

LIBERTY RANCH METROPOLITAN DISTRICT (“DISTRICT”)

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<http://libertyranchmd.colorado.gov>

NOTICE OF A WORK SESSION AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration</u>
Leata Byers	President	2025/May 2025
Jeremiah “J” Manning	Treasurer	2023/May 2023
Sean Byers	Secretary	2025/May 2025
Jeffrey Mark	Assistant Secretary	2025/May 2025
VACANT		2023/May 2023

DATE: February 23, 2023
TIME: 3:00 p.m.
LOCATION: Zoom

Join Zoom Meeting

<https://us02web.zoom.us/j/83875439749?pwd=Qk1VT1pHMEVJdEQxNVV1cWQ4N1VLdz09>

Phone Number: 1 (719) 359-4580

Meeting ID: 838 7543 9749

Passcode: 090300

One tap mobile: +17193594580,,83875439749#

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Confirm quorum, location of the meeting and posting of meeting notices. Approve Agenda.

C. Public Comment.

II. BOARD MEMBER ORIENTATION

1. What is a metropolitan district?

a. Powers

2. Organization:
 - a. History of the District
 - b. Service Plan
 - c. Intergovernmental Agreement with St. Vrain Sanitation District
 - d. Intergovernmental Agreement with Longs Peak Water District
 - e. Cooperation Agreement with the Town of Mead and the Mead Urban Renewal Authority
-

3. Board of Directors:
 - a. Board Member Manual
 - b. Qualifications
 - c. Regular Elections/Terms of Office/Oaths of Office
 - d. Officers
 - e. Public Meetings (packets/schedule/location)
 - f. Robert's Rules of Order
 - g. Insurance
 - h. Indemnification Resolution
 - i. Compensation (director fees)
 - j. Duties/Fiduciary Obligations
 - k. Website
-

4. Consultants for the District:
 - a. General Counsel
 - b. Accountant
 - c. Manager
 - d. Auditor
 - e. Underwriter / Placement Agreement
-

5. Financial Matters:
 - a. 2023 Budget
 - b. Mill Levies
 - c. O&M Maintenance Responsibilities
 - d. Long Term obligations / Bonds
 - e. Capital Improvements
 - f. Accounts Payable (procedure for approval)
 - g. Financial Statements
 - h. Audits

- i. Facilities Acquisition Agreement with LR Investments, LLC
 - j. Operations Funding Agreement with LR Investments, LLC
-

6. Other:

III. OTHER MATTERS

A. _____

IV. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
NOVEMBER 16, 2023**



LIBERTY RANCH NEW BOARD MEMBER ORIENTATION

FEBRUARY 23, 2023

WHAT IS A SPECIAL (METRO) DISTRICT?

- Title 32
- Types of Districts
- Powers

ORGANIZATION

- History of the District
 - Organized December 23, 2005
- Service Plan
 - Review & Answer questions

RELATIONSHIP TO OTHER ENTITIES

- Intergovernmental Agreement with St. Vrain Sanitation District
- Intergovernmental Agreement with Longs Peak Water District
- Cooperation Agreement with the Town of Mead and the Mead Urban Renewal Authority

BOARD OF DIRECTORS

- Special District Association
 - Board Member Manual
- Qualifications
- Disclosures of Conflicts of Interest

BOARD OF DIRECTORS

- Regular Elections/Terms of Office/Oaths of Office
- Officers
 - Duties

BOARD MEETINGS

- Scheduling & Location
- Public meetings
 - Executive Session
- Quorum
- Board Packets
- Roberts Rules of Order

INSURANCE

- Colorado Special Districts Property & Liability Pool
 - General Liability
 - Public Officials Liability
 - Property
- Indemnification Resolution
- Fiduciary Responsibility

WEBSITE

www.libertyranchmd.colorado.gov

DISTRICT'S CONSULTANTS

- Attorney
- Accountant
- District Manager
- Community Manager
- Underwriter/Placement Agreement

FINANCIAL MATTERS- 2023 BUDGET **

- General Fund
 - Discuss revenues & expenditures
 - How were the amounts determined
- Debt Service Fund
 - Discuss revenues & expenditures
- Capital Projects Fund
 - Discuss revenues & expenditures
 - Difference between Capital Projects & Debt Service Fund

FINANCIAL MATTERS

- Mill Levies
 - Relationship between budget & mill levy
- O&M Maintenance Responsibilities
- Long Term Obligations/Bonds
- Capital Improvements

FINANCIAL MATTERS

- Accounts Payable
 - Procedure for Approval
- Budget Development
 - Ensure budget meets needs of community
 - Budget Amendments
- Financial Statements & Audit

DEVELOPMENT

- Facilities Acquisition Agreement with LR Investments, LLC
- Operations Funding Agreement with LR Investments, LLC

**SERVICE PLAN
FOR
LIBERTY RANCH METROPOLITAN DISTRICT
(TOWN OF MEAD, COLORADO)**

APPROVED: April 11, 2005

Prepared by:

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EXHIBIT J	Draft Intergovernmental Agreement with Longs Peak Water District

LIBERTY RANCH METROPOLITAN DISTRICT SERVICE PLAN

I. INTRODUCTION

A. General Information

Pursuant to the requirements of the Special District Control Act, Section 32-1-101, C.R.S., this Service Plan consists of a financial and jurisdictional analysis demonstrating how the proposed facilities and services of the proposed Liberty Ranch Metropolitan District (“District”) will be constructed and financed.

The District shall have all the powers of a metropolitan district and shall provide water, sanitation, street and safety protection and mosquito control improvements. The District shall not provide parks and recreation, transportation, television relay and translation, and fire protection improvements or services nor does it have the authority to provide law enforcement services. Further, after installation of the water and sanitary sewer improvements to serve the proposed development, the District intends to dedicate such improvements to the Longs Peak Water District (“Longs Peak”) and the St. Vrain Sanitation District (“St. Vrain”), respectively.

B. Need for the District

The District is entirely within the boundaries of the Town of Mead, Colorado (the “Town”), Longs Peak and St. Vrain. The property is now vacant and is not presently served with the facilities and services to be provided by the District. Weld County (the “County”), the Town and other special districts do not consider it feasible or practical to provide the property with water, sanitation, street and safety protection and mosquito control facilities and services described in this Service Plan. Therefore, it is necessary that the District be organized to provide the inhabitants of the District with those facilities and services, which the County, the Town and other special districts have determined they cannot feasibly or practically provide.

C. Proposed Land Use/Population Projections

The property to be included within the boundaries of the District comprises approximately one hundred sixty (160) acres and is known as the Liberty Ranch Development (the "Development"). The Development is located south of State Highway 66, west of County Road 7 and east of County Road 5.5. The proposed Financial Plan for the Development assumes residential development comprising approximately 348 single family units and 352,836 square feet of commercial development. Based upon an estimated 2.5 persons per dwelling unit, this would result in an estimated residential population of 870 persons. In order to facilitate the development as planned, organized provision of facilities and services proposed to be provided by the District will be necessary.

II. DESCRIPTION OF PROPOSED IMPROVEMENTS AND SERVICES

Upon formation, the District proposes to provide the following improvements:

A. Street and Safety Protection Improvements

The District intends to provide for the design, acquisition, financing, construction, relocation, completion, installation and/or operation and maintenance of street improvements, both on-site and off-site, including curbs, gutters, culverts and other drainage facilities, sidewalks, bridges, overpasses, bike paths and pedestrian ways, interchanges, median islands, paving, lighting, grading, irrigation, landscape, streetscape and entryways, parking lots and structures, and a system of traffic and safety controls and devices on streets and highways and at railroad crossings, including signalization, together with all necessary, incidental, and appurtenant facilities, right-of-ways, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District. The District will warrant the street infrastructure for a period of two (2) years after initial acceptance by the

Town. After final acceptance, the street improvements will be dedicated to the Town for ongoing operation and maintenance. The District does not have the authority to provide law enforcement services.

B. Water Improvements

The District shall have the power to provide for the design, acquisition, financing, construction, completion and installation of a potable and non-potable local water, transmission and distribution system, which may include, but shall not be limited to, transmission lines, distribution mains and laterals, irrigation facilities, storage facilities, land and easements, and all necessary incidental appurtenant facilities, together with extensions of and improvements to said system within and without the boundaries of the District as described in the District's service plan. The District shall not have the authority to construct or finance any water improvements not generally described in the Service Plan without the prior written consent of Longs Peak Water District ("Longs Peak") Following acceptance, Longs Peak will own, operate and maintain the potable water improvements constructed by the District. The property within the District will receive its potable water services from Longs Peak. The non-potable water system may be owned by the District or another appropriate entity.

It is the District's understanding that Longs Peak does not intend to provide for the construction and financing of the specific water facilities to be provided by the District as generally described in the Service Plan. Therefore, the improvements or facilities to be financed, acquired, constructed, completed or installed by the District for water service do not duplicate or interfere with any other improvements or facilities already constructed or planned to be constructed by Longs Peak.

With respect to the aforementioned water improvements and the provision of water services within the boundaries of the District, the District shall provide for the following:

1. All potable water lines and related facilities constructed by the District shall be designed and constructed in accordance with Longs Peak's rules and regulations and shall be dedicated to Longs Peak for operation and maintenance;

2. The District shall not surcharge Longs Peak's water tap fee, water service charge or any of its other water rates, fees, tolls or charges;

3. The District acknowledges the applicability of Longs Peak's rules and regulations within the District's boundaries, including, but not limited to, the applicability of the rules and regulations, as they may be amended from time to time, to the potable water projects of the District and the requirement that all such improvements be constructed within easements or rights-of-way dedicated to Longs Peak; and

4. The District shall not interfere with Longs Peak's implementation of its rules and regulations or policies pertaining to the provision of potable water service, including those that authorize Longs Peak to terminate or shut off service.

The District shall execute an intergovernmental agreement with Longs Peak at the initial meeting of its board of directors after the entry of its decree of formation.

C. Sanitation Improvements

The District shall have the power to provide for the design, acquisition, financing, construction, completion and installation, but not the ownership, operation or maintenance of a local sanitary sewage collection and transmission system which may include, but shall not be limited to, collection mains and laterals, lift stations, transmission lines, and/or storm sewer, flood and surface drainage facilities and systems, including detention/retention ponds and associated irrigation facilities, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system within and without the boundaries of the District as described in this service plan. The District shall not have the

authority to construct or finance any sanitary sewer improvements not generally described in the Service Plan without the prior written consent of St. Vrain Water and Sanitation District (“St. Vrain”) Following acceptance, St. Vrain will own, operate and maintain the sanitation improvements constructed by the District. The property within the District will receive its sanitation services from St. Vrain. Storm drainage facilities will be constructed in accordance with the Town’s “Storm Drainage Criteria and Construction Standards, 1998.” After final acceptance by the Town, it will own, operate and maintain the storm sewer system and storm water detention/retention facilities.

It is the District’s understanding that St. Vrain does not intend to provide for the construction and financing of the specific sanitation facilities to be provided by the District as generally described in the Service Plan. Therefore, the improvements or facilities to be financed, acquired, constructed, completed or installed by the District for sanitation service do not duplicate or interfere with any other improvements or facilities already constructed or planned to be constructed by St. Vrain.

With respect to the aforementioned sanitation improvements and the provision of sanitation services within the boundaries of the District, the District shall provide for the following:

1. All sanitary sewer lines and related facilities constructed by the District shall be designed and constructed in accordance with St. Vrain's rules and regulations and shall be dedicated to St. Vrain for operation and maintenance;
2. The District shall not surcharge any sanitary sewer tap fee, sanitary sewer service charge, storm drainage fee or any other sanitary sewer rate, fee, toll or charge;

3. The District acknowledges the applicability of St. Vrain's rules and regulations within the District's boundaries, including, but not limited to, the applicability of the rules and regulations, as they may be amended from time to time, to the sanitary sewer projects of the District and the requirement that all such improvements be constructed within easements or rights-of-way dedicated to St. Vrain; and

4. The District shall not interfere with St. Vrain's implementation of its rules and regulations or policies pertaining to the provision of sanitary sewer service, including those that authorize St. Vrain to terminate or shut off service.

The District shall execute an intergovernmental agreement with St. Vrain at the initial meeting of its board of directors after the entry of its decree of formation.

D. Mosquito Control

The District shall have the power to provide for the eradication and control of mosquitoes, including but not limited to elimination or treatment of breeding grounds, and purchase, lease, contracting or other use of equipment or supplies for mosquito control. The District anticipates contracting with private entities for the control of mosquitoes and will include such costs in its operation and maintenance budget when facilities which necessitate mosquito control activities have been constructed (i.e., storm drainage facilities, water features, pools).

E. Other Powers

In addition to the enumerated powers, the Board of Directors of the District shall also have the following authority:

1. Plan Amendments. To amend the Service Plan as needed, with the approval of the Town, and of Longs Peak if required by the proposed amendment, subject to the appropriate statutory procedures.

2. Phasing, Deferral. Without amending this Service Plan to defer, forego, reschedule, or restructure the financing and construction of certain improvements and facilities to the extent consistent with then existing land uses for the Development approved by the Town, to better accommodate the pace of growth, resource availability, and potential inclusions of property within the Development.

3. Additional Services. Except as specifically provided herein, or by any governmental agreement, to provide such additional services and exercise such powers as are expressly or impliedly granted by Colorado law.

The District shall have the authority pursuant to Section 32-1-1101(1)(f)(I), C.R.S. and Section 32-1-1101(1.5)(a) through (1.5)(e), C.R.S., to divide the District into one or more areas consistent with the services, programs and facilities to be furnished therein. The exercise of such authority shall not be deemed a material modification of this Service Plan.

F. Statement of Compatibility

The District will ensure that the proposed improvements are designed and constructed in accordance with the standards and specifications of the Town, Longs Peak, St. Vrain and other governmental entities having jurisdiction. The District will obtain approval of civil engineering plans and a permit for construction and installation of improvements from the Town.

III. PURPOSE

It is anticipated that the District will provide certain essential public-purpose facilities for the use and benefit of all its anticipated residents and taxpayers. The District is planning to finance the construction of improvements which will be within the incorporated areas of the Town and in the unincorporated areas of Weld County.

As presently planned, the development within the District is proposed to proceed in several phases, each of which will require certain extensions and improvements of available public facilities. Use of the District will enable the community to maintain development through the duration of the construction phase and will provide for a well-planned, well-financed and well-coordinated extension of public improvements. In this manner, long-term or phased facilities required by the Town can be provided.

IV. BOUNDARIES

The initial boundaries of the District are described on **Exhibit A** and consist of approximately one hundred sixty (160) acres. It is located south of State Highway 66, west of County Road 7, east of County Road 5.5 and north of undeveloped property. A map depicting the boundaries of the District is attached as **Exhibit B**, and a vicinity map is attached as **Exhibit C**.

It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Parts 4 and 5 of Article 1, Title 32, C.R.S.

V. DESCRIPTION OF PROPOSED FACILITIES AND ESTIMATED COSTS

A. Type of Improvements and Preliminary Engineering Estimates

A general description and preliminary engineering sketch of the facilities to be constructed and/or acquired by the District are shown on **Exhibits D** through **F** attached hereto.

The estimated cost for these improvements is approximately Twenty-Three Million Two Hundred One Thousand One Hundred Thirteen Dollars (\$23,201,113) as is set forth in **Exhibit G**. To the extent the District cannot finance the improvements, the developer shall cause the improvements to be financed and constructed.

B. Regional Improvements

The District may participate in the funding of public regional infrastructure improvements to be preceded in each case by the approval of an intergovernmental agreement between the District and other such participants who may be involved.

C. District Operating Costs

The District will require operating funds for administration of the District, in addition to the capital costs of the improvements. Initial District organizational expenses for legal, engineering, administrative and debt issuance costs and amounts expended on design and construction of the improvements will be eligible for reimbursement from the bond proceeds. The first year's operating budget is estimated to be \$50,000.

The Mill Levy Cap, defined herein, for repayment of the bonds does not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services. However, there are statutory and constitutional limits on the District's ability to increase its mill levy for provision of operation and maintenance services without an election. The proponents of the District intend to seek the District's electoral approval to waive the revenue and spending limits of Article X, Section 20 of the Colorado Constitution, as well as the 5.5% limitation set forth in Section 29-1-301, C.R.S.

VI. FINANCIAL PLAN

A. General Discussion

The Financial Plan attached hereto as **Exhibit H** illustrates how the proposed facilities and/or services may be financed, including the estimated costs of engineering services, legal services, administrative services, proposed indebtedness and estimated interest rates and discounts, and other major expenses related to the organization and operation of the District. The Financial Plan illustrates the issuance of the debt and the anticipated repayment based on the projected development in the District. The Financial Plan demonstrates that the District has the ability to finance the facilities identified herein, and will be capable of discharging the proposed indebtedness on a reasonable basis. The Financial Plan sets forth a reasonable estimate of growth within the District and allows the Board of Directors (“Board”) a measure of flexibility such that the District need not incur debt in excess of what it needs to meet the actual population’s demands for facilities and services.

B. Proposed Indebtedness

The provision of facilities by the District will be primarily financed by the issuance of general obligation bonds, secured by the *ad valorem* taxing authority of the District with limitations as discussed below. In addition, it is anticipated that a development fee of \$2,000 per single-family unit, and \$.50 per square foot of commercial will be imposed (“Development Fee”). The District may increase or decrease the amount of the Development Fee at the discretion of the Board. The Financial Plan shows the issuance of the debt and the anticipated repayment based on the projected development within the District. It is anticipated that construction costs for necessary improvements will be advanced by the developer prior to the District’s issuance of bonds or when bond proceeds are not otherwise available, subject to

subsequent acquisition by the District of the completed improvements and reimbursement to the developer(s) of such advanced construction costs. Any obligations issued or otherwise contracted for to reimburse the developer(s) for advanced construction costs shall be included within the debt limits described below.

The proposed maximum voted interest rate on debt is eighteen percent (18.0%) and the maximum term, rates and discounts will be determined at the time the bonds are sold by the District and will reflect market conditions at the time of sale. Refunding bonds may be issued as determined by the Board.

The proposed total maximum amount of bonds that may be issued by the District shall be Eighteen Million Five Hundred Thousand Dollars (\$18,500,000). Such limitations shall not be applicable to refunding of the bonds authorized to be issued hereunder. The amount to be voted exceeds the amount of bonds anticipated to be sold, as shown in the Financial Plan, to allow for unforeseen contingencies and increases in construction costs due to inflation, and to cover all issuance costs, including capitalized interest, reserve funds, discounts, legal fees, and other incidental costs of issuance. For purposes of this Service Plan, bonds means notes, bonds, certificates, debentures, loans or other evidence of indebtedness. The Town shall not be held liable for any of the District's obligations as set forth in the Service Plan.

C. Mill Levy Cap

The Mill Levy Cap for debt service shall be 50 mills, adjusted and released as described below. The District may assess a mill levy on all taxable property within the District as a source of revenue for repayment of debt service as well as operations and maintenance. Although the mill levy may vary depending upon the elected Board's decision to fund the projects contemplated in this Service Plan, it is estimated that the District's mill levy as set forth

in the Financial Plan, together with other revenues from other sources as identified in the Financial Plan, will produce revenue sufficient to support the District's debt retirement throughout the bond repayment period as well as pay for operations and maintenance expenses. In addition, the District may capitalize interest to permit payment of interest during the time lapse between development of taxable properties and the collection of tax levies therefrom. Interest income through the reinvestment of construction funds, capitalized interest and annual tax receipts will provide additional funds. These revenue sources should be sufficient to retire the proposed indebtedness if growth occurs as projected; otherwise, increases in the mill levy and/or the imposition of rates, fees and charges may be necessary.

For purposes of this Section, "Debt to Assessed Valuation" shall mean the ratio of (i) the District's total outstanding general obligation debt, including the bonds proposed to be issued, to (ii) the District's assessed valuation. For any portion of its bonds or other outstanding general obligation debt to which property tax revenues are pledged as payment ("Debt") with respect to which the Debt to Assessed Valuation is fifty percent (50%) or greater, the District's obligation to impose a mill levy for the payment thereof shall be subject to the Mill Levy Cap. For any portion of its Debt with respect to which the Debt to Assessed Valuation is less than fifty percent (50%), the District is permitted to impose a mill levy for the payment thereof that shall not be subject to the Mill Levy Cap. Further, in the event the method of calculating assessed valuation is changed after the date of approval of this Service Plan by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut or abatement, the Mill Levy Cap herein provided may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax

revenues generated by the Mill Levy Cap, as adjusted, are neither diminished nor enhanced as the result of such change. The assessment ratios as of January 2005 are 7.96% for residential and 29% for commercial.

Once any portion of the District's debt has been determined to be not subject to the Mill Levy Cap, the District is entitled to pledge to its payment an unlimited *ad valorem* mill levy and the District may provide that such debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent reduction in the assessed valuation of the District.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used in this Section shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

D. Cost Summary and Bond Development

The Financial Plan reflects the total amount of bonds to be sold to finance the completion, construction, acquisition and/or installation of the proposed facilities, including all costs and expenses related to the anticipated bond issuances. The amount of bonds sold will be based upon the final engineering estimates and/or actual construction contracts. Organizational costs, including, but not limited to, legal fees, and capitalized engineering costs, are anticipated to be paid from bond proceeds. The interest rates as set forth in the Financial Plan are based upon the advice of Kirkpatrick Pettis, financial advisor for the District.

The Financial Plan illustrates the estimated income and expenses for the District presuming two bond issues, each maturing in thirty (30) years. The analysis reflects a total build-out period of six (6) years, starting in 2006, and a mill levy of 45 mills. The current

assessed value of the property has been assumed to be -0- in the Financial Plan. It is also assumed that the assessed valuation will be realized one year after construction and that tax collections will be realized two years after initial construction. The Financial Plan contained in this Service Plan demonstrates the economic viability of the District and sets forth a reasonable estimate of growth within the development.

VII. ANNUAL REPORT

The District shall submit an annual report to the Town within 120 days after the conclusion of the District's fiscal year on December 31 of each year, beginning in 2007, unless waived by the Town. The report shall include the following information:

- A. Boundary changes made;
- B. Intergovernmental Agreements entered into;
- C. A summary of any litigation involving the District;
- D. Status of construction of public improvements;
- E. The current assessed valuation in the District; and
- F. Budget for current year and the audit or audit exemption from the prior fiscal year.

VIII. DISSOLUTION

The District shall file a petition in the District Court for dissolution when there are no financial obligations or outstanding bonds, or any such financial obligations or outstanding bonds are adequately secured by escrow funds or securities meeting the investment requirements in Part 6 of Article 75 of Title 24, C.R.S. Dissolution of the District is subject to approval of a plan of dissolution meeting the requirements of Part 7 of Article 1 of Title 32, C.R.S., by the District Court. The District will work closely and cooperate with the Town to serve and promote the health, safety, prosperity, security and general welfare of its inhabitants.

IX. CONSOLIDATION

The District shall not file a request with the Weld County District Court to consolidate with another District without prior written notice to the Town.

X. RESOLUTION OF APPROVAL

The Town's Resolution of approval of this Service Plan shall be incorporated into the petition submitting the Service Plan to the appropriate District Court.

XI. NOTICE OF ORGANIZATION

The current organizers of the District will take steps to insure that the landowner or developer of the property located within the District provide written notice at the time of closing to purchasers of land regarding the existence of taxes, charges or assessments which may be imposed in connection with the District. The District will also record the Order of the District Court creating the District in the real property records of the Clerk and Recorder of Weld County, Colorado, so that all future property owners within the District will have notice regarding the existence of the District.

XII. CONSERVATION TRUST FUND

The District shall claim no entitlement to funds from the Conservation Trust Fund which is derived from lottery proceeds without prior written consent of the Town.

XIII. LANDOWNERS PUBLIC IMPROVEMENTS

The creation of the District shall not relieve the landowner, its successors or assigns of the obligation to construct public improvements required by any annexation or other subdivision improvement agreement.

XIV. MODIFICATION OF SERVICE PLAN

The District will obtain the approval of the Town, St. Vrain and Longs Peak, if applicable, before making any material modifications to this Service Plan. Material modifications include modifications of a basic or essential nature including additions to the types of services provided by the District, change in dissolution date or change in debt limit. This is not an exclusive list of all actions that may be identified as a material modification. Town approval is not required for modifications to this Service Plan necessary for the execution of financing or construction of public improvements already outlined in this Service Plan.

XV. STATUTORY REQUIREMENTS

It is submitted that this Service Plan meets the requirements of the Special District Control Act, meets applicable requirements of the Colorado Constitution and those of the Town. It is further submitted that:

- A. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
- B. The existing service in the area to be served by the District is inadequate for present and projected needs;
- C. The District is capable of providing economical and sufficient service within its proposed boundaries; and
- D. The area to be included within the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

EXHIBIT A

Legal Description

LEGAL DESCRIPTION

A PARCEL OF LAND LYING WITHIN THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 3 NORTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, IN THE COUNTY OF WELD, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 28;

THENCE ALONG THE EASTERLY LINE OF SAID NORTHEAST QUARTER, SOUTH 00°22'47" EAST 2651.97 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 28;

THENCE ALONG THE SOUTHERLY LINE OF SAID NORTHEAST QUARTER, SOUTH 89°01'14" WEST 2657.71 FEET TO THE CENTER QUARTER CORNER OF SECTION 28;

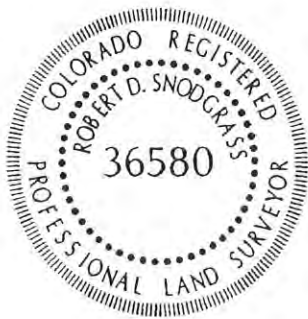
THENCE ALONG THE WESTERLY LINE OF SAID NORTHEAST QUARTER, NORTH 00°05'08" WEST 2587.46 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF COLORADO STATE HIGHWAY 66, BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 11505.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 00°59'33" WEST;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING 2 COURSES:

- 1) EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°16'44" AN ARC LENGTH OF 859.20 FEET;
- 2) TANGENT TO SAID CURVE, NORTH 84°43'43" EAST 434.41 FEET TO THE NORTHERLY LINE OF SAID NORTHEAST QUARTER OF SAID SECTION 28;

THENCE ALONG SAID NORTHERLY LINE, NORTH 89°01'28" EAST 1353.52 FEET TO THE POINT OF BEGINNING.

CONTAINING 160.160 ACRES (6,976,536 SQ. FT.), MORE OR LESS.



ROBERT D. SNODGRASS
COLORADO REGISTERED PROFESSIONAL LAND SURVEYOR, P.L.S. 36580
FOR AND ON BEHALF OF AZTEC CONSULTANTS, INC.

The above and foregoing describes a surface estate only. Expressly excluded from this legal description are any estates below the surface including oil, gas and other minerals (including sand and gravel) and any related rights of surface use.

EXHIBIT B

District Map

DISTRICT BOUNDARY

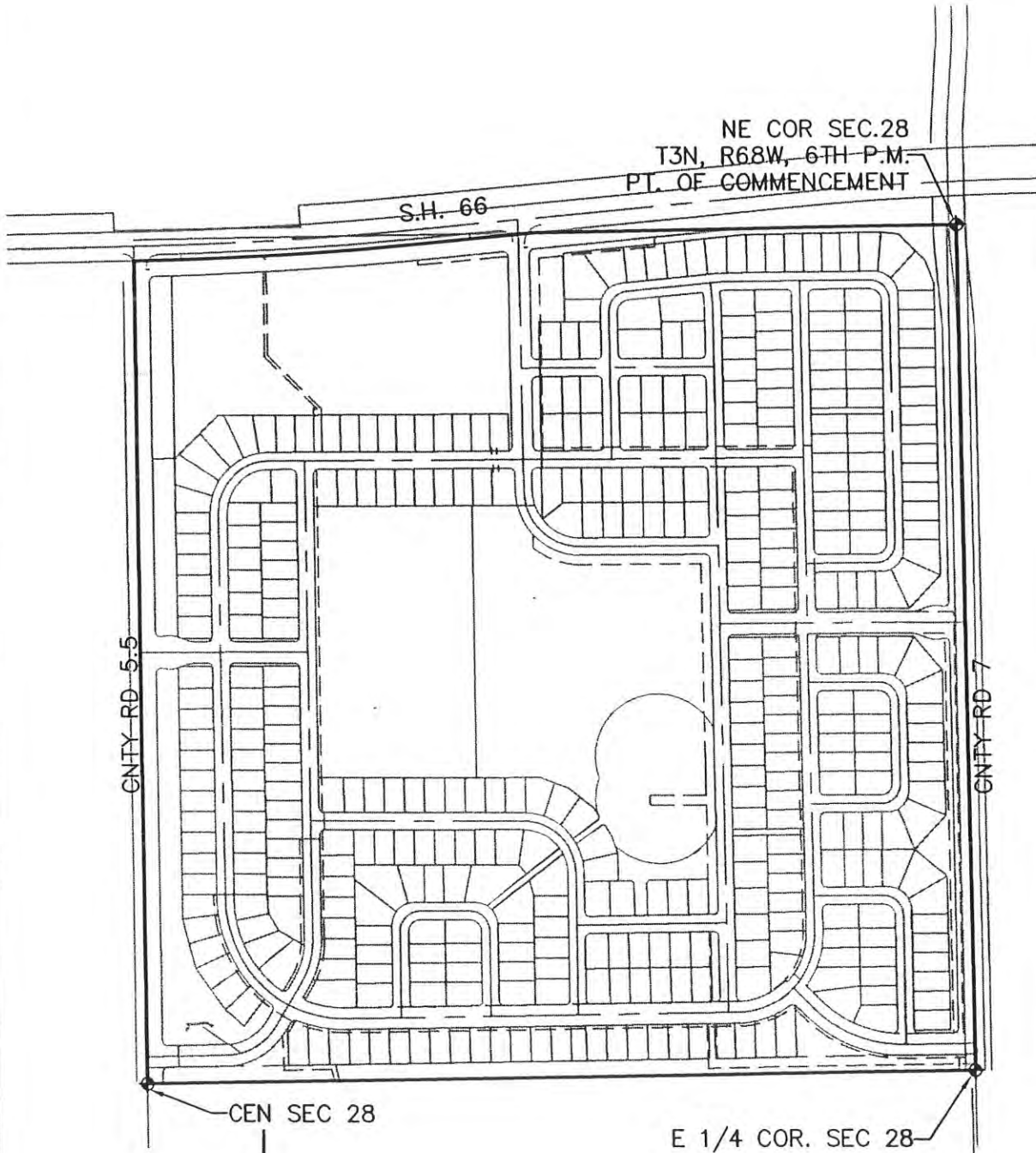
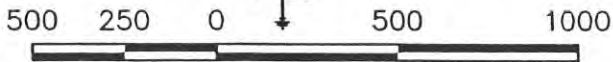


EXHIBIT -
LIBERTY RANCH
3/05

ENGINEERING PARTNERS, INC.

26 W. Dry Creek Circle, Suite 600
Littleton, Colorado 80120
Tel. (303) 703-4444
Fax (303) 703-4530

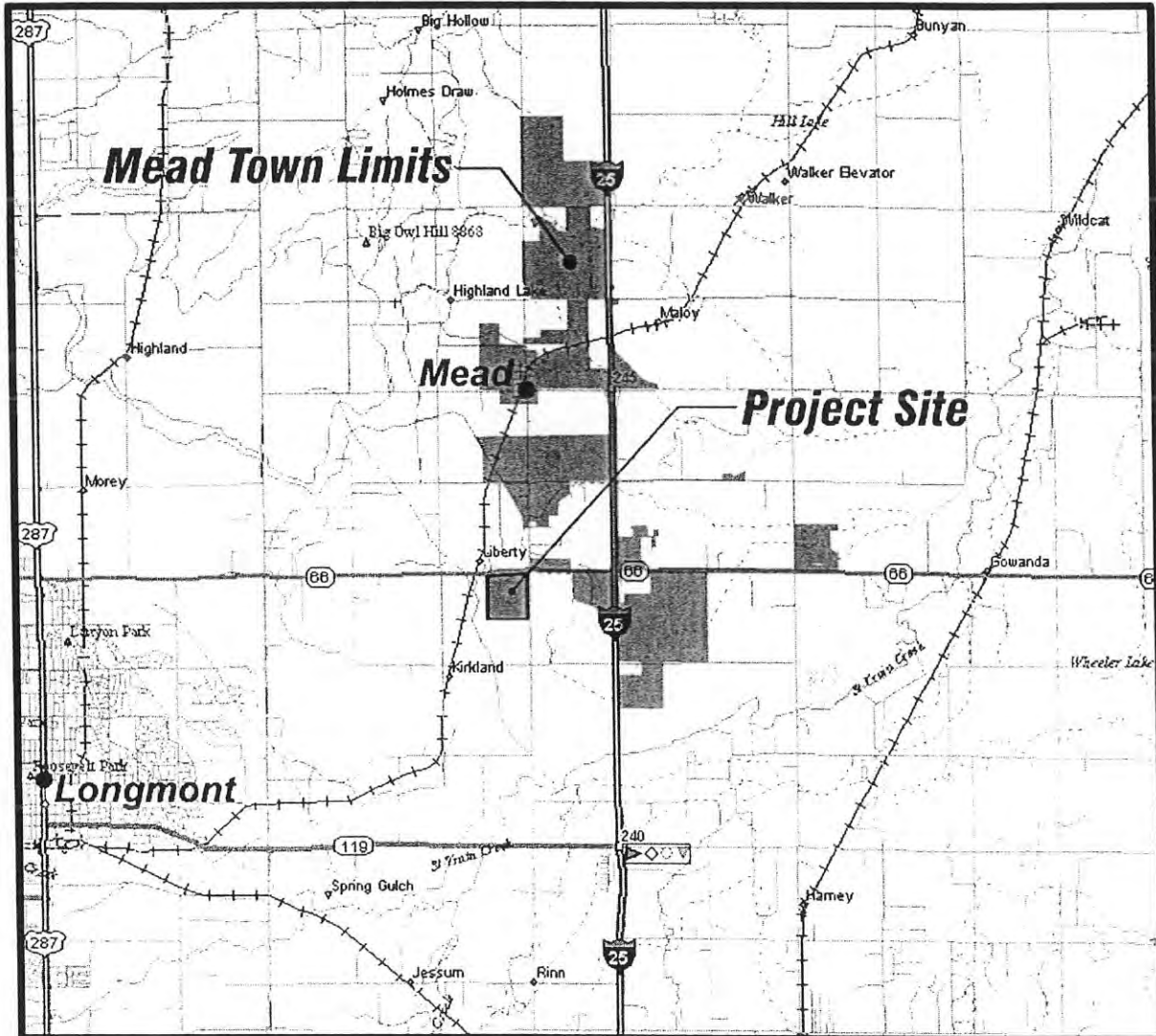


SCALE: 1" = 500'



EXHIBIT C

Vicinity Map



5000 2500 0 5000 10000



SCALE: 1" = 5000'

EXHIBIT -
LIBERTY RANCH
3/05



ENGINEERING PARTNERS, INC.

26 W. Dry Creek Circle, Suite 600
Littleton, Colorado 80120
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Fax (303) 703-4530

EXHIBIT D

Street and Safety Systems

NE COR SEC.28
T3N, R68W, 6TH P.M.
PT. OF COMMENCEMENT

S.H. 66

CNTY RD 5.5

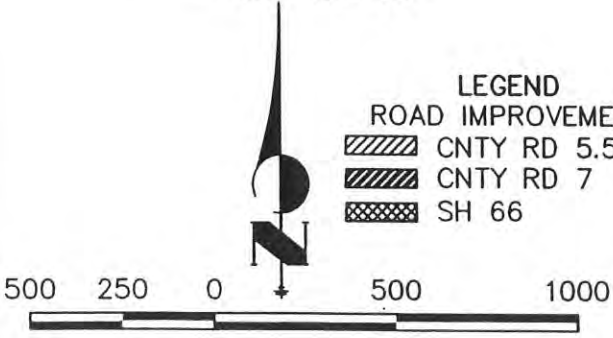
CNTY RD 7

CEN SEC 28

E 1/4 COR. SEC 28

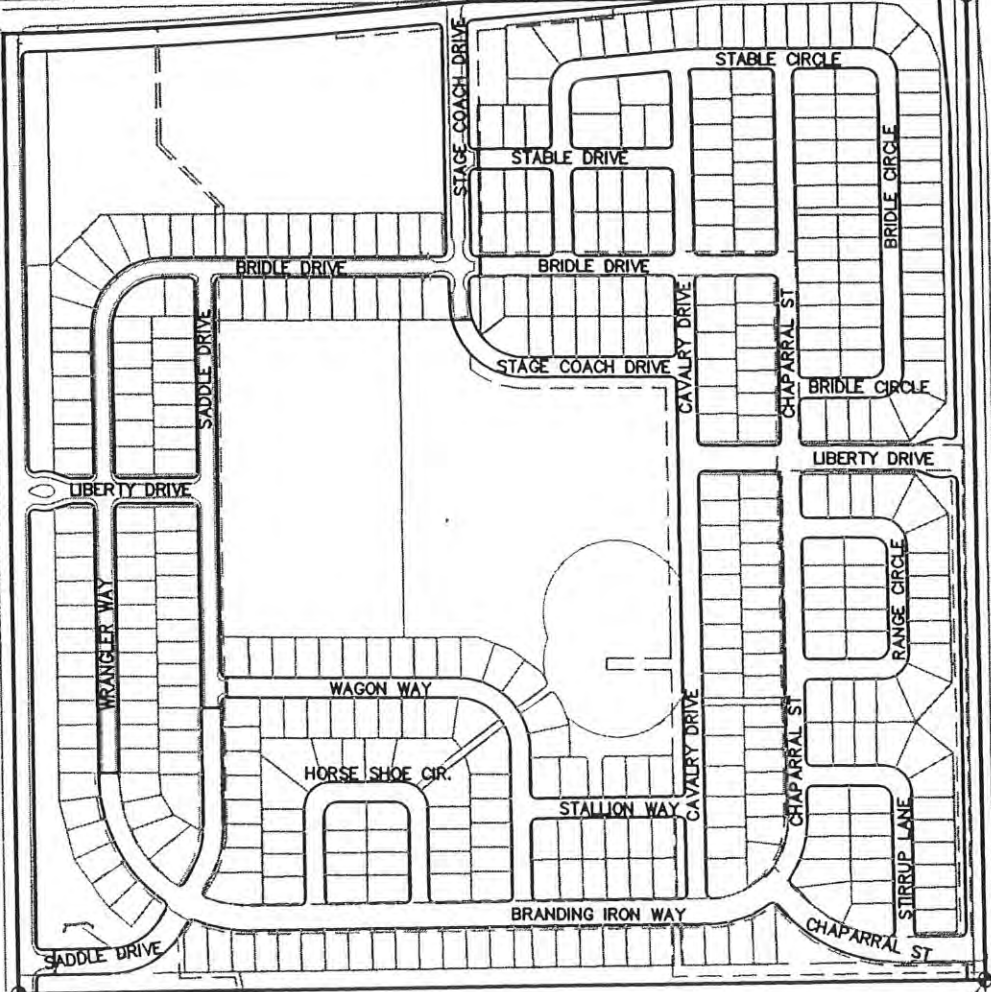
- LEGEND**
ROAD IMPROVEMENTS
-  CNTY RD 5.5
 -  CNTY RD 7
 -  SH 66

EXHIBIT -
LIBERTY RANCH
PERIMETER RD IMPROVEMENTS
3/05



ENGINEERING PARTNERS, INC.
26 W. Dry Creek Circle, Suite 600
Littleton, Colorado 80120
Tel. (303) 703-4444
Fax (303) 703-4530

NE COR SEC.28
T3N, R68W, 6TH P.M.
PT. OF COMMENCEMENT



CEN SEC 28

E 1/4 COR. SEC 28

LEGEND

== STREETS



500 250 0 500 1000



SCALE: 1" = 500'

EXHIBIT -
STREET IMPROVEMENTS
LIBERTY RANCH
3/05

ENGINEERING PARTNERS, INC.

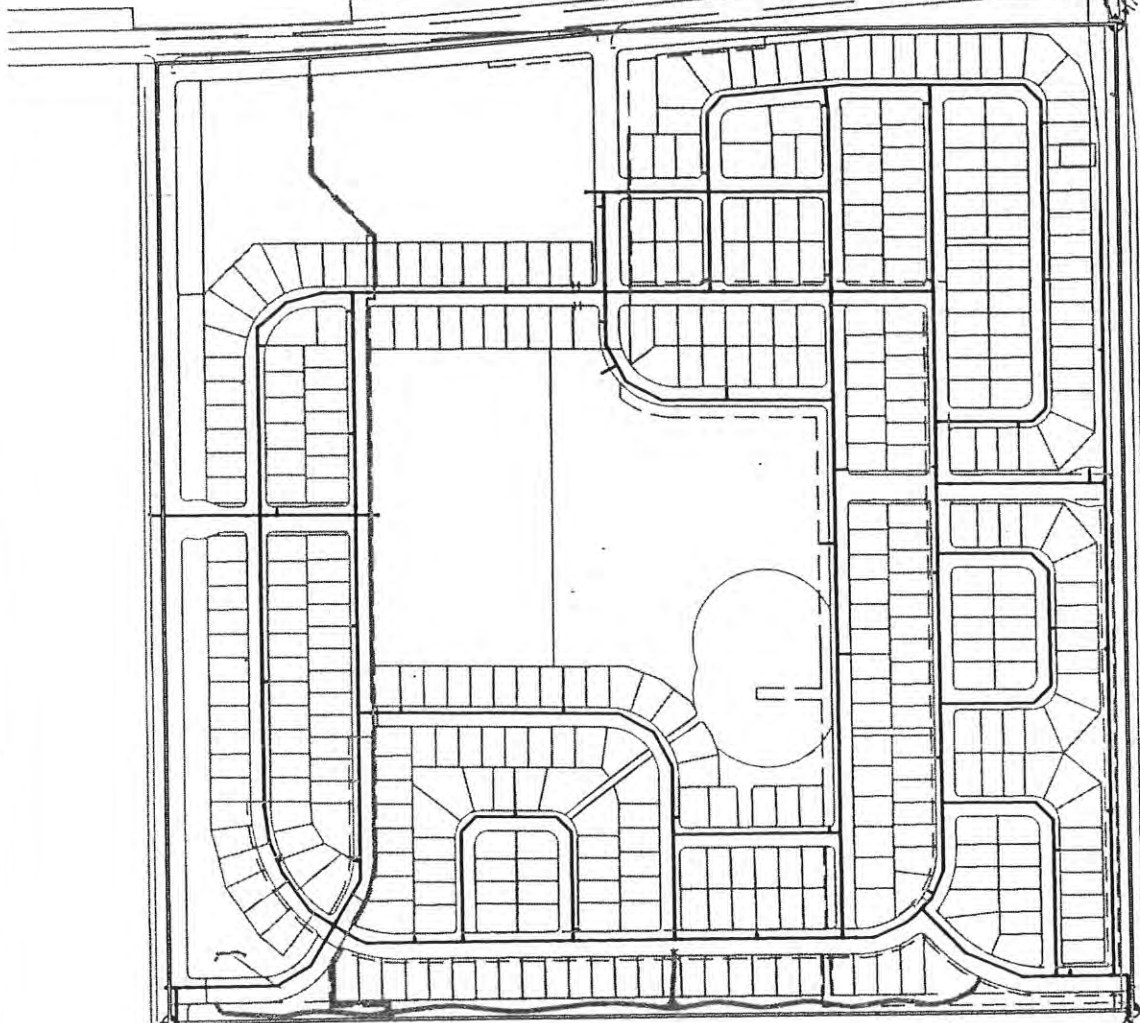


26 W. Dry Creek Circle, Suite 600
Littleton, Colorado 80120
Tel. (303) 703-4444
Fax (303) 703-4530

EXHIBIT E

Water Distribution System

NE COR SEC.28
T3N, R68W, 6TH P.M.
PT. OF COMMENCEMENT

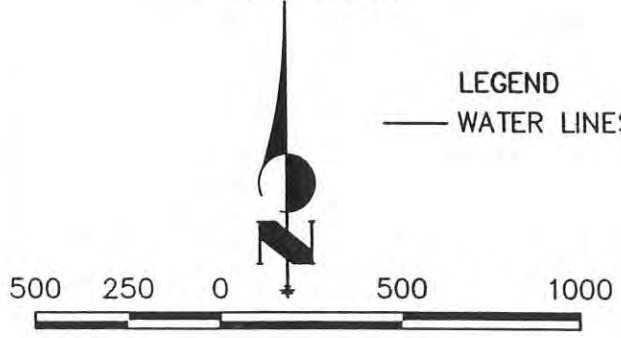


CEN SEC 28

E 1/4 COR. SEC 28

LEGEND
— WATER LINES

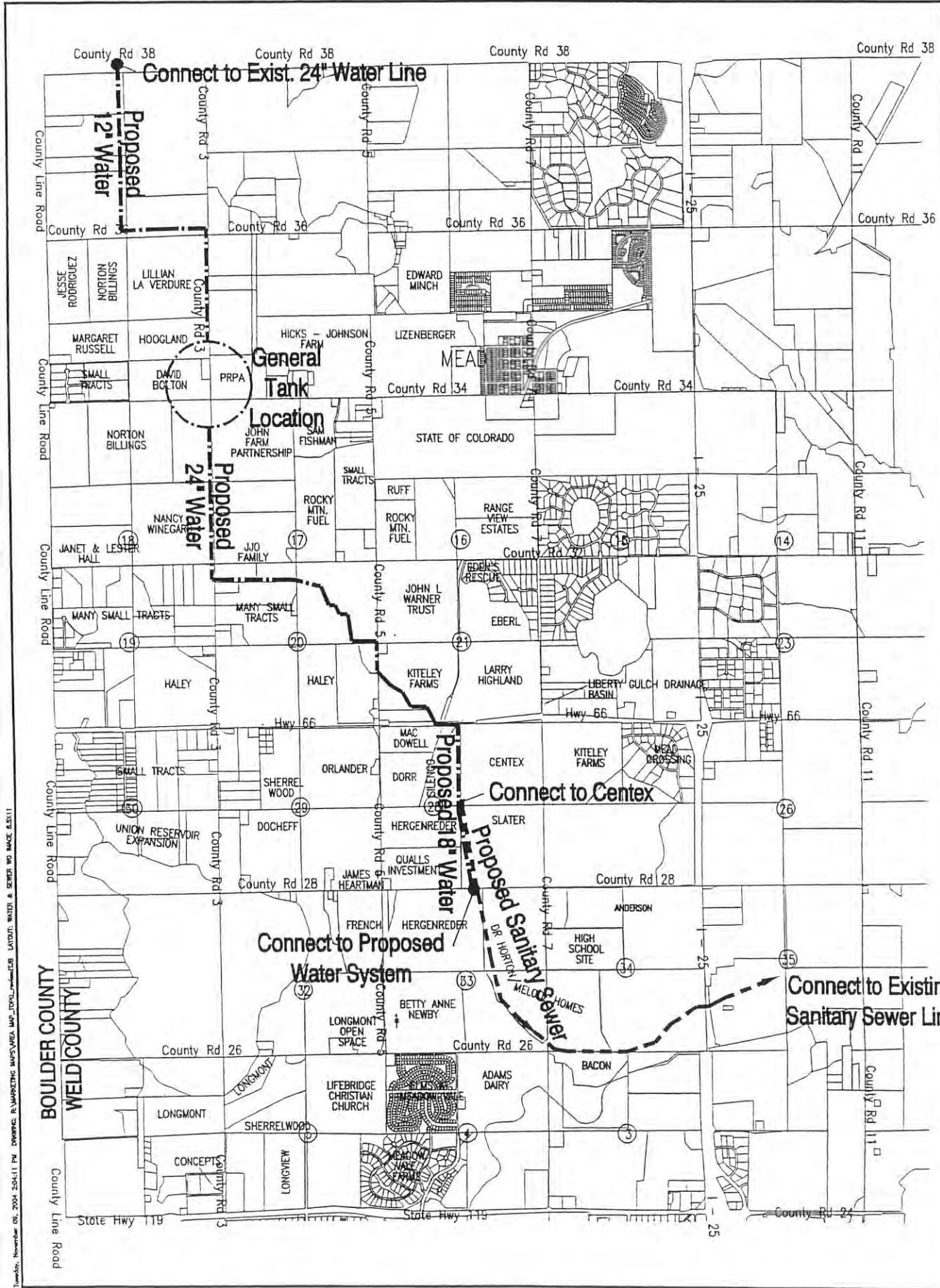
EXHIBIT --
LIBERTY RANCH
ONSITE DOMESTIC WATER
3/05



SCALE: 1" = 500'



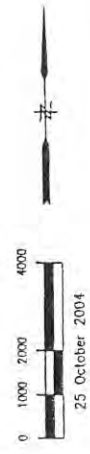
ENGINEERING PARTNERS, INC.
26 W. Dry Creek Circle, Suite 600
Littleton, Colorado 80120
Tel. (303) 703-4444
Fax (303) 703-4530



TETRA TECH RMC
 1800 S. SUNSET ST., SUITE 1-F, LONGMONT, CO 80501
 TEL 303.772.6000 METRO 303.685.8225 FAX 303.772.6000



St. Vrain Sanitation District
 Proposed Water & Sewer Routes
 Creek Line Service Area



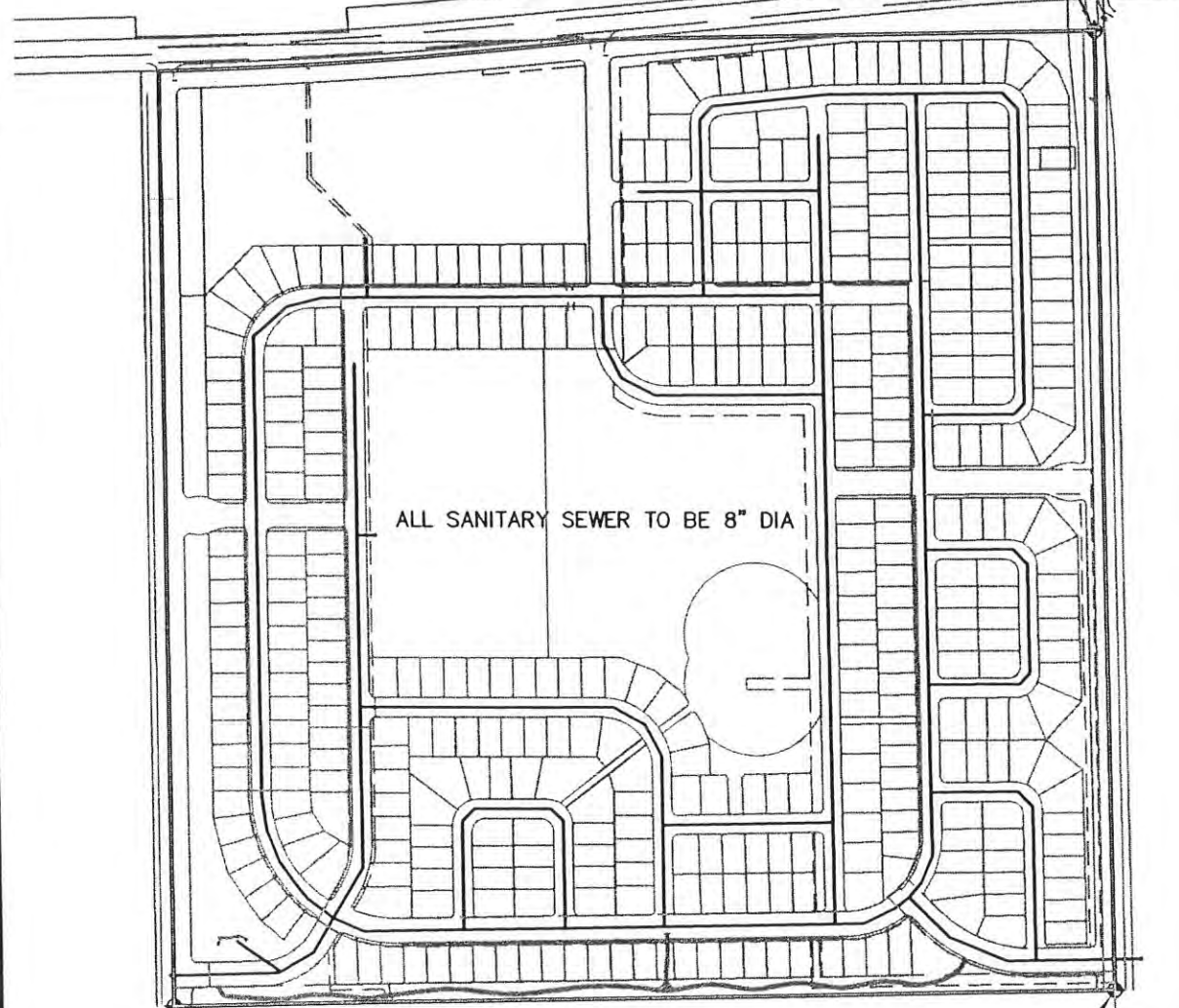
25 October 2004

Thursday, November 02, 2004 2:54:11 PM D:\WORK\PROJECTS\LONGMONT\WATER & SEWER\NO MAKE\NO MAKE\10371.DWG LAYOUT: WATER & SEWER NO MAKE NO MAKE

EXHIBIT F

Sanitation/Drainage System

NE COR SEC.28
T3N, R68W, 6TH P.M.
PT. OF COMMENCEMENT



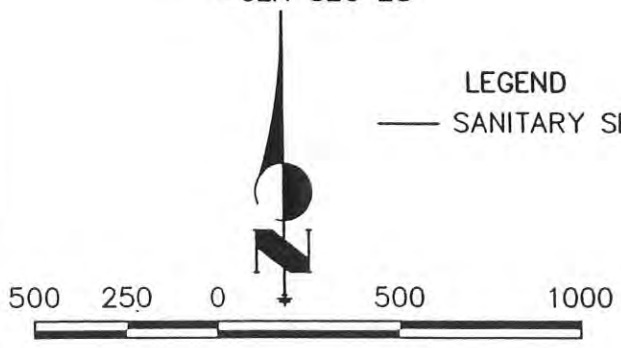
ALL SANITARY SEWER TO BE 8" DIA

CEN SEC 28

E 1/4 COR. SEC 28

LEGEND
— SANITARY SEWER

EXHIBIT -
LIBERTY RANCH
ONSITE SANITARY SEWER
3/05

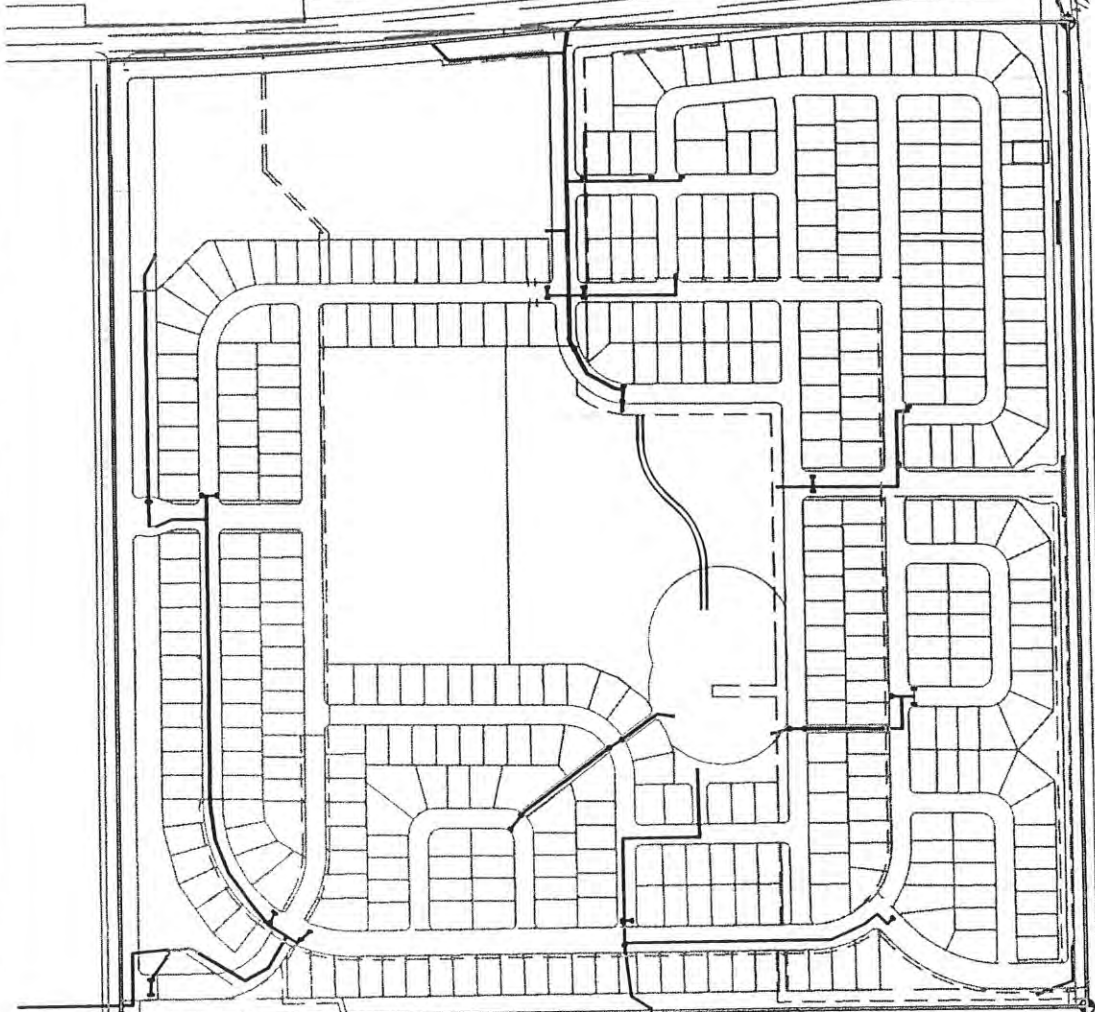


SCALE: 1" = 500'



ENGINEERING PARTNERS, INC.
26 W. Dry Creek Circle, Suite 600
Littleton, Colorado 80120
Tel. (303) 703-4444
Fax (303) 703-4530

NE COR SEC.28
T3N, R68W, 6TH P.M.
PT. OF COMMENCEMENT



CEN SEC 28

E 1/4 COR. SEC 28

LEGEND

- STORM PIPE
- == IMPROVED CHANNEL



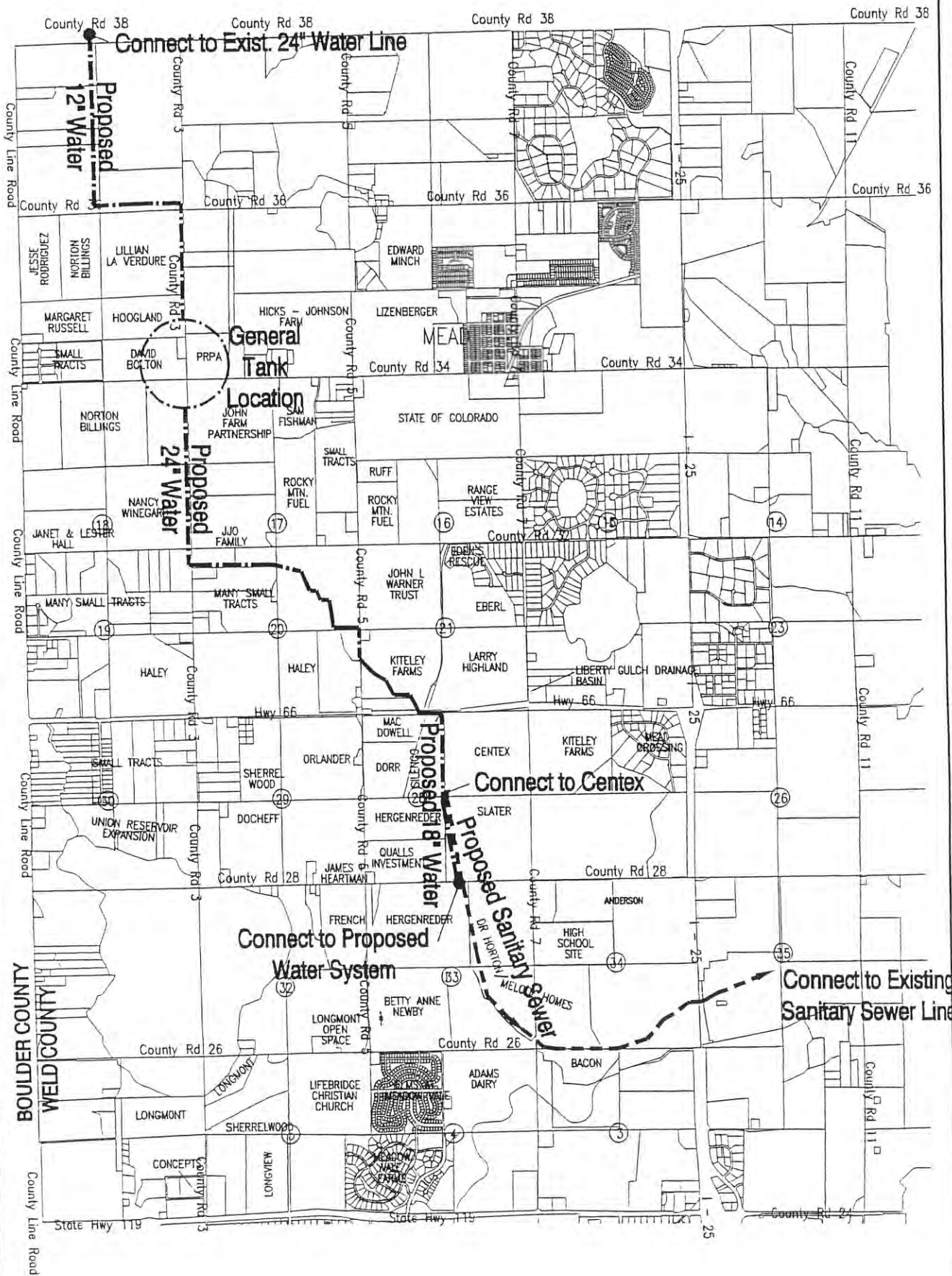
SCALE: 1" = 500'

EXHIBIT -
LIBERTY RANCH
STORM DRAINAGE
3/05

ENGINEERING PARTNERS, INC.



26 W. Dry Creek Circle, Suite 600
Littleton, Colorado 80120
Tel. (303) 703-4444
Fax (303) 703-4530



TETRA TECH RMC
 1900 S. SUNSET ST., SUITE 1-F, LONGMONT, CO 80501
 TEL 903.772.2656 METRO 903.666.6225 FAX 903.666.8959



St. Vrain Sanitation District
 Proposed Water & Sewer Routes
 Creek Line Service Area



11/19/04 8:50 AM BOULDER COUNTY WATER & SEWER DEPARTMENT 11/19/04 8:50 AM BOULDER COUNTY WATER & SEWER DEPARTMENT

EXHIBIT G

Public Improvements Cost Estimate

**ENGINEERING OPINION OF COST
FOR LIBERTY RANCH**

March 2005

			UNIT	
ONSITE STREETS	QUANTITY	UNIT	COST	TOTAL
7.5" THICK AC PAVEMENT	32,821	TONS	60.00	\$1,969,260
4" CURB/GUTTER/WALK	33942	LF	22.00	\$746,724
8' CROSSPAN	9	EA	8000.00	\$72,000
6" VERT CURB	8481	LF	18.00	\$152,658
5' S/W	4712	SY	35.00	\$164,920
STREET SIGNS	46	EA	300.00	\$13,800
BLDG DEMOLITION	1	LS	50000.00	\$50,000
CUT	120000	CY	1.75	\$210,000
4" GAS LINE RELOCATION	4450	LF	16.00	\$71,200
18" PVT. IRRIG. LINE	2888	LF	38.00	\$109,744
IRRIG MANHOLE	10	EA	2600.00	\$26,000
ENGINEERING DESIGN	1	LS	95000.00	\$95,000
CONSTRUCTION STAKING	1	LS	65000.00	\$65,000
INSPECTION AND TESTING	1	LS	35000.00	\$35,000
PERMITS	1	LS	10000.00	\$10,000
SILT FENCE	6000	LF	2.50	\$15,000
STRAW BALES	300	EA	6.00	\$1,800
SEED/MULCH	10	AC	1500.00	\$15,000
ONSITE STORM DRAINAGE				
18" RCP	1394	LF	38.00	\$52,972
24" RCP	3825	LF	54.00	\$206,550
30" RCP	1047	LF	70.00	\$73,290
36" RCP	287	LF	80.00	\$22,960
42" RCP	431	LF	85.00	\$36,635
48" RCP	617	LF	90.00	\$55,530
54" RCP	330	LF	110.00	\$36,300
10' TYPE R INLET	37	EA	8200.00	\$303,400
STORM MANHOLE	55	EA	7500.00	\$412,500
TYPE C INLET	2	EA	4500.00	\$9,000

DEBRIS REMOVAL - SANBORN	1	LS	80000.00	\$80,000
DETENTION STORAGE - SANBORN	1	LS	120000.00	\$120,000
ENGINEERING DESIGN	1	LS	50000.00	\$50,000
CONSTRUCTION STAKING	1	LS	30000.00	\$30,000
INSPECTION AND TESTING	1	LS	18000.00	\$18,000
PERMITS	1	LS	5000.00	\$5,000

ONSITE WATER

8" PVC	16177	LF	34.00	\$550,018
8" GATE VALVE	60	EA	2900.00	\$174,000
2" B.O.	6	EA	1600.00	\$9,600
6" F.H. COMPLETE	41	EA	2200.00	\$90,200
12" PVC	6996	LF	54.00	\$377,784
12" GATE VALVE	25	EA	4100.00	\$102,500
3/4" SERVICES	380	EA	600.00	\$228,000
ENGINEERING DESIGN	1	LS	42000.00	\$42,000
CONSTRUCTION STAKING	1	LS	40000.00	\$40,000
INSPECTION AND TESTING	1	LS	30000.00	\$30,000
PERMITS	1	LS	12000.00	\$12,000

ONSITE SEWER

8" PVC STANDARD DEPTH	19161	LF	36.00	\$689,796
10" PVC STANDARD DEPTH	1529	LF	44.00	\$67,276
MANHOLES	74	EA	2800.00	\$207,200
4" SEWER SERVICE	380	EA	600.00	\$228,000
ENGINEERING DESIGN	1	LS	56000.00	\$56,000
CONSTRUCTION STAKING	1	LS	48000.00	\$48,000
INSPECTION AND TESTING	1	LS	30000.00	\$30,000
PERMITS	1	LS	12000.00	\$12,000

PERIMETER STREETS

8-1/2" THICK AC PAVEMENT	16978	TONS	60.00	\$1,018,680
8' TRAIL	4870	SY	35.00	\$170,450
30" IRRIG. LINE	624	LF	55.00	\$34,320
24" IRRIG LINE	2150	LF	46.00	\$98,900
18" IRRIG LINE	242	LF	38.00	\$9,196
SIGNALIZATION HWY 66/7	1	EA	225000.00	\$225,000
SIGNALIZATION HWY 66/5.5	1	EA	300000.00	\$300,000
6" VERTICAL C&G	6000	LF	18.00	\$108,000
IRRIG BOX	1	LS	5000.00	\$5,000
IRRIG MANHOLE	5	EA	2200.00	\$11,000
IRRIG BOX	1	LS	3500.00	\$3,500

SIGNAGE	30	EA	300.00	\$9,000
STRIPING	1	LS	25000.00	\$25,000
TREE REMOVAL	1	LS	20000.00	\$20,000
ENGINEERING DESIGN	1	LS	92000.00	\$92,000
CONSTRUCTION STAKING	1	LS	68000.00	\$68,000
INSPECTION AND TESTING	1	LS	52000.00	\$52,000
PERMITS	1	LS	30000.00	\$30,000

SUB TOTAL	\$10,609,663
15% CONTINGENCY	\$1,591,450
TOTAL	\$12,201,113

LIBERTY RANCH METROPOLITAN DISTRICT

OFF-SITE IMPROVEMENT COST ESTIMATES

Off-site sewer line \$3,500,000

Off-site water line \$7,500,000

EXHIBIT H

Financial Plan

Total Svr Par: 11,395,000

LIBERTY RANCH METROPOLITAN DISTRICT
 Development Projection at 40.00 Mills for Debt Service
 Ser. 2008 & 2011 Bond Issues, Non-Rated, 30-yr maturities

YEAR	Ser. 2008 \$3,150,000 Par (Net \$2,792 MM) Net Debt Service		Ser. 2011 \$6,245,000 Par (Net \$7,308 MM) Net Debt Service		Surplus Release @ 50% D/A to \$200,000	Cumulative Surplus \$1,139,500 Target to AV	Senior Debt-to- Assessed Ratio	Built Parcels' Market Value of current year Converted
	Total Available Revenue	Net Debt Service	Net Debt Service	Net Debt Service				
2004					0	0	n/a	0
2005	\$0				0	0	n/a	332,582
2006	\$0				0	0	n/a	1,313,958
2007	94,000				94,000	94,000	n/a	2,613,777
2008	118,221	\$0			118,221	212,221	947%	4,419,263
2009	212,902	0			212,902	425,123	240%	7,414,930
2010	289,209	281,250			7,959	433,082	119%	19,282,156
2011	519,638	232,875		\$0	286,763	719,845	257%	19,982,671
2012	370,129	247,875		0	122,254	842,099	153%	19,982,671
2013	847,426	246,750		618,375	(17,699)	824,400	59%	20,382,324
2014	878,141	255,625		618,375	4,141	828,541	57%	20,382,324
2015	878,224	253,750		618,375	6,099	834,639	56%	20,789,971
2016	895,579	256,875		623,375	15,329	849,968	55%	20,789,971
2017	895,885	259,625		618,000	18,260	868,228	55%	21,205,770
2018	913,828	267,000		628,000	18,828	887,056	54%	21,205,770
2019	914,205	263,625		632,250	18,330	905,386	53%	
2020	932,501	270,250		646,125	16,126	921,511	52%	
2021	932,823	271,125		1,378,875	(717,177)	4,334	48%	
2022	936,681	276,625		656,500	3,556	200,000	46%	
2023	936,681	276,375		659,000	1,306	200,000	45%	
2024	955,334	280,750		670,750	3,834	200,000	44%	
2025	955,334	279,375		671,000	4,959	200,000	42%	
2026	974,361	287,625		680,500	6,236	200,000	40%	
2027	974,361	284,750		683,500	6,111	200,000	39%	
2028	993,768	291,500		700,375	1,893	200,000	37%	
2029	993,768	292,125		700,000	1,643	200,000	35%	
2030	1,013,564	297,000		713,500	3,064	200,000	33%	
2031	1,013,564	295,750		714,750	3,064	200,000	31%	
2032	1,033,755	303,750		724,500	5,505	200,000	29%	
2033	1,033,755	305,250		737,625	1,505	200,000	26%	
2034	1,054,350	310,625		740,625	6,100	200,000	24%	
2035	1,054,350	309,500		737,625	4,225	200,000	21%	
2036	1,075,357	317,250		751,375	6,732	200,000	18%	
2037	1,075,357	318,125		754,125	3,107	200,000	15%	
2038	1,096,784	322,500		769,250	5,034	200,000	11%	
2039	1,096,784	0		1,090,625	6,159	200,000	8%	
2040	1,118,640	0		1,115,000	3,640	200,000	4%	
2041	1,118,640	0		1,112,625	6,015	200,000	0%	
2042	4,000	0		0	4,000	200,000	0%	
2043	4,000	0		0	4,000	200,000	0%	
2044	4,000	0		0	4,000	200,000	0%	
2045	4,000	0		0	4,000	200,000	0%	
2046	4,000	0		0	4,000	200,000	0%	
	30,217,896	8,155,500		21,754,375	308,021	106,021		

(D:\Mar2305 08\rr400) (D:\Mar2305 11\rr400)

LIBERTY RANCH METROPOLITAN DISTRICT
 Operations Revenue and Expense Projection

YEAR	Total Assessed Value	Oper'n's Mill Levy	Total Collections @ 98%	Specific Ownership Tax @ 10% of Prop'y Taxes	Total Available For O&M	Less District Operations @ of \$75,000 inf. @ 1% or max 5.0 mills	Developer Advancements for		Annual Surplus
							Operations	Repayment for Operations	
2004	0	5.000	0	0	0	0	0	0	0
2005	0	5.000	0	0	0	0	0	0	0
2006	0	5.000	0	0	0	0	0	0	0
2007	0	5.000	0	0	0	0	0	0	0
2008	332,562	5.000	1,630	163	1,793	75,000	67,918	0	0
2009	1,313,958	5.000	6,438	644	7,082	75,750	61,662	0	0
2010	2,613,777	5.000	12,808	1,281	14,088	76,508	52,688	0	0
2011	4,419,263	5.000	21,654	2,165	23,820	77,273	37,306	0	0
2012	7,414,930	5.000	36,333	3,633	39,966	78,045	0	25,778	0
2013	19,262,156	5.000	84,365	9,438	103,623	78,826	0	28,881	0
2014	19,982,671	5.000	97,915	9,792	107,707	79,614	0	28,083	0
2015	19,982,671	5.000	97,915	9,792	107,707	80,410	0	29,451	0
2016	20,382,324	5.000	99,873	9,987	109,861	81,214	0	28,646	0
2017	20,382,324	5.000	99,873	9,987	109,861	82,026	0	30,032	0
2018	20,789,971	5.000	101,871	10,187	112,058	82,847	0	29,211	0
2019	20,789,971	5.000	101,871	10,187	112,058	83,675	0	19,462	11,142
2020	21,205,770	5.000	103,908	10,391	114,299	84,512	0	0	0
2021	21,205,770	3.697	75,829	7,683	84,512	85,357	0	0	0
2022	21,629,886	3.661	77,597	7,760	85,357	86,211	0	0	0
2023	21,629,886	3.697	78,373	7,837	86,211	87,073	0	0	0
2024	22,062,483	3.661	79,157	7,916	87,073	87,943	0	0	0
2025	22,062,483	3.698	79,949	7,995	87,943	88,823	0	0	0
2026	22,503,733	3.661	80,748	8,075	88,823	89,711	0	0	0
2027	22,503,733	3.698	81,556	8,156	89,711	90,608	0	0	0
2028	22,953,808	3.662	82,371	8,237	90,608	91,514	0	0	0
2029	22,953,808	3.698	83,195	8,319	91,514	92,429	0	0	0
2030	23,412,884	3.662	84,027	8,403	92,429	93,354	0	0	0
2031	23,412,884	3.699	84,867	8,487	93,354	94,287	0	0	0
2032	23,881,142	3.663	85,716	8,572	94,287	95,230	0	0	0
2033	23,881,142	3.699	86,573	8,657	95,230	96,182	0	0	0
2034	24,358,764	3.663	87,439	8,744	96,182	97,144	0	0	0
2035	24,358,764	3.699	88,313	8,831	97,144	98,116	0	0	0
2036	24,845,940	3.663	89,196	8,920	98,116	99,097	0	0	0
2037	24,845,940	3.700	90,088	9,009	99,097	100,088	0	0	0
2038	25,342,858	3.664	90,989	9,099	100,088	101,089	0	0	0
2039	25,342,858	3.700	91,899	9,190	101,089	102,100	0	0	0
2040	25,845,716	3.664	92,818	9,282	102,100	103,121	0	0	0
2041	25,845,716	3.701	93,746	9,375	103,121	104,152	0	0	0
2042	26,366,710	3.664	94,683	9,468	104,152	105,193	0	0	0
2043	26,366,710	3.701	95,630	9,563	105,193	106,245	0	0	0
2044	26,894,044	3.665	96,587	9,659	106,245	107,308	0	0	0
2045	26,894,044	3.701	97,552	9,755	107,308	108,381	0	0	0
2046	27,431,925	3.665	98,528	9,853	108,381	219,573	219,573	11,142	11,142

LIBERTY RANCH METROPOLITAN DISTRICT
 Development Projection (updated 3/23/05)

YEAR	Residential Development										Residential Summary		All Res'l Facility Fees per unit @ \$2,000	
	Horizons SFDs					Americana SFDs					Total Residential Market Value	Total SFD Res'l Units		
	# Lots Devel'd	Incr/(Decr) In Finished Lot Value @ 10%	# Units Completed [228 target]	Price Inflated @ 2%	Market Value	# Lots Devel'd	Incr/(Decr) In Finished Lot Value @ 10%	# Units Completed [120 target]	Price Inflated @ 2%	Market Value				
2004	0	\$0	0	\$0	\$0	0	\$0	0	\$0	\$0	0	0	0	\$0
2005	0	0	0	244,007	0	0	0	0	301,125	0	0	0	0	0
2006	47	1,146,833	0	248,887	0	0	0	307,148	0	0	0	0	0	0
2007	49	48,801	47	253,865	11,931,649	2	60,225	313,290	639,113	11,931,649	47	94,000		
2008	48	(24,401)	49	258,942	12,688,167	28	782,925	319,556	9,126,527	13,327,279	51	102,000		
2009	48	0	48	264,121	12,677,809	36	240,900	325,947	9,126,527	21,804,336	76	152,000		
2010	36	(292,808)	48	269,403	12,931,365	36	0	332,466	11,968,788	24,900,153	84	168,000		
2011	0	(878,425)	36	274,792	9,892,494	18	(542,025)	339,116	12,208,164	22,100,658	72	144,000		
2012	0	0	0	280,287	0	18	(542,025)	345,898	6,226,163	6,226,163	18	36,000		
2013	0	0	0	285,893	0	0	0	352,816	0	0	0	0	0	
2014	0	0	0	291,611	0	0	0	359,872	0	0	0	0	0	
2015	0	0	0	297,443	0	0	0	367,070	0	0	0	0	0	
2016	0	0	0	303,392	0	0	0	374,411	0	0	0	0	0	
2017	0	0	0	309,480	0	0	0	381,899	0	0	0	0	0	
2018	0	0	0	315,649	0	0	0	389,537	0	0	0	0	0	
	228	0	228		60,121,485	120	0		40,168,754	100,290,240	348	696,000		

LIBERTY RANCH METROPOLITAN DISTRICT

Development Projection (updated 3/23/05)

YEAR	Commercial										Commercial Summary		
	SF Devel'd	Incr/(Deer) in Finished Lot Value @ 10%	Square Ft Completed [352,836 target]	Price per Sq Ft, Inflated @ 2%	Market Value	Total Commercial Market Value	Cumulative Commercial Market Value	Total Commercial SF Completed	Commercial Facility Fees @ \$.50/SF	Value of Platted / Developed Lots			
2004	0	\$0	0	\$0.00	\$0	\$0	0	0	\$0	\$0			
2005	0	0	0	\$100.00	0	0	0	0	0	0			
2006	0	0	0	102.00	0	0	0	0	0	1,146,833			
2007	0	0	0	104.04	0	0	0	0	0	109,026			
2008	0	0	0	106.12	0	0	0	0	0	758,524			
2009	0	0	0	108.24	0	0	0	0	0	240,900			
2010	352,836	3,528,360	0	110.41	0	0	0	0	0	3,235,552			
2011	0	(3,528,360)	352,836	112.62	39,735,064	39,735,064	352,836	176,418	(4,948,810)				
2012	0	0	0	114.87	0	0	39,735,064	0	0	(542,025)			
2013	0	0	0	117.17	0	0	39,735,064	0	0	0			
2014	0	0	0	119.51	0	0	39,735,064	0	0	0			
2015	0	0	0	121.90	0	0	39,735,064	0	0	0			
2016	0	0	0	124.34	0	0	39,735,064	0	0	0			
2017	0	0	0	126.82	0	0	39,735,064	0	0	0			
2018	0	0	0	129.36	0	0	39,735,064	0	0	0			
	<u>352,836</u>	<u>0</u>	<u>352,836</u>		<u>39,735,064</u>	<u>39,735,064</u>	<u>352,836</u>	<u>176,418</u>	<u>0</u>				

SOURCES AND USES OF FUNDS

**LIBERTY RANCH METROPOLITAN DISTRICT
SERIES 2008 G.O. BONDS
30-year final maturity, Non-Rated Bonds**

Dated Date 12/01/2008
Delivery Date 12/01/2008

Sources:

Bond Proceeds:	
Par Amount	3,150,000.00
	<hr/>
	3,150,000.00
	<hr/>

Uses:

Project Fund Deposits:	
Project Funds	2,792,106.99
Other Fund Deposits:	
Capitalized Interest	231,893.01
Delivery Date Expenses:	
Cost of Issuance	126,000.00
	<hr/>
	3,150,000.00
	<hr/>

BOND DEBT SERVICE
LIBERTY RANCH METROPOLITAN DISTRICT
SERIES 2008 G.O. BONDS
30-year final maturity, Non-Rated Bonds

Dated Date 12/01/2008
Delivery Date 12/01/2008

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2008					
06/01/2009			118,125.00	118,125.00	
12/01/2009			118,125.00	118,125.00	236,250
06/01/2010			118,125.00	118,125.00	
12/01/2010	45,000	7.500%	118,125.00	163,125.00	281,250
06/01/2011			116,437.50	116,437.50	
12/01/2011			116,437.50	116,437.50	232,875
06/01/2012			116,437.50	116,437.50	
12/01/2012	15,000	7.500%	116,437.50	131,437.50	247,875
06/01/2013			115,875.00	115,875.00	
12/01/2013	15,000	7.500%	115,875.00	130,875.00	246,750
06/01/2014			115,312.50	115,312.50	
12/01/2014	25,000	7.500%	115,312.50	140,312.50	255,625
06/01/2015			114,375.00	114,375.00	
12/01/2015	25,000	7.500%	114,375.00	139,375.00	253,750
06/01/2016			113,437.50	113,437.50	
12/01/2016	30,000	7.500%	113,437.50	143,437.50	256,875
06/01/2017			112,312.50	112,312.50	
12/01/2017	35,000	7.500%	112,312.50	147,312.50	259,625
06/01/2018			111,000.00	111,000.00	
12/01/2018	45,000	7.500%	111,000.00	156,000.00	267,000
06/01/2019			109,312.50	109,312.50	
12/01/2019	45,000	7.500%	109,312.50	154,312.50	263,625
06/01/2020			107,625.00	107,625.00	
12/01/2020	55,000	7.500%	107,625.00	162,625.00	270,250
06/01/2021			105,562.50	105,562.50	
12/01/2021	60,000	7.500%	105,562.50	165,562.50	271,125
06/01/2022			103,312.50	103,312.50	
12/01/2022	70,000	7.500%	103,312.50	173,312.50	276,625
06/01/2023			100,687.50	100,687.50	
12/01/2023	75,000	7.500%	100,687.50	175,687.50	276,375
06/01/2024			97,875.00	97,875.00	
12/01/2024	85,000	7.500%	97,875.00	182,875.00	280,750
06/01/2025			94,687.50	94,687.50	
12/01/2025	90,000	7.500%	94,687.50	184,687.50	279,375
06/01/2026			91,312.50	91,312.50	
12/01/2026	105,000	7.500%	91,312.50	196,312.50	287,625
06/01/2027			87,375.00	87,375.00	
12/01/2027	110,000	7.500%	87,375.00	197,375.00	284,750
06/01/2028			83,250.00	83,250.00	
12/01/2028	125,000	7.500%	83,250.00	208,250.00	291,500
06/01/2029			78,562.50	78,562.50	
12/01/2029	135,000	7.500%	78,562.50	213,562.50	292,125
06/01/2030			73,500.00	73,500.00	
12/01/2030	150,000	7.500%	73,500.00	223,500.00	297,000
06/01/2031			67,875.00	67,875.00	
12/01/2031	160,000	7.500%	67,875.00	227,875.00	295,750
06/01/2032			61,875.00	61,875.00	
12/01/2032	180,000	7.500%	61,875.00	241,875.00	303,750
06/01/2033			55,125.00	55,125.00	
12/01/2033	195,000	7.500%	55,125.00	250,125.00	305,250
06/01/2034			47,812.50	47,812.50	
12/01/2034	215,000	7.500%	47,812.50	262,812.50	310,625
06/01/2035			39,750.00	39,750.00	
12/01/2035	230,000	7.500%	39,750.00	269,750.00	309,500
06/01/2036			31,125.00	31,125.00	
12/01/2036	255,000	7.500%	31,125.00	286,125.00	317,250
06/01/2037			21,562.50	21,562.50	
12/01/2037	275,000	7.500%	21,562.50	296,562.50	318,125
06/01/2038			11,250.00	11,250.00	
12/01/2038	300,000	7.500%	11,250.00	311,250.00	322,500
	3,150,000		5,241,750.00	8,391,750.00	8,391,750

NET DEBT SERVICE

**LIBERTY RANCH METROPOLITAN DISTRICT
SERIES 2008 G.O. BONDS
30-year final maturity, Non-Rated Bonds**

Date	Principal	Interest	Total Debt Service	Capitalized Interest	Net Debt Service	Annual Net D/S
06/01/2009		118,125.00	118,125.00	118,125		
12/01/2009		118,125.00	118,125.00	118,125		
06/01/2010		118,125.00	118,125.00		118,125.00	
12/01/2010	45,000	118,125.00	163,125.00		163,125.00	281,250
06/01/2011		116,437.50	116,437.50		116,437.50	
12/01/2011		116,437.50	116,437.50		116,437.50	232,875
06/01/2012		116,437.50	116,437.50		116,437.50	
12/01/2012	15,000	116,437.50	131,437.50		131,437.50	247,875
06/01/2013		115,875.00	115,875.00		115,875.00	
12/01/2013	15,000	115,875.00	130,875.00		130,875.00	246,750
06/01/2014		115,312.50	115,312.50		115,312.50	
12/01/2014	25,000	115,312.50	140,312.50		140,312.50	255,625
06/01/2015		114,375.00	114,375.00		114,375.00	
12/01/2015	25,000	114,375.00	139,375.00		139,375.00	253,750
06/01/2016		113,437.50	113,437.50		113,437.50	
12/01/2016	30,000	113,437.50	143,437.50		143,437.50	256,875
06/01/2017		112,312.50	112,312.50		112,312.50	
12/01/2017	35,000	112,312.50	147,312.50		147,312.50	259,625
06/01/2018		111,000.00	111,000.00		111,000.00	
12/01/2018	45,000	111,000.00	156,000.00		156,000.00	267,000
06/01/2019		109,312.50	109,312.50		109,312.50	
12/01/2019	45,000	109,312.50	154,312.50		154,312.50	263,625
06/01/2020		107,625.00	107,625.00		107,625.00	
12/01/2020	55,000	107,625.00	162,625.00		162,625.00	270,250
06/01/2021		105,562.50	105,562.50		105,562.50	
12/01/2021	60,000	105,562.50	165,562.50		165,562.50	271,125
06/01/2022		103,312.50	103,312.50		103,312.50	
12/01/2022	70,000	103,312.50	173,312.50		173,312.50	276,625
06/01/2023		100,687.50	100,687.50		100,687.50	
12/01/2023	75,000	100,687.50	175,687.50		175,687.50	276,375
06/01/2024		97,875.00	97,875.00		97,875.00	
12/01/2024	85,000	97,875.00	182,875.00		182,875.00	280,750
06/01/2025		94,687.50	94,687.50		94,687.50	
12/01/2025	90,000	94,687.50	184,687.50		184,687.50	279,375
06/01/2026		91,312.50	91,312.50		91,312.50	
12/01/2026	105,000	91,312.50	196,312.50		196,312.50	287,625
06/01/2027		87,375.00	87,375.00		87,375.00	
12/01/2027	110,000	87,375.00	197,375.00		197,375.00	284,750
06/01/2028		83,250.00	83,250.00		83,250.00	
12/01/2028	125,000	83,250.00	208,250.00		208,250.00	291,500
06/01/2029		78,562.50	78,562.50		78,562.50	
12/01/2029	135,000	78,562.50	213,562.50		213,562.50	292,125
06/01/2030		73,500.00	73,500.00		73,500.00	
12/01/2030	150,000	73,500.00	223,500.00		223,500.00	297,000
06/01/2031		67,875.00	67,875.00		67,875.00	
12/01/2031	160,000	67,875.00	227,875.00		227,875.00	295,750
06/01/2032		61,875.00	61,875.00		61,875.00	
12/01/2032	180,000	61,875.00	241,875.00		241,875.00	303,750
06/01/2033		55,125.00	55,125.00		55,125.00	
12/01/2033	195,000	55,125.00	250,125.00		250,125.00	305,250
06/01/2034		47,812.50	47,812.50		47,812.50	
12/01/2034	215,000	47,812.50	262,812.50		262,812.50	310,625
06/01/2035		39,750.00	39,750.00		39,750.00	
12/01/2035	230,000	39,750.00	269,750.00		269,750.00	309,500
06/01/2036		31,125.00	31,125.00		31,125.00	
12/01/2036	255,000	31,125.00	286,125.00		286,125.00	317,250
06/01/2037		21,562.50	21,562.50		21,562.50	
12/01/2037	275,000	21,562.50	296,562.50		296,562.50	318,125
06/01/2038		11,250.00	11,250.00		11,250.00	
12/01/2038	300,000	11,250.00	311,250.00		311,250.00	322,500
	3,150,000	5,241,750.00	8,391,750.00	236,250	8,155,500.00	8,155,500

SOURCES AND USES OF FUNDS

**LIBERTY RANCH METROPOLITAN DISTRICT
SERIES 2011 G.O. BONDS
30-year final maturity, Non-Rated Bonds**

Dated Date 12/01/2011
Delivery Date 12/01/2011

Sources:

Bond Proceeds:	
Par Amount	8,245,000.00
	<hr/>
	8,245,000.00
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Uses:

Project Fund Deposits:	
Project Funds	7,308,229.26
Other Fund Deposits:	
Capitalized Interest	606,970.74
Delivery Date Expenses:	
Cost of Issuance	329,800.00
	<hr/>
	8,245,000.00
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BOND DEBT SERVICE

LIBERTY RANCH METROPOLITAN DISTRICT SERIES 2011 G.O. BONDS 30-year final maturity, Non-Rated Bonds

Dated Date 12/01/2011
Delivery Date 12/01/2011

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2011					
06/01/2012			309,187.50	309,187.50	
12/01/2012			309,187.50	309,187.50	618,375
06/01/2013			309,187.50	309,187.50	
12/01/2013			309,187.50	309,187.50	618,375
06/01/2014			309,187.50	309,187.50	
12/01/2014			309,187.50	309,187.50	618,375
06/01/2015			309,187.50	309,187.50	
12/01/2015			309,187.50	309,187.50	618,375
06/01/2016			309,187.50	309,187.50	
12/01/2016	5,000	7.500%	309,187.50	314,187.50	623,375
06/01/2017			309,000.00	309,000.00	
12/01/2017			309,000.00	309,000.00	618,000
06/01/2018			309,000.00	309,000.00	
12/01/2018	10,000	7.500%	309,000.00	319,000.00	628,000
06/01/2019			308,625.00	308,625.00	
12/01/2019	15,000	7.500%	308,625.00	323,625.00	632,250
06/01/2020			308,062.50	308,062.50	
12/01/2020	30,000	7.500%	308,062.50	338,062.50	646,125
06/01/2021			306,937.50	306,937.50	
12/01/2021	765,000	7.500%	306,937.50	1,071,937.50	1,378,875
06/01/2022			278,250.00	278,250.00	
12/01/2022	100,000	7.500%	278,250.00	378,250.00	656,500
06/01/2023			274,500.00	274,500.00	
12/01/2023	110,000	7.500%	274,500.00	384,500.00	659,000
06/01/2024			270,375.00	270,375.00	
12/01/2024	130,000	7.500%	270,375.00	400,375.00	670,750
06/01/2025			265,500.00	265,500.00	
12/01/2025	140,000	7.500%	265,500.00	405,500.00	671,000
06/01/2026			260,250.00	260,250.00	
12/01/2026	160,000	7.500%	260,250.00	420,250.00	680,500
06/01/2027			254,250.00	254,250.00	
12/01/2027	175,000	7.500%	254,250.00	429,250.00	683,500
06/01/2028			247,687.50	247,687.50	
12/01/2028	205,000	7.500%	247,687.50	452,687.50	700,375
06/01/2029			240,000.00	240,000.00	
12/01/2029	220,000	7.500%	240,000.00	460,000.00	700,000
06/01/2030			231,750.00	231,750.00	
12/01/2030	250,000	7.500%	231,750.00	481,750.00	713,500
06/01/2031			222,375.00	222,375.00	
12/01/2031	270,000	7.500%	222,375.00	492,375.00	714,750
06/01/2032			212,250.00	212,250.00	
12/01/2032	300,000	7.500%	212,250.00	512,250.00	724,500
06/01/2033			201,000.00	201,000.00	
12/01/2033	325,000	7.500%	201,000.00	526,000.00	727,000
06/01/2034			188,812.50	188,812.50	
12/01/2034	360,000	7.500%	188,812.50	548,812.50	737,625
06/01/2035			175,312.50	175,312.50	
12/01/2035	390,000	7.500%	175,312.50	565,312.50	740,625
06/01/2036			160,687.50	160,687.50	
12/01/2036	430,000	7.500%	160,687.50	590,687.50	751,375
06/01/2037			144,562.50	144,562.50	
12/01/2037	465,000	7.500%	144,562.50	609,562.50	754,125
06/01/2038			127,125.00	127,125.00	
12/01/2038	515,000	7.500%	127,125.00	642,125.00	769,250
06/01/2039			107,812.50	107,812.50	
12/01/2039	875,000	7.500%	107,812.50	982,812.50	1,090,625
06/01/2040			75,000.00	75,000.00	
12/01/2040	965,000	7.500%	75,000.00	1,040,000.00	1,115,000
06/01/2041			38,812.50	38,812.50	
12/01/2041	1,035,000	7.500%	38,812.50	1,073,812.50	1,112,625
	8,245,000		14,127,750.00	22,372,750.00	22,372,750

NET DEBT SERVICE

**LIBERTY RANCH METROPOLITAN DISTRICT
SERIES 2011 G.O. BONDS
30-year final maturity, Non-Rated Bonds**

Date	Principal	Interest	Total Debt Service	Capitalized Interest	Net Debt Service	Annual Net D/S
06/01/2012		309,187.50	309,187.50	309,187.50		
12/01/2012		309,187.50	309,187.50	309,187.50		
06/01/2013		309,187.50	309,187.50		309,187.50	
12/01/2013		309,187.50	309,187.50		309,187.50	618,375
06/01/2014		309,187.50	309,187.50		309,187.50	
12/01/2014		309,187.50	309,187.50		309,187.50	618,375
06/01/2015		309,187.50	309,187.50		309,187.50	
12/01/2015		309,187.50	309,187.50		309,187.50	618,375
06/01/2016		309,187.50	309,187.50		309,187.50	
12/01/2016	5,000	309,187.50	314,187.50		314,187.50	623,375
06/01/2017		309,000.00	309,000.00		309,000.00	
12/01/2017		309,000.00	309,000.00		309,000.00	618,000
06/01/2018		309,000.00	309,000.00		309,000.00	
12/01/2018	10,000	309,000.00	319,000.00		319,000.00	628,000
06/01/2019		308,625.00	308,625.00		308,625.00	
12/01/2019	15,000	308,625.00	323,625.00		323,625.00	632,250
06/01/2020		308,062.50	308,062.50		308,062.50	
12/01/2020	30,000	308,062.50	338,062.50		338,062.50	646,125
06/01/2021		306,937.50	306,937.50		306,937.50	
12/01/2021	765,000	306,937.50	1,071,937.50		1,071,937.50	1,378,875
06/01/2022		278,250.00	278,250.00		278,250.00	
12/01/2022	100,000	278,250.00	378,250.00		378,250.00	656,500
06/01/2023		274,500.00	274,500.00		274,500.00	
12/01/2023	110,000	274,500.00	384,500.00		384,500.00	659,000
06/01/2024		270,375.00	270,375.00		270,375.00	
12/01/2024	130,000	270,375.00	400,375.00		400,375.00	670,750
06/01/2025		265,500.00	265,500.00		265,500.00	
12/01/2025	140,000	265,500.00	405,500.00		405,500.00	671,000
06/01/2026		260,250.00	260,250.00		260,250.00	
12/01/2026	160,000	260,250.00	420,250.00		420,250.00	680,500
06/01/2027		254,250.00	254,250.00		254,250.00	
12/01/2027	175,000	254,250.00	429,250.00		429,250.00	683,500
06/01/2028		247,687.50	247,687.50		247,687.50	
12/01/2028	205,000	247,687.50	452,687.50		452,687.50	700,375
06/01/2029		240,000.00	240,000.00		240,000.00	
12/01/2029	220,000	240,000.00	460,000.00		460,000.00	700,000
06/01/2030		231,750.00	231,750.00		231,750.00	
12/01/2030	250,000	231,750.00	481,750.00		481,750.00	713,500
06/01/2031		222,375.00	222,375.00		222,375.00	
12/01/2031	270,000	222,375.00	492,375.00		492,375.00	714,750
06/01/2032		212,250.00	212,250.00		212,250.00	
12/01/2032	300,000	212,250.00	512,250.00		512,250.00	724,500
06/01/2033		201,000.00	201,000.00		201,000.00	
12/01/2033	325,000	201,000.00	526,000.00		526,000.00	727,000
06/01/2034		188,812.50	188,812.50		188,812.50	
12/01/2034	360,000	188,812.50	548,812.50		548,812.50	737,625
06/01/2035		175,312.50	175,312.50		175,312.50	
12/01/2035	390,000	175,312.50	565,312.50		565,312.50	740,625
06/01/2036		160,687.50	160,687.50		160,687.50	
12/01/2036	430,000	160,687.50	590,687.50		590,687.50	751,375
06/01/2037		144,562.50	144,562.50		144,562.50	
12/01/2037	465,000	144,562.50	609,562.50		609,562.50	754,125
06/01/2038		127,125.00	127,125.00		127,125.00	
12/01/2038	515,000	127,125.00	642,125.00		642,125.00	769,250
06/01/2039		107,812.50	107,812.50		107,812.50	
12/01/2039	875,000	107,812.50	982,812.50		982,812.50	1,090,625
06/01/2040		75,000.00	75,000.00		75,000.00	
12/01/2040	965,000	75,000.00	1,040,000.00		1,040,000.00	1,115,000
06/01/2041		38,812.50	38,812.50		38,812.50	
12/01/2041	1,035,000	38,812.50	1,073,812.50		1,073,812.50	1,112,625
	8,245,000	14,127,750.00	22,372,750.00	618,375.00	21,754,375.00	21,754,375

EXHIBIT I

Draft Intergovernmental Agreement with St. Vrain Sanitation District

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
LIBERTY RANCH METROPOLITAN DISTRICT
AND
ST. VRAIN SANITATION DISTRICT**

1. PARTIES. The Parties to this Agreement are the **LIBERTY RANCH METROPOLITAN DISTRICT** (Liberty Ranch) and the **ST. VRAIN SANITATION DISTRICT** (District).

2. RECITALS. Liberty Ranch was organized in order to provide public improvements to serve the Centex Liberty Ranch development (the Project) located within Liberty Ranch's boundaries as contemplated in its Service Plan. As a Title 32 special district, the District provides sanitary sewer services and facilities. The boundaries of Liberty Ranch are wholly within the existing boundaries of the District and Liberty Ranch is deemed an "overlapping district" pursuant to Sec. 32-1-107, C.R.S. Liberty Ranch's Service Plan contemplates the financing and construction of certain sanitary sewer system improvements as may be necessary for providing sanitary sewer service to the Project, which will be dedicated to the District. The sanitary sewer improvements to be provided by Liberty Ranch will not duplicate or interfere with any other improvements or facilities already constructed or planned within or without the overlap area. The Board of Directors of the District consents to Liberty Ranch district providing some of the same services as limited by Liberty Ranch's Service Plan and further subject to the terms and conditions of this Agreement. There is no current or planned duplication or interference of services and the District's consent to the overlap was conditioned upon the Parties entering into this Agreement upon the formation of Liberty Ranch. Accordingly, in consideration of the mutual promises set forth in this Agreement, the Parties covenant and agree as follows:

3. TERMS OF CONSENT TO OVERLAP.

3.1 Sole Sanitation Provider. The District shall provide and otherwise make sanitary sewer services available to Liberty Ranch's residents and property within their boundaries subject to the then existing capacity, rules, and regulations of the District, including the execution of applicable subdivision service agreements, and subject to any limitations or restrictions imposed by any governmental entity or agency having jurisdiction over the District. The District shall be the sole provider of sanitary sewer services for residents and property within Liberty Ranch's boundaries. Liberty Ranch shall not contract for or otherwise obtain any interconnections with any third party that would allow users within the boundaries of Liberty Ranch to obtain such service from any other sanitary sewer providers, or that would allow third parties outside of the boundaries of Liberty Ranch to utilize the District's services. Nothing in this Agreement shall be construed as an obligation by the District to reserve for the benefit of the developers of the Project (or any individual property owner) any specific number of tap connections absent such additional agreements.

3.2 Taps and Interconnections. Liberty Ranch is prohibited from selling any taps or connections or from authorizing any interconnections or other connections with Liberty Ranch. All sanitation users within Liberty Ranch shall purchase their taps from the District.

3.3 Sanitation Treatment Plant. Liberty Ranch shall not construct, finance, or otherwise provide for any sanitation treatment plant within or without Liberty Ranch's boundaries. Liberty Ranch shall not agree to or otherwise enter into any contract with any other sanitation provider or entity, other than the District, for the construction, financing, or provision of a sanitation treatment plant.

3.4 Exercise of Service Plan Authority. Notwithstanding any provision in the Service Plan to the contrary, Liberty Ranch shall only have the ability and authority to:

3.4.1 Construct and finance the sanitary sewer system improvements contemplated by the Service Plan, which are to be located within the boundaries of Liberty Ranch. All such infrastructure within the boundaries of Liberty Ranch which may be constructed and financed by Liberty Ranch shall be conveyed to the District upon completion and after approval and acceptance by the District pursuant to applicable agreements to be executed between the parties.

3.4.2 Finance but not construct any off-site sanitary sewer transmission lines or line extensions outside the boundaries of Liberty Ranch that may be needed in order for the District to service the development within Liberty Ranch. Liberty Ranch or the developer shall enter into such line participation or reimbursement agreements as may be required for such off-site improvements.

3.5 Design Standards. The sanitary sewer system improvements contemplated herein and in the Service Plan shall be designed, constructed, and installed in accordance with the applicable standards, rules and regulations of the District.

3.6 Dedication, Acceptance, Operation, and Maintenance. Liberty Ranch shall dedicate and convey the completed on-site sanitary sewer system improvements contemplated herein and in the Service Plan to the District within thirty (30) days of completion of construction of such infrastructure. Upon acceptance of the sanitary sewer system improvements, the District shall operate, maintain, repair, and/or replace the improvements in order to provide sanitation services to the residents and properties within the boundaries of Liberty Ranch. Liberty Ranch shall transfer to the District all warranties, bonds, or other guarantees with respect to the construction of such improvements. Liberty Ranch shall warrant, directly or indirectly, the construction of the sanitary sewer system improvements for a period of no less than one year.

3.7 Liberty Ranch Dissolution. As contemplated in the Service Plan, when all of the financial obligations issued by Liberty Ranch for the construction of the sanitary sewer line improvements have been repaid, or when adequate provisions for payment thereof

has been made, and there are no further operational requirements for any Liberty Ranch improvement existing on the part of Liberty Ranch, Liberty Ranch shall notify the District within sixty (60) days thereof requesting a meeting to discuss and implement the steps necessary under then applicable law to dissolve Liberty Ranch.

3.8 Liberty Ranch Boundaries. The boundaries of Liberty Ranch shall not be expanded without the written consent of the District. In the event of an expansion without obtaining the written consent of the District, the District may petition the applicable administrative body or court for equitable or legal relief, including a boundary adjustment, and Liberty Ranch shall indemnify and hold District harmless from any and all attorneys fees it incurs in relation to such proceedings.

3.9 Service Plan Modifications. Liberty Ranch shall not modify its Service Plan and shall not change its name or functions without the express written consent of the District's Board of Directors, as expressed in a resolution, which consent shall not be unreasonably withheld, conditioned or delayed for amendments not related to the District. If Liberty Ranch makes a written request from the District to modify its Service Plan, the District shall have forty-five (45) days from the effective date of such notice, as provided in Section 5 herein, to either approve or disapprove the request. If the District has not responded in writing by the end of the forty-five (45) days, consent to the amendment shall be deemed to have been given.

4. NO WAIVER. The waiver or delay of enforcement of one or more terms of this Agreement shall not constitute a waiver of the remaining terms. The waiver or delay in enforcement regarding any breach of this Agreement shall not constitute a waiver of any terms of the Agreement.

5. NOTICE. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when personally delivered in writing or by facsimile, or mailed by registered or certified mail, postage prepaid, addressed as follows:

Liberty Ranch Metropolitan District
c/o McGeady Sisneros, P.C.
1675 Broadway, Suite 2100
Denver, CO 80202

St. Vrain Sanitation District
11307 Business Park Circle
Longmont, CO 80504

Either party may change the address for notice by providing notice in writing to the address set forth above. All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days' written notice

thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

6. **IMMUNITY.** Nothing contained in this Agreement constitutes a waiver of either Party's sovereign immunity under any applicable state law.

7. **MODIFICATION OF AGREEMENT.** Any modification of this Agreement shall be binding only if evidenced in writing signed by each party.

8. **ASSIGNMENT.** No transfer or assignment of this Agreement or of any rights hereunder shall be made by either Party without the prior written consent of the other, which consent shall not be unreasonably withheld.

9. **SEVERABILITY.** In the event any court of competent jurisdiction shall hold any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision hereof.

10. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties concerning the subject matter and supersedes all prior conversations, proposals, negotiations, understandings, and agreements, whether written or oral.

11. **ATTORNEYS' FEES.** If any party breaches this Agreement, the breaching party shall pay all of the non-breaching party's reasonable attorneys' fees and costs in enforcing this Agreement whether or not legal proceedings are instituted.

12. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State of Colorado.

13. **ALTERNATIVE DISPUTE RESOLUTION.** In addition to the remedies set forth in paragraph 3.8, in the event of any dispute or claim arising under, or related to, this Agreement, the Parties shall use their best efforts to settle such dispute or claim through good faith negotiations with each other. If such dispute or claim is not settled through negotiations within thirty (30) days after the earliest date on which one party notifies the other party in writing of its desire to attempt to resolve such dispute or claim through negotiations, then the parties agree to attempt in good faith to settle such dispute or claim by mediation under the auspices of a recognized establish mediation service within the State of Colorado. Such mediation shall be conducted within sixty (60) days following either party's written request therefor. If such dispute or claim is not settled through mediation, then either party may initiate a civil action in the District Court for Weld County, or before the County Commissioners of Weld County, and the prevailing party shall be indemnify and hold harmless the other party form any costs and expenses, including attorneys fees, incurred in such legal proceedings.

14. **DATED.** _____, 2004

ATTEST:

LIBERTY RANCH METROPOLITAN DISTRICT

By: _____
Secretary

By: _____
Chairman

ATTEST:

ST. VRAIN SANITATION DISTRICT

By: _____
Secretary

By: _____
Chairman

EXHIBIT J

Draft Intergovernmental Agreement with Longs Peak Water District

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
LIBERTY RANCH METROPOLITAN DISTRICT
AND
LONGS PEAK WATER DISTRICT**

1. PARTIES. The Parties to this Agreement are the **LIBERTY RANCH METROPOLITAN DISTRICT** (Liberty Ranch) and the **LONGS PEAK WATER DISTRICT** (District).

2. RECITALS. Liberty Ranch was organized in order to provide public improvements to serve the Centex Liberty Ranch development (the Project) located within Liberty Ranch's boundaries as contemplated in its Service Plan. As a Title 32 special district, the District provides water services and facilities. The boundaries of Liberty Ranch are wholly within the existing boundaries of the District and Liberty Ranch is deemed an "overlapping district" pursuant to Sec. 32-1-107, C.R.S. Liberty Ranch's Service Plan contemplates the provision of certain limited water system improvements as may be deemed necessary for the demands of the Project, which are subject to dedication to the District. The water system improvements to be provided by Liberty Ranch will not duplicate or interfere with any other improvements or facilities already constructed or planned within or without the overlap area. The Board of Directors of the District consents to Liberty Ranch providing some of the same services as limited by Liberty Ranch's Service Plan and further subject to the terms and conditions of this Agreement. There is no current or planned duplication or interference of services and the District's consent to the overlap was conditioned upon the Parties entering into this Agreement upon the formation of Liberty Ranch. Accordingly, in consideration of the mutual promises set forth in this Agreement, the Parties covenant and agree as follows:

3. TERMS.

3.1 Sole Water Provider. The District will provide and otherwise make potable water services available to Liberty Ranch's residents and property within its boundaries subject to the then existing capacity, rules and regulations of the District, including the execution of applicable subdivision service agreements, including a dual-system agreement regarding the use of non-potable water for irrigation purposes, and shall be subject to any limitations or restrictions imposed by any governmental entity or agency having jurisdiction over the District or having control of its water supply. The District shall be the sole provider of potable water services for residents and property within Liberty Ranch's boundaries. Relative to water services, Liberty Ranch shall not contract for or otherwise obtain any interconnections with any third party that would allow either the end users within the boundaries of Liberty Ranch to obtain such service from any other water providers, or third parties to utilize the District's water outside of the boundaries of Liberty Ranch. Nothing in this Agreement shall be construed as an obligation by the District to reserve for the benefit of the developers of the Project (or any individual

property owner) any specific number of water taps absent such additional agreement(s). Liberty Ranch agrees that it will not use potable water supplied by the District for irrigation purposes.

3.2 Water Taps. Liberty Ranch is prohibited from selling any water taps. All water users within Liberty Ranch shall purchase their water taps from the District.

3.3 Water Treatment Plant. Liberty Ranch shall not construct, finance, or otherwise provide for any water treatment plant within or without Liberty Ranch's boundaries. Liberty Ranch shall not agree to or otherwise enter into any contract with any other water provider or entity, other than the District, for the construction, financing, or provision of a water treatment plant.

3.4 Exercise of Service Plan Authority. Liberty Ranch has the ability and authority to construct and finance the water system improvements contemplated by the Service Plan, which are to be located within its boundaries and any extensions needed in order to service the development within Liberty Ranch by the District. Liberty Ranch's authority described in this Paragraph 3.4 is restricted to financing water system improvements that are to be located outside of Liberty Ranch's boundaries to those water system improvements that are necessary for connection to the District's lines to service the development within Liberty Ranch. Liberty Ranch and/or the developer shall be solely responsible for all of the costs and expenses of such facilities, both on-site and off-site; provided, however, that the District may enter into a line-participation and reimbursement agreement or agreements regarding the contribution from other potential users with respect to the costs of the off-site improvements.

3.5 Design Standards. The water system improvements contemplated herein and in the Service Plan shall be designed, constructed and installed in accordance with all applicable standards of the District, and, if required by the applicable jurisdiction, shall further satisfy applicable fire protection requirements.

3.6 Dedication, Acceptance, Operation, and Maintenance. Liberty Ranch shall dedicate and convey the completed water system improvements contemplated herein and in the Service Plan to the District within thirty (30) days of completion. Upon acceptance of the water system improvements, the District shall operate, maintain, repair, and/or replace the improvements in order to provide water services to the residents and properties within the boundaries of Liberty Ranch. Liberty Ranch shall transfer to the District all warranties, bonds, or other guarantees with respect to the construction of such improvements. Liberty Ranch shall warrant, directly or indirectly, the construction of the water system improvements for a period of no less than one year.

3.7 Liberty Ranch Dissolution. As contemplated in the Service Plan, when all of the financial obligations issued by Liberty Ranch for the construction of the water line improvements have been repaid, or when adequate provisions for payment thereof has been made, and there are no further operational requirements for any Liberty Ranch

improvement existing on the part of Liberty Ranch, Liberty Ranch shall notify the District within sixty (60) days thereof requesting a meeting to discuss and implement the steps necessary under then applicable law to dissolve Liberty Ranch.

3.8 Liberty Ranch Boundaries. The boundaries of Liberty Ranch shall not be expanded without the written consent of the District. In the event of an expansion without obtaining the written consent of the District, the District may petition the applicable administrative body or court for a boundary adjustment, and Liberty Ranch shall indemnify and hold District harmless from any and all attorneys fees it incurs in relation to such proceedings.

3.9 Service Plan Modifications. Liberty Ranch shall not modify its Service Plan and shall not change its name or functions without the express written consent of the District's Board of Directors, as expressed in a resolution, which consent shall not be unreasonably withheld, conditioned or delayed for amendments not related to the District. If Liberty Ranch makes a written request from the District to modify its Service Plan, the District shall have forty-five (45) days from the effective date of such notice, as provided in Section 5 herein, to either approve or disapprove the request. If the District has not responded in writing by the end of the forty-five (45) days, consent to the amendment shall be deemed to have been given.

4. DEFAULT AND REMEDIES. In addition to the remedies set forth in paragraph 3.8, in the event either Party alleges that the other is in default of this Agreement, the non-defaulting party shall first notify the defaulting party in writing of such default and specify the exact nature of the default in such notice. The defaulting party shall have twenty (20) working days from receipt of such notice within which to cure such default before the non-defaulting party may exercise any of its remedies provided hereunder; provided that:

- 4.1 Such default is capable of being cured;
- 4.2 The defaulting party has commenced such cure within said twenty (20) day period; and
- 4.3 The defaulting party diligently prosecutes such cure to completion.

If such default is not of a nature than can be cured in such twenty (20) day period, corrective action must be commenced within such period by the defaulting party and thereafter diligently pursued. Upon default, the non-defaulting party shall have the right to take whatever action at law or in equity appears necessary or desirable to enforce the performance and observation of any obligation, agreement, or covenant of the defaulting party under this Agreement, and the defaulting party shall indemnify and hold the non-defaulting party harmless from any costs and expenses, including attorneys fees, incurred in enforcing this Agreement

5. NO WAIVER. The waiver or delay of enforcement of one or more terms of this Agreement shall not constitute a waiver of the remaining terms. The waiver or delay in

enforcement regarding any breach of this Agreement shall not constitute a waiver of any terms of the Agreement.

6. NOTICE. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when personally delivered in writing or by facsimile, or mailed by registered or certified mail, postage prepaid, addressed as follows:

Liberty Ranch Metropolitan District
c/o McGeady Sisneros, P.C.
1675 Broadway, Suite 2100
Denver, CO 80202

LONGS PEAK WATER DISTRICT
9875 Vermillion Road
Longmont, CO 80501-9738

Either party may change the address for notice by providing notice in writing to the address set forth above. All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days' written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

7. IMMUNITY. Nothing contained in this Agreement constitutes a waiver of either Party's sovereign immunity under any applicable state law.

8. MODIFICATION OF AGREEMENT. Any modification of this Agreement shall be binding only if evidenced in writing signed by each party.

9. ASSIGNMENT. No transfer or assignment of this Agreement or of any rights hereunder shall be made by either Party without the prior written consent of the other, which consent shall not be unreasonably withheld.

10. SEVERABILITY. In the event any court of competent jurisdiction shall hold any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision hereof.

11. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties concerning the subject matter and supercedes all prior conversations, proposals, negotiations, understandings, and agreements, whether written or oral.

12. ATTORNEYS' FEES. If any party breaches this Agreement, the breaching party shall pay all of the non-breaching party's reasonable attorneys' fees and costs in enforcing this Agreement whether or not legal proceedings are instituted.

13. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Colorado.

14. ALTERNATE DISPUTE RESOLUTION. In the event of any dispute or claim arising under or related to this Agreement, the Parties shall use their best efforts to settle such dispute or claim through good faith negotiations with each other. If such dispute or claim is not settled through negotiations within thirty (30) days after the earliest date on which one party notifies the other party in writing of its desire to attempt to resolve such dispute or claim through negotiations, then the parties agree to attempt in good faith to settle such dispute or claim by mediation under the auspices of a recognized established mediation service within the State of Colorado. Such mediation shall be conducted within sixty (60) days following either party's written request therefor. If such dispute or claim is not settled through mediation, then either party may initiate a civil action in the District Court for Weld County.

15. DATED. _____, 200__.

ATTEST:	LIBERTY RANCH METROPOLITAN DISTRICT
By: _____ Secretary	By: _____ Chairman

ATTEST:	LONGS PEAK WATER DISTRICT
By: _____ Secretary	By: _____ Chairman

Supporting Community-Based Government



B o a r d

M e m b e r

M a n u a l

A Reference Guide
for Special Districts

2022



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Elena Salinardi

Office Coordinator

Dianne Criswell

General Counsel

SDA Publications

SDA News

SDA's newsletter, *SDA News*, is published ten times a year. It contains a variety of helpful articles on everything from changes in labor laws to district success stories to information about upcoming SDA events, just to name a very few. In addition to hard copies which are mailed, an electronic version is also available on the SDA website at www.sdaco.org. Past issues are archived on the SDA website as well.

SDA Board Member Manual

The SDA Board Member Manual is an invaluable resource and reference guide for the statutory responsibilities of special district Board members. Hard copies of the manual are provided to each district, and an electronic version is available on the SDA website at www.sdaco.org.

SDA Member Directory

The SDA Member Directory is a full listing of all of SDA's member districts, their Board members, and managers. The Directory also lists SDA associate members and their services. The directory is sorted by district type for district members and by service type for associate members. The entire directory is available on the SDA website at www.sdaco.org.

SDA's Guide to Special Districts

SDA's Guide to Special Districts provides an overview on how special districts were first created; the different types of districts within Colorado; the formation and governance of special districts; and the growth of districts in the state, among several other topics. An electronic version is also available on the SDA website at www.sdaco.org.

Special District Board Member Manual

prepared by

COLLINS COLE FLYNN WINN & ULMER, PLLC

COLLINS | COLE
FLYNN | WINN | ULMER

for

Special District Association of Colorado



Supporting Community-Based Government

225 East 16th Avenue, Suite 1000

Denver, CO 80203

Phone: (303) 863-1733

Toll Free: (800) 886-1733

Email: sdaco@sdaco.org

www.sdaco.org



Supporting Community-Based Government

This manual is intended to be a general survey of statutory responsibilities for members of the Board of Directors of a Colorado special district. This manual is neither designed nor intended to be a legal analysis of the subjects contained herein. The passage of time, new Court decisions, and future legislation will cause portions of this manual to become outdated. Further, the answer to any particular legal question turns heavily on all of the facts specific to the issue. The reader is strongly encouraged to seek the advice and assistance of legal counsel expe-

rienced in special district matters as to any legal issues that arise.

This Board Member Manual was prepared as a public service by Collins Cole Flynn Winn & Ulmer, PLLC which claims a copyright for all of its contents. The information contained in this manual is for the benefit of the Special District Association of Colorado, its members, and the clients of Collins Cole Flynn Winn & Ulmer, PLLC.

To obtain additional copies of this manual contact:

Special District Association of Colorado

225 East 16th Avenue, Suite 1000

Denver, Colorado 80203

(303) 863-1733 | (800) 886-1733

Email: sdaco@sdaco.org

or

Collins Cole Flynn Winn & Ulmer, PLLC

165 South Union Boulevard, Suite 785

Lakewood, CO 80228

(720) 617-0080

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This document updated May 2022

Preface

This reference guide primarily focuses on the legal duties, requirements, and procedures applicable to special districts organized under Colorado Revised Statutes (“C.R.S.”). The Special District Association of Colorado (“SDA”) includes many different types of local government entities authorized by Colorado law. While many SDA members are special districts under Title 32, C.R.S. (“the Special District Act”), many members are other types of local government entities. Although the focus of this reference guide is the duties, requirements, and procedures of special districts under Title 32, C.R.S., where possible, the reference guide recognizes important differences in the duties, requirements, and procedures of other types of local government entities that are members of SDA.

The following types of local government entities are members of SDA and regulated primarily by statutes outside of the Special District Act:

- » Trustees of Library Districts and Directors of Regional Library Authorities are subject to §§24-90-101 to 24-90-606, C.R.S., and, therefore, may have certain duties, requirements, and procedures that are different from those required for Districts governed under Title 32, C.R.S.
- » Supervisors of Soil Conservation Districts are subject to §§35-70-101 to 35-70-122, C.R.S., and, therefore, may have certain duties, requirements, and procedures that are different from those required for Districts governed under Title 32, C.R.S.
- » Directors of Water Conservancy Districts are subject to §§37-45-101 to 37-45-153, C.R.S., and, therefore, may have certain duties, requirements, and procedures that are different from those required for Districts governed under Title 32, C.R.S.
- » Directors of Water Conservation Districts are subject to §§37-46-101 to 37-50-142, C.R.S., and, therefore, may have certain duties, requirements, and procedures that are different from those required for Districts governed under Title 32, C.R.S.
- » Directors of the Urban Drainage and Flood Control District are subject to §§32-11-101 to 32-11-817, C.R.S., and, therefore, may have certain duties, requirements, and procedures that are different from those required for other Districts governed under Title 32, C.R.S.
- » Directors of other types of governmental Authorities and Districts created by law and/or intergovernmental agreement are subject to the statutes; county and municipal home rule charters; resolutions; ordinances; and intergovernmental agreements under which the Authorities and Districts are created. The statutory provisions include, but are not limited to:
 - ◇ Cemetery Districts under §§30-20-801 to 30-20-808, C.R.S.;
 - ◇ Downtown Development Authorities under §§31-25-801 to 31-25-822, C.R.S.;
 - ◇ Municipal Energy Finance Authorities under §§31-25-901 to 31-25-909, C.R.S.; and
 - ◇ Business Improvement Districts under §§31-25-1201 to 31-25-1228, C.R.S.
 - ◇ Regional Transportation Authorities under §§43-4-601 to 43-4-621, C.R.S.

New and Revised for 2022

Chapter I—Board Membership and District Filing Requirements

- » Section B, Taking Office-Section 1, Oath or Affirmation—page 1
 - Added that the person swearing an oath must raise their hand
- » Section C, Vacancies—page 2
 - Added information related to vacancies on a cemetery district Board
- » Section H, Compensation-Section 1, Limitations—page 3
 - Added information on PERA related to Board members
- » Section N, Website Accessibility Requirements—page 4
 - This entire section is new

Chapter III—Board Meetings

- » Section H, Minutes—page 13
 - Added that Board minutes must be kept indefinitely
- » Section J, Special Meetings/Study Sessions—page 14
 - This section was updated

Chapter XII—Contracting

- » Section B, Other Contracts-Section 2, Service Contracts/Illegal Aliens—page 32
 - Added a timeframe for the requirements

Chapter XIII—Liability Issues

- » Section B, Colorado Governmental Immunity Act (CGIA)—page 33
 - Number 7 was added regarding sexual misconduct against minors
 - The liability amounts limited by the CGIA were updated
 - The exception to the 182-day written notice in regards to civil actions for sexual misconduct against minors was added

Chapter XIV—Personnel Matters

- » Section A, Federal and State Employment Laws—pages 35-36
 - Number 9 was added regarding the Colorado Equal Pay for Equal Work Act

- Number 14 was added regarding the Colorado Paid Family and Medical Leave Insurance Act
- Number 15 regarding Worker Rights Related to a Public Health Emergency was updated to reflect a 2022 amendment
- Number 19 regarding the Colorado Anti-Discrimination Act was updated to include additional information

Chapter XV—Elections

- » A new introductory paragraph was added to reflect that it is unlawful to threaten, coerce, or intimidate an election official with the intent to interfere or retaliate for the performance of the official's duties—page 38
- » Section G, Requirements to Translate Election Materials into Spanish or Ute—page 39
 - This entire section is new
- » Section I, Conduct of Elections and Procedures-Section 4, Polling Places—page 41
 - Information was added about openly carrying a firearm within any polling location
- » Section I, Conduct of Elections and Procedures-Section 15, Recounts and Contests—page 43
 - This entire section is new
- » Section J, Campaigning—page 44
 - The last paragraph was expanded to reflect additional information about the Fair Campaign Practices Act

Chapter XVI—Dissolution of a District

- » Section C, Dissolution Initiated by Municipality, County, or Regional Service Authority—page 46
 - Information was added about the ability of the governing body of a county to file an application to dissolve a special district
- » Section F, Dissolution Election—page 47
 - The language in the full paragraph was revised

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Chapter I

Board Membership and District Filing Requirements

The Board is the general governing body of the District, which oversees all aspects of the District and carries out the business of the District in public meetings.

A. Qualifications:

To qualify as a Director of a special district, a person must be an “eligible elector” which is defined as a **registered voter** of Colorado **and either**:

1. **A resident** of the District, or
2. **The owner (or the spouse or civil union partner of the owner) of taxable real or personal property** situated in the District.

For the purposes of #2 above, a mobile or manufactured home qualifies as “real property,” and a person who is under contract to purchase taxable property and is obligated to pay the taxes prior to closing shall be considered an “owner.” [§32-1-103\(5\), Colorado Revised Statutes \(“C.R.S.”\)](#)

Director qualifications must be met at the time of the execution of the self-nomination form or letter or at the time of appointment by the Board of Directors, if filling a vacancy, and must be maintained in order to remain qualified as a Director.

Property that is owned by a legal entity such as a corporation, LLC, partnership, or trust does not qualify a person as an eligible elector on the basis of property ownership.

B. Taking Office:

1. Oath or Affirmation:

Each Director, within 30 days after election or appointment, shall take an oath or affirmation of faithful performance. [§32-1-901\(1\), C.R.S.](#)

The oath or affirmation must be administered by a qualified official (any person designated by the Board, any officer of the Board, Notary Public, Judge, Clerk of the Court, or Clerk and Recorder) and filed with the Clerk of the District Court that issued the District’s organizational decree; the County Clerk and Recorder for the counties in which the District is situated; and the Division of Local Government. Before the person is fully seated as a Board member, the oath or affirmation must be filed with such County Clerk(s).

If the choice is to swear an oath, the person taking the oath must raise their hand. [§§24-12-101, 24-12-103, and 32-1-901\(1\), C.R.S.; Art. XII, Sect. 9, Colo. Const.](#)

2. Bond:

Along with the oath or affirmation, an individual, schedule, or blanket surety bond of not less than \$1,000 must be filed for each Director with the Clerk of the Court and the Division of Local Government, conditioned upon the faithful performance of his/her duties as Director. [§32-1-901\(2\), C.R.S.](#)

The Treasurer must file with the Clerk of the Court and the Division of Local Government a corporate fidelity bond of not less than \$5,000. [§32-1-902\(2\), C.R.S.](#) The bond(s) shall be in amounts determined by the Board, and at the expense of the District. It is common for a District to obtain and file a single blanket position schedule bond, setting forth the required amounts for each of the positions of Director and the amount for the position of Treasurer. The surety bond and fidelity bond requirements are satisfied if the District buys crime coverage. [§24-14-102\(2\), C.R.S.](#)

3. Commencement of Term:

A Director’s regular term of office commences at the next meeting of the Board following the date of the organizational or regular election, upon administration of the oath or affirmation; filing the oath or affirmation with the County Clerk and Recorder(s); and posting the bond, but no later than 30 days following the survey of returns of election or date of regular election if the election has been cancelled. [§§1-13.5-112 and 24-12-101, C.R.S.](#)

C. Vacancies:

A Director’s office shall be deemed vacant upon the occurrence of any one of the following: [§32-1-905\(1\), C.R.S.](#)

1. Failure to meet the qualifications of Director;
2. Failure to satisfy the oath or affirmation and bond or insurance requirements;
3. Written resignation;
4. Failure to remain qualified for the office;
5. Conviction of a felony;

6. Removal from office or voidance of election by Court (subject to appeal);
7. Failure to attend three consecutive regular Board meetings, unless approval of absence is entered in the minutes, or absence is excused by temporary mental or physical disability or illness; or
8. Death.

Any vacancy shall be filled by appointment by the remaining Directors. If the Board fails to fill the vacancy within 60 days, the Board of County Commissioners may make the appointment. The Director appointed to fill a vacancy shall serve until the next regular election, at which time the vacancy shall be filled by election for the remainder, if any, of the originally vacated term. [§32-1-905\(2\)\(a\), C.R.S.](#)

Discussions regarding the appointment of a person and his or her qualifications to fill a vacancy on the Board must take place in a public meeting, not in executive session. The appointment must occur by official action of the Board at a properly convened meeting and must be recorded in the minutes of the Board meeting. A notice of appointment shall be delivered to the person appointed, and the notice along with the mailing address of the person so appointed must be filed with the Division of Local Government. [§32-1-905\(3\), C.R.S.](#)

Typically, there is no legal requirement to post or publish notice of a vacancy prior to the District Board appointing someone to fill it. However, prior to conveying title to taxable property in the name of another or entering into a contract to purchase or sell taxable property for the purpose of qualifying such person as an eligible elector in order to fill a vacancy, notice of such vacancy must be published and ten days must pass after the publication of such notice during which no otherwise qualified eligible elector files a letter of interest in filling such position with the Board. [§32-1-808\(2\)\(a\)\(I\), C.R.S.](#)

In contrast, vacancies on a cemetery district Board are filled by the Board of County Commissioners. [§30-20-803, C.R.S.](#) A cemetery district Director may be removed by the Board of County Commissioners for cause, after notice and an opportunity to be heard. [SB22-075.](#)

D. Election of Officers:

After taking oaths/affirmations and filing bonds, the Board shall elect one of its members as Chair of the Board and President of the special district; one of its members as Treasurer of the Board and special district; and a Secretary who may be a member of the Board. The Secretary and the Treasurer may be one person, but, if such is the case, he or she shall be a member of the Board. [§32-1-902\(1\), C.R.S.](#)

E. Term Limits:

Directors are limited to two consecutive terms of office, unless the voters of the District lengthen, shorten, or eliminate that limitation. [Art. XVIII, Sect. 11, Colo. Const.](#) The term-limited elected official cannot run again for election to the same body by moving to a new Director District, redistricting, or a change in the at-large or specific District nature of the seat currently occupied. [Attorney General Opinion No. 2000-5 \(July 10, 2000\).](#) Also see [Attorney General Opinion No. 2005-4 \(August 16, 2005\).](#)

Term limits apply only to elected four-year terms (or three-year terms if elected in 2020 or 2022). Term limits do not apply to interim terms that arise due to a vacancy or to elected two-year terms (or one-year term if elected in 2022) that are created due to a vacancy. [Attorney General Opinion No. 2000-2 \(February 9, 2000\).](#)

F. Increasing Number of Board Members:

A special district having a five-member Board may increase the number of Board members to seven by the adoption of a resolution by the Board and a certified copy of the resolution shall be filed with the Board of County Commissioners or governing body of the municipality that approved the service plan of the special district. The Board shall consider the resolution at a public meeting after publication of notice of the public meeting. If after 45 days after filing the resolution the Board of County Commissioners or governing body of the municipality have not notified the District that such increase in the Board would be a material modification to the District's service plan, the Board shall file the resolution with the District Court that issued the District's organizational decree. The Court shall issue an Order establishing the increase in the number of Board members. A certified copy of such Order shall be recorded in the county in which the District was organized. A copy of the recorded Order shall be filed with the Division of Local Government.

Once the District increases to a seven-member Board, the District is not allowed to reduce to a five-member Board. [§32-1-902.5, C.R.S.](#)

G. Fiduciary Obligations:

1. General:

A Director has a general, common-law fiduciary obligation to the District. [§24-18-103, C.R.S.](#) This obligation does not extend to each individual resident of the District, but rather to the District itself. As a fiduciary, the Director has the duty to exercise the utmost good faith, business sense, and astuteness on behalf of the District. A Director is prohibited from taking personal advantage of a situation to benefit himself or prejudice the District.

2. Confidential Information:

Directors will likely become privy to confidential information about the District. When a District seeks legal counsel, the communications between the lawyer and the District are confidential and are protected by the attorney-client privilege. [The Colorado Rules of Professional Conduct, Rule 1.6; §13-90-107\(1\)\(b\), C.R.S.](#) Discussions regarding specific legal questions in executive session are "privileged." [Id.; Patricia C. Tisdale and Erin M. Smith, The Maverick Council Member: Protecting Privileged Attorney-Client Communications from Disclosure, 23 COLO. LAW. 63, 63 \(1994\).](#)

The attorney-client privilege protects the content of communications with the District's attorney from disclosure in Court. This is an important protection for the District. Be careful, though, because the privilege can be lost by disclosing the confidential communications to a third party. Once the privilege is lost, the content of the communications is no longer considered confidential, and it can be used against the District in future lawsuits.

Keep in mind that the District holds the attorney-client privilege, not the individual Board members. [The Colorado Rules of Professional Conduct, Rule 1.13.](#) Therefore, only

the District as a whole can waive the attorney-client privilege by an intentional, official act, such as adoption of a resolution. An inadvertent or unauthorized disclosure of confidential information by one Director does not constitute a waiver of the privilege, meaning the “leaked” information cannot be used against the District in Court. Still, it can be extremely damaging to the District if Directors discuss confidential information with people who are not on the Board, even if it seems harmless to you.

You can protect the District’s confidential information by not discussing District affairs with anyone outside of Directors and the District’s attorney. You also should not discuss matters discussed in executive session outside of the executive session, even with other Directors.

H. Compensation:

1. Limitations:

For Directors serving a term of office commencing after January 1, 2018, Directors may receive compensation not in excess of \$2,400 per annum, not to exceed \$100 per meeting attended. [§32-1-902\(3\)\(a\), C.R.S.](#) Any “perks” received by a Director may be considered compensation and subject to the limitations, unless they are in exchange for value actually received or are considered to be a valid expense otherwise subject to reimbursement. A study session is considered a special meeting for which compensation for attending is allowed, if all the conditions described in Chapter III, Paragraph J (Special Meetings/Study Sessions) are met.

No Director shall receive any compensation as an employee of the District. [§32-1-902\(3\)\(b\), C.R.S.](#) Effective July 1, 2022, if a District offers PERA to employees and pays its Directors compensation of up to \$100 per meeting, the District no longer has to take out a PERA contribution for Directors. [§24-51-310\(1\)\(m\), C.R.S.; HB22-1087.](#)

2. Reimbursement:

Reimbursement of actual expenses for Directors shall not be considered compensation. [§32-1-902\(3\)\(b\), C.R.S.](#) Actual expenses may include mileage and out-of-pocket expenses incurred in service as a Director.

3. Gifts:

The law regarding quarterly reports of gifts, honoraria, or other benefits received in connection with a Director’s public service excludes special district Directors whose annual compensation does not exceed \$2,400. [§24-6-203\(1\)\(b\)\(I\), C.R.S.](#)

Although most attorneys do not believe it applies to special districts, Amendment 41, adopted in 2006, places further prohibitions on gifts with value exceeding \$65 (adjusted every four years by inflation) given to county and municipal officials, employees of local governments, and their immediate family members. This gift ban is unrelated to any official action and is without regard to any intent to corrupt or influence. [Art. XXIX, Sect. 3, Colo. Const.](#)

For a discussion of the rules surrounding gifts to Directors and conflicts of interest, see Chapter II — Conflicts of Interest.

I. Bylaws, Rules and Regulations, and Policies:

The Board of Directors may adopt bylaws to govern other aspects of Board membership, and rules and regulations that are not in conflict with state law. [§32-1-1001\(1\)\(m\), C.R.S.](#) Bylaws can be helpful in maintaining order and providing a framework for the Board’s actions. Rules and regulations are important to adopt as laws for the operation of the District. The Courts enforce adopted rules and regulations and often yield to the judgment and discretion of the District’s Board of Directors in matters of interpretation and application. [Bennett Bear Creek Farm Water and Sanitation District v. City and County of Denver, 928 P.2d 1254 \(Colo. 1997\).](#) A Court will not imply rules and regulations if they have not been formally adopted by the Board.

Policies and procedures (usually for staff purposes) on personnel matters, handling of District money, investments, authorization to make contracts, etc. are also important for the efficient operation of the District.

J. Recall:

Any Director who has held office for at least six months may be subject to recall. [§32-1-906, C.R.S.](#)

In order to recall a Director, a petition signed by the lesser of 300 or 40% of eligible electors must be filed asserting the grounds for recall, and a recall election must be held pursuant to the provisions of Part 9 of Article 1, Title 32, C.R.S.

Part 9 of Article 1 of Title 32 establishes procedures for conducting a recall election. It clarifies the process for review and approval of recall petitions; the appointment of a Designated Election Official (DEO) and the procedures and duties of the DEO; sets forth a timeline and deadlines for the completion of the recall process; scheduling and conducting the recall election; nomination of candidates to succeed the person being recalled and including the election of a successor on the same ballot; payment of costs of the election; and reimbursement of some costs.

If the District Court appoints a County Clerk as the DEO, the recall procedures and election must be conducted under Article 12 of Title 1, except certain provisions of Part 9 of Article 1 of Title 32 will still apply. [§32-1-909\(2\), C.R.S.; SB21-250.](#)

The election of a successor is held at the same time as the recall election. [§32-1-911, C.R.S.](#)

K. Inactive Status for Certain Districts:

A District that is in a predevelopment stage; has no business or commercial ventures or facilities in its boundaries; has not issued any general obligation or revenue debt; has not imposed a mill levy for collection; anticipates no revenue and has no planned expenditures; and has no operation or maintenance responsibility for any facilities may enter into “inactive status,” during which time the District is relieved from compliance with certain statutory obligations and filings, such as boundary maps; annual notice to electors; noticing and conducting regular and special Board meetings; budgeting procedures; annual audits or applications for exemption; and property valuation and assessment and mill levy certification procedures.

A period of inactive status is commenced by the Board adopting a resolution of inactive status and filing (by December 15) a notice of inactive status with certain prescribed entities. A notice of continuing inactive status must be filed annually by December 15

until the District returns to active status. Permitted activities during this “time-out” period are conducting elections and undertaking the procedures necessary to implement a return to active status.

The District must come into compliance with all the legal requirements from which it has been exempt in order to return to active status. [§§32-1-104\(3\)-\(5\), C.R.S.](#)

L. Director Districts:

The Board may adopt a resolution to divide the District into Director Districts. A District with a five-member Board may be divided into five Director Districts and a District with a seven-member Board may be divided into seven Director Districts. Each Director District must have, as nearly as possible, the same number of eligible electors and shall be as contiguous and compact as possible. The Board shall then select from its members a representative of each Director District, and if possible, the representative shall be an eligible elector from within a boundary of the Director District they are selected to represent. Thereafter, Directors must be eligible electors of the Director District that they represent. If, after a reasonable time, the Board determines that it is in the best interest of the District to revert to a single district format, the Board may eliminate the Director Districts and thereafter operate as a single District by adopting a resolution. If a Board divides a District into Director Districts, the Board shall also designate whether the Directors representing the Director Districts must be elected at large, or by the eligible electors within each Director District. If, after a reasonable time, the Board determines that it is in the best interest of the District, the Board may reverse this designation by adopting a resolution. [§32-1-902.7, C.R.S.; SB21-160.](#)

M. Mandatory Website—Metropolitan Districts:

Within one year of the organization of a newly organized metropolitan district, or by January 1, 2023, for any metropolitan district organized after January 1, 2000 but before January 1, 2022, the metropolitan district must establish, maintain, and annually update an official website in a form that is readily accessible to the public that contains the following information:

1. The names, terms, and contact information for the current Directors of the Board of the metropolitan district and of the Manager of the metropolitan district, if applicable;
2. The current fiscal year budget of the metropolitan district and, within 30 days of adoption, any amendments to the budget;
3. The prior year's audited financial statements, if applicable, or an application for exemption from an audit prepared in accordance with the “Colorado Local Government Audit Law,” Part 6 of Article 1 of Title 29, within 30 days of the filing of the application with the State Auditor;
4. The annual report of the metropolitan district in accordance with [§32-1-207 \(3\)\(c\), C.R.S.](#);
5. By January 30 of each year, the date, time, and location of scheduled regular meetings of the District's Board for the current fiscal year;
6. If required by [§1-13.5-501\(1.5\), C.R.S.](#) by no later than 75 days prior to a regular election for an election at which members of a Board of Directors for a metropolitan district will be considered, the call for nominations pursuant to [§1-13.5-501\(1\), C.R.S.](#);

7. Not more than 30 days after an election, certified election results for an election conducted within the current fiscal year;
8. A current map depicting the boundaries of the metropolitan district as of January 1 of the current fiscal year; and
9. Any other information deemed appropriate by the Board of Directors of the metropolitan district.

Notwithstanding any other provision of law, a notice of meeting containing the information set forth in [§24-6-402\(2\)\(c\)\(iii\), C.R.S.](#) and posted on the metropolitan district's website no less than 24 hours prior to such meeting satisfies the requirements of [§24-6-402 \(2\)\(c\)\(iii\), C.R.S.](#) [§32-1-104.5\(3\)\(a\), C.R.S.](#); [SB21-262.](#)

N. Website Accessibility Requirements:

On or before July 1, 2024, District websites will need to comply with accessibility standards adopted by the Colorado Office of Information Technology (“OIT”). Districts will need to adopt an accessibility plan for their websites based on use of the OIT accessibility standards. [§§24-82-802\(1\)\(c\) and 24-85-103\(2.5\), C.R.S.](#); [HB21-1110.](#)

O. Annual Report:

Commencing for filing due in 2023 reflecting the preceding 2022 calendar year, any special district created after July 1, 2000 shall file an annual report for the preceding calendar year (unless the requirement is waived or otherwise requested by an earlier date by the governing body of the county and/or municipality in which a District is wholly or partially located). The annual report must be provided in accordance with [§32-1-207\(3\)\(c\), C.R.S.](#) by October 1 of each year. The annual report must be electronically filed with the governing body that approved the service plan or, if the jurisdiction has changed due to annexation into a municipality, the current governing body with jurisdiction over the special district, the Division, and the State Auditor, and such report must be electronically filed with the County Clerk and Recorder for public inspection, and a copy of the report must be made available by the special district on the District's website pursuant to [§32-1-104.5\(3\), C.R.S.](#).

The report required by [§32-1-207\(3\)\(c\), C.R.S.](#) must include, as applicable for the reporting year, but shall not be limited to:

1. Boundary changes made;
2. Intergovernmental agreements entered into or terminated with other governmental entities;
3. Access information to obtain a copy of rules and regulations adopted by the Board;
4. A summary of litigation involving public improvements owned by the District;
5. The status of the construction of public improvements by the District;
6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality;
7. The final assessed valuation of the District as of December 31 of the reporting year;
8. A copy of the current year's budget;

9. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law,” Part 6 of Article 1 of Title 29, or the application for exemption from audit, as applicable;
10. Notice of any uncured defaults existing for more than 90 days under any debt instrument of the District; and
11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a 90 day period.

Special districts operating under a consolidated service plan or serving the same community may file a consolidated annual report setting forth the information required for each special district. [§32-1-207\(3\)\(c\), C.R.S.; SB21-262.](#)

P. Filings and Postings:

Directors are responsible for ensuring that mandatory filings are made and actions are taken. The following schedule includes the primary statutory filings required.

Date	Filings and Postings
At the time of recording organizational decree or order of inclusion for any District	<p>Every special district shall record a special district public disclosure document and a map of the boundaries of the District with the County Clerk and Recorder of each county in which the District is located that provides the following information:</p> <ol style="list-style-type: none"> 1. The name of the District; 2. The powers of the District as authorized by Section 32-1-1004, C.R.S. and the District’s service plan or, as appropriate, the District’s statement of purpose as described in Section 32-1-208, C.R.S., current as of the time of the filing; 3. A statement indicating that the District’s service plan or, as appropriate, the District’s statement of purpose as described in Section 32-1-208, C.R.S., which can be amended from time to time, includes a description of the District’s powers and authority, and that a copy of the service plan or statement of purpose is available from the Division of Local Government; and 4. The following statement: [Name of the District] is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning Directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809 (1), Colorado Revised Statutes, which can be found at the District office, on the District’s website, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located. <p style="text-align: right;">§32-1-104.8, C.R.S.</p>
Within one year of date of Order and Decree for metropolitan districts organized after January 1, 2022, or by January 1, 2023 for metropolitan districts organized between January 1, 2000 and January 1, 2022	<p>Establish, maintain, and annually update, unless otherwise required, an official website that is readily accessible to the public which contains the following information:</p> <ol style="list-style-type: none"> 1. The names, terms, and contact information for the current Board members and of the District Manager, if applicable; 2. The current fiscal year budget and, within 30 days of adoption, any amendments to the budget; 3. The audited financial statements, if applicable, or the application for exemption from an audit, within 30 days of the filing of the application with the State Auditor; 4. The annual report filed in accordance with §32-1-207(3)(c), C.R.S.; 5. By January 30 of each year, the date, time, and location of scheduled regular meetings of the District’s Board for the current fiscal year; 6. If required by §1-13.5-501(1.5), C.R.S. by no later than 75 days prior to a regular election, the call for nominations pursuant to §1-13.5-501(1), C.R.S.; 7. Not more than 30 days after an election, certified election results for an election conducted within the current fiscal year; 8. A current District boundary map as of January 1 of the current fiscal year; and 9. Any other information deemed appropriate by the Board of Directors. <p>A metropolitan district returning to active status shall comply within 90 days of adoption of a resolution returning to active status.</p> <p style="text-align: right;">§§32-1-104.5(3)(a) and (d), C.R.S.</p>
First Board meeting of each year	<p>Board adopts resolution designating the posting location for the District’s 24-hour agenda notice.</p> <p style="text-align: right;">§24-6-402(2)(c), C.R.S.</p>
Meeting notice posting requirements	<p>For an electronic notice, a District shall be deemed to have given full and timely notice of a public meeting if the District posts the notice, with specific agenda information if available, on a public website of the District no less than 24 hours prior to holding the meeting. The notice must be accessible at no charge to the public. A District that posts notices on a public website may in its discretion also post a notice by any other means, but it is not required to do so.</p> <p style="text-align: right;">§24-6-402(2)(c)(III), C.R.S.</p> <p>For a non-electronic notice, a District shall be deemed to have given full and timely notice if the notice of the meeting is posted in a designated public place within the District no less than 24 hours prior to the holding of the meeting. The public place or places for posting such notice shall be designated annually at the District’s first regular meeting of each calendar year. The 24-hour notice must include specific agenda information when possible.</p> <p style="text-align: right;">§24-6-402(2)(c)(I), C.R.S.</p> <p>Special meetings must be posted in one of the ways discussed above.</p>

Date	Filings and Postings
30-day notice prior to fixing/ increasing water or sewer rates	<p>The governing body of any special district furnishing domestic water or sanitary sewer services directly to residents and property owners within or outside the District may fix or increase fees, rates, tolls, penalties, or charges for domestic water or sanitary sewer services only after consideration of the action at a public meeting held at least 30 days after providing notice stating that the action is being considered and stating the date, time, and place of the meeting at which the action is being considered.</p> <p>Notice must be provided to the customers receiving the domestic water or sanitary sewer services of the District in one or more of the following ways:</p> <ol style="list-style-type: none"> 1. Mailing the notice separately to each customer of the service on the billing rolls of the District; 2. Including the notice as a prominent part of a newsletter, annual report, billing insert, billing statement, letter or other notice of action, or other informational mailing sent by the special district to the customers of the District; 3. Posting the information on the official website of the special district if there is a link to the District's website on the official website of the Division of Local Government; or 4. For any District that is a member of a statewide association of special districts formed pursuant to Section 29-1-401, C.R.S. (such as SDA), by mailing or electronically transmitting the notice to the statewide association of special districts, which association shall post the notice on a publicly accessible section of the association's website. <p style="text-align: right;"><i>§32-1-1001(2), C.R.S.</i></p>
January 1 Update map	<p>Deadline to file a current, accurate map of District boundaries prepared according to Division of Local Government standards with the County Assessor, the Clerk and Recorder of each county in which the District is located, and the Division of Local Government. For map specification information, contact the Division of Local Government at 303-864-7720 or go to the Division of Local Government's website.</p> <p style="text-align: right;"><i>§32-1-306, C.R.S.</i></p>
January 15 Notice to Electors (not earlier than November 16)	<p>Deadline for Notice to Electors (Transparency Notice), and no more than 60 days preceding.</p> <ol style="list-style-type: none"> 1. The notice shall contain the following: <ol style="list-style-type: none"> a. The address and telephone number of the principal business office of the District; b. Name and business telephone number of the manager or primary contact person; c. The names of and contact information for the members of the Board, the name of the Board Chair, and the name of each Director whose office will be on the ballot at the next regular election; d. The times and places designated for regularly scheduled meetings of the Board during the year and the place where notice of Board meetings is posted pursuant to Section 24-6-402(c), C.R.S.; e. The current mill levy and the total ad valorem tax revenue received by the District during the last year; f. The date of the next regular special district election at which members of the Board will be elected; g. Information on the procedure and time for an eligible elector of the special district to submit a self-nomination form for election to the Board pursuant to Section 1-13.5-303, C.R.S.; h. The address of any website on which the special district's election results will be posted; and i. Information on the procedure for an eligible elector to apply for permanent absentee voter status as described in Section 1-13.5-1003, C.R.S. with the special district. 2. The notice shall be made in one or more of the following ways: <ol style="list-style-type: none"> a. Mailing the notice separately to each household where one or more eligible elector resides; b. Including the notice as part of a newsletter, annual report, billing insert, billing statement, letter, voter information card or other notice of election, or other informational mailing sent by the special district to the eligible electors of the special district; c. Posting the information on the District's official website, if there is a link to the District's website on the official website of the Division of Local Government; d. For any District that is a member of a statewide association of special districts formed pursuant to Section 29-1-401, C.R.S. (such as SDA), by mailing or electronically transmitting the notice to the statewide association of special districts, which association shall post the notice on a publicly accessible section of the association's website; or e. For a District with less than 1,000 eligible electors that is wholly located in a county with a population of less than 30,000, posting the notice in at least three public places within the limits of the special district and at the office of the County Clerk and Recorder. Such notice shall remain posted until the Tuesday succeeding the first Monday of the following May. 3. Each District shall file the notice with the Board of County Commissioners, the County Assessor, the County Treasurer, and the County Clerk and Recorder of each county in which the District is located, any governing body of any municipality in which the District is located, and with the Division of Local Government, and make a copy of the notice available for public inspection at the principal business office of the special district. 4. Special districts with overlapping boundaries may combine the notices mailed pursuant to subsection 2(a), so long as the information regarding each District is separately displayed and identified. <p style="text-align: right;"><i>§§32-1-809 and 32-1-104(2), C.R.S.</i></p> <p>County or Municipal Withhold</p> <p>If a District fails to file any information required in Section 32-1-104 (2), C.R.S. (Notice to Electors) or within nine months of the date of the request for such information, the Board of County Commissioners or the municipal governing body of any municipality in which the special district is located, after notice to the affected special district, may notify any County Treasurer holding moneys of the special district and authorize the County Treasurer to prohibit the release of any such moneys until the District complies with such requirement.</p> <p style="text-align: right;"><i>§32-1-209, C.R.S.</i></p>

Date	Filings and Postings
January 30 Budget due	<p>A certified copy of the adopted budget, which includes the budget message, for the current fiscal year, must be filed with the Division of Local Government no later than this date. Sample forms can be found in the Financial Management Manual. The resolution(s) to adopt the budget, set mill levies, and appropriate funds shall accompany the copy of the certified budget. For more information, see the Budget Calendar on the Division of Local Government's website.</p> <p>Penalty: The Division of Local Government may authorize the County Treasurer to withhold distribution of tax revenues to the District if the budget is not filed.</p> <p style="text-align: right;"><i>§29-1-113(1), C.R.S.</i></p>
February Special election	<p>Special election for non-TABOR questions may be conducted on the first Tuesday after the first Monday.</p> <p style="text-align: right;"><i>§1-13.5-111, C.R.S.</i></p>
March 1	<p>If a special district has securities outstanding which are non-rated and which were issued to the public, for an amount of not less than \$1 million, and for a term of more than one year payable beyond the next year, then that District must file an annual report on form DLG 30 with the Division of Local Government. This report must be filed within 60 days following the end of the fiscal year.</p> <p style="text-align: right;"><i>§11-58-105, C.R.S.</i></p>
March 31	<p>Deadline for qualifying entities to request exemption from audit from the State Auditor using Application for Exemption from Audit. For information call Local Government Audits, Office of State Auditor, at 303-869-3000. The ceiling amount for a local government to qualify for exemption from audit is \$750,000.</p> <p style="text-align: right;"><i>§29-1-604(3), C.R.S.</i></p> <p>If the District has authorized but unissued general obligation debt as of the end of the fiscal year, a copy of the Application for Exemption from Audit must be filed with the Board of County Commissioners for each county in which the District is located or the governing body of municipality that approved the service plan.</p> <p style="text-align: right;"><i>§29-1-606(7), C.R.S.</i></p>
May Regular or special election	<p>Regular election (election for members of Board of Directors) must be held in even-numbered years until 2022. Commencing in 2023, the regular election must be held in odd-numbered years. TABOR elections may be held on the regular election date. Special election for non-TABOR questions may be held on the first Tuesday following the first Monday in May that is not a regular election date. If a TABOR issue will be included as part of the May regular election, it must be conducted as an independent mail ballot election pursuant to Section 1-13.5-1101, <i>et seq.</i>, C.R.S.</p> <p style="text-align: right;"><i>§§32-1-103(17) and (21), and 1-13.5-111, C.R.S.</i></p>
June	<p>Each Director, within 30 days after his/her election or appointment, must be administered the oath of office or affirmation. The signed oath or affirmation and bond (public officials' performance bond) must be filed with the District Court Clerk and with the Division of Local Government. Directors' bond must be not less than \$1,000; the Treasurer's bond must be not less than \$5,000. Bond requirements can be satisfied by purchase of crime coverage. A copy of each signed oath or affirmation must be filed with the Clerk and Recorder before the Director is fully seated.</p> <p style="text-align: right;"><i>§§32-1-901, 24-12-101, and 24-14-102(2), C.R.S.; Art. XII, Sect. 9, Colo. Const.</i></p>
June 30	<p>Statutory deadline for local government auditor to submit audit report to special district governing Board.</p> <p style="text-align: right;"><i>§29-1-606(1)(a), C.R.S.</i></p>
July 30	<p>Deadline for submitting annual audit report or request for extension to State Auditor. District audit must be forwarded to State Auditor's Office within 30 days of receipt from auditor.</p> <p style="text-align: right;"><i>§29-1-606(3), C.R.S.</i></p> <p>PENALTY: If an audit is not filed (when an exemption has not been granted), the County Treasurer may be ordered to withhold District tax revenues.</p> <p style="text-align: right;"><i>§§29-1-606(5)(a) and (b), C.R.S.</i></p> <p>If the District has authorized but unissued general obligation debt as of the end of the fiscal year, a copy of the audit report must be filed with the Board of County Commissioners for each county in which the District is located or the governing body of municipality that approved the service plan.</p> <p style="text-align: right;"><i>§29-1-606(7), C.R.S.</i></p>
August 25	<p>Deadline for Assessors to certify to all taxing entities and the Division of Local Government the total assessed valuation and real property values of all taxable property and the amounts for the various factors used to compute the statutory property tax revenue limit and the constitutional property tax revenue limit.</p> <p style="text-align: right;"><i>§39-5-128, C.R.S.</i></p>
September 30	<p>If State Auditor has granted extension (received prior to July 30 filing deadline), this is the final date an audit may be filed.</p> <p style="text-align: right;"><i>§29-1-606(4), C.R.S.</i></p> <p>PENALTY: If an audit is not filed (when an exemption has not been granted) the County Treasurer may be ordered to withhold District tax revenues.</p> <p style="text-align: right;"><i>§29-1-606(5)(a) and (b), C.R.S.</i></p>

Date	Filings and Postings
October 1, beginning in 2023	<p>Any special district created after July 1, 2000 shall file not more than once a year an annual report for the preceding calendar year, unless the requirement is waived or otherwise requested by an earlier date by the current governing body with jurisdiction over the District. The annual report must be electronically filed with the governing body with jurisdiction over the District, the Division, State Auditor, and County Clerk and Recorder for each county in which the District is located. For metropolitan districts organized after January 1, 2000, a copy of the report must be posted on the District's website. The report must include, as applicable for the reporting year, but shall not be limited to:</p> <ol style="list-style-type: none"> 1. Boundary changes made; 2. Intergovernmental agreements entered into or terminated with other governmental entities; 3. Access information to obtain a copy of rules and regulations adopted by the Board; 4. A summary of litigation involving public improvements owned by the District; 5. The status of the construction of public improvements by the District; 6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality; 7. The final assessed valuation of the District as of December 31 of the reporting year; 8. A copy of the current year's budget; 9. A copy of the audited financial statements or the application for exemption from audit, as applicable; 10. Notice of any uncured defaults existing for more than 90 days under any debt instrument of the District; and 11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a 90-day period. <p>Special districts operating under a consolidated service plan or serving the same community may file a consolidated annual report setting forth the information required for each special district.</p> <p style="text-align: right;"><i>§32-1-207(3)(c), C.R.S.</i></p>
October Special election	<p>Special election for non-TABOR questions may be conducted on the first Tuesday after the first Monday.</p> <p style="text-align: right;"><i>§1-13.5-111, C.R.S.</i></p>
October 15	<p>Statutory deadline for budget officer to submit the proposed budget to Board of Directors.</p> <p style="text-align: right;"><i>§29-1-105, C.R.S.</i></p> <p>"Notice of Budget Hearing" to be published upon Board's receipt of proposed budget.</p> <p style="text-align: right;"><i>§29-1-106, C.R.S.</i></p> <p>Notice of budget hearing must state that the budget is available for inspection by the public at a designated office, give the date and time of the budget hearing, and state that any interested elector may file objections any time prior to its adoption. For Districts with a total annual budget of less than \$50,000, posting of the notice in three public places is permitted in lieu of publication.</p> <p>See §29-1-103, C.R.S. for budget content and format requirements. Contact the Division of Local Government for further information and assistance in order to be in compliance with the budget law.</p>
November	<p>TABOR ballot issues and non-TABOR ballot questions may be referred to the voters the first Tuesday after the first Monday of even numbered years, or the first Tuesday in odd-numbered years. A TABOR election that is not part of an organizational election must be conducted either as part of a coordinated election or as an independent mail ballot election pursuant to Section 1-13.5-1101, <i>et seq.</i>, C.R.S. If the District determines to not coordinate the election with the County Clerk, such election must be conducted as an independent mail ballot election.</p> <p style="text-align: right;"><i>§§1-7-116(1) and 1-13.5-111(2), C.R.S.</i></p>
December Special Election	<p>Special election for non-TABOR questions may be conducted on the first Tuesday after the first Monday.</p> <p style="text-align: right;"><i>§1-13.5-111, C.R.S.</i></p>
December 10	<p>Assessors must recertify property value, one time only, no later than December 10, to the District.</p> <p style="text-align: right;"><i>§39-1-111(5), C.R.S.</i></p>
December 15	<p>Deadline for certification of mill levies to the Board of County Commissioners.</p> <p style="text-align: right;"><i>§39-5-128(1), C.R.S.</i></p> <p>Note: Districts levying a property tax must adopt their budgets before certifying levies to the county.</p> <p style="text-align: right;"><i>§29-1-108(2), C.R.S.</i></p> <p>PENALTY: If the budget is not adopted by certification deadline, 90% of the amounts appropriated for operating and maintenance expenses in the current fiscal year shall be deemed re-appropriated.</p> <p style="text-align: right;"><i>§29-1-108(3), C.R.S.</i></p>
December 15	<p>For inactive special districts, deadline for filing Notice of Continuing Inactive Status with the Division of Local Government and the State Auditor.</p> <p style="text-align: right;"><i>§32-1-104(4), C.R.S.</i></p>
December 31	<p>Districts not levying property tax must adopt budget by this date.</p> <p style="text-align: right;"><i>§29-1-108, C.R.S.</i></p> <p>By this date Board shall enact "Resolution to Appropriate Funds" for ensuing fiscal year.</p> <p style="text-align: right;"><i>§29-1-108(4), C.R.S.</i></p> <p>PENALTY: District is restricted to 90% of its current year's appropriation for operation and maintenance expenses if Board fails to enact a resolution to make appropriations by this date.</p> <p style="text-align: right;"><i>§29-1-108(4), C.R.S.</i></p>

Date	Filings and Postings
	<p><i>NOTE: If a District:</i></p> <ul style="list-style-type: none"> • Has failed to hold or properly cancel a regular special district election, • Has failed to adopt a budget for two consecutive years, • Has failed to submit to an audit (or be granted exemption from audit) for two consecutive years; or • Has not provided or attempted to provide any of the service(s) or facilities for which the District was organized for two consecutive years; <i>and</i> • Has no outstanding financial obligations, <p>then, the Division of Local Government may initiate statutory proceedings to administratively dissolve the District.</p> <p style="text-align: right;"><i>§32-1-710, C.R.S.</i></p>

Chapter II

Conflicts of Interest

The Colorado statutes establish a code of ethics for all local government officials and the Special District Act adds standards of conduct that apply only to special district Directors. Public officials can look to these in order to determine whether certain official actions are proper or improper. The holding of a public office is a “public trust” and Directors must carry out their duties for the benefit of the people, not for their own self-interest. The statutory code of ethics attempts to balance the conflicts of a private interest with the public duty.

A. Disclosure Required:

Any Director shall disqualify himself/herself from voting on any issue in which he/she has a conflict of interest, unless such Director has disclosed the conflict of interest as required by law to the Secretary of State and to the Board, [§32-1-902\(3\)\(b\), C.R.S.](#), and then only to vote if his/her participation is necessary to obtain a quorum or otherwise enable the Board to act. [§24-18-109\(3\)\(b\), C.R.S.](#)

A Director with a conflict who does not vote shall also refrain from attempting to influence the decisions of other members of the Board in voting on the matter. [§24-18-109\(3\)\(a\), C.R.S.](#)

A Director is guilty of failing to disclose a conflict of interest if he/she exercises any substantial discretionary function in connection with a government contract without having given 72 hours’ actual advance written notice to the Secretary of State and to the District Board of the existence of a known potential conflicting interest. [§18-8-308\(1\), C.R.S.](#) Failure to disclose a conflict of interest is a class 2 misdemeanor. [§18-8-308\(3\), C.R.S.](#)

B. Proscribed Acts Constituting a Conflict of Interest:

A potential conflict of interest exists when the Director is an executive officer or owns or controls, directly or indirectly, a substantial interest in any nongovernmental entity participating in the transaction. [§18-8-308\(2\), C.R.S.](#)

A District Board member, as a local government official (elected or appointed), or a District employee, shall not:

1. Disclose or use confidential information acquired in the course of his/her official duties in order to further his/her personal financial interests.
2. Accept gifts of substantial value or of substantial economic benefit tantamount to a gift of substantial value, which would

tend to improperly influence a “reasonable person” in his/her public position to depart from the faithful and impartial discharge of his/her public duties or which he/she knows or which a reasonable person in his/her position should know under the circumstances is primarily for the purpose of rewarding him/her for official action he/she has taken.

3. Engage in a substantial financial transaction for his/her private business purposes with a person whom he/she inspects or supervises in the course of his/her official duties.
4. Perform an official act directly and substantially affecting to its economic benefit, a business or other undertaking in which he/she either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.
5. Be interested in any contract made in his/her official capacity or by any body, agency, or Board of which he/she is a member or employee.
6. Be a purchaser at any sale or vendor at any purchase made by him/her in his/her official capacity. [§§24-18-104, 24-18-109, 24-18-201, and 24-18-202, C.R.S.](#)

The following exceptions exist which are *not* considered to be conflicts of interest:

1. A Director holding a minority interest in a corporation contracting with the District is not considered “interested” in such contract. [§24-18-201\(1\)\(a\), C.R.S.](#);
2. Contracts in which the Director has disclosed a personal interest and has not voted thereon; and
3. A Director may vote, notwithstanding any other prohibition, if participation is necessary to obtain a quorum or otherwise enable the Board to act, and if the Director complies with voluntary disclosure procedures. [§24-18-109\(3\)\(b\), C.R.S.](#)

Note All of these exceptions must be very carefully scrutinized for legal compliance purposes. Perhaps no area offers greater potential exposure to liability than the area of conflicts of interest. Before a Director takes any action which may involve a potential conflict of interest, all legal implications as well as the policy implications and appearance of impropriety should be considered.

C. Guides to Conduct Regarding Ethical Principles:

The following principles are intended as guides to conduct; they do not constitute violations of the public trust or employment in local government unless circumstances would otherwise so indicate:

1. A local government official or employee should not acquire or hold an interest in any business or undertaking which he/she has reason to believe may be directly and substantially affected to its economic benefit by official action to be taken by the local government agency over which he/she has substantive authority.
2. A local government official or employee should not, within six months following the termination of his/her office or employment, obtain employment in which he/she will take direct advantage, unavailable to others, of matters with which he/she was directly involved during his/her term of employment.
3. A local government official or employee should not perform an official act directly and substantially affecting a business or other undertaking to its economic detriment when he/she has a substantial financial interest in a competing firm or undertaking. *§24-18-105(4), C.R.S.*

D. Conflicts Involving Developer Districts:

A Director who owns undeveloped land constituting at least 20% of the District's territory must disclose such ownership by giving 72-hours' advance written notice to the Secretary of State and the Board before each meeting of the Board, and such disclosure must be entered in the minutes. "Undeveloped land" means real property which has not been subdivided or on which no improvements have been constructed, excluding dedicated parks, recreation areas, or open spaces. *§32-1-902(4), C.R.S.*

No contract for work or material including a contract for services, regardless of amount, may be entered into between a District and a Board member or a person owning 25% or more of the territory within the District unless notice for bids is published and the Board member or owner submits the lowest responsible and responsive bid. *§32-1-1001(1)(d)(II), C.R.S.*

E. Effect of Existence of Potential Conflict of Interest:

Failing to disclose a potential conflict of interest is a criminal misdemeanor and could result in prosecution. *§18-8-308(3), C.R.S.*

Any contract, vote, or other official act in which a Director had a potential conflict, not cured by disclosure, may result in the act or contract being voided.

Chapter III

Board Meetings

The District's business is conducted in meetings of the Board of Directors, which the public must be given notice of and allowed to attend, with some very limited exceptions.

A. Calling the Meeting:

1. Designation of Time and Place:

The Board must designate and post the time and place for all Board meetings, and also designate a place to post the required 24-hour agenda notices of the meetings. [§§32-1-903\(1\)-\(2\) and 24-6-402\(2\)\(c\), C.R.S.](#)

a. Electronic Notice:

A District shall be deemed to have given full and timely notice of a public meeting if the District posts the notice, with specific agenda information if available, no less than 24 hours prior to holding the meeting on a public website of the District. The notice must be accessible at no charge to the public. The District shall, to the extent feasible, make the notices searchable by type of meeting; date and time of meeting; agenda contents; and any other category deemed appropriate by the District, and shall consider linking the notices to any appropriate social media accounts of the District. A District that provides notice on a website shall provide the address of the website to the Department of Local Affairs. A District that posts notices on a public website may in its discretion also post a notice by any other means, but is not required to do so. If a District is unable to post a notice on a public website, the District shall post its meeting notices in compliance with Paragraph A.1.b below. [§24-6-402\(2\)\(c\)\(III\), C.R.S.](#)

Special notice must be included in the notice of the decision to undertake any of the following acts: [§32-1-903\(3\), C.R.S.](#)

- i. Making a final determination to issue or refund general obligation indebtedness;
- ii. Consolidating the District;
- iii. Dissolving the District;
- iv. Filing a plan for adjustment of debt under federal bankruptcy law;
- v. Entering a private contract with a Director; or
- vi. Not making a scheduled bond payment.

b. 24-Hour Notice (Non-Electronic):

In addition to any other means of full and timely notice, a local public body (District) shall be deemed to have given full and timely notice if the notice of the meeting is posted in a designated public place within the District no less than 24 hours prior to the holding of the meeting. The public place or places for posting such notice shall be designated annually at the local public body's first regular meeting of each calendar year. The 24-hour notice must include specific agenda information when possible. [§24-6-402\(2\)\(c\)\(I\), C.R.S.](#) (Note: This 24-hour posting can be utilized in addition to or in place of posting on a public website. However, this posting of notice is not required if the District posts its meeting notices on its website). [§24-6-402\(2\)\(c\)\(III\), C.R.S.](#)

c. Requested Notice:

The District must keep a list of all persons requesting notice of all meetings or of meetings when certain specified policies will be discussed, and provide reasonable advance notice to such persons. Once a person has requested individualized notice, they are to be included on the list for two years. What constitutes "reasonable" notice is left to the discretion of the District. Inadvertent failure to provide notice to a listed person will not invalidate the meeting or actions taken at such meeting. [§24-6-402\(7\), C.R.S.](#)

d. Change of Regular Meeting and Scheduling of Special Meetings:

When the time, date, or location of a regularly scheduled meeting is changed, or when a special meeting is scheduled, notice of the new meeting time, date, or place must be posted in one of the ways discussed above. [§32-1-903\(2\), C.R.S.](#)

2. Notice to Directors:

All Directors must be notified of any regular or special meeting of the Board. [§32-1-903\(1\), C.R.S.](#)

B. Location of Meetings:

With the exception of Paragraph C below, all special and regular Board meetings must be held at locations within the District boundaries, or within the boundaries of any county or counties in which the District is located, or, if outside the county, at a location not greater than 20 miles from the District boundaries, unless (i) the Board adopts a resolution stating the reason for holding the meeting at an alternate location and the date, time, and place of the meeting; and (ii) the proposed change of location appears on the meeting agenda for the meeting at which the resolution is considered. [§32-1-903\(1\), C.R.S.](#)

C. Telephonic or Electronic Meetings:

“Location” means the physical, telephonic, electronic or other virtual place, or combination of such means, where a meeting can be attended. Consequently, special and regular Board meetings can be held in a physical location, or by telephonic or other electronic means. [§32-1-903\(5\), C.R.S.](#); [HB21-1278](#).

The meeting notice of all meetings of the Board that are held telephonically, electronically, or by other means not including physical presence must include the method or procedure, including the conference number or link, by which members of the public can attend the meeting. [§32-1-903\(3\), C.R.S.](#); [HB21-1278](#).

D. Open to the Public:

All meetings of a quorum, or three or more members (whichever is fewer), of the Board of Directors at which public business is discussed or formal Board action may be taken must be open to the public.

“Meeting” means any kind of gathering convened to discuss public business in person, by telephone, electronically, or by other means of communication. [§24-6-402\(2\)\(b\), C.R.S.](#)

Open meeting requirements apply to formal meetings of the Board and study sessions. Such requirements do not apply to staff meetings where a quorum of the Board is not present, chance meetings, or social gatherings at which discussion of public business is not the central purpose.

Open meetings must be open to all members of the public, including reporters, attorneys, and any other representatives.

The use of recording devices at open meetings is neither prohibited nor permitted by the Colorado statutes. Many attorneys believe that the Board must allow for video and audio recording of its meetings, but may prescribe rules for the use of recording devices, such as specifying the location where recorders must be positioned and restricting recordings which interrupt or interfere with the conduct of the meeting.

E. Rules of Procedure:

The Board may adopt standard rules of procedure to govern how Board meetings are conducted. Such rules provide desirable order and efficiency and may be included within the District bylaws.

F. Voting:

A quorum (more than one-half of the number of Directors serving on the Board) of the Board must be present before the District may take any official act or vote. A majority of the quorum in attendance is required to pass a measure. [§§32-1-103\(16\) and 32-1-903\(2\), C.R.S.](#)

A Director is required to devote his/her personal attention to matters of the District. Such attention requires a Director’s own individual vote; proxy voting is not permissible.

The Chairman/President can make motions and can vote.

G. Attendance:

A Director is required to attend Board meetings. Attendance may be made via telephone conference or other electronic means. As long as the Director is able to hear and be heard, electronic attendance satisfies the attendance requirement. [§24-6-402\(1\)\(b\), C.R.S.](#)

Any absences should be noted and excused (where appropriate) in the minutes of the meeting.

A Director’s office shall be deemed to be vacant if the Director who was duly elected or appointed fails to attend three consecutive regular meetings of the Board without the Board having entered upon its minutes an approval for an additional absence or absences, except that such additional absence or absences shall be excused for temporary mental or physical disability or illness. [§32-1-905\(1\)\(g\), C.R.S.](#)

H. Minutes:

The Secretary of the Board must keep accurate minutes of all Board meetings. [§32-1-902\(1\), C.R.S.](#)

The minutes shall be kept in a visual text format that may be transmitted electronically and shall be open to public inspection upon request. Districts must keep their Board minutes indefinitely. [§§32-1-902\(1\) and 24-6-402\(2\)\(d\)\(II\), C.R.S.](#)

I. Executive Sessions:

An executive or “closed” session may only be called at a regular or special meeting of the Board (not at a study session) by an affirmative vote of two-thirds of the quorum present. [§24-6-402\(4\), C.R.S.](#)

Executive sessions should be noted on the agenda for all meetings whenever possible.

The Chairman of the Board must announce, and the minutes reflect, one of the following topics of discussion for a valid executive session:

1. Purchase, acquisition, lease, transfer, or sale of any property interest. (*Note: Not available where a member of the Board has a personal interest in the transaction.*) [§24-6-402\(4\)\(a\), C.R.S.](#)
2. Conferences with the District’s attorney regarding legal advice on specific legal questions. (*Notes: The mere presence or participation of an attorney is not sufficient to satisfy this requirement. State the topic of the legal questions in as much detail as possible without disclosing confidential information.*) [§24-6-402\(4\)\(b\), C.R.S.](#)
3. Confidential matters pursuant to state or federal law. (*Note: Must announce specific citation to the applicable law.*) [§24-6-402\(4\)\(c\), C.R.S.](#)
4. Security arrangements or investigations. [§24-6-402\(4\)\(d\), C.R.S.](#)
5. Negotiations. [§24-6-402\(4\)\(e\), C.R.S.](#)
6. Personnel matters, identifying the person or position to be discussed, except if the employee who is the subject of the executive session has requested an open meeting; or

if the personnel matter involves more than one employee, all of the employees must request an open meeting. (Note: Not available to discuss general personnel policies in executive session.) §24-6-402(4)(f), C.R.S.

7. Items concerning mandatory nondisclosure under the Open Records Act. §24-6-402(4)(g), C.R.S.
8. Discussion of individual students where public disclosure would adversely affect the person. §24-6-402(4)(h), C.R.S.

Discussions that occur in an executive session shall be electronically recorded, including the specific citation to the Colorado Revised Statutes that authorizes the Board to meet in an executive session and the actual contents of the discussion during the session. §24-6-402(2)(d.5)(II)(A), C.R.S.

Executive session discussions between the Board and the District's attorney regarding specific legal questions are confidential and protected by attorney-client privilege. Therefore, they need not be recorded, electronically or otherwise. If they are not recorded, the attorney must attest that the portion of the discussion not recorded constituted privileged attorney-client communications, either by stating so on the tape or providing a signed statement which will be added to the minutes. §24-6-402(2)(d.5)(II)(B), C.R.S.; *The Colorado Rules of Professional Conduct, Rule 1.6*.

No formal action (vote) may be taken while in executive session. §24-6-402(4), C.R.S.

The District must retain the record of any executive session for at least 90 days. §24-6-402(2)(d.5)(II)(E), C.R.S.

J. Special Meetings/Study Sessions:

Special meetings may include study sessions at which information is presented to the Board, but no official action can be taken by the Board. Special meetings may also be meetings, set outside of the regular Board meeting schedule, at which the Board takes official action. Special meetings may be conducted after posting notice at least 24 hours before the meeting and must be conducted with a quorum of Directors in attendance. §24-6-402(2)(c)(I), C.R.S. Minutes must be promptly recorded for any meeting at which any formal action occurs or could occur, or at which an executive session occurs, and the minutes are open to public inspection. §24-6-402(2)(d)(II), C.R.S. You may want to check with your legal counsel about the recording of minutes for study sessions.

K. Meetings—Exchange of Emails:

If a quorum of the Board of Directors exchange electronic mail to discuss pending legislation or other public business among themselves, the electronic mail is subject to the requirements of the Open Meetings Act. Electronic mail communication between the Directors that *does not* relate to the merits or substance of pending legislation or other public business, including electronic mail communication regarding scheduling and availability or electronic mail communication that is sent by a Director for the purpose of forwarding information; responding to an inquiry from an individual who is not a member of the Board of Directors; or posing a question for later discussion by the Board, shall not be considered a "meeting" within the meaning of the Open Meetings Act. §24-6-402(2)(d)(III), C.R.S.; HB21-1025.

L. Resolutions and Motions:

Official action of the Board may be taken in an open meeting through the adoption of a resolution, or by a motion duly made and passed by a majority vote of the Directors present at the meeting and recorded in the minutes.

Chapter IV

Public Records

The “Open Records Act,” §24-72-201, *et seq.*, C.R.S., applies to almost all levels of Colorado governmental entities and requires records to be available to the public, although it takes into account the burdens that may be placed on local governments to respond to requests for public records and incorporates a reasonableness standard for the time and cost of producing the materials.

A. Public Right of Access:

Colorado statutes have established as public policy that all public records should be open for inspection by any person at reasonable times, except as provided by law. §24-72-201, C.R.S.

“Public records” is broadly defined to include most documentation maintained by the District and the correspondence of elected officials, including email, whether maintained in hard copy or electronically in digital media. §24-72-202(6), C.R.S.

The “official custodian” (the District officer or employee responsible for the maintenance, care, and keeping of public records) may establish rules regarding the inspection procedures for such records. §24-72-203(1)(a), C.R.S. Such rules are advisable to maintain a manageable order regarding records and inspection. In practice, typically the Board adopts by resolution a policy for responding to records requests.

The person requesting inspection is entitled to copies or printouts of the District’s public records.

Special rules apply to records that are kept digitally:

1. If a public record is stored in a digital format that is neither searchable nor sortable, the custodian shall provide a copy of the public record in a digital format.
2. If a public record is stored in a digital format that is searchable but not sortable, the custodian shall provide a copy of the public record in a searchable format.
3. If a public record is stored in a digital format that is sortable, the custodian shall provide a copy of the public record in a sortable format. §24-72-203(3.5), C.R.S.

B. Fees:

1. A copying fee not to exceed 25¢ per standard page may be assessed, unless actual costs exceed that amount. §24-72-205(5)(a), C.R.S.
2. If the copying or printout is generated from a computer

output other than word processing, the cost of building and maintaining that information system may be offset by charging a reasonable allocation to the person requesting the record. §24-72-205(4), C.R.S.

3. A reasonable research and retrieval fee may be charged, but only if the District has adopted and published on their website, or elsewhere, a written policy that includes a specific research and retrieval fee. The fee may not exceed \$33.58 per hour, and no charge may be imposed for the first hour of research and retrieval of public records. §24-72-205(6)(a)(b), C.R.S.
4. Within three working days of receiving the request, the custodian shall notify the record requester that a copy of the record is available but will only be sent once the custodian either receives payment or makes arrangements for receiving payment for all costs and fees associated with the request for and transmission of the public record, unless the custodian has waived all or some of the fees. §24-72-205(1)(b), C.R.S.

C. Transmission of Records:

Upon request, the custodian shall transmit a copy of the requested public record by U.S. mail, other delivery service, facsimile, or email. The District cannot charge a transmission fee for transmitting public records via email.

D. Response Time:

1. Records must be provided within three working days, or the custodian must provide the requester with written notice that extenuating circumstances exist and the records cannot be provided within three working days. §24-72-203(3)(b), C.R.S.
2. Extenuating circumstances for which the response period can be extended an additional seven working days include:
 - a. The request is broadly stated, encompasses a large category of records, and is without sufficient specificity;
 - b. The request is broadly stated, encompasses a large category of records, and the District is unable to gather the records within three working days because it needs to devote all or substantially all

of its resources to meeting an impending deadline or period of peak demand that is unique or not predicted to recur more frequently than once a month; or

- c. The request involves such a large volume of records that the custodian cannot gather the records without substantially interfering with his other public duties. *§§24-72-203(3)(b)(I) to (III), C.R.S.*

E. Denial of Access:

The Open Records Act permits (and in some cases requires) the official custodian to deny public access and disallow inspection of the following documents or under the following circumstances: *§24-72-204(1), C.R.S.*

1. If inspection would be contrary to any state statute;
2. If inspection would be contrary to any federal statute or regulation;
3. If inspection is prohibited by rules promulgated by the Supreme Court or by the Order of any Court;
4. Examinations for employment (except as made available for inspection by the party in interest);
5. Records submitted for applicants or candidates for employment, other than those submitted by applicants or candidates who are finalists for chief executive officer positions (if there are three or fewer applicants or candidates for a chief executive officer position who possess the minimum qualifications, they are all finalists and access to their submitted records may not be denied).
6. Real estate appraisals, until the subject property has been transferred;
7. Email addresses provided by a person to the District;
8. Specialized details of security arrangements or investigations and records of expenditures on security arrangements or the physical and cyber assets of critical infrastructure;
9. Medical, mental health, sociological, and scholastic achievement data (except as made available for inspection by the party in interest);
10. Personnel files (except as made available for inspection by the party in interest and the District official or employee who has direct supervisory capacity);
11. Trade secrets, privileged information, and confidential information or data;
12. Library records disclosing the identity of a user;
13. Names, addresses, telephone numbers, and personal financial information of past or present users of public utilities, public facilities, or recreational or cultural services;
14. Election records of any person; or
15. Where disclosure or public access would do substantial injury to public interest. *§24-72-204(6)(a), C.R.S.*

If, after having made reasonable inquiries, it is not technologically or practically feasible to permanently remove information that the custodian is required or allowed to withhold within the requested format; it is not technologically or practically feasible to provide a copy of the record in a searchable or sortable format; or if the custodian would be required to purchase software or create additional programming or functionality in its existing software to remove the information, a custodian is not required to produce a public record in a searchable or sortable format. *§24-72-203(3.5), C.R.S.*

The determination of whether a document falls within an enumerated exception can be a difficult task. If denial of access is based upon injury to the public interest, the District may apply to the Court for an Order permitting the District to restrict disclosure. A person seeking permission to examine the document has the right to appear in the Court proceeding. The attorney fees provisions of the "Open Records Act" described in Paragraph F of this chapter do not apply if the Court finds that the custodian in good faith was unable to determine if disclosure was prohibited without a ruling by the Court. *§24-72-204(6)(a), C.R.S.*

Any person denied access may request a written statement of the grounds for denial, which statement shall be furnished forthwith and cite the law or regulation under which access is denied. *§24-72-204(4), C.R.S.* Such person may also apply to the Court for an Order compelling inspection, *but must provide at least 14 days written notice prior to filing with the Court. During this 14-day period the official custodian who has denied access must meet with or speak by telephone with the person requesting access to determine if the dispute may be resolved without applying to Court. The meeting may include recourse to any method of dispute resolution agreeable to both parties, with the parties sharing common expenses equally. No meeting to determine whether the dispute can be resolved without applying to Court needs to be held if the person requesting access requires expedited access and provides written notice to the District of the expedited need, with factual basis, at least three business days prior to applying to Court. §24-72-204(5), C.R.S.*

F. Reasonable Attorney Fees and Costs:

If a person denied access successfully obtains a Court Order compelling inspection, the District shall be ordered to pay Court costs and reasonable attorneys' fees in an amount determined by the Court. *§24-72-204(5), C.R.S.*

In the event the Court finds that the denial of the right of inspection was proper, the Court shall award Court costs and reasonable attorney fees to the custodian if the Court finds that the action was frivolous, vexatious, or groundless.

G. Email Policy:

Any District that operates or maintains an electronic mail communications system must adopt a written policy on any monitoring of electronic mail communications and the circumstances under which it will be conducted. The policy must include a statement that employee emails may be a public record and may be subject to public inspection. *§24-72-204.5, C.R.S.*

*Arguably, if a District utilizes text messaging for District business, they should adopt a similar policy.

Chapter V

Service Plans

Since 1965, special districts have been required to prepare and receive approval for a service plan from the county or municipality within which the District is located. A service plan is a District's controlling document and contains information specific to the District, including the proposed services, a boundary map, general description of the facilities, and any proposed indebtedness, among other items.

A. Conformance:

The District must conform, so far as practicable, to its adopted service plan. [§32-1-207\(1\), C.R.S.](#) For Districts formed prior to 1965, a Statement of Purpose substitutes for a service plan. [§32-1-208, C.R.S.](#) The Colorado Court of Appeals has determined that provisions of a service plan stating that certain facilities “will” be built obligate the District to build those facilities, unless the District can demonstrate that compliance with the service plan is no longer “practicable.” *Plains Metropolitan District v. Ken-Caryl Ranch Metropolitan District*, 250 P.3d 697 (Colo. App. 2010)(cert. denied).

Notice of a proposed District activity, published one time in a newspaper of general circulation, restricts certain injunctive actions which may be brought against the District for material departures from the service plan, unless such action is brought within 45 days after publication of such notice. Such notice must also be filed with the District Court and Board of County Commissioners or governing body of the municipality which approved the service plan. [§32-1-207\(3\)\(b\), C.R.S.](#)

B. Amendment and Modification:

The service plan may, from time to time, be amended to conform to changed circumstances or conditions of the District.

Material modifications of the service plan may only be made by petition to, and approval of, the Board of County Commissioners or governing body of the municipality that approved the original service plan, in substantially the same manner as is provided for the approval of the original service plan, except that the processing fee shall not exceed \$250. [§32-1-207\(2\), C.R.S.](#)

The following is a partial list of what may constitute a “material modification”: [§32-1-207\(2\), C.R.S.](#)

1. Any addition to the types of services provided;
2. A decrease in the level of services;
3. A decrease in the financial ability of the District to discharge indebtedness;
4. A decrease in the need for organized service in the area; or
5. An inclusion of property into a new county or city, if so determined by the Board of County Commissioners or governing body of the municipality.

C. Transfer of Authority to Annexing Municipality:

If a District originally approved by a Board of County Commissioners becomes wholly contained within a municipality, the District may petition the municipality to accept designation as the approving authority of the District. If the municipality adopts a resolution of approval, all powers and authority shall be transferred from the Board of County Commissioners to the governing body of the municipality. [§32-1-204.7, C.R.S.](#)

Chapter VI

Boundary Issues

A District's initial boundaries are set forth in the service plan. Changes to the boundaries can be made only through specific statutory procedures which are discussed in this chapter.

A. Inclusion:

1. Petition for Inclusion:

The inclusion process (sometimes erroneously referred to as "annexation") is initiated by a petition for inclusion which may be brought by one of the following three means: [§32-1-401, C.R.S.](#)

- a. The fee owner(s) of 100% of any real property capable of being served by the District may file with the District Board a petition for inclusion of that property. [§32-1-401\(1\), C.R.S.](#)
- b. A petition for inclusion may be filed by the lesser of 20% or 200 of the taxpaying electors within a specified area. [§32-1-401\(2\)\(a\)\(I\), C.R.S.](#) (This alternative is seldom used since the statutes now provide that the Board may initiate the process.)
- c. The Board of Directors may adopt a resolution proposing the inclusion of a specific area. [§32-1-401\(2\)\(a\)\(II\), C.R.S.](#) This is the most common method of initiating inclusion of an area with many property owners. No single tract or parcel constituting more than 50% of the total area to be included may be included without the consent of the owner of that parcel.

2. Public Hearing:

The Board shall hear the petition or resolution at a public meeting after publication of notice of the hearing and, in the case of inclusion by election as discussed below, after mailing of notice to all property owners in the proposed inclusion area. [§§32-1-401\(1\)\(b\) and 32-1-401\(2\)\(b\), C.R.S.](#)

3. Decision of Board:

The Board shall grant or deny the petition, or adopt the resolution, in whole or in part, and with or without conditions. [§§32-1-401\(1\)\(c\) and 32-1-401\(2\)\(c\), C.R.S.](#)

The Board shall not grant the petition if a municipality or county has submitted a written objection to the inclusion and can provide the property with adequate service within a reasonable time and on a comparable basis. [§§32-1-401\(1\)\(c\) and 32-1-401\(2\)\(c\), C.R.S.](#)

If the petition is granted, the Board shall make an Order to that effect and file the same with the Clerk of the District Court requesting issuance of a final Order of Inclusion. [§32-1-401\(1\)\(c\), C.R.S.](#)

4. Election:

If the inclusion petition was either submitted by the lesser of 20% or 200 of the taxpaying electors, or initiated by the Board, upon granting of the petition or finally adopting the Board resolution, the Board shall make an Order to that effect and file it with the District Court. The District Court shall direct that the question of inclusion be submitted to the eligible electors of the area to be included. Any election shall be held within the area sought to be included. [§32-1-401\(2\)\(d\), C.R.S.](#)

The timing of an inclusion election may be restricted by TABOR.

5. *Note to Fire Protection Districts:*

The owner of taxable personal property (i.e., leasehold interests in improvements and major equipment) that is situated on real property which has been excluded from a fire protection district may petition to have the personal property included in the fire district by following a series of steps including filing a petition, a public meeting after published notice, approval of the petition, an Order made by the Board, and a Court Order. [§32-1-401.5, C.R.S.](#)

6. Recording and Filing of Order of Inclusion:

No inclusion is effective until a certified copy of the District Court's final Order of Inclusion is recorded in the county in which the subject property is located. A copy of the recorded Order shall be filed with the Division of Local Government and the County Assessor for the county in which the subject property is located. [§32-1-105, C.R.S.](#)

B. Exclusion:

1. Petition for Exclusion:

Except in the cases of fire protection districts or exclusions involving a municipality (both discussed below), the exclusion (erroneously referred to as "de-annexation") process can only be initiated by a petition for exclusion submitted by the fee owner(s) of 100% of any real property in the District. [§32-1-501\(1\), C.R.S.](#)

The petition is to be accompanied by a deposit of money sufficient to pay all costs of the exclusion proceedings. [§32-1-501\(1\), C.R.S.](#)

2. Public Hearing:

The Board shall hear the petition for exclusion at a public meeting after publication of notice of the hearing. [§32-1-501\(2\), C.R.S.](#)

3. Decision of Board:

The Board shall order the exclusion petition granted or denied after consideration of the following factors:

- a. The best interests of the property seeking exclusion, the District, and the county in which the District is located;
- b. The relative cost/benefit analysis to the property;
- c. District's ability to provide service to all property within the District, including the property to be excluded;
- d. Cost for which the District is able to provide service compared to that of other entities in the surrounding area;
- e. Effect that denying the petition would have on employment and other economic conditions within the District and surrounding area;
- f. Economic impact on the District, the region, and the State if the petition is denied or granted;
- g. Whether an economically feasible alternative service is available; and
- h. Additional cost to be levied on non-excluded property if the petition is granted. [§32-1-501\(3\), C.R.S.](#)

A public election is not required or allowed; the determination is to be made by the Board. [§32-1-501\(4\)\(a\), C.R.S.](#) The Board shall file with the District Court a certified copy of the Board Order excluding the property, and the District Court will then enter an Order of Exclusion based upon the decision of the Board. [§32-1-501\(4\)\(b\), C.R.S.](#) A denial of any petition for exclusion by the Board may be appealed to the Board of County Commissioners. [§32-1-501\(5\)\(b\), C.R.S.](#) The Board of County Commissioners shall consider all the factors set forth above and make its determination based on the record developed at the hearing before the District Board. The decision of the Board of County Commissioners may be appealed to the District Court, which shall consider all the factors set forth above in rendering a decision based on a review of the record. [§32-1-501\(5\)\(c\), C.R.S.](#)

4. Exclusions Involving a Municipality:

A municipality wherein territory within a District is located, a District with territory within a municipality, or 50% of property fee owners in an area of any municipality in which territory within a District is located may petition the District Court for exclusion from the District. [§32-1-502\(1\), C.R.S.](#) In the case of unilateral exclusion by a municipality, the District may be entitled to compensation.

Exclusion of property within the boundaries of a municipality can be a complicated and involved process.

5. Exclusions from a Fire Protection District (and Inclusion into Another):

A fire protection district may alter its boundaries through exclusion of a specific area if the area will be provided with the same service by another fire district and that District has agreed by resolution to include the property. In some cases, an election must first be held within such area. [§32-1-501\(1.5\), C.R.S.](#)

6. Outstanding Indebtedness:

Property that is excluded from the District remains subject to any existing bonded indebtedness. [§32-1-503, C.R.S.](#) The District Court Order of Exclusion must state the amount of the existing indebtedness and the date such indebtedness is scheduled to be retired. [§32-1-501\(4\)\(d\), C.R.S.](#)

7. *Note to Health Service Districts:*

The foregoing discussion of the exclusion process does not apply to health service districts in the same manner. [§§32-1-501\(1\) and 32-1-502\(1\)\(b\), C.R.S.](#)

8. Recording and Filing of Order of Exclusion:

No exclusion is effective until a certified copy of the District Court's final Order of Exclusion is recorded in the county in which the subject property is located. A copy of the recorded Order shall be filed with the Division of Local Government and the County Assessor for the county in which the subject property is located. [§32-1-105, C.R.S.](#)

C. Consolidation:

1. Consolidation Resolution:

If a District wishes to consolidate in its entirety or only specific services with another District, the Board shall adopt a consolidation resolution which sets forth the following:

- a. That each of the consolidating Districts may be operated effectively and economically as a consolidated District;
- b. That the public health, safety, prosperity, and general welfare of the inhabitants of the District initiating the consolidation will be better served by the consolidation;
- c. Proposed name of the consolidated District;
- d. The Districts and services of those Districts to be consolidated;
- e. Whether the consolidated District will have a five-member or seven-member Board;
- f. Any conditions attached to consolidation; and
- g. The time limit within which the included Districts must approve the consolidation resolution, which must be no later than six months after the date of such resolution. [§32-1-602\(2\)\(a\), C.R.S.](#)

2. Concurring or Rejecting Resolution:

The Districts subject to the proposed consolidation each must file a concurring or rejecting resolution with the initiating District. [§§32-1-602\(2\)\(b\) and 32-1-602\(2\)\(c\), C.R.S.](#)

3. Submission to Board of County Commissioners and District Court:

The initiating resolution, together with all concurring resolutions, shall be filed with the Board of County Commissioners

and the District Court. Usually, very detailed pre-consolidation agreements are executed, and service plan amendments may be necessary.

4. Hearing:

The District Court shall hold a hearing not less than 30 days nor more than 40 days after the resolutions are filed with the District Court. Notice of the filing of the resolutions and the hearing shall be published and written notice shall be provided to any municipality entitled. Any eligible elector, fee owner of real property, or county or municipality having territory within any special districts involved in the proposed consolidation may file a petition objecting to the consolidation. The District Court shall determine whether, in the general public interest, the property subject to objection should be excluded or included in the proposed consolidated District. [§32-1-602\(2\)\(d\), C.R.S.](#)

If the consolidating resolution and concurring resolutions were properly filed, and the consolidating Districts have proceeded in accordance with statute, the District Court will order an election. [§32-1-602\(2\)\(e\), C.R.S.](#)

5. Election:

An election will be conducted within each consolidating District. The election shall be held at the next regular or special election date. Notice of the consolidation election must be published within each consolidating District. The electors must approve not only the question of consolidation, but also any financial obligation to be assumed as a result of the consolidation. [§32-1-602\(2\)\(e\), C.R.S.](#)

6. Procedure After Consolidation Election:

Upon approval of the consolidation by a majority of the eligible electors voting in each consolidating District's election, the members of the Board of each consolidating District shall constitute the organizational Board of the consolidated District. [§32-1-603\(1\), C.R.S.](#)

Within six months after the date of the consolidation election, the organizational Board shall:

- a. Determine the persons who shall serve on the first Board of Directors of the consolidated District from those persons elected to the Boards of the consolidating Districts, and determine each of their terms of office;
- b. If the Board is to have seven Directors, divide the consolidated District into seven Director Districts and determine the Director who shall represent each Director District; and

- c. Determine the amount of the bond for each Director and Treasurer. [§32-1-603\(2\), C.R.S.](#)

After the organizational Board has made such determinations, a petition stating the name of the consolidated District; name and address of each member of the first Board and term thereof; amount of the surety bond (together with copies of the bond); and a description of the Director Districts, if any, shall be filed with the Court. [§32-1-603\(3\), C.R.S.](#)

Upon filing the petition, the Court shall issue an Order creating the consolidated District, which shall be recorded with the County Clerk and Recorder in each county wherein the consolidated District is located. Copies of the recorded Order shall be filed with the County Assessor and Division of Local Government. [§32-1-603\(4\), C.R.S.](#)

D. Boundary Map:

Whenever there has been a change to the boundaries of the District, a new map of the boundaries shall be prepared. A special district disclosure document and the current map shall be recorded in each county in which the District is located after each boundary change. No later than January 1 of each year, a current boundary map shall be filed with the Division of Local Government, the County Assessor, and the County Clerk and Recorder for each county in which the District is located. [§§32-1-104.8\(2\) and 32-1-306, C.R.S.](#)

E. Intergovernmental Agreements:

See also Chapter XII, Section C, *Intergovernmental Agreements*, regarding the creation of Water Authorities, Recreation Authorities, and Fire Authorities.

F. Service Outside District Boundaries:

Districts which desire to extend water or sanitation services into a county that has not approved the District's service plan may, depending on the circumstances, need to seek approval from that county's Board of County Commissioners. [§32-1-207\(2\), C.R.S.](#)

Districts providing domestic water or sanitary sewer services to customers outside the District boundaries may fix or increase fees, rates, tolls, penalties, or charges for such services only after consideration of the action at a public meeting held at least 30 days after providing notice to the customers of such services. The notice must state the date, time, and place of the meeting at which the action is being considered. [§32-1-1001\(2\)\(a\), C.R.S.](#)

Chapter VII

Property Issues

The range, number, and combination of property issues affecting special districts are vast. The following is merely an outline of potential property issues which a District may confront.

A. Acquisition Issues:

1. Title Insurance and Title Documents:

While not required in all instances, the purchase of adequate title insurance is usually recommended for the District's protection in acquisitions of real property. Further, a complete review of the effect of Title Documents (existing deeds of trust, easements, leases, covenants, restrictions, etc.) must be made.

2. Payoff of Taxes:

As a governmental entity, a District is exempt from paying property taxes. There are a variety of means to effectuate this exemption, including an initial payoff of all outstanding taxes upon acquiring the real property, based on the previous year's rate of levy and the current assessed valuation. *§§39-3-131 and 39-3-133, C.R.S.*

3. Financing:

A District has various means of financing an acquisition of real property which are available to both public and private entities. Lease-purchase agreements and revenue bonds are commonly used for financing.

4. Environmental Audits:

While not required, an environmental audit is strongly recommended before the purchase or sale of any real property. Potential environmental liability can be quite expansive and potentially burdensome. A regulatory compliance-oriented review of historical operations on the property is a valuable tool in limiting present and future environmental liability.

5. Surveys:

While not required, a survey of the property to be acquired may be recommended to identify issues with the legal description or potential encroachments, easements, etc.

B. Condemnation/Eminent Domain:

Special districts have the power of eminent domain to utilize if the District is unable to negotiate and effectuate the purchase of a needed parcel of real property. *Art. II, Sect. 15, Colo. Const.; §38-1-101, et seq., C.R.S.*

Prior to a District condemning property, it must show that there is public need and necessity for the acquisition of land, and that there has been a failure to agree despite good faith negotiations with the landowner. *§38-1-102, C.R.S.*

The District must pay for the owner's appraiser if the property to be condemned has an estimated value of at least \$5,000. *§38-1-121, C.R.S.*

Park and recreation districts are restricted in condemnation powers to the taking of property for purposes of television relay and translator facilities, or for easements and rights-of-way for access to park and recreational facilities operated by the District and only where no other access to such facilities exists or can be acquired. *§32-1-1005(c), C.R.S.*

Just compensation, which is neither too little nor too great, must be given for the condemned property. *Art. II, Sect. 15, Colo. Const.; §§38-1-101 and 38-1-114, C.R.S.*

Water rights are not subject to condemnation by special districts. *§32-1-1006(1)(f), C.R.S.*

A metropolitan district may have and exercise the power of eminent domain and dominant eminent domain, and, in the manner provided by Article 1 of Title 38, may take any property necessary to the exercise of the powers granted, both within and without the special district, only for the purposes of fire protection, sanitation, street improvements, television relay and translator facilities, water, or water and sanitation, except for the acquisition of water rights, and within the boundaries of the District, if the District is providing park and recreation services, only for the purpose of easements and rights-of-way for access to park and recreational facilities operated by the District and only where no other access to such facilities exists or can be acquired by other means. A metropolitan district shall not exercise its power of dominant eminent domain within a municipality or the unincorporated area of a county, other than within the boundaries of the jurisdiction that approved its service plan, without a written resolution approving the exercise of dominant eminent domain by the governing body of the municipality in connection with property that is located within an incorporated area or by the Board of County Commissioners of the county in connection with property that is located within an unincorporated area. *§32-1-1004(4), C.R.S.; SB21-262.*

C. Easements, Leases, and Other Property Interests:

Easements may be acquired by gift, purchase, condemnation, prescription, or acquiescence. In addition to the common rights-of-way and utility easements, various unique forms of easements exist, such as conservation easements wherein property can be preserved in a natural, scenic, or open condition. Conservation easements or other use restrictions may be used as a vehicle to preserve the open space or wildlife conditions of property.

A District may enter into leases, but may be limited by annual appropriation restrictions previously discussed.

Life estates are often retained by sellers, allowing the District to obtain full use only upon death of the seller. Licenses are sometimes used, which grant a property right that is severely limited by use or time.

D. Encroachment onto Public Property:

Prescriptive rights cannot be acquired against a governmental entity. If a landowner encroaches upon District property, no property interest will be acquired which is adverse to the District regardless of the duration of the encroachment.

E. Relationship to County and Municipal Powers:

The District is subject to the regulatory controls of the county or municipality within which the District lies. The following are the primary areas of county or municipal control:

1. Zoning:

The District is subject to the applicable zoning plan. However, local governments, including special districts, have long been authorized to follow a separate procedure known as

“location and extent” when seeking county or municipal approval of the District’s construction of a new facility. The review of a location and extent application is limited to approval or disapproval, but disapproval by the county or municipality can be overruled by the District’s Board of Directors. [§§30-28-110\(1\) and 31-23-209, C.R.S.](#) A county, at least, may not use its zoning authority to frustrate the efforts of the District to carry out its statutory duties.

The Colorado Supreme Court has affirmed that a District’s override authority applies equally to the Planned Unit Development Act and that the District is not required to seek a modification to the county’s PUD designation prior to applying for location and extent review for the construction of a new fire station. [Board of County Commissioners v. Hygiene Fire Protection District, 221 P.3d 1063 \(Colo. 2009\).](#)

2. Subdivisions:

The District is subject to the applicable subdivision regulations. The District may be exempt from some subdivision requirements pursuant to [§30-28-101\(10\)\(c\)\(II\), C.R.S.](#), allowing local governments to acquire property fewer than 35 acres in size without first subdividing the acquisition if the local government has the power to exercise eminent domain. Some county attorneys believe that provision requires Districts to begin a condemnation action in order to avail themselves of the exemption, but that is not what the statute says.

3. Building Codes and Permits:

The District is subject to the requirements imposed by a county or municipality relating to building codes and permits.

Chapter VIII

Financial Matters

One of the roles of the Board of Directors is to manage the District's financial matters. Listed below is a summary of the financial issues that are most likely to come before the Board.

A. Fees, Rates, Tolls, and Charges:

The Board has the power to fix, and from time to time increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District. [§32-1-1001\(1\)\(j\), C.R.S.](#) However, fees and charges must be justified either through internal evaluation of the District's costs for providing such services, programs, or facilities, or the determination of an outside consultant hired by the District that the fees are reasonable. *Nollan v. California Coastal Commission*, 483 U.S. 825 (1987); *Dolan v. City of Tigard*, 512 U.S. 687 (1994).

Additional restrictions exist on what fees can be charged by fire protection districts. [§32-1-1002\(1\)\(e\), C.R.S.](#) Fire protection districts were given the power to participate with counties and municipalities in determining and assessing impact fees on new development. [§29-20-104.5, C.R.S.](#)

Districts providing domestic water or sanitary sewer services directly to residents and property owners must consider the fees, rates, etc. at a public meeting held at least 30 days after giving notice of such meeting to the District's customers. [§32-1-1001\(2\)\(a\), C.R.S.](#)

In some instances, a charge for the availability of water or sewer service may be implemented. "Availability of Service" fees involve some complex legal issues. [§32-1-1006\(1\)\(h\), C.R.S.](#)

For further discussion regarding penalties and disconnection, see *Collection of Delinquencies and Assessment of Penalties* in Section C, below.

Any land development charges imposed as a condition of approval (i.e., tap fees) must be deposited in an interest-bearing account which clearly identifies the category, account, or fund of capital expenditure for which such charge was imposed. Land development charges, average annual interest rate on each account, and total amount disbursed from each account must also be posted on the District's website, if any, at least once annually. [§29-1-803, C.R.S.](#)

B. Mill Levy:

The Board shall fix a rate of levy of taxes, and shall certify that rate to the Board of County Commissioners by no later than December 15 of each year. [§§32-1-1201 and 39-5-128\(1\), C.R.S.](#)

Annual increases in general operating tax revenue are limited by both Article X, Section 20 of the Colorado Constitution ("TABOR") and the 5.5% statutory limitation, [§29-1-301, C.R.S.](#), unless a greater increase is approved at an election or, in some cases, by the Division of Local Government.

The Board may assess a different water or sewer mill levy (or water or sewer service charge) against different properties within the District as long as the basis for differentiation is according to facilities or services furnished and is uniform among property owners similarly situated. Such differentiation must be established to avoid violation of the Constitutional provision of equal taxation. [§32-1-1006\(1\)\(b\), C.R.S.](#)

C. Collection of Delinquencies and Assessment of Penalties:

All unpaid fees, rates, tolls, penalties, and charges constitute a perpetual lien against the property served. [§32-1-1001\(1\)\(j\), C.R.S.](#) Such lien is entitled to priority over other encumbrances such as prior recorded deeds of trust (but not tax liens). *Wasson v. Horgenson*, 583 P.2d 914 (Colo. 1978); *North Washington Water and Sanitation District v. Majestic Savings and Loan Association*, 594 P.2d 599 (Colo. 1979).

A penalty may be assessed against all delinquencies in payment, together with the assessment of interest not to exceed one percent per month. Service may be discontinued against any property whose owner is delinquent in the payment of fees or charges. [§§31-35-402\(1\)\(f\) and 32-1-1006\(1\)\(d\), C.R.S.](#)

Prior to disconnecting service, due process requires that certain procedures be followed, including notice and an opportunity for a hearing before a designated employee or the Board. *Memphis Light, Gas and Water Division v. Craft*, 436 U.S. 1 (1978). The notice must be in writing and provided to the property owner and the property address (if different from the owner's address) prior to disconnecting service and must state the amount of the delinquency, the date of shut off, and that the customer has the right to a hearing to protest the threatened termination of service. If the

customer then requests a hearing, directions to the hearing location must be provided.

For water, sewer, or water and sewer services only, in addition to disconnection of service (after proper notice) or foreclosure, the District may certify delinquent accounts to the County Treasurer for collection along with taxes. Such accounts may then be collected by the county and the proceeds distributed to the District. [§32-1-1101\(1\)\(e\), C.R.S.](#)

Districts are allowed to add delinquency charges to delinquent fees and assessments, but the amounts are limited by statute. The limitations are spelled out in the Local Government Delinquency Charges statute. [§29-1-1101, et seq., C.R.S.](#)

Small Claims Courts may also provide an alternative and cost effective means by which to collect any amounts due to the District.

D. Budget:

A District must adopt an annual budget prior to certifying the District's mill levy. [§§29-1-103\(1\) and 29-1-108\(2\), C.R.S.](#) Adoption of the budget must be considered after the conduct of a public hearing. [§29-1-108\(1\), C.R.S.](#)

The Board must designate a qualified person who shall prepare the budget and submit it to the Board on or before October 15 of each year. [§29-1-105, C.R.S.](#) The County Assessor shall certify the District's assessed valuation by August 25 of each year. [§39-5-128\(1\), C.R.S.](#) Any changes to assessed valuation must be provided by the County Assessor by December 10 of each year. [§39-1-111\(5\), C.R.S.](#)

Upon receipt of the proposed budget, the Board shall publish notice of the following, one time in a newspaper of general circulation: (i) the date, time, and place of a budget hearing; (ii) that the budget is open for public inspection and location where budget can be reviewed; and (iii) that interested parties may file objections any time prior to final adoption. [§29-1-106\(1\), C.R.S.](#) If the District's proposed budget is \$50,000 or less, however, such notice shall be posted in three public places within the District in lieu of publication. [§29-1-106\(3\), C.R.S.](#)

A certified copy of the adopted budget, which includes the resolution to adopt the budget, set the mill levy rate(s) and appropriate funds, and the budget message must be filed with the Division of Local Government no later than 30 days following the beginning of the fiscal year of the budget (i.e. no later than January 30). [§29-1-113, C.R.S.](#)

Analyses of the following components (both short and long term) will be useful in preparation of the District's budget under TABOR: growth calculation, spending, revenues, emergency reserves, and refunds.

E. Appropriation:

1. Adoption of Budget and Appropriating Funds:

Before the mill levy is certified, the District must adopt a resolution adopting the budget and making appropriations for the budget year. The amounts appropriated shall not exceed the budgeted expenditures. [§29-1-108\(2\), C.R.S.](#) If the proposed budget is more than \$50,000, notice of the date and time of the hearing at which adoption of the budget will be considered and where the proposed budget is available for inspection must be published one time; if the budget is \$50,000 or less, the notice must be posted in three public places within the District in lieu of publication. [§29-1-106, C.R.S.](#)

Any action or expenditure made beyond the appropriated sum is considered invalid and void. [§29-1-110, C.R.S.](#)

2. Budget Amendments:

The amount of appropriated funds may be revised, supplemented, transferred, or adjusted during the year by adoption at a public hearing of a resolution amending the budget. For supplemental budgets and appropriations, the resolution shall set forth in full the source and amount of the revenue being appropriated; the purpose for which the revenues are being budgeted and appropriated; and the fund or spending agency that will be making the supplemental expenditure. The notice provisions and requirements for adoption of budget amendments are the same as for adopting the budget. [§29-1-109, C.R.S.](#) The resolution amending the budget must be filed with the Division of Local Government. [§29-1-109\(2\), C.R.S.](#)

F. Donations or Gifts by Districts:

Local governments are not permitted to make any donation or grant to, or in aid of, a private individual or entity without receiving value in return. However, "value" is a relative term and can be determined many ways. For example, donating a round of golf to a charity for its silent auction can have marketing and public relations value for a District. *Art. XI, Sect. 2, Colo. Const.; In re House Bill 91S-1005, 814 P.2d 875 (Colo. 1991).*

Special districts are allowed to accept, on behalf of the special district, real or personal property for the use of the special district and to accept gifts and conveyances made to the special district upon such terms or conditions as the Board may approve. [§32-1-1001\(l\), C.R.S.](#) Such contributions to the District are generally exempt from TABOR's revenue limits.

G. Public Funds:

1. Investments:

A District may invest public funds in an authorized investment vehicle. [§24-75-601, et seq., C.R.S.](#), subject to rating categories and maturity dates. Types of available investments include:

- a. United States Treasury obligations;
- b. Certain United States Agency obligations;
- c. Repurchase agreements collateralized by appropriate United States Treasury or Agency obligations; and
- d. Colorado local government investment pools.

Refer to [§24-75-601, et seq., C.R.S.](#) for other legal investments.

2. Public Deposit Protection Act ("PDPA"):

The PDPA, [§11-10.5-101, et seq., C.R.S.](#), requires that deposits of public funds in banks or savings and loan associations may only be made in "eligible public depositories" which have been designated by the State. This does not include credit unions. [§11-10.5-111\(1\), C.R.S.](#)

The "official custodian" (whoever has authority or control of public funds) must do the following:

- a. Inform the depository that District funds are subject to the PDPA;
- b. Maintain documents or other verification necessary to identify the public funds which are subject to the PDPA; and

- c. Apply to the State for an assignment of an account number for all accounts established with an eligible public depository.

It is a misdemeanor for an official custodian or bank official to violate the provisions of the PDPA. [§§11-10.5-111\(4\)\(b\) and 11-10.5-111\(4\)\(c\), C.R.S.](#)

H. TABOR:

TABOR imposes tax, debt, revenue, and spending limitations. All increases in taxes and other revenue subject to the spending limit are limited to a “growth and inflation factor,” unless otherwise approved by District voters. TABOR applies to special districts, but “enterprises” are excluded from some TABOR provisions (See Chapter IX-TABOR).

I. Subdistricts and Special Improvement Districts (“SIDs”):

Subdistricts and SIDs are special financing tools for financing public improvements that benefit a specific area of the District. Although they operate similarly, a subdistrict is organized as a separate governmental unit, while a SID exists only as a geographic area within which improvements are constructed and cannot operate as an independent governmental entity separate from the District. [§§32-1-1101\(1\)\(f\)\(I\) and 32-1-1101.7, C.R.S.](#)

Subdistricts may impose an additional levy on the properties within the subdistrict to pay for the acquisition, operation, and maintenance of services, facilities, and programs within the subdistrict and to pay for subdistrict debt or other financial obligations. Voter approval is required for the subdistrict’s tax rate, any general obligation debt, or multi-year financial obligation. [§32-1-1101\(1.5\)\(d\), C.R.S.](#)

A SID may impose assessments on properties within the SID, but such assessments must be equitable based on the benefit received by the properties, such as based on the frontage area or zone of the property benefitting from the improvement. [§32-1-1101.7\(2\), C.R.S.](#) Costs of improvements within a SID are often financed through special assessment bonds issued by the special district on behalf of the SID. These bonds must be approved by the majority of the eligible electors voting, which are either the

electors of the special district or the electors of the SID, as determined by the special district’s Board. [§32-1-1101.7\(3\)\(g\), C.R.S.](#)

The name of a subdistrict or a special improvement district established after August 5, 2015 must include the name of the special district that established the subdistrict or special improvement district. [§§32-1-1101 and 32-1-1101.7, C.R.S.](#)

J. Sales Taxes:

1. Metropolitan Districts-Road and Transportation

Purposes:

A metropolitan district with street improvement, safety protection, or transportation powers in its service plan may impose a sales tax for transportation projects, with voter approval within District territory that does not overlap any municipality. A metropolitan district with these powers may also join as a participant in Regional Transportation Authorities, along with cities and counties, for regional transportation projects. [§32-1-1106, C.R.S.](#)

2. Metropolitan Districts-Fire Protection:

A metropolitan district with fire protection powers in its service plan may impose a sales tax for fire protection services, with voter approval. [§32-1-1106, C.R.S.](#)

3. Health Service Districts:

With voter approval, a health service district may impose a sales tax throughout the entire geographical area of the District. [§32-19-112\(1\), C.R.S.](#) Health service districts are also authorized to levy a sales tax on the retail sales of marijuana following an election of the eligible electors. [§39-26-729\(1\)\(b\), C.R.S.](#)

K. Urban Renewal/Tax Increment Financing:

In Urban Renewal Districts formed after January 1, 2016, or substantially modified after that date, prior to imposing a tax increment financing plan, the Urban Renewal Authority must include a special district representative on its Board of Directors, and negotiate with the District, as well as with county and school districts, the percentage of the tax increment to be taken by the Urban Renewal Authority. [§31-25-104, C.R.S.](#)

Chapter IX

TABOR

TABOR is one of the most significant and complex laws that applies to special districts. TABOR is a provision of the Colorado Constitution that prohibits governmental entities, including special districts, from incurring multiple fiscal year financial obligations without voter approval, and also imposes tax, debt, revenue, and spending limitations.

A. Introduction:

The Taxpayer's Bill of Rights ("TABOR"), which amended the Colorado Constitution by the addition of Article X, Section 20, has a tremendous impact on all Colorado local governments, including special districts. The interpretation and application of TABOR remains uncertain in many respects and continues to evolve through legislative and judicial interpretations. The General Assembly has attempted to clarify some of the confusion by adopting several laws interpreting the terms and provisions of TABOR. The Colorado Supreme Court has also attempted to resolve certain issues by delivering an opinion to interrogatories propounded by the General Assembly. The Colorado Court of Appeals and Colorado Supreme Court have determined certain TABOR issues. The validity of the TABOR related legislation, as well as other interpretive issues, will only be conclusively determined by future decisions of the Colorado Appellate Courts. Neither this chapter nor any other reference within this manual is intended to be a comprehensive legal analysis of TABOR. You are strongly encouraged to seek the assistance of qualified counsel regarding legal issues related to TABOR.

B. Financial Limitations:

1. Mill Levies:

TABOR requires voter approval to:

- a. Increase mill levies above the current mill levy rate, except in certain instances for debt service on general obligation bonds, pension payments, and final Court judgments. A Supreme Court decision has held that an election is not required to increase mill levies in order to make payments on outstanding debt that was approved by electors prior to the passage of TABOR.
- b. Increase District tax revenue over revenue collected in the prior year by more than the allowable rate of growth (rate of inflation + annual local growth).

The Supreme Court has validated a ballot issue that exempts future revenue from TABOR limitations under the proper circumstances. *City of Aurora v. Acosta*, 892 P.2d 264 (Colo. 1995).

2. Spending:

TABOR prohibits the District from increasing its fiscal year spending from the prior year by more than inflation plus local growth, unless exempted by the voter approval of a proper ballot issue. This fiscal year spending limitation is indirectly a revenue limitation because of refund requirements. Fiscal year spending does not include refunds in the current or next fiscal year; gifts; federal funds; collections for another government; pension contributions by employees and pension fund earnings; reserve transfers or expenditures; damage awards; and property sales.

Unless waived by voter approval, the statutory limitation imposed by §29-1-301, C.R.S. providing that operational mill levy revenue may not be increased more than 5.5% annually (with certain adjustments) will still apply (i.e. in instances when inflation is greater than 5.5%, property tax revenues for operations may still only be increased by 5.5%).

3. Debt:

TABOR requires advance voter approval to create new District debt or financial obligations that extend beyond the current fiscal year, including general obligation and revenue bonds.

Voter approval is not required for refinancing debt at a lower interest rate; obligations with adequate present cash reserves pledged irrevocably and held for payments in future fiscal years; and qualifying lease-purchase agreements.

C. Election Requirements:

The dates on which ballot issue elections may be held are limited by TABOR to the state general election, biennial regular District election, or on the first Tuesday in November of odd-numbered years.

The Court of Appeals has held that TABOR's election provisions apply only to fiscal matters of tax, spending, or revenue. Non-fiscal ballot questions are not subject to the date or notice provisions of TABOR.

All comments for and against a TABOR ballot issue shall be received by the Designated Election Official on or before the Friday

before the 45th day prior to the election. The Designated Election Official shall compile a summary of all comments received and, for regular biennial special district elections or independent mail ballot elections conducted in November, ensure mailing of the summary and other required information (TABOR Notice) to all active registered voters at least 30 days before the election. Only comments addressing a specific ballot issue received from eligible electors may be summarized.

For November (coordinated) elections, the TABOR Notice shall be delivered to the County Clerk and Recorder 43 days prior to the election, and the County Clerk and Recorder shall mail the TABOR Notice to the District's electors residing within the county. The District will be responsible for mailing the TABOR Notice to its electors residing outside of the county.

D. Multiple Fiscal Year Financial Obligations:

TABOR prohibits incurring multiple fiscal year financial obligations without voter approval, which greatly impacts the existing and future contractual relationships of the District. Interpreted conservatively, all multi-year contracts (including employment contracts) requiring the expenditure of District funds would require voter approval unless adequate cash reserves have been pledged and held to pay the obligation.

The Court of Appeals has determined that entering into a properly structured lease/purchase agreement without voter approval or adequate cash reserves does not violate TABOR. *Board of County Commissioners of Boulder County v. Dougherty, Dawkins, Strand & Bigelow*, 890 P.2d 199 (Colo. App. 1994). A clause making the lease/purchase obligation dependent on annual appropriations will, in many cases, prevent a TABOR violation.

E. Enterprise Exemption:

An "enterprise" is expressly excluded from TABOR requirements and is defined as:

1. A government-owned business;
2. Authorized to issue its own revenue bonds; and
3. Receiving less than 10% of annual revenue in grants from all Colorado state and local governments combined.

Water service activities, including the water and/or wastewater service of a special district, are considered "Water Activity Enterprises" under §37-45.1-102(4), C.R.S.

There are Colorado Appellate Court case law decisions on the subject of enterprises. The Courts applied the three-part test set forth above. The Colorado Supreme Court found that the E-470 Highway Authority was not an enterprise because it had the power to tax (although the power was not being exercised) and, therefore, was not exempt from the TABOR limitations. *Nicholl v. E-470 Public Highway Authority*, 896 P.2d 859 (Colo. 1995). In ruling upon interrogatories promulgated by the State, the Supreme Court found that the Great Outdoors Colorado Trust Fund Board was not an enterprise, because it did not have the authority to issue its own revenue bonds. *Submission of Interrogatories on Senate Bill 93-74*, 852 P.2d 1 (Colo. 1993).

Chapter X

Public Financing

To pay for public projects, special districts must save for the project, incur debt, or seek other financing. Special districts may borrow money and incur debt; however, TABOR imposes certain obligations on the District prior to incurring most kinds of debt. There are other types of financing options that are not considered debt and would allow the District to pay-as-you-go.

A. Authorization:

A special district is authorized to enter into many types of financing agreements and is expressly authorized by statute to borrow money and incur indebtedness. [§§32-1-1001\(1\)\(d\)\(l\), \(1\)\(e\), and \(1\)\(n\), C.R.S.](#)

B. Types of Financing:

1. General Obligation Debt:

The full faith and credit of the District, including the general taxing and further borrowing powers, are used to secure the debt.

2. Revenue Bonds:

Specifically identified revenues (not taxes) of the District are used as the source of bond repayment. The bonds may not be paid unless the revenue is available; furthermore, a higher risk will likely result in a corresponding higher interest rate.

3. Enterprise Obligations:

The District may issue revenue bonds through an enterprise. In most cases, the District may create an enterprise if it has bonding capacity and receives less than 10% of its annual revenue in grants from Colorado state and local governments combined. Unlike general obligation and revenue debt, enterprise revenue bonds do not require an election. [Art. X, Sect. 20, Colo. Const.](#)

4. Refunding Obligations:

Refunding bonds are used to restructure the payment of an existing debt obligation. Refunding obligations may sometimes be combined with new debt obligations.

5. Lease/Purchase:

A lease-purchase agreement provides that portions of lease payments are applied to the ultimate purchase of certain property. These obligations are dependent upon the District appropriating money each year and are often secured by the item being purchased. Districts with lease-purchase obligations must comply with audit law reporting requirements.

Properly structured lease-purchase agreements have been held by the Courts to be valid under TABOR without the need to hold an election. [Board of County Commissioners of Boulder County v. Dougherty, Dawkins, Strand & Bigelow, 890 P.2d 199 \(Colo. App. 1994\)](#). Certificates of Participation (COPs) are a variation of the lease-purchase arrangement.

6. Tax Anticipation Note:

A tax anticipation note is a short-term obligation payable from the receipt of pending tax payments.

7. Bond Anticipation Note:

A bond anticipation note is a short-term obligation issued in anticipation of redemption through the issuance of long-term bonds.

8. Other:

There are other financing options occasionally used, but they generally fit into some variation or combination of the above categories.

C. Bankruptcy Protection:

For those Districts experiencing financial distress, bankruptcy protection may be available under Chapter 9 of the United States Bankruptcy Code.

D. Special Requirements:

State statute and TABOR impose certain obligations upon Districts. These include:

1. Conducting a debt authorization election for general obligation or revenue debt. [Art. X, Sect. 20, Colo. Const.](#)
2. Posting of a special 24-hour notice when issuing or refunding general obligation debt (or consolidating, dissolving, making a contract with a Director, filing for bankruptcy, or not making a bond payment). [§32-1-903\(3\), C.R.S.](#)
3. Compliance with Colorado Securities Commission filing and approval requirements.
4. For Districts with authorized but unissued general obligation debt approved before July 1, 1995, the results of the election at which such approval was given and a statement of the principal amount of debt must be certified and sent by certified mail to the Board of County

Commissioners or the governing body of the municipality no later than 30 days before issuing any new general obligation debt. [§32-1-1101.5\(1\), C.R.S.](#)

5. Filing results of a debt authorization election with the Board of County Commissioners or municipality that approved the service plan, and with the Division of Securities, within 45 days after the election. [§32-1-1101.5\(1\), C.R.S.](#)

6. Filing a report of outstanding unrated securities with the Division of Local Government by March 1 of each year. [§11-58-105, C.R.S.](#)
7. The District's audit report must include the amount of any authorized but unissued general obligation debt as well as current or anticipated plans to issue such debt. [§29-1-605, C.R.S.](#)

Chapter XI

Audits

Each District must have an audit performed annually, unless the District's revenue and expenditures are less than \$750,000. While not required, forensic audits can be helpful to look at specific issues such as the District's handling of money or the issuance of contracts, or to just take a comprehensive look at the financial structure of the District.

A. Mandatory Financial Audit:

Unless the District is exempt, the Board shall cause to be made an annual audit of the financial statements of the District as of the end of each fiscal year, or more frequently if determined by the Board. [§29-1-603, C.R.S.](#)

The audit report must be submitted to the Board by the auditor by June 30, and filed with the State Auditor within 30 days after the report is received by the District. [§29-1-606, C.R.S.](#) (See the Filings and Postings schedule in Chapter I of this manual). If the District has authorized but unissued general obligation debt as of the end of the fiscal year, send a copy of the audit report or a copy of its application for exemption from audit to the Board of County Commissioners for each county in which the District is located, or to the governing body of any municipality that approved the service plan.

If required, a request for extension of time to file the audit may be filed with the State Auditor no later than seven months following the end of the fiscal year (July 31). The amount of time requested shall not exceed 60 days. [§29-1-606\(4\), C.R.S.](#)

B. Exemption from Audit:

If neither the District's revenues nor expenditures exceed \$750,000 for the fiscal year, an audit exemption may be sought. To obtain an audit exemption, the District must file an application with the State Auditor within three months of the close of the fiscal year (by March 31). [§29-1-604\(3\), C.R.S.](#)

For Districts with neither revenues nor expenditures exceeding \$100,000, the application must be prepared by a person skilled in governmental accounting. For Districts with revenues or expenditures of at least \$100,000 but not more than \$750,000, the application must be prepared by an independent accountant with knowledge of governmental accounting. [§29-1-604, C.R.S.](#)

C. Optional Performance Audits:

In addition to the mandatory financial audit, the Board may determine to prepare additional internal audits in order to more efficiently and effectively perform its duties. Such optional audits may include the following:

1. Investment and Purchasing Procedures:

Such an audit could include a compliance checklist regarding authorized investments, as well as a brief outline of the duties and responsibilities of each Board member and District staff member for investment, purchasing, and other handling of District money.

2. Legal Audit:

This should be prepared in concert with the District's legal counsel in order to assure that the District is achieving various mandatory and desirable legal actions.

3. Liability Audit:

A liability audit is often provided by the insurance company; it can locate safety and other liability exposures within the District.

4. Management, Operations, and Maintenance Audits:

These audits review procedures for monitoring the effectiveness and efficiency of the tasks performed by the District.

Chapter XII

Contracting

Contracts that the District enters into, including construction contracts, must contain certain language and meet certain statutory requirements. Districts also have additional requirements, such as bidding, publication, retainage, etc., imposed on construction projects.

A. Construction Contracts:

1. Publication and Bid Requirements:

Statutes require that an invitation to bid must be published one time in a newspaper of general circulation within the District boundaries for all construction contracts for work or materials or both of at least \$60,000. The District may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may do so. [§32-1-1001\(1\)\(d\)\(I\), C.R.S.](#)

It is recommended that an invitation for bids package be issued which includes a project description, all contractual terms and conditions, specifications, forms of bonds to be supplied, and other documents.

2. Integrated Project Delivery (“IPD”):

Any special district may, as an alternative to [§32-1-1001\(1\)\(d\)\(I\), C.R.S.](#), award an IPD contract to a single participating entity for the design, construction, alteration, operation, repair, improvement, demolition, maintenance, or financing, or any combination of these services, for a public project upon a determination that IPD represents a timely or cost effective alternative to a conventional bidding process for the public project. [§32-1-1804, C.R.S.](#) An IPD contract is awarded based on a Prequalification and/or a Request for Proposals (“RFP”) process. Sections 32-1-1805 and 32-1-1806, C.R.S. require publication of notice which can be accomplished by publishing notice one time in a newspaper of general circulation within the District. The District may accept the proposal that represents the best value to the District. “Best value” does not necessarily mean the low bid. Performance of an IPD contract by the participating entity shall be in compliance with all laws applicable to public projects.

3. Bonds and Retainage:

It is recommended that the District require a Bid Bond (usually in the amount of 5% of the bid amount) to avoid withdrawal of low bids. Bid Bonds are not, however, required by law.

The law does require every contractor awarded a contract for more than \$50,000 to execute a Penal (Payment) Bond, as well as a Performance Bond in the amount of at least one-half of the contract amount. [§§38-26-105 and 106, C.R.S.](#) Although not required by statute, a Maintenance Bond guaranteeing the warranty provision of the contract (usually one year) is also recommended and is usually able to be included into a single Performance, Payment, and Warranty Bond.

If a construction contract exceeding \$150,000 is awarded, the District may withhold payment for up to 5% of the value of the entire project. The retainage may be held until the contract is completed satisfactorily and final payment procedures are followed. [§24-91-103\(1\)\(a\), C.R.S.](#)

4. Appropriations Clause:

The District may not contract for a public works project in an amount in excess of the amount appropriated by the District for the project. All construction contracts must contain clauses stating that the amount of money appropriated is equal to or in excess of the contract amount and, prior to issuing a change order, the District must appropriate funds to cover the costs of the additional work and such funds must be available for expenditure. [§24-91-103.6, C.R.S.](#)

5. Final Payment and Claims:

If the amount of the contract awarded exceeds \$150,000, the District shall, not later than ten days before the final settlement is made, publish a notice thereof at least twice in a newspaper of general circulation in any county where the work was contracted for or performed. The date of final settlement should be more than ten days after the second publication. Thereafter, if no claims are made, payment in full to the contractor may be made on the settlement date.

At any time up to and including the time of final settlement for the work contracted to be done, any person that has furnished labor, materials, sustenance, or supplies used or consumed by a contractor or subcontractor, whose claim has not been paid, may file with the District a verified statement of the amount due on account of the claim. Upon the filing of any such claim, the District shall withhold from all payments to said contractor sufficient funds to insure payment of said claim until the claim is withdrawn, paid, or 90 days have passed. [§38-26-107\(2\), C.R.S.](#)

If, within 90 days from the date of settlement, the claimant has not filed a lawsuit to enforce such claim, the funds withheld which are not the subject of suit shall be paid over to the contractor. *§38-26-107(3), C.R.S.* If a lawsuit is commenced, the District may be able to interplead the claims (deposit the money with the Court) to avoid becoming embroiled in litigation.

The District must make the final payment in accordance with the above procedures within 60 days after the contract is completed satisfactorily and finally accepted by the District. *§24-91-103(1)(b), C.R.S.*

B. Other Contracts:

1. Publication/Bid Process:

No contract for work or material including a contract for services, regardless of the amount, shall be entered into between the District and a Board member or between the District and the owner of 25% or more of the territory within the District unless an invitation to bid is published and such Board member or owner submits the lowest responsible and responsive bid. *§32-1-100(1)(d)(II), C.R.S.*

Other contracts for the purchase of vehicles, equipment, non-construction materials, real and other personal property, leases, and advisory and professional services are not subject to statutory publication or bidding requirements, although some comparative review is advisable.

2. Service Contracts/Illegal Aliens:

Until July 1, 2022, all contracts and contract renewals for the procurement of services must include certain certifications from the contractor set forth at *§8-175-102, C.R.S.*, regarding employing illegal aliens. These requirements repeal on July 1, 2022.

3. Contract Drafting or Review:

Someone in the District (not necessarily always your attorney) should review each contract and should usually have suggested changes, since contracts are normally tendered by the vendor and therefore slanted to their favor unless changes are requested. Assigning an experienced, capable person to review each contract will pay off over time.

C. Intergovernmental Agreements:

Districts may enter into agreements with other special districts or other governmental entities for almost any lawful purpose. *Art. XIV, Sect. 18(2), Colo. Const; §29-1-201, et seq., C.R.S.* Such arrangements are becoming much more prevalent as the benefits

and economies of scale have fostered a new era of intergovernmental cooperation.

1. General Intergovernmental Cooperation:

Colorado local governments may cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the parties. Such contracts must set forth the purposes, powers, rights, obligations, and responsibilities of the contracting parties. *§§29-1-203(1) and (2), C.R.S.* Examples are the joint purchase of equipment; construction of jointly owned fire stations; jointly owned water and sewage treatment facilities; the provision of management, bookkeeping, billing, and maintenance services; joint training facilities and programs; joint ownership of hazardous materials handling equipment; etc. Intergovernmental agreements are very common.

2. Creating a Separate Legal Entity:

Local governments may establish separate legal entities through an intergovernmental agreement to provide for the joint exercise or operation of a function, service, or facility, as allowed pursuant to various provisions of Title 29, C.R.S. Regional Water Authorities, Recreation Authorities, and Fire Authorities provide services on a regional basis when consolidation of the special districts is not practically or politically acceptable, or when the service provided is a special regional addition to the underlying services still provided by the contracting entities.

3. Mutual Aid Agreements:

Special provisions apply to a form of intergovernmental agreement most commonly utilized by Districts providing fire protection and ambulance services. Liability associated with such agreements to mutually aid each other is governed by statute and usually attaches to the entity requesting the emergency aid, unless superseded by the agreement.

4. IGA Reporting Requirements:

Within 30 days after receiving a written request from the Division of Local Government, the District must provide the Division of Local Government with a current list of all contracts in effect with other political subdivisions containing the name of the contracting entities, the nature of the contract, and the expiration date. *§29-1-205(1), C.R.S.*

Within ten days after the execution of a contract establishing a separate governmental entity pursuant to *§29-1-204, C.R.S.*, or an amendment or modification thereof, the District must file a copy with the Division of Local Government. *§29-1-205(2), C.R.S.*

Chapter XIII

Liability Issues

Special districts, along with other governmental entities in Colorado, have limited liability for most injuries or damages that result from acts of the District, its employees, Directors, and volunteers. However, there are still actions that the District should take to protect itself from lawsuits, including obtaining comprehensive liability insurance, agreeing to indemnify Directors and employees of the District, and requiring participants and volunteers to sign waivers when appropriate.

A. Potential Sources of Liability:

1. State Tort Actions:

“Torts” are actions (other than in contract) such as negligence, trespass, and conversion, involving damage to person or property. These actions are covered by the Colorado Governmental Immunity Act (“CGIA”). (See Section B, *Colorado Governmental Immunity Act*, below for more information)

2. Federal Actions:

These actions are beyond the scope of the CGIA, although an argument does exist that the CGIA could offer protection from federal claims brought in the state Courts.

The most common federal actions are in the areas of deprivation of Constitutional or statutory rights (Section 1983 cases), antitrust, securities violations, labor and wage actions, and environmental cases.

3. Contract:

Contract claims are not protected by the CGIA. [§§24-10-105 and 106, C.R.S.](#) Public officials, however, are generally not personally liable for the contracts of the governmental entity.

4. Criminal:

The CGIA offers no protection from criminal actions. Common potential areas of criminal exposure include the following:

- a. Entering into a prohibited transaction;
- b. Failing to disclose conflicts of interest;
- c. Misuse of official information;
- d. Malfeasance; and
- e. Issuing a false certificate or document. [§18-8-406, C.R.S.](#)

You may want to consider purchasing crime coverage from the Colorado Special Districts Property and Liability Pool

which covers certain damages and defense costs resulting from a lawsuit for a Director’s alleged wrongful acts while acting in his or her official capacity.

B. Colorado Governmental Immunity Act (CGIA):

The CGIA limits the circumstances under which a public entity or public employee may be liable in state tort actions.

The CGIA creates immunity from liability for all tortious injuries committed by a governmental entity or its employees, except injuries resulting from the following:

1. The operation of a public hospital, correctional facility, or jail;
2. The operation of a publicly owned motor vehicle, except emergency vehicles;
3. A dangerous condition of a public building;
4. A dangerous condition of a public highway, road, street, or sidewalk;
5. A dangerous condition of any public facility located in any park or recreation area or any public water, gas, sanitation, electrical, power, or swimming facility;
6. The operation and maintenance by a public entity of any public water, gas, sanitation, electrical, power, or swimming facility; and
7. Civil actions for sexual misconduct against minors. [§24-10-106\(1\), C.R.S.](#)

Even for those actions where liability may attach, liability is limited by the CGIA to a maximum of \$424,000 for injury to one person in any single occurrence, and \$1,195,000 for injury to multiple persons in a single occurrence, except that no one person shall recover in excess of \$424,000. The limits are adjusted for inflation every four years, and the above limits apply from January 1, 2022 to January 1, 2026. [§24-10-114, C.R.S.](#)

Someone with a claim must file a written notice within 182 days after the date of discovery of the injury, except for civil actions for sexual misconduct against minors. The CGIA imposes additional procedural requirements when filing a claim against the District, its Directors, or employees. If those procedures are not followed, a claim may be dismissed. The CGIA also requires each District to designate an official, or an office, as its official agent to be served

with legal notice of intent to file a claim against the District under the CGIA. [§24-10-109, C.R.S.](#)

C. Indemnification Resolution:

A special district has certain duties to indemnify its Directors and employees. That indemnification is codified in the CGIA. [§24-10-110, C.R.S.](#)

The District may indemnify District Directors and employees beyond the protections of the CGIA to include federal, contract, and punitive acts. These issues should be discussed with the District's attorney.

D. Releases and Waivers:

Releases and waivers may be used to limit potential liability against the District, its Directors and employees, and also third parties in applicable situations. These agreements are often used with volunteers and participants in District events.

For a release or waiver to be valid, there must be an express, knowledgeable assent to such release or waiver. The District must exercise great caution regarding the validity or adequacy of the release or waiver.

A parent may, on behalf of his/her child under the age of 18, release or waive the child's prospective claim for negligence, except claims for willful, wanton, reckless, or grossly negligent acts or omissions. [§§13-22-107\(3\) and \(4\), C.R.S.](#) Nonetheless, the best practice is for both the parent and minor to sign a waiver.

E. Insurance:

Insurance is a primary and essential means of protecting the District, its Directors, and employees. The primary types of insurance

are liability, property, workers' compensation, crime coverage, and errors and omissions.

The following methods of insurance could be considered:

1. Standard Insurance Company:

Many insurance companies will provide insurance coverage to special districts. Make sure that your insurance provider understands governmental immunity and is familiar and has worked with the CGIA.

2. Self-Insurance:

The CGIA permits a special district to adopt a policy of self-insurance. [§24-10-115\(2\)\(a\), C.R.S.](#) The CGIA imposes procedural requirements, and compliance is mandatory. The fund established for the purposes of self-insurance shall be kept separate from all other District funds, and may only be used to pay operating expenses of the fund and claims made against the District. [§24-10-115\(3\), C.R.S.](#)

3. Insurance Pool:

An insurance pool can be a cost efficient means by which to obtain insurance coverage. SDA offers such an insurance pool.

F. Constitutional Issues:

When operating in the public realm, sensitivity to Constitutional issues must be maintained. All Constitutional issues should be discussed with a qualified attorney. Potential areas of Constitutional issues most commonly include the First Amendment rights of free speech, freedom of religion, and assembly; Fourteenth Amendment rights of equal protection; Fifth and Fourteenth Amendment rights of due process; and issues involving the "taking" of private property.

Chapter XIV

Personnel Matters

Special districts with employees must be aware of certain state and federal laws that govern the employer/employee relationship. Particular concern must be made to the hiring and firing of employees, as well as wage requirements.

A. Federal and State Employment Laws:

The areas of labor, employment, and personnel issues are heavily regulated by the state and federal governments. The Acts of which a District should be aware include, but are not limited to:

1. **The Federal Fair Labor Standards Act** (“FLSA”) regulates minimum wage, overtime pay, equal pay, record keeping, and child labor standards.
2. **The Federal Occupational Safety and Health Act** (“OSHA”) regulates dangerous conditions in the workplace.
3. **The Federal Americans with Disabilities Act** (“ADA”) prohibits discrimination in employment and in the provision of public services and accommodations based on a person’s disability.
4. **The Federal Age Discrimination in Employment Act** (“ADEA”) prohibits discrimination based on age in employment practices against persons over age 40.
5. **Title VII of the Federal Civil Rights Act** prohibits discrimination in employment based on race or color, religion, sex, pregnancy, national origin, or opposition to discriminatory practices.
6. **Section 1981 of the Federal Civil Rights Act** prohibits discrimination based on race or lineage.
7. **Section 1983 of the Federal Civil Rights Act** prohibits any person, under the color of statute, ordinance, or regulation from depriving another person of the privileges and immunities of the United States Constitution and laws.
8. **The Federal Equal Pay Act** prohibits wage discrimination on the basis of sex for jobs performed under similar working conditions.
9. **The Colorado Equal Pay for Equal Work Act** (Title 8, Article 5, Parts 1 and 2, C.R.S.) prohibits wage discrimination on the basis of gender for jobs performed under similar working conditions and requires transparency in pay and opportunities for promotion and advancement.
10. **The Consolidated Omnibus Budget Reconciliation Act** (“COBRA”) generally requires employers to give departing employees the opportunity to continue their health insurance coverage for 18 months at the employee’s cost.
11. **The Federal Family and Medical Leave Act of 1993** (“FMLA”) imposes certain affirmative acts regarding employee leave on all employers, including public entities employing 50 or more persons.
12. **The Colorado Family Care Act** (Title 8, Article 13.3, Part 2, C.R.S.) defines the types of family relationships, including civil unions and domestic partnerships, for which an employee may be entitled to take leave to care for a family member, in addition to FMLA.
13. **The Colorado Healthy Families and Workplaces Act** (“HFWA”) (Title 8, Article 13.3, Part 4, C.R.S.) requires that each Colorado employer provide paid sick leave for all employees at a rate of one hour per 30 hours worked by the employee, not to exceed 48 hours each year.
14. **The Colorado Paid Family and Medical Leave Insurance Act** (“FAMLI”) (Title 8, Article 13.3, Part 5, C.R.S.) requires employers to: participate in the FAMLI program to collect premiums starting in 2023 for family leave benefits of up to 12 weeks of paid family and medical leave starting in 2024; provide benefits using the same definitions and eligibility; or exercise the local government opt-out option.
15. **Worker Rights Related to a Public Health Emergency** (“PHEW”) (Title 8, Article 14.4, C.R.S.) provides that an employer or a contractor shall not discriminate, take adverse action, or retaliate against any worker who raises any reasonable concern about workplace violations of government health or safety rules. PHEW was amended in 2022 to remove that the worker concern must be related to a public health emergency. [SB22-097](#).
16. **The Uniformed Services Employment and Reemployment Rights Act** (“USERRA”) provides employees who are called up for, or volunteer for, active military service with special employee benefits.
17. **The USA PATRIOT Act of 2001** removed previous legal barriers to the federal government conducting wiretapping surveillance of telephone lines and accessing stored voice and email messages.
18. **The Colorado Health Care Coverage Act** (Title 10, Article 16, C.R.S.), which is the state counterpart to COBRA, gives extended health insurance coverage of 180 days to terminated employees.

19. **The Colorado Anti-Discrimination Act (“CADA”)** (Title 24, Article 34, Parts 3 through 8, C.R.S.) prohibits discrimination based on disability, race, creed, color, sex, age, marital status, national origin, sexual orientation, or ancestry in employment, housing, public accommodations, and advertising. CADA prohibits unfair employment practices, overlapping with federal law in several areas. There are, however, Colorado-only provisions, including that CADA applies to employers regardless of size and the definition of “employee” includes individuals in domestic service. [§§24-34-401\(2\) and \(3\), C.R.S.](#) In 2022, the General Assembly amended CADA to extend the time to file a complaint to 300 days (increased from 180 days) and to allow state-based relief for age discrimination-only claims. [HB22-1367](#).
20. **The Colorado Youth Employment Opportunity Act of 1971** (Title 8, Article 12, C.R.S.) provides child labor standards.
21. **Colorado laws regarding wages and hours** (Title 8, Articles 4 through 6, and 13, C.R.S.).
22. **The Workers’ Compensation Act of Colorado** (Title 8, Articles 40 to 47, C.R.S.) regulates disability and medical benefits of injured workers.
23. **The Colorado Employment Security Act** (Title 8, Articles 70 to 82, C.R.S.) provides for unemployment benefits.
24. **The Colorado Employment Opportunity Act** (Title 8, Section 8-2-126, C.R.S.) prohibits use of consumer credit information for employment purposes unless the information is substantially related to the employee’s current or potential job.
25. **The Colorado Law on Effect of Criminal Conviction on Employment Rights** (Title 24, Section 24-5-101, C.R.S.) regulates the use of criminal background history in public employment.

B. Personnel Policy Manuals:

A personnel policy manual can be a useful tool for dealing with reoccurring employment issues. Whether a specific policy is appropriate for a given District depends upon the size of the District, the District’s existing policies and procedures, and the decisions made by the Board members. In smaller Districts, some subjects addressed in these policies may be dealt with informally or not at all. In larger Districts, the need for uniform treatment of a larger group of and the dissemination of correct information to all employees may dictate a more comprehensive selection of policies. Because personnel policy manuals have in some cases been construed by the Courts as constituting part of an employee’s employment contract, they must be carefully drafted. Personnel policy manuals may be one type of employment record which, with other records, is useful to document compliance with state employment laws, such as the Equal Pay Act, HFWA, and FAML1.

Typical personnel policy manuals include the following subjects:

1. Working conditions, including work week and hours, attendance, safety, and work environment.
2. Compensation and benefits.
3. Leave policies.
4. Employment, promotion, and evaluation practices.

5. Layoffs.
6. Rules of conduct.
7. Discipline.
8. Grievances.
9. Employee records.
10. Separation from employment.
11. Specific policies of concern to the District, including drug testing.

C. Drug and Alcohol Testing:

The Federal Highway Administration (“FHA”) adopted regulations requiring mandatory drug and alcohol testing for employed drivers with commercial driver’s licenses. Drivers of firefighting equipment are exempt. Other organizations employing employees not governed by the FHA requirements may also adopt internal drug and alcohol policies. Qualified legal counsel or consultants should be contacted in formulating such testing policies.

Due to the Colorado Constitutional amendments authorizing the use of marijuana, policies should be carefully drafted with recognition of this as an area of evolving legal consideration.

D. Federal and State Posting Requirements:

Both federal and state law require the posting of certain informational posters at a prominent location in the District’s business office. Failure to make the requisite postings could subject the District to significant financial penalties. The following postings must be made:

1. Federal Equal Employment Opportunity Commission (“EEOC”);
2. Federal Minimum Wage (Dept. of Labor);
3. Family and Medical Leave Act (Dept. of Labor);
4. State Fair Employment (Dept. of Labor);
5. State Minimum Wage (Dept. of Labor);
6. Healthy Families and Workplaces Act (*Paid Sick Leave*) (Dept. of Labor); and
7. Worker Rights Related to a Public Health Emergency (*Whistleblower*) (Dept. of Labor)

* The Federal Occupational Safety and Health Act (“OSHA”) does not currently apply to local governments, although OSHA standards may constitute reasonable guidelines.

E. Volunteers:

Volunteers present unique considerations for a District with respect to compensation, insurance, personnel policies, liability, releases, and indemnification. Please consult with your legal counsel when considering using volunteers.

F. TABOR:

Most employees in Colorado are not employed under contracts. If, however, a contract is entered into with an employee, a multi-year employment contract may constitute a “multiple fiscal year financial obligation” subject to the limitations of TABOR.

G. Collective Bargaining for Firefighters:

Pursuant to §29-5-201, *et seq.*, C.R.S., paid firefighters who work for a District or Fire Authority with two or more paid firefighters have certain collective bargaining rights, including:

1. If a collective bargaining agreement does not currently exist and if the employer has not voluntarily opted into collective bargaining, the paid firefighters or their employee organization can request a “meet and confer” with the District (or Fire Authority) to discuss safety and working conditions, but not compensation.
2. Paid firefighters can initiate a collective bargaining process by presenting a notice of intent to circulate a petition to the Board, signed by at least 75% of the paid firefighters, requesting recognition of the unit and a collective bargaining agreement. If 5% of the number of eligible electors who voted in the last District election sign a petition, the Board must put the following question on the ballot at the next election: “Should the firefighters employed by the [name of the District] be covered by the Colorado Firefighter Safety Act?”. If a majority of those voting in the election vote in favor, the District must recognize the employee bargaining unit identified in the petition and enter into collective bargaining with the unit. [§29-5-206, C.R.S.](#)
3. Firefighters and employee organizations are prohibited from striking. [§29-5-211, C.R.S.](#)

H. Use of Credit Report Information and Employee Personal Passwords:

Employers are prohibited from using credit information in employee hiring, evaluation, or discipline, unless the information is related to the person’s present or potential job. Employers may not ask a current or prospective employee to provide access to credit reports or related information unless such information is directly related to the job, or the job is one that involves fiduciary relationships or the handling or accounting of funds. [§8-2-126, C.R.S.](#)

An employer may not suggest, request, or require an employee or applicant to disclose, or cause an employee or applicant to disclose, any username, password, or other means for accessing the employee’s or applicant’s personal account or service through the employee’s or applicant’s personal electronic communication device. Employers may not compel an employee or applicant to add anyone, including the employer or his or her agent, to the employee’s or applicant’s list of contacts associated with a social media account, or require, request, suggest, or cause an employee or applicant to change privacy settings associated with a social networking account. This does not prohibit employers from requiring employees to disclose usernames, passwords, and other means for accessing non-personal accounts or services that provide access to the employer’s internal computer or information systems. [§8-2-127, C.R.S.](#)

I. Health Insurance:

The Patient Protection and Affordable Care Act requires large employers to provide health coverage for its employees. Large employers are those who have 50 or more full-time equivalent employees. The requirements of the Act and the dates for compliance are varied. Your attorney or a knowledgeable health care

broker can help the District navigate the requirements. [Public Law 111–148, 111th United States Congress.](#)

J. Paid Sick Leave:

The Healthy Families and Workplaces Act requires that each Colorado employer provide paid sick leave for all employees at a rate of one hour per 30 hours worked by the employee, not to exceed 48 hours each year, unless the employer chooses to allow a higher annual limit. Effective January 1, 2022, all Colorado employers, including special districts, must comply with the law. The employee begins to accrue paid sick leave when employment with the employer begins, and can use the sick leave as soon as it is accrued. In addition to the paid sick leave accrued pursuant to the above provisions, on the date a public health emergency is declared, each employer in the state shall supplement each employee’s accrued sick leave to assure that the employee may take sick leave; for employees who normally work 40 or more hours in a week, at least 80 hours. Each covered employer shall notify its employees that they are entitled to be paid sick leave by supplying each employee with a written notice containing the information specified in the act, and by displaying a poster in a conspicuous and accessible location in each workplace. [§8-13.3-401, et seq., C.R.S.](#)

K. Searches for CEO-Level Employees:

The process for searching for a chief executive level position (i.e. CEO, District Manager, Fire Chief) is different from that of other District employees and requires compliance with certain requirements of the Colorado Open Meetings Law, Part 4, Article 6 of Title 24, C.R.S., and the Public Records Act, Article 72 of Title 24, C.R.S.

1. A search committee may be established to conduct the CEO search, but the search committee is still subject to certain transparency requirements. [§24-6-402\(3.5\), C.R.S.](#)
2. At least fourteen days prior to appointing, employing, or offering the position to a finalist, the Board shall publicly name at least one candidate as the finalist for the CEO position. The application of anyone hired or named as a finalist for a CEO position is a public record subject to inspection. [§§24-6-402\(3.5\) and 24-72-204\(3\)\(a\)\(XI\), C.R.S.; HB21-1051.](#)
3. The Board must select the top candidate and make an offer of employment in the open session of a public meeting, not in an executive session.
4. Specific contract negotiations about pay, benefits, etc., may occur in an executive session pursuant to [§24-6-402\(4\)\(e\), C.R.S.](#), but the Board must approve the contract in a public meeting.
5. Records of finalists are generally public records, except for these documents:
 - a. Records of applicants who are not finalists; and
 - b. The following records of finalists:
 - i. Letters of reference;
 - ii. Medical, psychological, or sociological data; and
 - iii. Financial records (e.g. credit checks).
[§24-72-204\(3\)\(a\)\(XI\)\(A\), C.R.S.](#)

Chapter XV

Elections

The Colorado Local Government Election Code (Article 13.5 of Title 1, C.R.S.) was adopted effective February 18, 2014. Certain provisions of the Uniform Election Code of 1992 (Articles 1 to 13 of Title 1, C.R.S.) also apply to special district elections and both the Local Government Election Code and the Uniform Election Code of 1992 should be read in conjunction with Part 8, Article 1 of Title 32, C.R.S. The following is an overview of the election requirements.

A local government may, in lieu of conducting a nonpartisan election under the provisions of the Colorado Local Government Election Code, opt to use the Uniform Election Code of 1992, Article 1 to 13 of Title 1, C.R.S. to conduct the nonpartisan election not coordinated by the County Clerk. *§1-13.5-102(1), C.R.S.*

It is unlawful to threaten, coerce, or intimidate an election official with the intent to interfere or retaliate for the performance of the official's duties – including elections conducted under the Local Government Election Code. Further, the personal information of an election official (or their family) is prohibited from being published on the internet if the poster knows that doing so will pose an imminent and serious threat. An election worker may request to have personal information removed from public records available on the internet. *§§1-13-701, 18-9-313.5, and 24-72-204, C.R.S.; HB22-1273.*

The Legislature amends the election laws regularly. Before conducting an election, check the Election Codes for statutory changes enacted after the publication of this manual.

A. Coordinated Elections:

1. Applicability:

In a coordinated election, when more than one political subdivision with either overlapping boundaries or the same electors hold an election on the same day, the County Clerk and Recorder is the Coordinated Election Official. All November elections in which eligible electors are the same or boundaries overlap shall be coordinated elections, unless the election is to be conducted as an independent mail ballot election. *§§1-1-104(6.5), 1-1-111(3), and 1-7-116, C.R.S.*

Regular elections, special elections, and Court-ordered elections conducted other than in November may be conducted as coordinated elections if (i) there is an overlap of electors or boundaries; (ii) the County Clerk and Recorder is the Coordi-

nated Election Official; and (iii) the county, District, and other jurisdictions agree. *§§1-1-104(6.5), 1-1-111(3), and 1-7-116, C.R.S.*

2. Intergovernmental Agreement:

At least 70 days prior to the November coordinated election, the District must enter into an intergovernmental agreement with the County Clerk and Recorder for the conduct of the election and/or mailing of the notice required by Article X, Section 20 of the Colorado Constitution ("TABOR Notice").

The Agreement shall include, but not be limited to the following:

- a. An allocation of responsibilities between the District and the County Clerk and Recorder; and
- b. A provision for the sharing of expenses based upon "actual cost." *§1-7-116(2), C.R.S.*

B. Regular Elections:

Special districts must hold regular elections on the first Tuesday after the first Monday in May in even-numbered years for the purpose of electing Directors to the Board and, as applicable, for the submission of other ballot issues or questions. *§§1-13.5-111(1) and 32-1-103(17), C.R.S.*

Note: In the regular election in May 2020, and also in May 2022, those full-term seats that are on the ballot will be for three years, for the one term only, after which those seats will revert back to the normal four year terms. As a result, beginning in 2023, regular special district elections will be on the first Tuesday after the first Monday in May of odd-numbered years. *§§1-1-104(42), 1-13.5-111(1), 32-1-103(17), and 32-1-305.5(3), C.R.S.*

C. Special Elections:

Special elections may be held on the first Tuesday after the first Monday of February, May, October, or December; in November of even-numbered years; or on the first Tuesday in November of odd-numbered years. A Court having jurisdiction over the District may order a special election to be conducted on a different election date. *§§1-13.5-111(2) and (3), and 32-1-103(21), C.R.S.*

D. TABOR Elections:

A TABOR ballot issue election must be conducted as either a coordinated election or as an independent mail ballot election.

[§1-13.5-111\(2\)](#), C.R.S. TABOR elections can only be conducted at the regular special district election date, the general election date, or the first Tuesday in November of odd-numbered years. [Art. X, Sect. 20\(3\)\(a\)](#), *Colo. Const.*

E. Independent Mail Ballot Elections:

The District, at the direction of the Board, may conduct an election by mail ballot that is not coordinated by the County Clerk and Recorder. The Designated Election Official must prepare a written plan on conducting a mail ballot election. The written plan must be on file at the office of the Designated Election Official at least 55 days prior to the election. [§§1-13.5-1101](#), [1-13.5-1102\(1\)](#), and [1-13.5-1104\(1\)](#), C.R.S. The written plan is a public record, but does not need to be filed with the Secretary of State, and does not require approval by the Secretary of State. [§1-13.5-1104\(1\)](#), C.R.S.

F. Designated and Coordinated Election Officials:

For all November coordinated elections, the County Clerk and Recorder shall be the Coordinated Election Official responsible for coordinating and conducting the election on behalf of all political subdivisions that are part of the coordinated election, utilizing the mail ballot procedure set forth in Article 7.5 of Article 1, C.R.S. [§§1-1-104\(6.5\)](#), [1-1-111\(3\)](#), and [1-7-116](#), C.R.S.

The District Board shall appoint a Designated Election Official to conduct non-coordinated elections and assist in the conduct of coordinated elections. The Designated Election Official does not have to be the District Secretary. [§§1-13.5-108](#) and [32-1-804\(2\)](#), C.R.S.

G. Requirements to Translate Election Materials into Spanish or Ute:

1. Federal Voting Rights Act:

The Federal Voting Rights Act and regulations of the United States Department of Justice and Federal Census Bureau require that election materials be translated into and available in Spanish for special district elections in Section 203-covered jurisdictions, which are updated every five years. For special district elections conducted from 2021 to 2025, the following is required: for voters in Adams County, Alamosa County, Conejos County, Costilla County, Denver County, and Saguache County whose primary language is Spanish, election materials must be translated into and available in Spanish; and, for voters in La Plata County and Montezuma County whose primary language is Ute, election materials must be translated into and available in Ute. The federal requirements apply broadly to any **registration or voting** notices, forms, instructions, assistance, or other materials or information relating to the electoral process, including ballots.

2. Colorado Multilingual Ballot Access:

Colorado law requires that County Clerks and Recorders provide Spanish language ballots for general elections and statewide odd-year elections in the following counties: Adams, Alamosa, Arapahoe, Bent, Boulder, Conejos, Costilla, Denver, Eagle, El Paso, Fremont, Garfield, Jefferson, Lincoln, Montrose, Morgan, Prowers, Rio Grande, Saguache, and Weld. These state requirements only apply to County Clerks and Recorders and not to Designated Election Officials. [§1-5-201](#), *et seq.*, C.R.S.

H. Election Notices:

1. TABOR Notices:

TABOR requires the mailing of a notice for ballot issue elections. The TABOR Notice shall be sent as a package where the boundaries of political subdivisions, including all special districts with ballot issues, overlap. The TABOR Notice must be addressed to "All Registered Voters" and mailed to each address of one or more active registered electors of the District at least 30 days prior to the election. [Art. X, Sect. 20\(3\)\(b\)](#), *Colo. Const.*

For coordinated elections, the District must provide the County Clerk and Recorder with all necessary TABOR Notice information at least 43 days prior to a November coordinated election. [§1-7-904](#), C.R.S. The County Clerk and Recorder shall have the responsibility of mailing the TABOR Notice package to each address where any active District elector resides within such county, if the election is being conducted in November. The Designated Election Official shall mail such notice to addresses of active District electors who do not reside in the county. [§1-7-906](#), C.R.S.

For independent mail ballot elections, the District's Designated Election Official shall be responsible for the preparation and mailing of the District's TABOR Notice.

The Designated Election Officials of special districts with overlapping boundaries that will be submitting ballot issues at the regular special district election shall confer at least 40 days prior to the election regarding the preparation and mailing of the TABOR Notice as a package. Such special districts must enter into an intergovernmental agreement for the preparation and mailing of the TABOR Notice. [§§1-13.5-503\(1\)](#), [1-7-905\(2\)](#), and [1-7-906\(3\)](#), C.R.S.

2. Notice by Publication and Posting:

Notice of the specific election information, including the date and time of election; hours during which the polls will be open; the date ballots have or may be mailed if the election is conducted by mail ballot; mail ballot drop-off locations; names of the officers to be elected and any ballot issues and ballot questions to be voted upon; and the names of those candidates whose nominations have been certified to the Designated Election Official must be published in a newspaper of general circulation within the District boundaries at least 20 days prior to the date of the election. For independent mail ballot elections, the notice does not need to include the text of the ballot issues or ballot questions. [§§1-13.5-502\(1\)](#), [\(2\)\(a\)](#), and [\(2\)\(b\)](#), C.R.S.

A copy of the notice must be posted in the office of the Designated Election Official at least 20 days prior to and until after the election, and mailed or emailed to the County Clerk and Recorder. [§§1-13.5-502\(1\)](#) and [\(2\)\(a\)](#), C.R.S.

A District submitting a ballot issue concerning the creation of debt or other financial obligation shall post notice on the District's website or, if the District does not maintain a website, at the District's chief administrative office, no later than 20 days before the election. [§§1-7-908](#) and [1-13.5-503\(2\)](#), C.R.S.

I. Conduct of Elections and Procedures:

The District's Designated Election Official should be aware of the following general requirements:

1. Election Resolution:

The election process is initiated by Board adoption of an Election Resolution. Depending on whether the election is a regular special district election, a November election, or a special election, the Election Resolution may address the following, as applicable: the election of members to the Board of Directors; polling place or mail ballot format; the location(s) of the polling place(s) or mail ballot drop-off locations; any ballot issues/questions to be presented; whether the election will be conducted as a coordinated election with the county; and the appointment of the Designated Election Official.

2. Call for Nominations:

Not fewer than 75 days or more than 100 days prior to the regular election, a Call for Nominations must be published one time. The notice must set forth the Director offices to be voted upon at the election, where a self-nomination and acceptance form may be obtained, the deadline for filing such form, and information on obtaining an absentee ballot. [§1-13.5-501\(1\), C.R.S.; SB21-262.](#)

For districts other than metropolitan districts organized after January 1, 2000, the public notice required by this section must be made by publication, as well as by any one of the following means:

- a. Mailing the notice, at the lowest cost option, to each address at which one or more active registered elector of the District resides as specified in the registration list provided by the County Clerk and Recorder as of the date that is 150 days prior to the date of the regular local government election;
- b. Including the notice as a prominent part of a newsletter; annual report; billing insert; billing statement; letter; voter information card or other notice of election; or other informational mailing sent by the District to the eligible electors of the District;
- c. Posting the information on the official website of the District; or
- d. For a District with fewer than 1,000 eligible electors that is wholly located within a county the population of which is less than 30,000 people, posting the notice in at least three public places within the territorial boundaries of the District and, in addition, posting a notice in the office of the Clerk and Recorder of the county in which the District is located. Any such notices must remain posted until the day after the call for nominations closes.

For any metropolitan district that was organized after January 1, 2000, in accordance with Title 32, the notice must be made by emailing the notice to each active registered elector of the metropolitan district as specified in the registration list provided by the County Clerk and Recorder as of the date that is 150 days prior to the date of the regular local government election. Where the active registered elector does not have an email address on file for such purpose with the County Clerk and Recorder as of the date that is not later than 150

days prior to the date of the regular local government election, the public notice must be made by mailing the notice, at the lowest cost option, to each address at which one or more active registered elector of the metropolitan district resides as specified in the registration list provided by the County Clerk and Recorder as of the date that is 150 days prior to the date of the regular local government election. In addition, the Designated Election Official shall also provide public notice by any one of the following means:

- a. Publication as defined in [§1-13.5-501\(2\), C.R.S.](#)
- b. Including the notice as a prominent part of a newsletter; annual report; billing insert; billing statement; letter; voter information card or other notice of election; or other informational mailing sent by the metropolitan district to the eligible electors of the metropolitan district;
- c. Posting the information on the official website of the metropolitan district; or
- d. For a metropolitan district with fewer than 1,000 eligible electors that is wholly located within a county, the population of which is less than 30,000 people, posting the notice in at least three public places within the territorial boundaries of the metropolitan district and, in addition, posting a notice in the office of the Clerk and Recorder of the county in which the special district is located. Any such notices must remain posted until the day after the call for nominations closes. [§§1-13.5-501\(1.5\) and \(1.7\), C.R.S.; SB21-262.](#)

3. Candidates:

A self-nomination and acceptance form signed by the candidate and one other registered voter of the State must be filed with the Designated Election Official no earlier than January 1 and no later than the normal close of business on the 67th day prior to the regular election. [§1-13.5-303\(1\), C.R.S.](#)

An affidavit of intent to be a write-in candidate must be filed with the Designated Election Official no later than 64 days prior to the date of election. [§1-13.5-305, C.R.S.](#)

The Designated Election Official shall provide copies of the self-nomination and acceptance forms and any affidavits of intent to be a write-in candidate to the Colorado Secretary of State no later than 60 days before the special district election. This does not apply if the District cancels its election. [Rule 16.1, Secretary of State Rules Concerning Campaign and Political Finance.](#)

4. Polling Places:

The Designated Election Official, with the approval of the Board, shall establish one or more polling places not fewer than 20 days prior to the election. [§1-13.5-504\(2\), C.R.S.](#) If there are no appropriate polling place locations within the District, a polling place may be designated outside of the District in a location that is convenient for the eligible electors of the District.

The Designated Election Officials of local governments with overlapping boundaries that hold elections the same day by polling place must meet, confer, and thereafter, if practical, hold such elections in a manner that permits an elector in the overlapping area to vote in all of such elections at one polling place. [§1-13.5-504\(3\), C.R.S.](#)

A polling place sign must be posted at each polling place at least 20 days prior to the date of election. [§1-13.5-502\(3\), C.R.S.](#)

Polls shall be open continuously from 7:00 a.m. until 7:00 p.m. on the date of the election. [§1-13.5-601, C.R.S.](#)

Openly carrying a firearm within any polling location or central count facility, or within 100 feet of a ballot drop box or any building in which a polling location or central count facility is located, is prohibited while an election or any related ongoing election administration activity is in progress. The Designated Election Official responsible for any central count facility, polling location, or drop box involved in that election cycle shall visibly place a sign notifying persons of the 100 foot no open carry zone for firearms required pursuant to this section. [§1-13-724, C.R.S.; HB22-1086.](#)

5. Judges:

The Designated Election Official shall appoint Election Judges no later than 15 days prior to the date of election. [§1-13.5-401\(1\), C.R.S.](#)

Each Election Judge must be registered to vote in Colorado and at least eighteen years of age. Election Judges must be appointed without regard to party affiliation. Neither a current candidate for Director nor any immediate family member, to the second degree, of such candidate is eligible to serve as an Election Judge. [§§1-13.5-401\(1\) and \(2\), C.R.S.](#)

For polling place elections, the Designated Election Official shall appoint no fewer than two Election Judges for each local government election. The Designated Election Official may also appoint any additional Election Judges as deemed necessary, and may appoint Counting Judges. [§1-13.5-402, C.R.S.](#)

For mail ballot elections, the Designated Election Official may appoint an appropriate number of Election Judges to receive the ballots after they are mailed; to handle “walk-in” balloting; check voter registrations; inspect, verify, and duplicate ballots when necessary; and count the ballots and certify results.

The Board must determine the amount of compensation to be paid to the Election Judges for their services. [§1-13.5-409, C.R.S.](#)

No more than 45 days prior to the date of election, each Election Judge shall attend an instruction class concerning the tasks of an Election Judge. [§1-13.5-408, C.R.S.](#)

6. Property Owner and Voter Lists:

The Designated Election Official shall order the voter registration and property owners lists no later than 40 days prior to the day of election. The Designated Election Official may order initial voter registration and property owners lists to be received 30 days prior to the day of election, with a supplementary list provided 20 days prior, or complete lists provided six days prior to the day of election. [§§1-13.5-203 and 204, and 1-13.5-1105\(2\)\(a\) and \(2\)\(b\), C.R.S.](#)

7. Absentee Voters:

Any eligible elector may cast an absentee voter’s ballot in the manner provided in Part 10 of Article 13.5 of Title 1, C.R.S. Requests for an application for an absentee voter’s ballot can be

made orally or in writing. The application may be in the form of a letter, and must be filed with the Designated Election Official not later than the close of business on the Tuesday preceding the election. Applications for absentee voters’ ballots shall be filed in writing and personally signed by the applicant or a family member and include the applicant’s printed name, residence, address, date of birth, and whether the applicant wishes to be designated as a permanent absentee voter. The Designated Election Official shall examine the application to verify the eligibility of the applicant to vote, and if the applicant is eligible, the Designated Election Official shall deliver as soon as practicable but not more than 72 hours after the blank ballots have been received, an absentee voter’s ballot and packet. [§1-13.5-1002, C.R.S.](#)

8. Permanent Absentee Voters (previously Permanent Mail-in Voters):

Any eligible elector may apply for permanent absentee voter status. The application for permanent absentee voter status must be made in writing or by facsimile using an application form or letter furnished by the Designated Election Official. The application must contain the same information submitted in connection with an application for an absentee voter’s ballot pursuant to §1-13.5-1002, C.R.S. If the Designated Election Official determines that the applicant is an eligible elector, the Designated Election Official shall place the eligible elector’s name on the list of those eligible electors to whom an absentee voter’s ballot is mailed every time there is an election conducted by the District. Information on the procedure to apply for a permanent absentee voter status should be included on the application for absentee ballot, and on the Notice to Electors required in §32-1-809, C.R.S.

An elector whose name appears on the permanent absentee voters list must be deleted from the permanent absentee voters list if: (a) the elector notifies the Designated Election Official that he or she no longer wishes to vote by absentee voter’s ballot; or (b) the absentee voter’s ballot sent to the elector is returned to the Designated Election Official as undeliverable; or (c) the elector has been deemed “inactive” pursuant to §1-2-605, C.R.S.; or (d) the person is no longer eligible to vote in the District. [§1-13.5-1004\(2\), C.R.S.](#)

If there is no Designated Election Official presently appointed in the local government, the Secretary of the local government shall process the application for permanent absentee status in accordance with §§1-13.5-1003(1) and (2), C.R.S.

9. Watchers:

Each candidate for office and any Issue Committee for the proponents and opponents of a ballot issue or ballot question are entitled to appoint one person to act as a Watcher in every polling place in which they are a candidate or in which the issue or question is on the ballot. The names of persons appointed to serve as Watchers shall be certified to the Designated Election Official on forms provided by the Designated Election Official. Watchers must be eligible electors of the District. [§1-13.5-602, C.R.S.](#)

Neither a current candidate for Director nor any immediate family member, to the second degree, of such candidate is eligible to serve as a Watcher for that candidate. [§1-13.5-602\(1\)\(a\)\(I\), C.R.S.](#)

10. Ballots and Voting Machines:

The Board may authorize the use of voting machines. [§1-13.5-701, C.R.S.](#)

The Designated Election Official must have available the printed ballots at least 30 days prior to the election. [§1-13.5-902\(1\)\(a\), C.R.S.](#)

The Designated Election Official shall prepare and deliver to the polling places sufficient equipment and ballots no later than the day before the election. [§§1-13.5-807 and 1-13.5-904, C.R.S.](#)

The Designated Election Official shall issue absentee ballots upon written request, and shall keep a record of: (i) name of each applicant; (ii) address to which the ballot is to be sent; (iii) date of receipt of application; (iv) date absentee ballot was sent; (v) date of return of absentee ballot; and (vi) stub number of ballot sent. [§1-13.5-1004\(1\), C.R.S.](#)

Absentee ballots, sealed in return envelopes, shall be returned to the Designated Election Official or an Election Judge no later than 7:00 p.m. on the day of election. [§1-13.5-1006\(1\), C.R.S.](#)

11. Eligible Electors:

Any person desiring to vote at any election shall be required to sign a self-affirmation that he/she is an eligible elector of the District. [§§1-13.5-605\(2\)\(a\) and 32-1-806\(2\), C.R.S.](#)

An eligible elector for a special district election is a person who is **registered to vote** in the State of Colorado **and is either:**

- a. **A resident** within the District boundaries or area to be included within the District boundaries on Election Day; **or**
- b. **The owner (or the spouse or civil union partner of the owner) of taxable real or personal property situated within the District** boundaries or area to be included within the District boundaries. [§§32-1-103\(5\)\(a\) and \(b\), C.R.S.](#)

A person who is obligated to pay taxes under a contract to purchase taxable property situated within the boundaries of the District or area to be included within the District boundaries is considered an owner for the purposes of 11b above.

The property owner must be a natural person, not a corporation, trust, partnership, etc.

12. Transferring Property to Qualify Someone as an Eligible Elector:

No person shall take or place taxable property in the name of another or enter into a contract to purchase or sell taxable property for the purpose of attempting to qualify such person as an eligible elector at any special district election, or to fill a vacancy on a Board, or to become a candidate for Director in a special district election except under the following circumstances:

- a. A vacancy exists on the Board and no eligible elector files a letter of interest in filling such position within ten days after publication of a notice of such vacancy; **or**
- b. There are more than ten eligible electors in a special district organizational election and, on or after the second day before the deadline for filing the self-nomination and acceptance forms, there are less

candidates than the number of Director offices to be voted upon at such election; **or**

- c. There are fewer than 11 eligible electors as of any date before a special district organizational election; **or**
- d. In a regular special district election, on or after the day after the deadline for filing self-nomination and acceptance forms, there are fewer candidates than the number of Director offices to be voted upon at such regular election. [§32-1-808\(2\)\(a\), C.R.S.](#)

13. Ballot Certification:

No later than 60 days prior to an election, the Designated Election Official must certify the content of the ballot. For coordinated November elections only, the certification must be delivered to the County Clerk and Recorder of each county that has territory in the District. [§1-13.5-511, C.R.S.](#)

For elections where candidates will be elected to office, the ballot shall include the names of each candidate who filed a valid self-nomination and acceptance form. The order of the names on the ballot shall be determined by lot drawing. Each candidate shall be notified of the time and place of the lot drawing. [§§1-13.5-511 and 1-13.5-902\(2\), C.R.S.](#)

For elections where ballot issue(s) or ballot question(s) will be submitted to the electors, such ballot issue or ballot question must be printed on the ballot following the list of candidates (if any) and in the order of: issues to increase taxes, issues to increase debt, and any other referred measure. [§1-13.5-902\(7\), C.R.S.](#)

After the order of the ballot and ballot content has been certified, the Designated Election Official may recertify the ballot if a candidate withdraws from a race, and the withdrawal would not change the order that the candidate names appear on the ballot as previously determined by the lot or drawing, or there are technical revisions to a ballot issue or ballot question prior to the ballots being printed. [§1-13.5-511\(2\), C.R.S.](#)

14. Election Returns and Canvass Board:

For polling place elections, upon the close of the polls on Election Day (unless Counting Judges have been appointed), the Election Judges shall count the votes cast and prepare an abstract of the election results, which shall be immediately posted at each polling place until 48 hours after the election. For mail ballot elections, counting of the mail ballots may begin 15 days prior to the election. The Election Judges shall also issue a certification of election results and submit it to the Designated Election Official. [§§1-13.5-613, 1-13.5-615, and 1-13.5-1107, C.R.S.](#)

At least 15 days prior to an election that is not a coordinated election, the Designated Election Official shall appoint at least one Board member and at least one eligible elector who is not a Board member to assist the Designated Election Official in canvassing the votes. To the fullest extent possible, no member of the Canvass Board nor the member's spouse or civil union partner shall have a direct interest in the election. [§§1-13.5-1301\(1\) and \(2\), C.R.S.](#) For coordinated elections, the Canvass Board shall be appointed in accordance with the intergovernmental agreement between the governing bodies holding the election. Within 14 days after the election, the

Canvass Board must meet to canvass the votes and issue the Official Abstract of Votes Cast. [§§1-13.5-1305\(1\) and \(2\), and 32-1-104\(1\), C.R.S.](#) Each member of the Canvass Board, except District Board members, shall receive a minimum fee of \$15 for each day that person is acting in the capacity of a member of the Canvass Board. [§1-13.5-1301\(4\), C.R.S.](#)

The Designated Election Official shall notify the candidates of their election to office. The results of the election shall be certified to the Division of Local Government; along with the certification, the District shall also provide the business address and telephone number of the District, and the name of a contact person. [§§1-13.5-1305\(2\) and 32-1-104\(1\), C.R.S.](#)

For debt authorization elections, the election results must be certified within 45 days after the election to the Board of County Commissioners of each county in which the District is located or to the governing body of the municipality that approved the service plan, and to the Division of Securities. [§32-1-1101.5\(1\), C.R.S.](#)

The Board shall preserve all sealed ballots, election materials, and records for a period of at least 25 months after the election or until the time has expired for which the records are needed for any contest proceeding, whichever is later. [§1-13.5-616\(1\)C.R.S.](#) All other official records and forms shall be preserved for at least six months following the date when the polls closed. [§1-13.5-616\(2\), C.R.S.](#)

15. Recounts and Contests:

Automatic recounts are ordered by the Designated Election Official if the difference between the first and second place finishers are one-half of one percent or less. Automatic recounts must be completed no later than 28 days following the election or 40 days after the election, depending on whether the election is under the Colorado Local Government Election Code or the Uniform Election Code of 1992. Automatic recounts are paid for by the governing body. If an automatic recount is not required, an interested party can request a recount at the interested party's expense. Request for a recount must be filed within 17 days after the election. [§§1-10.5-104 and 1-13.5-1306, C.R.S.](#) Election results may be contested in District Court if contests are filed within ten days after the official survey of returns, the expiration of the period within which a recount may be requested, or within ten days after the conclusion of a recount, whichever is later. [§§1-11-213 and 1-13.5-1403, C.R.S.](#)

16. Cancellation:

If the only matter before the electors is the election of Directors and if at the close of business on the 63rd day prior to the date of the regular special district election or at any time thereafter, there are not more candidates than offices to be filled, including candidates filing affidavits of intent, the election may be cancelled by the Designated Election Official if so instructed by resolution of the Board. The Designated Election Official shall declare the candidates elected to the Board. [§1-13.5-513\(1\), C.R.S.](#) Notice of the cancellation must be published one time prior to the election and posted at each polling place of the District and in the offices of the County Clerk and Recorder for each county in which the District is located, and in the office of the Designated Election Official. A copy of the notice shall be filed with the Division of Local Government. The candidates

must be notified that the election was cancelled, that they were elected by acclamation, and that they take office after the election day. [§1-13.5-513\(6\), C.R.S.](#)

If the only matter before the electors is the consideration of ballot issue(s) or ballot question(s), the Board may cancel the election no later than 25 days prior to a coordinated November election or at any time prior to any other election. Notice of the cancellation must be published and posted as indicated above. [§1-13.5-513\(6\), C.R.S.](#)

No election may be cancelled in part. [§1-13.5-513\(4\), C.R.S.](#)

17. Directors Take Office:

The Designated Election Official shall notify the candidates of their election to office. After the oath or affirmation of office and any required bond are filed with the District Court having jurisdiction over the special district, the Division of Local Government, and the County Clerk and Recorder, the Designated Election Official shall make a formal certificate of election for each person who was elected and shall deliver the certificate to that person. [§1-13.5-1305\(1\) and \(2\), and 32-1-901, C.R.S.; Art. XII, Sect. 9, Colo. Const.](#)

The term of office of each newly elected person shall commence at the next meeting of the Board after the date of the election, but not later than 30 days after the date that the election results are certified pursuant to §1-13.5-1305, C.R.S., upon the signing of an oath or affirmation, filing such oath or affirmation with the County Clerk and Recorder of each County in which the District is located, and posting of a bond or policy of crime insurance. [§§24-12-101 and 24-14-102\(2\), C.R.S.](#)

If the election was cancelled, the term of office of the persons declared elected shall commence at the next meeting of the Board following the date of the election, but no later than 30 days following the date of the election, upon the signing of an oath or affirmation, filing such oath or affirmation with the County Clerk and Recorder of each county in which the District is located, and posting of a bond or policy of crime insurance. [§§1-13.5-112, 24-12-101, and 24-14-102\(2\), C.R.S.](#)

J. Campaigning

Under the Fair Campaign Practices Act ("FCPA"), Article 45 of Title 1, C.R.S., Districts may not make contributions or contributions in kind to campaigns involving the nomination, retention, or election of any person to any public office, or to urge electors to vote in favor of or against any issue before the electorate.

A Board member may expend not more than \$50 of District funds on letters, telephone calls, or other activities incident to making statements or answering questions concerning the issue.

Districts may, however, expend public monies or make contributions in kind to dispense fair and balanced information on any issue of official concern before the electorate. This information must be factual; must include arguments both for and against the proposal; and cannot contain a conclusion or opinion in favor of or against any issue addressed.

The Board is permitted to adopt a resolution of advocacy on any ballot issue or referred measure, and report the adoption of the resolution by customary means other than paid advertising.

The statutes do not prohibit a public employee or Board member

from working on a campaign or speaking out on an issue on his or her own time, or spending his or her own funds to urge electors to vote in favor of or against any issue before the electorate.

The statutes also restrict the activities of campaign committees and require the filing of certain reports. Recent legislation, SB22-237, amended the FCPA to clarify when an organization is consid-

ered to have made a contribution to a ballot measure campaign or issue committee that would trigger the requirement to file these reports, including that contributions are specific to the committee and the direct ballot issue or question, as well as that any person who spends \$5,000 in a calendar year on a direct ballot issue or question must file a report and disclose their name in certain communications about the ballot issue or question.

K. Election Calendar:

Date	Summary
To initiate election process	Adopt Election Resolution.
January 1	Earliest day to file self-nomination and acceptance form with Designated Election Official (“DEO”).
150 days prior to regular special district election	Obtain list of registered voters from County Clerk and Recorder (“CCR”) for purposes of mailing or emailing Call for Nominations.
100 days prior to coordinated election	Notify County Clerk and Recorder of participation in November coordinated election.
100-75 days prior to regular special district election	Publish Call for Nominations one time and one other authorized method. Metropolitan districts organized after January 1, 2000 must mail or email the notice and provide notice by one other authorized method.
70 days prior to coordinated election	Enter into intergovernmental agreement with CCR for November coordinated election.
67 days prior to regular special district election	Last day to file self-nomination and acceptance forms with DEO.
64 days prior to regular special district election	Last day to file affidavit of intent to be a write-in candidate with DEO.
63 days prior, after close of business	Regular special district election may be cancelled if there are no more candidates than positions to be filled, and there are no ballot issues or ballot questions.
60 days prior	Certify ballot content. Such certification shall be filed with the CCR for November coordinated elections.
55 days prior to independent mail ballot election	Mail ballot plan for an independent mail ballot election must be on file at the office of the DEO and available to the public.
Friday before 45th day prior at 12:00 p.m.	Deadline for acceptance of written comments for or against a TABOR ballot issue.
45 days prior	Earliest date to conduct Election Judge training. Mail, email, or fax absentee ballots to those eligible electors of the District who have applied for and are designated as a “covered voter” under the Uniform and Overseas Citizens Absentee Voting Act (“UOCAVA”).
43 days prior	For November coordinated election, the DEO shall deliver the District’s TABOR Notice to the CCR.
40 days prior	For elections not conducted in November, overlapping special districts conducting a ballot issue election shall confer regarding the preparation of the TABOR Notice and enter into an agreement for the preparation and mailing of the TABOR Notice to the addresses of all active registered electors in the overlapping area. The DEO shall order the voter registration and property owners lists.
30 days prior	Mail TABOR Notice to address of each active registered elector of District. If so requested, CCR shall certify and deliver an initial voter registration list. If so requested, County Assessor shall certify and deliver an initial list of all recorded owners of taxable real and personal property within the District. The DEO shall have printed ballots available.
72 hours after ballots received	Mail absentee ballot to each eligible elector listed on the District’s permanent absentee voter list.
Not sooner than 22 days prior	Begin mailing to each active eligible elector a mail ballot package. Mail ballots shall also be made available at the DEO’s office for eligible electors.
20 days prior	Publish Notice of Election one time. Also post a copy of the notice in a conspicuous place in the DEO’s office until after the election. Mail or email a copy of Notice of Election to the CCR of each county in which the District is located. If so requested, CCR shall certify supplemental or complete voter registration list. If so requested, County Assessor shall certify supplemental or complete property owners list. For debt obligation elections, post notice of additional financial information on District’s website or in chief administrative office of the District if the District has no website. Post sign at each polling location.

Date	Summary
15 days prior	<p>Last day to mail a ballot package to each active eligible elector.</p> <p>Appoint Canvass Board.</p> <p>Last day to appoint Election Judges, certify list of Election Judges, and mail acceptance form to each person appointed.</p> <p>Counting of mail ballots may begin.</p>
6 days prior	<p>If so requested, CCR shall certify complete voter registration list.</p> <p>If so requested, County Assessor shall certify complete property owners list.</p>
Tuesday preceding the election	Deadline for filing applications for absentee voter ballot.
Election Day	Counting Judges may begin counting anytime during the day. If there are no Counting Judges, as soon as the polls close, the Election Judges may proceed to count the ballots.
No later than 8 days after election	Last day to receive voted absentee ballot from UOCAVA eligible electors.
No later than 14 days after election	For elections not coordinated by the CCR, the Canvass Board shall meet, survey the returns, and certify the final election results. For regular special district elections, transmit a copy of the certified election results to each person declared elected. File the certification of election results with the Division of Local Government ("DLG").
No later than 22 days after election	For November coordinated elections, County Canvass Board shall finalize election results. File the certification of election results with DLG.
No later than 30 days after certification of election results, or 30 days after date of election if election is cancelled	Newly elected Directors take oath of office or affirmation.
No later than 45 days after election	If a debt authorization election was conducted, file election results with the Board of County Commissioners or the municipality that approved the service plan and with the Division of Securities.

Chapter XVI

Dissolution of a District

Dissolution of a special district may be initiated in a number of ways, including by the Board of Directors, or by application to the Board from the electors, the municipality, or a regional service authority providing the same services as the special district. A special district can also be dissolved by the Division of Local Government in certain circumstances. *§32-1-701, et seq., C.R.S.*

A. Dissolution Initiated by the Board of Directors:

A majority of all members of the Board of Directors may initiate dissolution by filing a Petition for Dissolution with the District Court having jurisdiction over the special district. *§32-1-701(1)(a), C.R.S.*

The Board of Directors must hold a public hearing for residents in any unincorporated area of the District if any portion of the District is located within the boundaries of a municipality. This hearing must occur before the negotiation of any agreement for the continuation of such services. *§32-1-702(4)(b)(II), C.R.S.*

B. Dissolution Initiated by Electors:

For special districts with 25,000 or fewer persons, 5% or 250 of the eligible electors (whichever is fewer) may file an application with the Board to dissolve the special district. For special districts with more than 25,000 persons, 3% of the eligible electors must sign the application. The application must meet the statutory requirements. *§§31-11-106 and 32-1-701(2)(b), C.R.S.*

C. Dissolution Initiated by Municipality, County, or Regional Service Authority:

If 85% of the special district lies wholly within a municipality, the municipality's governing body may file an application with the Board of Directors to dissolve the special district. *§32-1-701(3), C.R.S.*

If the special district lies wholly within a county, the county's governing body may file an application with the Board of Directors to dissolve the special district. When the special district lies wholly within more than one county, two or more counties may jointly file the dissolution application with the Board of Directors. *§§32-1-701(3.5) and (3.7), C.R.S.*

If the special district lies wholly within a regional service authority and such service authority provides the same service provided by the special district, the service authority may file an application with the Board of Directors to dissolve the special district. When the spe-

cial district lies wholly within more than one regional service authority, two or more service authorities may jointly file the dissolution application with the Board of Directors. *§§32-1-701(4) and (5), C.R.S.*

The petitioning entity must submit a cash bond of \$300 to the Board of Directors with the dissolution application. *§32-1-701(6), C.R.S.*

D. Requirements for Petition for Dissolution:

The Board of Directors must file a Petition for Dissolution with the District Court within 60 days of the filing of the application. The Petition for Dissolution must contain the following information:

1. A general description of and a map showing the boundaries and extent of the territory within the District;
2. A current financial statement of the District. If applicable, the financial statement must contain a certificate that the District has no financial obligations or outstanding bonds;
3. A plan for final disposition of the assets of the District and for the payment of the financial obligations and any outstanding bonds of the District;
4. A statement as to whether the services of the District are to be continued and, if so, by what means. If applicable, the Petition must include a plan specifically providing that the services are to be continued by another entity and an agreement for services with such entity; and
5. A statement as to whether the existing Board of Directors, or portion thereof, shall continue in office. *§32-1-702, C.R.S.*

E. District Court Hearing:

The District Court must hold a hearing on the Petition and Plan for Dissolution within 50 days after the filing of the Petition. *§32-1-703(2), C.R.S.*

The District Court must publish notice of the hearing and mail notice to the Board of County Commissioners of each county having territory within the special district and to the governing body of each municipality having territory located within a radius of three miles of the special district boundaries. *§32-1-703, C.R.S.*

If services will be continued after dissolution, the entity assuming responsibility for the services must enter its appearance with the District Court. *§32-1-704(1), C.R.S.*

F. Dissolution Election:

The District Court will order an election in the District on the question of dissolution if:

1. The District has no financial obligations or outstanding bonds, or the District's financial obligations and outstanding bonds will be adequately provided for prior to dissolution and an adequate Plan for Dissolution exists for continuation of services, if required; or
2. 10% or 100 of the eligible electors (whichever is fewer) petition the Court for a special election; or
3. An adequate Plan for Dissolution exists that provides for the payment of the financial obligations and outstanding bonds of the District and for the continuation of services, if required.

The District Court will enter an Order dissolving the District without an election if (i) the District lies wholly within the boundaries of a municipality or county; (ii) the District has no financial obligations or outstanding bonds; and (iii) the Board of Directors of the District and the governing body of the municipality or county consent to the dissolution. When 85% or more of the District lies within the corporate limits of one or more municipalities, the District Court will also enter an Order dissolving the District without an election if the governing bodies of the Board of Directors of the District, the governing body of the county, and the governing body of the municipality(ies) consent to the dissolution. [§32-1-704, C.R.S.](#)

G. Dissolution by Division of Local Government:

The Division of Local Government may initiate the dissolution process by providing notice to a special district if the District has no outstanding debt and has failed to do any of the following: (i) to hold or properly cancel an election; (ii) to adopt a budget for two consecutive years; (iii) to meet the audit requirements of §29-1-601, *et seq.*, C.R.S., for two consecutive years; (iv) to provide or attempt to provide any of the services or facilities for which it was organized for two consecutive years. If a District does not respond within 30 days of the notice, the Division of Local Government may submit a declaration of dissolution to the District Court for approval. [§32-1-710, C.R.S.](#)

H. Recording and Filing of Order of Dissolution:

No dissolution is effective until a certified copy of the District Court's final Order of Dissolution is recorded in each county in which the District is located. A copy of the recorded Order shall be filed with the Division of Local Government and the County Assessor for each county in which the District is located. [§§32-1-105 and 32-1-707\(5\), C.R.S.](#)



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Supporting Community-Based Government

Special District Association of Colorado

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Supporting Community-Based Government



The SDA Board Member Manual is published by the Special District Association of Colorado in cooperation with the law firm of Collins Cole Flynn Winn & Ulmer, PLLC

For more information, please contact the Special District Association of Colorado

303-863-1733 | www.sdaco.org

2022

Liberty Ranch Metropolitan District Summary

Board of Director/Terms of Office:

Jeffrey Mark, Term expires, May 2025
Jereriah Manning, Term expires, May 2023
Leata Byers, Term expires, May 2025
Sean Byers, Term expires, May 2025

Officers:

President
Treasurer
Secretary
Assistant Secretaries

Regular Meetings (2023):

Location:

Zoom Meeting

<https://us02web.zoom.us/j/83875439749?pwd=Qk1VT1pHMEVJdEQxNVV1cWQ4N1VLdz09>

Phone Number: 1 (719) 359-4580

Meeting ID: 838 7543 9749

Passcode: 090300

One tap mobile: +17193594580,,83875439749#

Dates and Time:

November 16, 2023 at 1:00 p.m.

Consultants:

Attorney:

Elisabeth Cortese, Esq.
Shareholder
McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203-1254
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Manager:

Larry Loften
District Manager
Special District Management Services, Inc.
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8390 East Crescent Parkway, Suite 600
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**LIBERTY RANCH METROPOLITAN
DISTRICT**

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**LIBERTY RANCH METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 299,132	\$ 121,724	\$ 76,047
REVENUES			
Property taxes	428,597	458,111	487,855
Property tax - URA	23,948	20,769	49,790
Specific ownership tax	22,737	23,944	26,882
Interest income	310	1,300	1,750
Bond issuance - Series 2021	13,180,000	-	-
Other revenue	-	-	5,000
Total revenues	<u>13,655,592</u>	<u>504,124</u>	<u>571,278</u>
TRANSFERS IN	<u>3,533</u>	-	-
Total funds available	<u>13,958,257</u>	<u>625,848</u>	<u>647,325</u>
EXPENDITURES			
General Fund	53,333	95,436	87,979
Debt Service Fund	13,779,667	454,365	492,663
Total expenditures	<u>13,833,000</u>	<u>549,801</u>	<u>580,643</u>
TRANSFERS OUT	<u>3,533</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>13,836,533</u>	<u>549,801</u>	<u>580,643</u>
ENDING FUND BALANCES	<u>\$ 121,724</u>	<u>\$ 76,047</u>	<u>\$ 66,682</u>
Emergency Reserve	\$ 2,000	\$ 2,100	\$ 2,400
Surplus Fund	204,750	-	-
TOTAL RESERVE	<u>\$ 206,750</u>	<u>\$ 2,100</u>	<u>\$ 2,400</u>

No assurance provided. See summary of significant assumptions.

**LIBERTY RANCH METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential Single Family	\$ 5,858,950	\$ 6,441,770	\$ 6,267,050
Commercial	11,490	180	15,310
Agricultural	670	700	640
Vacant land	110,410	113,060	113,060
State assessed	221,460	230,520	260,910
Oil & Gas	947,010	746,040	1,715,170
	<u>7,149,990</u>	<u>7,532,270</u>	<u>8,372,140</u>
TIF Adjustments	(383,580)	(331,418)	(786,026)
Certified Assessed Value	<u>\$ 6,766,410</u>	<u>\$ 7,200,852</u>	<u>\$ 7,586,114</u>
MILL LEVY			
General	8.743	8.775	8.870
Debt Service	54.642	54.844	55.439
Total mill levy	<u>63.385</u>	<u>63.619</u>	<u>64.309</u>
PROPERTY TAXES			
General	\$ 59,159	\$ 63,187	\$ 67,289
Debt Service	369,730	394,924	420,566
Levied property taxes	428,889	458,111	487,855
Adjustments to actual/rounding	(292)	-	-
Budgeted property taxes	<u>\$ 428,597</u>	<u>\$ 458,111</u>	<u>\$ 487,855</u>
BUDGETED PROPERTY TAXES			
General	\$ 59,119	\$ 63,187	\$ 67,289
Debt Service	369,478	394,924	420,566
	<u>\$ 428,597</u>	<u>\$ 458,111</u>	<u>\$ 487,855</u>

No assurance provided. See summary of significant assumptions.

**LIBERTY RANCH METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 92,767	\$ 101,578	\$ 76,047
REVENUES			
Property Taxes	59,119	63,187	67,289
Property Tax - URA	3,303	2,865	6,867
Specific Ownership Tax	3,136	3,303	3,708
Interest Income	75	550	750
Total revenues	65,633	69,905	78,614
Total funds available	158,400	171,483	154,661
EXPENDITURES			
General and administrative			
Accounting	15,227	15,000	17,500
Audit	4,100	6,250	6,500
County Treasurer's Fee	887	948	1,009
Dues	320	500	1,000
Insurance	2,993	3,334	3,500
District management	10,871	12,000	15,000
Legal	18,564	25,000	25,000
Miscellaneous	371	300	470
Election	-	7,104	3,000
Repay Developer Advance	-	25,000	15,000
Total expenditures	53,333	95,436	87,979
TRANSFERS OUT			
Transfers to Other Fund	3,489	-	-
Total expenditures and transfers out requiring appropriation	56,822	95,436	87,979
ENDING FUND BALANCE	\$ 101,578	\$ 76,047	\$ 66,682
Emergency Reserve	\$ 2,000	\$ 2,100	\$ 2,400
TOTAL RESERVE	\$ 2,000	\$ 2,100	\$ 2,400

No assurance provided. See summary of significant assumptions.

**LIBERTY RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 206,321	\$ 20,146	\$ -
REVENUES			
Property Taxes	369,478	394,924	420,566
Property Tax - URA	20,645	17,904	42,923
Specific Ownership Tax	19,601	20,641	23,174
Bond issuance - Series 2021	13,180,000	-	-
Interest Income	235	750	1,000
Other revenue	-	-	5,000
Total revenues	13,589,959	434,219	492,663
TRANSFERS IN			
Transfers from Other Funds	3,533	-	-
Total funds available	13,799,813	454,365	492,663
EXPENDITURES			
General and administrative			
County Treasurer's Fee	5,545	5,924	6,308
Paying Agent Fees	5,500	5,000	5,000
Contingency	-	-	5,000
Debt Service			
Bond Interest - Series 2017A	405,250	-	-
Bond Interest - Series 2017B	285,909	-	-
Bond Interest - Series 2017C	1,697,832	-	-
Bond Interest - Series 2021	-	443,441	476,355
Bond Principal - Series 2017A	5,090,000	-	-
Bond Principal - Series 2017B	2,204,000	-	-
Bond Principal - Series 2017C	3,485,000	-	-
Bond issue costs	600,631	-	-
Total expenditures	13,779,667	454,365	492,663
Total expenditures and transfers out requiring appropriation	13,779,667	454,365	492,663
ENDING FUND BALANCE	\$ 20,146	\$ -	\$ -
Surplus fund	\$ 204,750	\$ -	\$ -
TOTAL RESERVE	\$ 204,750	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**LIBERTY RANCH METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 44	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	44	-	-
EXPENDITURES			
Total expenditures	-	-	-
TRANSFERS OUT			
Transfers to Other Fund	44	-	-
Total expenditures and transfers out requiring appropriation	44	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**LIBERTY RANCH METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Liberty Ranch Metropolitan District (District), a quasi-municipal corporation located entirely in Weld County, Colorado, was organized on December 23, 2005, and is governed pursuant to provisions of the Colorado Special District Act. The District was established to provide for construction and financing for street, safety protection, water, sanitation and mosquito control facilities and improvements. The street and safety control improvements will be dedicated to and maintained by the Town of Mead. Water and sanitation improvements will be dedicated to and maintained by the Longs Peak Water District and St. Vrain Sanitation District, respectively.

On November 1, 2005, the District's voters authorized total indebtedness of \$36,100,000 for the above listed facilities and \$500,000 for operations and maintenance. Additionally the District's voters authorized a total indebtedness of \$36,100,000 each for debt refunding and intergovernmental contracts. The election also approved an annual increase in property taxes of \$500,000 without limitation of rate, to pay the District's operation and maintenance costs.

Pursuant to the District's Service Plan, the District is limited to issuing a total of \$18,500,000 in bonds. The District is also limited to a maximum debt service mill levy of 50.000 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District, pursuant to the Service Plan.

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

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

Revenues

Property Taxes

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

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the Budget.

**LIBERTY RANCH METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected by both the General Fund and the Debt Service Fund. The budget assumes that specific ownership taxes allocable to property taxes collected by the Debt Service Fund will be pledged to debt service on the bonds during the term bonds are outstanding.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.35%.

Property Taxes – URA

A portion of the District is located in an urban renewal area. The District mill levy applied to the tax increment portion of the final certified assessed value will be remitted to the District as levied, net treasurer fees.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and banking fees.

Debt and Leases

On February 30, 2021, the District issued its \$13,180,000 Limited Tax General Obligation Refunding Bonds, Series 2021A(3) (Series 2021A Bonds). The Series 2021A Bonds were issued for the purposes of (i) paying and discharging the District's Series 2017A Bonds, 2017B Bonds, and Series 2017C Bonds and (ii) paying the costs of issuance of the Series 2021A Bonds.

**LIBERTY RANCH METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The Series 2021A Bonds are structured as limited tax “cash flow” bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Instead, principal on the Series 2021A Bonds is payable annually on each December 1 from and to the extent of Pledged Revenue available. To the extent principal of any Series 2021A Bonds is not paid when due, such principal is to remain outstanding until the earlier of its payment or the Termination Date and is to continue to bear interest at the rate then borne by the Series 2021A Bonds. The Series 2021A Bonds mature on December 1, 2051, subject to mandatory and optional redemption prior to maturity.

The Series 2021A Bonds bear interest at the rate of 5.25% per annum payable annually on each December 1, beginning on December 1, 2022, but only from and to the extent of available Pledged Revenue. In the event interest on any Series 2021A Bonds is not paid when due, such interest is to compound annually on each December 1, at the rate then borne by the Series 2021A Bonds.

If any amount of principal or interest due on the Series 2021A Bonds remains unpaid on the Termination Date of December 1, 2061, such unpaid amount will be deemed discharged.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

The District has no operating or capital leases.

The District has outstanding developer advances pursuant to advances made by LR Investments, LLC under the 2010-2011 Operation Funding Agreement by and between the District and LR Investments, LLC (Developer Advance). Anticipated activity is as follows:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
Series 2021A Bonds	\$ 13,180,000	\$ -	\$ -	\$ 13,180,000
Accrued Interest - Series 2021A Bonds	-	693,872	443,441	250,431
Developer Advance	215,642	-	-	215,642
Accrued Interest - Developer Advance	126,743	17,251	25,000	118,994
Total	<u>\$ 13,522,385</u>	<u>\$ 711,123</u>	<u>\$ 468,441</u>	<u>\$ 13,765,067</u>

**LIBERTY RANCH METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023
Series 2021A Bonds	\$ 13,180,000	\$ -	\$ -	\$ 13,180,000
Accrued Interest - Series 2021A Bonds	250,431	705,098	476,355	479,174
Developer Advance	215,642	-	-	215,642
Accrued Interest - Developer Advance	118,994	17,251	15,000	121,245
Total	<u>\$ 13,765,067</u>	<u>\$ 722,349</u>	<u>\$ 491,355</u>	<u>\$ 13,996,061</u>

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending, defined under TABOR.

This information is an integral part of the accompanying budget.

**LIBERTY RANCH METROPOLITAN DISTRICT
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

**LIBERTY RANCH METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2021**

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Board of Directors
Liberty Ranch Metropolitan District
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Liberty Ranch Metropolitan District (the "District"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Liberty Ranch Metropolitan District as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

September 30, 2022

BASIC FINANCIAL STATEMENTS

**LIBERTY RANCH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 99,339
Cash and Investments - Restricted	31,986
Receivable - County Treasurer	1,883
Prepaid Expense	2,992
Property Taxes Receivable	458,111
Total Assets	594,311
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding	33,196
Total Deferred Outflows of Resources	33,196
LIABILITIES	
Accounts Payable	14,476
Accrued Bond Interest	57,663
Noncurrent Liabilities:	
Due in More Than One Year	13,522,385
Total Liabilities	13,594,524
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	458,111
Total Deferred Inflows of Resources	458,111
NET POSITION	
Restricted for:	
Emergency Reserve	2,000
Unrestricted	(13,427,128)
Total Net Position	\$ (13,425,128)

See accompanying Notes to Basic Financial Statements.

**LIBERTY RANCH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

		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:					
Governmental Activities:					
General Government	\$ 55,392	\$ -	\$ -	\$ -	
Interest and Related Costs on Long-Term Debt	1,816,342	-	-	-	
Total Governmental Activities	\$ 1,871,734	\$ -	\$ -	\$ -	
 GENERAL REVENUES					
Property Taxes				428,597	
Property Taxes - URA				23,948	
Specific Ownership Taxes				22,737	
Net Investment Income				310	
Total General Revenues				475,592	
 CHANGES IN NET POSITION					
				(1,396,142)	
Net Position - Beginning of Year				(12,028,986)	
 NET POSITION - END OF YEAR					
				\$ (13,425,128)	

See accompanying Notes to Basic Financial Statements.

**LIBERTY RANCH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 99,339	\$ -	\$ -	\$ 99,339
Cash and Investments - Restricted	2,000	29,986	-	31,986
Receivable - County Treasurer	260	1,623	-	1,883
Prepaid Expense	2,992	-	-	2,992
Property Taxes Receivable	63,187	394,924	-	458,111
Total Assets	\$ 167,778	\$ 426,533	\$ -	\$ 594,311
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 3,013	\$ 11,463	\$ -	\$ 14,476
Total Liabilities	3,013	11,463	-	14,476
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	63,187	394,924	-	458,111
Total Deferred Inflows of Resources	63,187	394,924	-	458,111
FUND BALANCES				
Nonspendable:				
Prepaid Expenditures	2,992	-	-	2,992
Restricted for:				
Debt Service	-	20,146	-	20,146
Capital Projects	-	-	-	-
Emergency Reserves	2,000	-	-	2,000
Assigned for:				
Subsequent Year Expenditures	25,534	-	-	25,534
Unrestricted	71,052	-	-	71,052
Total Fund Balances	101,578	20,146	-	121,724
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 167,778	\$ 426,533	\$ -	

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

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

Developer Advance Payable	(215,642)
Accrued Interest on Developer Advances	(126,743)
Accrued Bond Interest Payable	(57,663)
Bonds Payable	(13,180,000)
Cost of Refunding	33,196

Net Position of Governmental Activities \$ (13,425,128)

See accompanying Notes to Basic Financial Statements.

**LIBERTY RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 59,119	\$ 369,478	\$ -	\$ 428,597
Property Tax - URA	3,303	20,645	-	23,948
Specific Ownership Tax	3,136	19,601	-	22,737
Interest Income	75	235	-	310
Total Revenues	<u>65,633</u>	<u>409,959</u>	<u>-</u>	<u>475,592</u>
EXPENDITURES				
Accounting	15,227	-	-	15,227
Audit	4,100	-	-	4,100
County Treasurer's Fee	887	5,545	-	6,432
Dues	320	-	-	320
Insurance	2,993	-	-	2,993
District Management	10,871	-	-	10,871
Legal	18,564	-	-	18,564
Miscellaneous	371	-	-	371
Paying Agent Fees	-	5,500	-	5,500
Bond Interest - Series 2017A	-	405,250	-	405,250
Bond Interest - Series 2017B	-	285,909	-	285,909
Bond interest - Series 2017C	-	1,697,832	-	1,697,832
Bond Principal - Series 2017A	-	5,090,000	-	5,090,000
Bond Principal - Series 2017B	-	2,204,000	-	2,204,000
Bond principal - Series 2017C	-	3,485,000	-	3,485,000
Bond issue costs	-	600,631	-	600,631
Total Expenditures	<u>53,333</u>	<u>13,779,667</u>	<u>-</u>	<u>13,833,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	12,300	(13,369,708)	-	(13,357,408)
OTHER FINANCING SOURCES (USES)				
Transfer from (to) Other Fund	(3,489)	3,533	(44)	-
Bond Issuance	-	13,180,000	-	13,180,000
Total Other Financing Sources (Uses)	<u>(3,489)</u>	<u>13,183,533</u>	<u>(44)</u>	<u>13,180,000</u>
NET CHANGE IN FUND BALANCES				
	8,811	(186,175)	(44)	(177,408)
Fund Balances - Beginning of Year	<u>92,767</u>	<u>206,321</u>	<u>44</u>	<u>299,132</u>
FUND BALANCES - END OF YEAR	<u>\$ 101,578</u>	<u>\$ 20,146</u>	<u>\$ -</u>	<u>\$ 121,724</u>

See accompanying Notes to Basic Financial Statements.

**LIBERTY RANCH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ (177,408)

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

The issuance of 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.

Bond Proceeds	(13,180,000)
Bond Principal Payment	10,779,000
Amortization of Cost of Refunding	(2,059)

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	1,172,907
Accrued Interest on Developer Advance - Change in Liability	<u>11,418</u>

Changes in Net Position of Governmental Activities \$ (1,396,142)

**LIBERTY RANCH METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 59,159	\$ 59,119	\$ (40)
Property Tax - URA	3,303	3,303	-
Specific Ownership Tax	3,123	3,136	13
Interest Income	1,750	75	(1,675)
Total Revenues	<u>67,335</u>	<u>65,633</u>	<u>(1,702)</u>
EXPENDITURES			
Accounting	20,000	15,227	4,773
Audit	4,050	4,100	(50)
County Treasurer's Fee	887	887	-
Dues	550	320	230
Insurance	3,500	2,993	507
District Management	10,000	10,871	(871)
Legal	20,000	18,564	1,436
Miscellaneous	1,263	371	892
Election	1,250	-	1,250
Total Expenditures	<u>61,500</u>	<u>53,333</u>	<u>8,167</u>
EXCESS OF REVENUES OVER EXPENDITURES	5,835	12,300	6,465
Transfers to Other Fund	-	(3,489)	(3,489)
Repay Developer Advance	(10,000)	-	10,000
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(3,489)</u>	<u>6,511</u>
NET CHANGE IN FUND BALANCE	(4,165)	8,811	12,976
Fund Balance - Beginning of Year	<u>87,714</u>	<u>92,767</u>	<u>5,053</u>
FUND BALANCE - END OF YEAR	<u>\$ 83,549</u>	<u>\$ 101,578</u>	<u>\$ 18,029</u>

See accompanying Notes to Basic Financial Statements.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

Liberty Ranch Metropolitan District (the District), a quasi-municipal corporation located entirely in Weld County, Colorado, was organized by order and decree of the District Court for Weld County on December 23, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to provide for construction and financing for street, safety protection, water, sanitation, and mosquito control facilities and improvements. The street and safety control improvements have been dedicated to and are maintained by the Town of Mead. Water and sanitation improvements have been dedicated to and are maintained by the Longs Peak Water District and St. Vrain Sanitation District, respectively.

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

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

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 property taxes.

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.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 instead 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. Property taxes are recognized as revenues in the year for which they are levied. Expenditures for property, plant, and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 and specific ownership taxes. 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 Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 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 amended its annual budget for the year ended December 31, 2021.

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 normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales 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 revenues are recorded as revenue in the year they are available or collected.

Facility Fees

On July 26, 2006, the Board of Directors of the District adopted resolutions imposing certain Facilities Fees upon the property in the District. Pursuant to the Resolutions, the District imposes a Residential Facilities Fee in the amount of \$2,000 per unit for each single-family detached or attached residential unit, and a Commercial Facilities Fee per building in the amount of \$0.50 per square foot of commercial space within the District, both payable upon the issuance of a building permit for the subject property. Any unpaid Facilities Fees constitute a statutory and perpetual lien upon the property until paid.

On December 6, 2010, the District recorded a release of lien by reason of payment in full of the Residential Facilities Fees.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Facility Fees (Continued)

On February 4, 2022, the District recorded Resolutions Regarding Termination of Imposition of Residential and Commercial Facilities Fees in the real property records of Weld County at reception Nos. 4800099 and 480098, respectively.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In the government-wide financial statements the deferred cost of bond refunding is being amortized using the interest method over the life of the bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow 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 position 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.

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.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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 balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

The transfer from the General Fund to Debt Service Fund was the related to the payment of bond issuance costs.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 99,339
Cash and Investments - Restricted	<u>31,986</u>
Total	<u><u>\$ 131,325</u></u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 22,678
Investments	<u>108,647</u>
Total Cash and Investments	<u><u>\$ 131,325</u></u>

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash Deposits

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, 2021, the District's cash deposits had a bank balance of \$38,201 and a carrying balance of \$22,678.

Investments

The District's formal investment policy is to follow 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

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	<u>\$ 108,647</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations as of December 31, 2021:

	<u>Balance at December 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2021</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
G.O. Refunding and Improvement 2021A Bonds	\$ -	\$ 13,180,000	\$ -	\$ 13,180,000	\$ -
G.O. Refunding and Improvement 2017A Bonds	5,090,000	-	5,090,000	-	-
G.O. Subordinate Limited Tax 2017B Bonds	2,204,000	-	2,204,000	-	-
Total Bonds Payable	<u>7,294,000</u>	<u>-</u>	<u>7,294,000</u>	<u>13,180,000</u>	<u>-</u>

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The following is a summary of long-term obligations as of December 31, 2021(continued):

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Governmental Activities:					
Bonds/Notes from Direct Borrowings/Direct Placements:					
Junior Subordinate Cash Flow 2017C Bonds	\$ 3,485,000	\$ -	\$ 3,485,000	\$ -	\$ -
Accrued and Unpaid Interest - Cash Flow 2017C Bonds	1,230,570	467,262	1,697,832	-	-
Developer Advance	215,642	-	-	215,642	-
Developer Advance Interest	109,492	17,251	-	126,743	-
Total Bonds/Notes from Direct Borrowings/Direct Placements	5,040,704	484,513	5,182,832	342,385	-
Total Long-Term Obligations	<u>\$ 12,334,704</u>	<u>\$ 484,513</u>	<u>\$ 12,476,832</u>	<u>\$ 13,522,385</u>	<u>\$ -</u>

\$5,225,000 General Obligation Refunding and Improvement Bonds, Series 2017A, \$2,517,000 Subordinate Limited Tax General Obligation Improvement Bonds, Series 2017B and \$3,485,000 Junior Subordinate Cash Flow Bonds, Series 2017C

On February 22, 2017, the District issued its \$5,225,000 General Obligation Refunding and Improvement Bonds, Series 2017A (2017A Bonds), its \$2,517,000 Subordinate Limited Tax General Obligation Improvement Bonds, Series 2017B (2017B Bonds) and its \$3,485,000 Junior Subordinate Cash Flow Bonds (2017C Bonds, and collectively with the 2017A Bonds and 2017B Bonds, the 2017 Bonds). The proceeds from the sale of the 2017A Bonds were used to refund the District's 2006 General Obligation Bonds, reimburse Developer advances related to public improvements for the District, and to pay the costs of issuing the 2017 Bonds. The proceeds from the sale of the 2017B Bonds were applied to reimburse Developer advances related to public improvements for the District and to pay certain costs of issuing the 2017B Bonds. The proceeds from the sale of the 2017C Bonds were used to reimburse Developer advances related to public improvements for the District and to pay certain costs of issuing the 2017C Bonds.

The 2017 A-C Bonds were paid off on November 30, 2021 with the issuance of the Series 2021A Bonds described below.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

\$13,180,000 Limited Tax General Obligation Refunding Bonds, Series 2021A₍₃₎

On November 30, 2021, the District issued its \$13,180,000 Limited Tax General Obligation Refunding Bonds, Series 2021A(3) (2021A Bonds). The 2021A Bonds were issued for the purposes of (i) paying and discharging the 2017 Bonds and (ii) paying the costs of issuance of the 2021A Bonds. The 2021A Bonds bear interest at the rate of 5.25% per annum payable annually on each December 1, beginning on December 1, 2022, but only from and to the extent of available Pledge Revenue, and mature on December 1, 2051 (Maturity Date), subject to mandatory redemption and optional redemption.

The 2021A Bonds are structured as limited tax "cash flow" general obligations of the District, secured by and payable solely from the Pledged Revenue (defined below). As cash flow bonds the interest on the 2021A Bonds is payable on each Interest Payment Date to the extent any Pledged Revenue is available. There are no scheduled payments of principal on the 2021A Bonds prior to their Maturity Date, but rather the 2021A Bonds are subject to mandatory redemption, commencing December 1, 2022, to the extent of moneys on deposit, if any, in the Mandatory Redemption Account of the Bond Fund as provided in the Indenture.

Any principal of a Bond that is not paid when due will remain outstanding until paid and any interest on a Bond that is not paid when due will compound annually on each December 1 at the interest rate then borne by such Bond. If any amount of principal or interest due on the 2021A Bonds remains unpaid after the application of all Pledged Revenue available on December 1, 2061, such unpaid amount will be deemed discharged.

Optional Redemption

The 2021A Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Pledged Revenue

The 2021A Bonds are payable solely from and to the extent of the Pledged Revenue, consisting generally of the moneys derived from the following sources, net of any costs of collection:

- (a) all District Property Tax Revenues;
- (b) the District portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy;
- (c) revenues received from the MURA Cooperation Agreement (see Note 7); and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Property Tax Revenues

“Property Tax Revenues” means the ad valorem property taxes derived from the District’s imposition of the Required Mill Levy, net of the costs of collection of the County and any tax refunds or abatements authorized by or on behalf of the County.

Required Mill Levy

The Indenture provides a Required Mill Levy be imposed in an amount sufficient to pay the principal of and interest on the 2021A Bonds each year, but not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after April 11, 2005).

The annual debt service requirements of the 2021A Bonds are not currently determinable since they are payable only from available Pledged Revenue.

Debt Service Requirements

The District’s long-term obligations regarding the Series 2021A Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 693,872	\$ 693,872
2023	-	691,950	691,950
2024	-	691,950	691,950
2025	-	691,950	691,950
2026	-	691,950	691,950
2027-2031	-	3,459,750	3,459,750
2032-2036	1,490,000	3,366,510	4,856,510
2037-2041	3,193,000	2,764,388	5,957,388
2042-2046	4,965,000	1,751,820	6,716,820
2047-2049	3,532,000	354,952	3,886,952
Total	<u>\$ 13,180,000</u>	<u>\$ 15,159,092</u>	<u>\$ 28,339,092</u>

Authorized Debt

On November 1, 2005, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$108,800,000 at an interest rate not to exceed 18% per annum. At December 31, 2021, the District had the following remaining authorized but unissued indebtedness:

	Authorized November 1, 2005 Election	2006 Authorization Used	2017A-C Authorization Used	2021A Authorization Used	Remaining at December 31, 2021
Streets	\$ 9,900,000	\$ 1,950,000	\$ 3,156,218	\$ -	\$ 4,793,782
Water Facilities	14,800,000	2,175,000	1,950,538	-	10,674,462
Sanitation Facilities	10,300,000	810,000	1,866,465	-	7,623,535
Mosquito Control	100,000	-	-	-	100,000
Safety Protection	1,000,000	-	-	-	1,000,000
Operations and Maintenance	500,000	-	-	-	500,000
Debt Refunding	36,100,000	-	4,253,779	13,180,000	18,666,221
Intergovernmental Agreement	36,100,000	-	-	-	36,100,000
Total	<u>\$ 108,800,000</u>	<u>\$ 4,935,000</u>	<u>\$ 11,227,000</u>	<u>\$ 13,180,000</u>	<u>\$ 79,458,000</u>

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

Pursuant to the District's Service Plan, the District is limited to issuing a total of \$18,500,000 in bonds. The District is also limited to a maximum debt service mill levy of 50 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District, pursuant to the Service Plan. In 2019, the residential assessment rate changed from 7.20% to 7.15%; therefore, the maximum mill levy for debt service is 54.642 mills as of December 31, 2021. In December 2021, the District certified an adjusted debt service mill levy of 54.844 mills for collection in budget year 2022.

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.

Developer Advances

Facilities Acquisition Agreement(s)

The District entered into a Facilities Acquisition Agreement on March 1, 2006, with Centex Homes (Centex) whereby Centex will design, construct, complete, and convey to the District, and the District will accept, certain public infrastructure improvements benefiting the development within the District. The District agrees to make payment to Centex for costs of the improvements, including but not limited to, all costs of design, testing, engineering, acquisition, construction, related consultant fees, and construction management up to a maximum amount of \$18,500,000, together with interest thereon, at an annual rate of 8%. The Facilities Acquisition Agreement was amended on November 29, 2006, to decrease the maximum amount to be advanced by Centex to \$9,000,000. Repayment of the advances is subject to annual appropriation by the District's Board of Directors.

On December 1, 2010, the District terminated its Facilities Acquisition Agreement with Centex and entered into a Facilities Funding and Acquisition Agreement with LR Investments, LLC (LR), subject to the closing of the sale of property within the District's boundaries from Centex to LR. Previous advances made by Centex and the accrued interest on those advances were transferred to LR through the simultaneous execution of the Termination of Facilities Acquisition Agreement with Centex and the Facilities Funding and Acquisition Agreement with LR. During 2017, the District repaid the outstanding principal and interest balance and had no outstanding obligations as of December 31, 2021. On October 28, 2021, the District and LR entered into a Termination of Facilities Funding and Acquisition Agreement.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (continued)

Facilities Acquisition Agreement(s) (continued)

On July 8, 2014, the District entered into a Facilities Acquisition Agreement with Lorson South Land Corporation (LSLC) whereby the LSLC will design, construct, complete, and convey to the District, and the District will accept, certain public infrastructure improvements benefitting the development within the District. The District agrees to make payment to LSLC for costs of the improvements, including but not limited to, all costs of design, testing, engineering, acquisition, construction, related consultant fees, and construction management, together with interest thereon, at an annual rate of 8%. Repayment of the advances is subject to annual appropriation by the District's Board of Directors. During 2014, the District accepted \$2,879,630 in improvements. During 2017, the district repaid the outstanding principal and interest due and had no outstanding obligation at December 31, 2021. On October 28, 2021, the District and LSLC entered into a Termination of Facilities Funding and Acquisition Agreement.

On October 28, 2021, the District entered into a Facilities Acquisition Agreement with LR whereby LR will construct or cause the construction of certain Improvements (defined therein) to be conveyed to the District and the District will accept the Improvements benefitting the development within the District (2021 FAA). The District agrees to make payment to the Developer for costs of the Improvements, including but not limited to, all costs of design, testing, engineering, acquisition, construction, related consultant fees, and construction management (Construction Costs). LR and the District agree that a condition to the District's acquisition of the Improvements and obligation to reimburse LR for the Construction Costs is the District's receipt of a written certification of an independent engineer stating the Construction Costs are reasonable and comparable to the costs of similar public improvements constructed in the Town and in the greater Weld County area (Certified Construction Costs). The District agrees to reimburse LR for Certified Construction Costs up to a maximum amount of \$1,500,000 together with interest thereon, at an annual rate of 8%. Repayment of the advances is subject to annual appropriation by the District's Board of Directors. During 2021, the District accepted no Improvements. As of December 31, 2021, there were no outstanding advances under the 2021 FAA.

Operations Funding Agreements

On March 1, 2006, the District and Centex entered into an Operations Funding Agreement (2006 OFA) in which Centex agreed to advance amounts to a maximum stated amount to fund operations and maintenance expenditures of the District in the event District revenues are not sufficient. The District agreed to repay Centex for such advances plus accrued interest at the rate of 8%. Additionally, the District entered into Operation Funding Agreements (hereinafter referred to as 2007 OFA, 2008 OFA, 2009 OFA, and 2010 OFA and, collectively with the 2006 OFA, the 2006-2010 OFAs) with similar terms and provisions for 2007, 2008, 2009, and 2010.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (continued)

Operations Funding Agreements (continued)

On December 1, 2010, the District terminated the 2006-2010 OFAs with Centex and entered into a 2010-2011 Operation Funding Agreement (2010-2011 OFA) with LR. Pursuant to the 2010-2011 OFA, LR agrees to advance up to \$30,000 for operations and maintenance for the period beginning December 1, 2010 through December 31, 2011. Previous advances made by Centex and the accrued interest on those advances have been transferred to LR through the simultaneous execution of the Termination of 2006-2010 OFAs with Centex and the 2010-2011 OFA with LR.

On November 2, 2011, the District entered into a 2012 Operation Funding Agreement with LR (2012 OFA). Under the 2012 OFA, LR agreed to advance up to \$14,000 through December 31, 2012. No amounts were advanced under the 2012 OFA.

As of December 31, 2021, the outstanding advances under the 2010-2011 OFA totaled \$215,642 and accrued interest totaled \$126,743.

NOTE 5 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2021, as follows:

Restricted Net Position:

TABOR Emergency Reserve	\$ 2,000
Total Restricted Net Position	<u>\$ 2,000</u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for the refunding of the District's debt.

NOTE 6 RELATED PARTY

Certain owners of the majority of the undeveloped property within the District are LR and LSLC. Certain members of the Board of Directors are associated with LR and/or LSLC, and/or may have conflicts of interest in dealing with the District.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 AGREEMENTS

St. Vrain Intergovernmental Agreement

The District and the St. Vrain Sanitation District (SVSD) entered into an Intergovernmental Agreement (the St. Vrain IGA) on February 15, 2006, pursuant to which SVSD consented to the formation of the District and authority of the District to construct and finance certain on-site sanitary sewer system improvements as necessary within the development. Upon completion and acceptance of the sewer improvements by SVSD, the District dedicated and conveyed such sewer improvements to SVSD, at which time SVSD was assigned the responsibility for the operation and maintenance of the sewer improvements.

The District agrees to request a meeting of SVSD to discuss and implement steps to dissolve the District when all of the financial obligations issued by the District have been repaid or when adequate provisions for payment in full have been made and there are not further operational requirements for District improvements which the District is responsible for.

Longs Peak Intergovernmental Agreement

The District and Longs Peak Water District (LPWD) entered into an Intergovernmental Agreement (the Longs Peak IGA) on April 20, 2006, pursuant to which LPWD consented to the formation of the District and authority of the District to construct and finance certain limited water system improvements as may be necessary within the Development. Upon completion and acceptance of the water improvements by LPWD, the District dedicated and conveyed such water improvements to LPWD, at which time LPWD assumed the responsibility for the operation and maintenance of the water improvements.

The District is required to obtain the consent of LPWD prior to including any property into the boundaries of the District or amending its Service Plan. In addition, the District also agrees to notify LPWD to request a meeting to discuss and implement steps to dissolve the District when all of the financial obligations issued by the District have been repaid or when adequate provisions for payment have been made and there are no further operational requirements for District improvements for which the District is responsible.

Mead Urban Renewal Authority Cooperation Agreement

The District entered into a Cooperation Agreement on January 30, 2017, with the town of Mead, Colorado, and the Mead Urban Renewal Authority (MURA). Under the terms of the agreement, MURA agrees to deposit all of the increase in property tax revenues allocated to MURA as a result of the levy of the District upon taxable property within the Urban Renewal Area. MURA then agrees to remit those funds to the District. The District received \$23,948 from MURA under the agreement for year ended December 31, 2021.

NOTE 8 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.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 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, public officials' liability, and workers' compensation 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 9 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.

On November 1, 2005, District voters passed an election question to increase property taxes \$500,000 annually, without limitation of rate, to pay the District's operational and maintenance costs. The voters also authorized the District to retain and spend all revenue from sources other than property taxes without regard to any limitations under TABOR.

The District's management believes it is in compliance 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

**LIBERTY RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 369,730	\$ 369,730	\$ 369,478	\$ (252)
Property Tax - URA	20,645	20,645	20,645	-
Specific Ownership Tax	19,519	19,519	19,601	82
Interest Income	1,576	1,576	235	(1,341)
Total Revenues	<u>411,470</u>	<u>411,470</u>	<u>409,959</u>	<u>(1,511)</u>
EXPENDITURES				
County Treasurer's Fee	5,546	5,546	5,545	1
Paying Agent Fees	5,500	5,500	5,500	-
Bond Interest - Series 2017A	254,500	405,250	405,250	-
Bond Interest - Series 2017B	76,000	285,909	285,909	-
Bond interest - Series 2017C	-	1,697,832	1,697,832	-
Bond Principal - Series 2017A	65,000	5,090,000	5,090,000	-
Bond Principal - Series 2017B	-	2,204,000	2,204,000	-
Bond principal - Series 2017C	-	3,485,000	3,485,000	-
Bond issue costs	-	605,270	600,631	4,639
Contingency	8,504	715,693	-	715,693
Total Expenditures	<u>415,050</u>	<u>14,500,000</u>	<u>13,779,667</u>	<u>720,333</u>
EXCESS OF REVENUES UNDER EXPENDITURES				
	(3,580)	(14,088,530)	(13,369,708)	(721,844)
OTHER FINANCING SOURCES (USES)				
Bond Issuance	-	14,500,000	13,180,000	(1,320,000)
Transfers from Other Funds	-	3,533	3,533	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>14,503,533</u>	<u>13,183,533</u>	<u>(1,320,000)</u>
NET CHANGE IN FUND BALANCE				
	(3,580)	415,003	(186,175)	(601,178)
Fund Balance - Beginning of year	<u>208,330</u>	<u>208,330</u>	<u>206,321</u>	<u>(2,009)</u>
FUND BALANCE - END OF YEAR				
	<u>\$ 204,750</u>	<u>\$ 623,333</u>	<u>\$ 20,146</u>	<u>\$ (603,187)</u>

**LIBERTY RANCH METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total Expenditures	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfer to Other Fund	-	(44)	(44)	-
Total Other Financing Uses	-	(44)	(44)	-
NET CHANGE IN FUND BALANCE	-	(44)	(44)	-
Fund Balance - Beginning of Year	-	44	44	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

**LIBERTY RANCH METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for			Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Refunds and Abatements	Levied	Collected	
2017	\$ 11,134,732	8.000	50.000	0.000	\$ 645,815	\$ 645,881	100.01 %
2018	9,241,217	8.000	55.277	0.000	584,757	585,645	100.15
2019	8,954,995	8.000	55.277	0.000	566,645	487,293	86.00 ⁽¹⁾
2020	7,124,732	8.690	55.571	0.000	457,842	457,841	100.00
2021	6,766,410	8.743	55.571	0.000	428,889	428,597	99.93
Estimated for Calendar Year Ending December 31,							
2022	\$ 7,200,852	8.775	54.642	0.000	\$ 456,656		

⁽¹⁾ Collections in 2019 are net of an abatement of \$125,465 in the District.

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from County Treasurer does not permit identification of specific year of assessment.