,332,344

**RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED
BY OPERATING ACTIVITIES**

| | |
|--|--------------------------|
| Operating Loss | \$ (257,586) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities: | |
| (Increase) Decrease in Accounts Receivable | (3,259) |
| Increase (Decrease) in Accounts Payable | 794,646 |
| Increase (Decrease) in Prepaid Assessments | (1,295) |
| Office Overhead Provided by Developer | 250,000 |
| Depreciation | <u>160,148</u> |
| Net Cash Provided by Operating Activities | <u><u>\$ 942,654</u></u> |

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Poudre Tech Metropolitan District (the 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 the Operating District organized in conjunction with two other related Financing Districts – Water Valley Metropolitan District Nos. 1 and 2 (Water Valley 1 and Water Valley 2). The District serves as the Operating District which is responsible for managing the construction and operation of facilities and improvements needed for Water Valley 1 and Water Valley 2. The Financing Districts are responsible for providing the tax base needed to support financing of capital improvements.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

On November 19, 2015, the District created its Water Activity Enterprise to provide nonpotable water services and to acquire water or water rights.

The District has no employees, and all operations and administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which are normally supported by property taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

The District reports the following major proprietary fund:

The Enterprise Fund accounts for activities related to nonpotable water services.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset nor materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress. Construction in progress is not being depreciated and is not included in the calculation of Net Investment in Capital Assets component of the District's net position.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

| | |
|----------------------|----------------|
| Alleyways | 20 to 75 Years |
| Nonpotable Water | 15 to 50 Years |
| Equipment | 5 to 25 Years |
| Parks and recreation | 10 to 50 Years |

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Water Rights

The cost of water rights includes acquisition cost and may also include legal and engineering costs related to the development and augmentation of those rights. Since the rights have perpetual lives, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

| | |
|-----------------------------------|---------------------|
| Cash and Investments | \$ 3,371,377 |
| Cash and Investments - Restricted | 54,800 |
| Total Cash and Investments | <u>\$ 3,426,177</u> |

Cash and investments as of December 31, 2022, consist of the following:

| | |
|--------------------------------------|---------------------|
| Deposits with Financial Institutions | \$ 3,426,177 |
| Total Cash and Investments | <u>\$ 3,426,177</u> |

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District's cash deposits had a bank and carrying balance of \$3,426,177.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

At December 31, 2022, the District had no investments:

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2022:

| | Balance at December 31, 2021 | Additions | Reductions/ Reclassifications | Balance at December 31, 2022 |
|---|------------------------------------|--------------|----------------------------------|------------------------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 113,459 | \$ 64,185 | \$ - | \$ 177,644 |
| Total Capital Assets, Not Being Depreciated | 113,459 | 64,185 | - | 177,644 |
| Capital Assets, Being Depreciated: | | | | |
| Streets | 1,874,205 | 11,998 | - | 1,886,203 |
| Parks and Recreation | 2,965,853 | 2,985,240 | - | 5,951,093 |
| Equipment | 554,265 | 7,290 | - | 561,555 |
| Total Capital Assets, Being Depreciated | 5,394,323 | 3,004,528 | - | 8,398,851 |
| Less Accumulated Depreciation for: | | | | |
| Streets | (584,435) | (74,282) | - | (658,717) |
| Parks and Recreation | (552,641) | (116,617) | - | (669,258) |
| Equipment | (356,703) | (41,278) | - | (397,981) |
| Total Accumulated Depreciation | (1,493,779) | (232,177) | - | (1,725,956) |
| Total Capital Assets, Being Depreciated, Net | 3,900,544 | 2,772,351 | - | 6,672,895 |
| Governmental Capital Assets, Net | 4,014,003 | 2,836,536 | - | 6,850,539 |
| Business-Type Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Construction in Progress | 19,818 | 123,835 | - | 143,653 |
| Water Rights | 10,791,000 | - | - | 10,791,000 |
| Total Capital Assets, Not Being Depreciated | 10,810,818 | 123,835 | - | 10,934,653 |
| Capital Assets, Being Depreciated: | | | | |
| Nonpotable Water | 2,999,908 | 2,316,718 | - | 5,316,626 |
| Equipment | 112,918 | - | - | 112,918 |
| Total Capital Assets, Being Depreciated | 3,112,826 | 2,316,718 | - | 5,429,544 |
| Less Accumulated Depreciation for: | | | | |
| Nonpotable Water | (833,641) | (146,541) | - | (980,182) |
| Equipment | (42,433) | (13,607) | - | (56,040) |
| Total Accumulated Depreciation | (876,074) | (160,148) | - | (1,036,222) |
| Total Capital Assets, Being Depreciated, Net | 2,236,752 | 2,156,570 | - | 4,393,322 |
| Business-Type Capital Assets, Net | 13,047,570 | 2,280,405 | - | 15,327,975 |
| Total Capital Assets, Net | \$ 17,061,573 | \$ 5,116,941 | \$ - | \$ 22,178,514 |

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged during the year as follows:

| | |
|--|--------------------------|
| Governmental Activities: | |
| Streets | \$ 74,282 |
| Parks and Recreation | 116,617 |
| Equipment | <u>41,278</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 232,177</u></u> |
| | |
| Business-Type Activities: | |
| Nonpotable Water | \$ 146,541 |
| Equipment | <u>13,607</u> |
| Total Depreciation Expense - Business-Type Activities | <u><u>\$ 160,148</u></u> |

In October 2022, the District's water rights were valued by an independent third-party appraiser at \$31,929,000.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

| | Balance at December 31, 2021 | Additions | Reductions/ Reclassifications | Balance at December 31, 2022 | Due Within One Year |
|--|------------------------------------|----------------------------|----------------------------------|------------------------------------|---------------------------|
| Governmental Activities: | | | | | |
| Property Tax Supported Revenue | | | | | |
| Refunding and Improvement Bonds: | | | | | |
| Series 2020 | \$ 20,585,000 | \$ - | \$ 620,000 | \$ 19,965,000 | \$ 645,000 |
| Series 2020 Bond Premium | 1,701,654 | - | 155,827 | 1,545,827 | - |
| Bonds Payable | <u>22,286,654</u> | - | <u>775,827</u> | <u>21,510,827</u> | <u>645,000</u> |
| Developer Advances Payable - Operations | 55,000 | 60,000 | - | 115,000 | - |
| Developer Advances Payable - Capital | 544,068 | - | 477,452 | 66,616 | - |
| Accrued Interest on Developer Advances - Capital | 82,336 | 43,812 | - | 126,148 | - |
| Developer Advance Payable | <u>681,404</u> | <u>103,812</u> | <u>477,452</u> | <u>307,764</u> | <u>-</u> |
| Total Governmental Activities | 22,968,058 | 103,812 | 1,253,279 | 21,818,591 | 645,000 |
| Business-Type Activities: | | | | | |
| Taxable Water Revenue Note, Series 2016 | 3,444,000 | - | 3,444,000 | - | - |
| Water Revenue Refunding & Improvement Loan, Series 2022 | - | 6,600,000 | - | 6,600,000 | 264,000 |
| Total Business-Type Activities | <u>3,444,000</u> | <u>6,600,000</u> | <u>3,444,000</u> | <u>6,600,000</u> | <u>264,000</u> |
| Total | <u><u>\$ 26,412,058</u></u> | <u><u>\$ 6,703,812</u></u> | <u><u>\$ 4,697,279</u></u> | <u><u>\$ 28,418,591</u></u> | <u><u>\$ 909,000</u></u> |

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2010 A, B, and C

On October 22, 2010, the District issued the following Bonds: 1) \$18,070,000 Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2010A with an interest rate of 5.0% (Series 2010A Bonds), 2) \$7,305,000 Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2010B with interest rates varying from 2.5% to 5.0% (Series 2010B Bonds), and 3) \$300,000 Taxable Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2010C with an interest rate of 1.25% (Series 2010C Bonds).

The Series 2010A Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2020, and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the date of redemption, without redemption premium. The Series 2010A Bonds maturing December 1, 2030 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2027, and on each December 1 thereafter prior to the maturity date. Additionally, the Series 2010A Bonds maturing December 1, 2039 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2011, and on each December 1 thereafter prior to the maturity date.

The Series 2010B Bonds maturing December 1, 2021 are subject to redemption prior to the 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, on December 1, 2020, and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the date of redemption, without redemption premium. The Series 2010B Bonds maturing December 1, 2028 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2025, and on each December 1 thereafter prior the maturity date.

The Series 2010C Bonds were paid for in full on December 1, 2010.

The Series 2010A Bonds and Series 2010B Bonds were advance refunded (defeased) on September 3, 2020.

Taxable Water Revenue Note, Series 2016

On November 29, 2016, the District, acting by and through its Enterprise, entered into a Loan Agreement with Points West Community Bank (Lender) to obtain a loan in the amount of \$4,100,000 (Loan). The maturity date of the Loan is December 1, 2023, with an interest rate of 4.575% from November 29, 2016 through December 1, 2021. From December 1, 2021 through and including December 1, 2023, the Loan shall bear interest at a per annum fixed rate equal to the lesser of: (i) the sum of the Index plus 100 basis points; or (ii) the Maximum Rate of 18.00% per annum. Index means the prime rate published by the Wall Street Journal Online, or, in the event that such Index is no longer published, then the term Index shall be deemed to refer to a similar index selected by the Lender and approved by the Enterprise. Interest is paid semi-annually on June 1 and December 1. The proceeds from the Loan were used to purchase water rights, pay for certain nonpotable water system improvements, and paid for transaction costs.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Taxable Water Revenue Note, Series 2016 (Continued)

The obligation of the Enterprise under the Loan is not payable from property taxes of the District, but rather from income and revenues from the use or operation of the nonpotable water system, including fees and charges.

The Enterprise's repayment obligation under the Loan Agreement is further evidenced by a promissory note in favor of the Lender in the aggregate principal amount of \$4,100,000. A portion of the Loan in the principal amount of \$3,900,000, plus accrued interest, is secured by certain water rights in accordance with a Stock Pledge Agreement between the District and the Lender.

This Loan was refunded in 2022.

Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2020

On September 3, 2020, the District issued \$21,015,000 Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2020 with an interest rate of 2.125% - 4.000% (Series 2020 Bonds). Proceeds from the sale of the Series 2020 Bonds were used for the purpose of refunding the Series 2010A and 2010B Bonds. A portion of the proceeds of the Series 2020 Bonds were also used to (a) purchase a municipal bond insurance policy, and (b) fund the costs of issuing the Series 2020 Bonds. Interest on the Series 2020 Bonds is payable semi-annually to the extent that Pledged Revenue is available on June 1 and December 1 each year, commencing June 1, 2021. Principal on the Series 2020 Bonds is paid on December 1.

Series 2020 Bonds maturing on or after December 1, 2031 are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities, on December 1, 2030, and on any date thereafter, upon payment of par plus accrued interest, and without any redemption premium.

The Series 2020 Bonds are not secured by property lying within the District or the Taxing Districts but, rather, by, among other things, the obligation of the Taxing Districts under the Capital Pledge Agreement to certify the Required Mill Levy and pay or cause to be paid to the Trustee, on behalf of the District, for payment of the Series 2020 Bonds.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The Series 2020 Bonds will mature as follows:

| <u>Year Ending December 31,</u> | <u>Governmental Activities</u> | | |
|---------------------------------|--------------------------------|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2023 | \$ 645,000 | \$ 597,837 | \$ 1,242,837 |
| 2024 | 660,000 | 578,488 | 1,238,488 |
| 2025 | 675,000 | 558,687 | 1,233,687 |
| 2026 | 715,000 | 538,438 | 1,253,438 |
| 2027 | 740,000 | 516,987 | 1,256,987 |
| 2028-2032 | 5,740,000 | 2,162,688 | 7,902,688 |
| 2033-2037 | 7,450,000 | 1,050,937 | 8,500,937 |
| 2038-2039 | 3,340,000 | 111,113 | 3,451,113 |
| Total | <u>\$ 19,965,000</u> | <u>\$ 6,115,175</u> | <u>\$ 26,080,175</u> |

Water Revenue Refunding and Improvements Loan, Series 2022

On June 23, 2022, the District, acting by and through its Enterprise, entered into a Loan Agreement with Points West Community Bank (Lender) to obtain a loan in the amount of \$6,600,000 (Series 2022 Loan). The maturity date of the Series 2022 Loan is December 1, 2027, with an interest rate of 4.03%. Interest is paid semi-annually on June 1 and December 1. The proceeds from Series 2022 Loan were used to repay the principal and interest of the Taxable Water Revenue Note Series 2016, fund the costs of issuing the Series 2022 Loan and a portion was deposited into Capital Improvements/Project Account for public improvements.

The obligation of the Enterprise under the Series 2022 Loan is not payable from property taxes of the District, but rather from income and revenues from the use or operation of the nonpotable water system, including fees and charges.

The Enterprise's repayment obligation under the Loan Agreement is further evidenced by a promissory note in favor of the Lender in the aggregate principal amount of \$6,600,000. A portion of the Series 2022 Loan in the principal amount of \$3,900,000, plus accrued interest, is secured by certain water rights in accordance with a Stock Pledge Agreement between the District and the Lender.

Unused lines of credit

The Series 2020 Bonds and Series 2022 Loan do not have any unused lines of credit.

Collateral

For the Series 2022 Bonds, no assets have been pledged as collateral.

For the Series 2022 Loan, please see above for collateral.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Events of default

For the Series 2020 Bonds - events of default occur if the District fails (a) to pay the principal of, premium if any, or interest on the Bonds when due, (b) defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Indenture, the Capital Pledge Agreement or the Bond Resolution and do not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indentures or (c) files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

For the Series 2022 Loan, events of default are provided for in the Loan Agreement dated June 23, 2022.

Termination Events

The Series 2020 Bonds and Series 2022 Loan do not have a termination provision.

Acceleration

The Series 2020 Bonds and Series 2022 Loan are not subject to acceleration.

Authorized Debt

On November 4, 2003, the District's voters authorized the issuance of indebtedness in an amount not to exceed \$156,000,000. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

| | Amount Authorized on November 4, 2003 | Authorization Used for Series 2010 Bonds | Authorization Used for Series 2020 Bonds | Authorized But Unissued |
|----------------------------------|--|---|---|-------------------------------|
| Streets | \$ 27,750,000 | \$ 10,860,289 | \$ - | \$ 16,889,711 |
| Traffic and Safety Controls | 2,250,000 | 291,690 | - | 1,958,310 |
| Water | 13,500,000 | 5,174,100 | - | 8,325,900 |
| Sewer | 15,000,000 | 2,510,579 | - | 12,489,421 |
| Parks and Recreation | 17,250,000 | - | - | 17,250,000 |
| Television Relay and Translation | 2,250,000 | - | - | 2,250,000 |
| Debt Refunding | 78,000,000 | 1,422,701 | - | 76,577,299 |
| Total | <u>\$ 156,000,000</u> | <u>\$ 20,259,359</u> | <u>\$ -</u> | <u>\$ 135,740,641</u> |

The Series 2020 Bonds constitutes a financing of District indebtedness at a lower interest rate than the interest rate on the Series 2010A and 2010B Bonds; therefore, the issuance of the Series 2020 Bonds did not require electoral authorization.

In the future, the District may issue a portion or all the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this audit, the amount and timing of any future debt issuances are not determinable.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had net investments in capital assets calculated as follows:

| | Governmental Activities | Business-Type Activities |
|---|----------------------------|-----------------------------|
| Capital Assets, Net | \$ 6,850,539 | \$ 15,327,975 |
| Outstanding Long-Term Debts Used to Acquire Capital Assets | (20,031,616) | (6,600,000) |
| Bond Premium, Net | (1,545,827) | - |
| Net Investment in Capital Assets | \$ (14,726,904) | \$ 8,727,975 |

The restricted component of net position includes assets that are restricted for use as imposed by external parties such as creditors, grantors or contributors, or as imposed by laws and regulations of other governments, or as imposed by law through constitutional provisions or enables legislation. The District had restricted net position as of December 31, 2022 as follows:

| | Governmental Activities |
|--------------------------|----------------------------|
| Restricted Net Position: | |
| Emergency Reserves | \$ 54,800 |
| Restricted Net Position | \$ 54,800 |

The District's unrestricted net position as of December 31, 2022 totaled \$1,089,310.

NOTE 7 PRIMARY AGREEMENTS

District Operating Agreement

The District and District Nos. 1 and 2 (collectively, the Taxing Districts) have entered into a District Operating Agreement dated January 30, 2014. The purpose of the District Operating Agreement is to set forth the rights and obligations of the Taxing Districts to fully fund and of the District to provide operations on behalf of all the Districts. Based on the integrated nature of the public improvements, it is most efficient and cost effective to combine the operations, maintenance, and administration and to have the District provide those services for the benefit of all the Districts. The agreement shall be interpreted consistent with the Service Plan.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 PRIMARY AGREEMENTS (CONTINUED)

Capital Pledge Agreement

The District entered into a Capital Pledge Agreement in October 2010, as amended on January 31, 2014, and again on April 21, 2015, pursuant to which District Nos. 1 and 2 are obligated to impose an ad valorem property tax levy without limitation as to the rate to pay the principal and accrued interest payable on the District's Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2010 A, B and C in the aggregate principal amount of \$25,675,000 issued pursuant to a 2010 Indenture of Trust with UMB Bank (2010 Bonds).

The First Amendment, dated January 31, 2014, made changes to the allocation between District Nos. 1 and 2's required debt service on the 2010 Bonds. The Districts later determined that the changes were not necessary, and therefore, the Capital Pledge Agreement was amended for a second time on April 21, 2015, to reinstate the original definitions and allocations.

The Third Amendment, dated September 1, 2020, made changes to provide for the payment of the Series 2020 Bonds, to remove UMB as a party to the agreement, and add U.S. Bank as a party to the agreement.

Infrastructure Acquisition and Reimbursement Agreements

On June 21, 2016, the District entered into an Infrastructure Acquisition and Reimbursement Agreement with Pelican Farms Investments, LLC (the Developer). The Developer has incurred certain costs related to public infrastructure for the benefit of the District and expects to incur additional costs. The District has agreed to: (i) reimburse the Developer for all District Eligible Costs to the extent constituting Repayment Obligations (as defined in the agreement); (ii) acquire any such public infrastructure constructed for the benefit of the District from the Developer that is not being dedicated to other governmental entities, and (iii) to reimburse the Developer for any costs incurred by the Developer for public infrastructure that is being dedicated to other governmental entities.

On September 19, 2017, the District entered into an Infrastructure Acquisition and Reimbursement Agreement with Eagle Crossing Development, Inc. (Eagle Crossing). Eagle Crossing has expended funds on behalf of the District previously and intends to make future payments for costs related to the provision of public infrastructure in the nature of capital costs in furtherance of the District's permitted purposes, including but not limited to: organization of the District, engineering, architectural, surveying, construction planning and other related costs, during the period when the District is unable to pay for such costs. The District and Eagle Crossing established the terms and conditions under which the District will reimburse Eagle Crossing for such costs and acquire such public infrastructure that will either be owned by the District or dedicated to other governmental entities.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 PRIMARY AGREEMENTS (CONTINUED)

Donation Agreement

In June 2017, the District received a donation of land from The Evangelical Lutheran Good Samaritan Society through a quitclaim deed for 10 dollars (\$10.00). The donated land shall not be used for any residential or commercial development, but shall be used for any public purpose, in the sole discretion of the District, for the benefit of the District, Water Valley 1, Water Valley 2, and the general public of Windsor, Colorado. If at any time the above condition is defaulted upon, title to the donated land shall automatically revert back to The Evangelical Lutheran Good Samaritan Society.

On September 1, 2022, the District received a donation of land from Frye Farm Investments, LLC through quick claim deed. The donated land shall not be used for any residential or commercial development, but shall be perpetually used for any charitable/public purpose, in the sole discretion of the District, for the benefit of the District, Water Valley 1, Water Valley 2, and the general public. If at any time the above condition is defaulted upon, title to the donated land shall automatically revert back to the Town of Windsor.

Temporary Nonpotable Water Service

On September 27, 2018, the District entered into an Intergovernmental Agreement with Raindance Metropolitan District No. 1 (RDMD) to provide temporary nonpotable water service to RDMD through the Interconnect Facilities. The District owns and operates a nonpotable irrigation system. RDMD is developing its own nonpotable irrigation system to serve future development within the community known as Raindance. Certain areas within Raindance will require nonpotable water service prior to the time that RDMD will have the ability to provide such service. RDMD is in the process of constructing facilities that will permit an interconnect between RDMD and the District's nonpotable irrigation system which will be known as the Interconnect Facilities. RDMD will own and maintain the Interconnect Facilities. The District will deliver nonpotable water to RDMD on a temporary basis through the Interconnect Facilities upon the request of RDMD. RDMD shall pay \$1.52 per thousand gallons. The District will invoice RDMD within 15 days of the end of each month and payment of invoices by RDMD shall be due by the end of each month.

NOTE 8 RELATED PARTIES

The developer of the property which constitutes the District is Trollco Inc., a Colorado corporation (the Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer and may have conflicts of interest in dealing with the District.

NOTE 9 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 RISK MANAGEMENT (CONTINUED)

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years. The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2022, the District determined and calculated its required emergency reserve to be approximately \$54,800. Funding of the Districts' operations primarily come from transfers of tax revenues from the Financing Districts, and the Financing Districts hold reserves. At December 31, 2022, the Financing Districts have combined cash reserves in their General Funds totaling approximately \$270,000.

The District's management has taken steps it believes are necessary to comply with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**POUDRE TECH METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------------------|--------------------|---|
| REVENUES | | | |
| Transfer from Water Valley No. 1 - Series 2020 Bonds | \$ 285,220 | \$ 285,220 | \$ - |
| Transfer from Water Valley No. 2 - Series 2020 Bonds | 956,218 | 948,587 | (7,631) |
| Total Revenues | <u>1,241,438</u> | <u>1,233,807</u> | <u>(7,631)</u> |
| EXPENDITURES | | | |
| Bond Interest Series 2020 | 616,438 | 616,438 | - |
| Bond Principal Series 2020 | 620,000 | 620,000 | - |
| Paying Agent/Trustee Fees | 5,000 | 2,750 | 2,250 |
| Total Expenditures | <u>1,241,438</u> | <u>1,239,188</u> | <u>2,250</u> |
| NET CHANGE IN FUND BALANCE | - | (5,381) | (5,381) |
| Fund Balance - Beginning of Year | <u>2,881</u> | <u>5,381</u> | <u>2,500</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ 2,881</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (2,881)</u></u> |

**POUDRE TECH METROPOLITAN DISTRICT
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|-------------------|----------------------|-------------------------------|
| | Original | Final Budget | | Positive (Negative) |
| REVENUES | | | | |
| Service Fees | \$ 935,000 | \$ 935,000 | \$ 966,803 | \$ 31,803 |
| Water Meter Sales | 75,000 | 75,000 | 57,500 | (17,500) |
| System Development Fees | 75,000 | 75,000 | 57,500 | (17,500) |
| Developer Advance - Manager and Field Staff | 250,000 | 250,000 | 250,000 | - |
| Loan Issuance | - | 6,600,000 | 6,600,000 | - |
| Total Revenues | <u>1,335,000</u> | <u>7,935,000</u> | <u>7,931,803</u> | <u>(3,197)</u> |
| EXPENDITURES | | | | |
| General and Administrative: | | | | |
| Billing | 60,000 | 60,000 | 110,928 | (50,928) |
| Operations and Maintenance: | | | | |
| Electricity and Gas | 130,000 | 130,000 | 135,386 | (5,386) |
| Repairs and Maintenance | 120,000 | 120,000 | 477,102 | (357,102) |
| Scada | 30,000 | 30,000 | 41,370 | (11,370) |
| Delivery and Ditch Expenses | 33,000 | 33,000 | 106,955 | (73,955) |
| Tools and Equipment - New | - | - | - | - |
| Water System Manager and Field Staff | 250,000 | 250,000 | 250,000 | - |
| Contingency | - | 31,476 | - | 31,476 |
| Debt Service: | | | | |
| 2016 Loan Interest | 112,274 | 94,689 | 90,917 | 3,772 |
| 2016 Loan Principal | 164,000 | 3,445,835 | 3,444,000 | 1,835 |
| 2022 Loan Interest | - | 150,000 | 118,952 | 31,048 |
| Cost of Issuance | - | 250,000 | 158,000 | 92,000 |
| Repayment of Developer Advance - Manager and Field Staff | 250,000 | 250,000 | 250,000 | - |
| Capital Outlay: | | | | |
| Meter Replacement | 100,000 | 100,000 | 477,415 | (377,415) |
| Water Meters and Installation | 75,000 | 75,000 | 1,563,400 | (1,488,400) |
| River Stabilization and Improvement Project | 150,000 | 150,000 | 110,234 | 39,766 |
| Capital Outlay | 100,000 | 3,100,000 | - | 3,100,000 |
| Capital Projects - Pumps and Pump Station | - | - | 275,903 | (275,903) |
| Whitney Bay Reservoir Wall Movement | - | - | 13,601 | (13,601) |
| Total Expenditures | <u>1,574,274</u> | <u>8,270,000</u> | <u>7,624,163</u> | <u>645,837</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES - BUDGET BASIS | (239,274) | (335,000) | 307,640 | 642,640 |
| Funds Available - Beginning of Year | <u>1,253,791</u> | <u>1,111,858</u> | <u>1,111,858</u> | <u>-</u> |
| FUNDS AVAILABLE - END OF YEAR | <u>\$ 1,014,517</u> | <u>\$ 776,858</u> | <u>\$ 1,419,498</u> | <u>\$ 642,640</u> |
| ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS: | | | | |
| Excess of Revenue Over (Under) Expenditures (Budget Basis) | | | \$ 307,640 | |
| Developer Advance | | | (250,000) | |
| Repayment of Developer Advances | | | 250,000 | |
| Capital Outlay | | | 2,440,553 | |
| Depreciation | | | (160,148) | |
| 2016 Loan Principal | | | 3,444,000 | |
| Loan Interest Accrual | | | (9,967) | |
| Loan Issuance | | | (6,600,000) | |
| CHANGE IN NET POSITION | | | (577,922) | |
| Net Position - Beginning of Year | | | <u>10,703,230</u> | |
| NET POSITION - END OF YEAR | | | <u>\$ 10,125,308</u> | |

**POUDRE TECH METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

\$21,015,000 Series 2020 Unlimited
Property Tax Supported Revenue
Refunding and Improvement Bonds
Dated September 3, 2020
Principal due December 1
Interest Rate 2.125% to 4.000% Payable
June 1 and December 1

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------------|----------------------|---------------------|----------------------|
| 2023 | \$ 645,000 | \$ 597,837 | \$ 1,242,837 |
| 2024 | 660,000 | 578,488 | 1,238,488 |
| 2025 | 675,000 | 558,687 | 1,233,687 |
| 2026 | 715,000 | 538,438 | 1,253,438 |
| 2027 | 740,000 | 516,987 | 1,256,987 |
| 2028 | 830,000 | 494,788 | 1,324,788 |
| 2029 | 1,130,000 | 469,887 | 1,599,887 |
| 2030 | 1,195,000 | 435,988 | 1,630,988 |
| 2031 | 1,275,000 | 400,137 | 1,675,137 |
| 2032 | 1,310,000 | 361,888 | 1,671,888 |
| 2033 | 1,360,000 | 309,487 | 1,669,487 |
| 2034 | 1,435,000 | 255,088 | 1,690,088 |
| 2035 | 1,505,000 | 197,687 | 1,702,687 |
| 2036 | 1,550,000 | 167,588 | 1,717,588 |
| 2037 | 1,600,000 | 121,087 | 1,721,087 |
| 2038 | 1,650,000 | 73,088 | 1,723,088 |
| 2039 | 1,690,000 | 38,025 | 1,728,025 |
| Total | <u>\$ 19,965,000</u> | <u>\$ 6,115,175</u> | <u>\$ 26,080,175</u> |

**POUDRE TECH METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2022**

\$6,600,000 Water Revenue Refunding and Improvements Loan, 2022
Dated June 23, 2022
Principal due June 1 and December 1
Interest Rate 4.03% Payable
June 1 and December 1

| <u>Year Ending December 31,</u> | <u>Estimated</u> | | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2023 | \$ 264,000 | \$ 266,970 | \$ 530,970 |
| 2024 | 264,000 | 256,892 | 520,892 |
| 2025 | 264,000 | 245,396 | 509,396 |
| 2026 | 264,000 | 234,609 | 498,609 |
| 2027 | 5,544,000 | 223,822 | 5,767,822 |
| Total | <u>\$ 6,600,000</u> | <u>\$ 1,227,689</u> | <u>\$ 7,827,689</u> |

**CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE UNLIMITED PROPERTY TAX SUPPORTED
REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2020**

**POUDRE TECH METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE UNLIMITED PROPERTY TAX SUPPORTED REVENUE REFUNDING
AND IMPROVEMENT BONDS, SERIES 2020**

**TABLE II
History of Water Valley Metropolitan District No. 1's
Assessed Valuation and Mill Levies**

| Levy/ Collection Year | Assessed Valuation ¹ | Percent Change | General Fund | Debt Service Fund | Total Mill Levy |
|-----------------------------|------------------------------------|-------------------|-----------------|-------------------------|--------------------|
| 2015/2016 | \$ 42,796,050 | -- | 13.300 | 25.700 | 39.000 |
| 2016/2017 | 47,810,900 | 11.72 % | 30.430 | 8.570 | 39.000 |
| 2017/2018 | 43,490,270 | (9.04) | 20.070 | 18.930 | 39.000 |
| 2018/2019 | 34,982,840 | (19.56) | 17.644 | 23.495 | 41.139 |
| 2019/2020 | 34,942,180 | (0.12) | 17.813 | 24.130 | 41.943 |
| 2020/2021 | 34,496,110 | (1.28) | 17.618 | 24.325 | 41.943 |
| 2021/2022 | 34,197,090 | (0.87) | 21.773 | 20.170 | 41.943 |
| 2022/2023 | 35,771,360 | 4.60 | 22.128 | 20.650 | 42.778 |

¹ The decline in assessed valuation beginning in levy year 2017 is primarily due to decline in oil and gas assessed valuation resulting from a decline in production of oil from wells within Water Valley Metropolitan District No. 1.

Source: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, and County Assessor.

**TABLE III
History of Water Valley Metropolitan District No. 2's
Assessed Valuation and Mill Levies**

| Levy/ Collection Year | Assessed Valuation ¹ | Percent Change | General Fund | Debt Service Fund | Total Mill Levy |
|-----------------------------|------------------------------------|-------------------|-----------------|-------------------------|--------------------|
| 2015/2016 | \$ 84,359,680 | -- | 15.975 | 23.025 | 39.000 |
| 2016/2017 | 81,309,260 | (3.62)% | 20.907 | 18.093 | 39.000 |
| 2017/2018 | 57,038,740 | (29.85) | 11.554 | 27.446 | 39.000 |
| 2018/2019 | 65,477,360 | 14.79 | 15.155 | 25.984 | 41.139 |
| 2019/2020 | 63,277,390 | (3.36) | 15.412 | 26.531 | 41.943 |
| 2020/2021 | 63,402,150 | 0.20 | 14.943 | 27.000 | 41.943 |
| 2021/2022 | 67,032,590 | 5.73 | 22.824 | 19.119 | 41.943 |
| 2022/2023 | 75,337,090 | 12.39 | 23.458 | 19.320 | 42.778 |

¹ The decline in assessed valuation beginning in levy year 2017 is primarily due to decline in oil and gas assessed valuation resulting from a decline in production of oil from wells within Water Valley Metropolitan District No. 2.

Source: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, and County Assessor.

**POUDRE TECH METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE UNLIMITED PROPERTY TAX SUPPORTED REVENUE REFUNDING
AND IMPROVEMENT BONDS, SERIES 2020**

**Table VI
Historical Property Tax Collections in Water Valley Metropolitan District No. 1**

| Levy/ Collection Year | Total Taxes Levied | Total Taxes Collection | Percent of Levy Collected |
|-----------------------------|-----------------------|---------------------------|------------------------------|
| 2015/2016 | \$ 1,669,045 | \$ 1,668,329 | 99.96 % |
| 2016/2017 | 1,864,625 | 1,863,857 | 99.96 |
| 2017/2018 | 1,696,121 | 1,696,162 | 100.00 |
| 2018/2019 | 1,439,159 | 1,438,325 | 99.94 |
| 2019/2020 | 1,465,580 | 1,459,313 | 99.57 |
| 2020/2021 | 1,446,870 | 1,446,870 | 100.00 |
| 2021/2022 | 1,434,329 | 1,461,992 | 101.93 |

Source: State of Colorado Department of Local Affairs Division of Property Taxation Annual Reports for 2015 - 2022 and the County Treasurer's Office.

**Table VII
Historical Property Tax Collections in Water Valley Metropolitan District No. 2**

| Levy/ Collection Year | Total Taxes Levied | Total Taxes Collection | Percent of Levy Collected |
|-----------------------------|-----------------------|---------------------------|------------------------------|
| 2015/2016 | \$ 3,290,028 | \$ 3,294,992 | 100.15 % |
| 2016/2017 | 3,171,061 | 3,103,222 | 97.86 |
| 2017/2018 | 2,224,511 | 2,230,812 | 100.28 |
| 2018/2019 | 2,693,673 | 2,692,820 | 99.97 |
| 2019/2020 | 2,654,043 | 2,596,192 | 97.82 |
| 2020/2021 | 2,659,276 | 2,659,039 | 99.99 |
| 2021/2022 | 2,811,548 | 2,817,559 | 100.21 |

Source: State of Colorado Department of Local Affairs Division of Property Taxation Annual Reports for 2015 - 2022 and the County Treasurer's Office.