



CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT

Regular Board Meeting

Tuesday, November 1, 2022 – 9:30 A.M.
119 N. Wahsatch Ave. Colorado Springs, CO
Colorado Springs, Colorado 80903
- and -

via computer, tablet or smartphone.

<https://video.cloudoffice.avaya.com/join/775295488>

United States: +1 (213) 463-4500

Access Code: 775-295-488

Board of Director	Title	Term
Lindsay Case	President	May 2025
VACANT	Vice President	May 2025
Bryan Long	Treasurer/ Secretary	May 2023
VACANT	Assistant Secretary	May 2023
James Morley	Assistant Secretary	May 2025

AGENDA

1. Call to Order
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Board Vacancy/ Appointment
5. Approval of Meeting Minutes
 - a. Ratify approval of July 19, 2022, Minutes (enclosure)
 - b. Approval of October 4, 2022, Minutes (enclosure)
6. Financial Update
 - a. Discuss and Consider Banking Change for Operating Account
 - b. Ratification of October 2022 Loan Pre-Payment
 - c. Review and consider approval for Unaudited Financial Statements (enclosure)
 - d. Ratify approval of payables through November 1, 2022 (enclosure)
 - e. Public Hearing on 2022 Budget Amendment
 - i. Consider Adoption of Resolution Amending 2022 Budget (enclosure)
 - f. Public Hearing on 2023 Budget
 - i. Consider Adoption of Resolution Approving 2023 Budget (enclosure)
7. Legal Matters
 - a. Discuss Detention Pond Maintenance
 - b. Review and Consider Approval of WSDM – District Managers Engagement Letter (enclosure)
 - c. Review and Consider Approval of BiggsKofford 2022 Audit Engagement Letter (enclosure)
 - d. Consider approval of Resolution Calling May 2, 2023, Director Election (enclosure)
 - e. Consider Approval of 2023 Annual Administrative Resolution (enclosure)

8. Other Business

- a. Next regular meeting is December 6, 2022 at 9:30 a.m.

9. Adjourn

Regular Meetings are the 1st Tuesday of each month at 9:30 a.m. as needed

The Board has determined to meet at the location stated above because there is no convenient location to meet within the District's boundaries. Such meeting location shall remain applicable for all future meetings until otherwise determined.

NOTICE OF REGULAR MEETING

NOTICE IS HEREBY GIVEN That the Boards of Directors of CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT, City of Colorado Springs, County of El Paso, State of Colorado, will hold a special meeting at 9:30 a.m. on Tuesday, the 1st day of November 2022 at 119 N. Wahsatch Avenue, in Colorado Springs, Colorado, and via tele/videoconference at the platform highlighted below for the purpose of conducting such business as may come before the Boards including the business on the attached agenda. Regular meetings for 2022 are on the first Tuesday of every month at 119 N. Wahsatch Avenue, in Colorado Springs, Colorado, so long as there is business to conduct. The regular meetings may be canceled. Please call (719) 447-1777 for meeting confirmation and information. The meeting is open to the public.

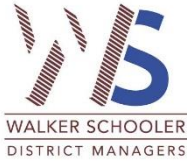
BY ORDER OF THE BOARDS OF DIRECTORS:

**Please join my meeting from your computer, tablet or smartphone.
<https://video.cloudoffice.avaya.com/join/775295488>**

**You can also dial in using your phone.
United States: +1 (213) 463-4500**

Access Code: 775-295-488





**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
HELD JULY 19, 2022 AT 1:00 P.M.**

Pursuant to posted notice, the special meeting of the Board of Directors of the Central Marksheffel Metropolitan District was held on Tuesday, July 19, 2022 at 1:00 p.m., at 119 N. Wahsatch Avenue, Colorado Springs, CO, and via teleconference and video conference.

Directors in attendance were:

Lindsay Case, President (Excused)
Randle W. Case II, Vice President
Bryan Long, Treasurer/Secretary
James Morley, Assistant Secretary (Excused)
Dave Hammers, Assistant Secretary

Also in attendance were:

K. Sean Allen, Esq., White, Bear & Ankele, Tanaka & Waldron
Kevin Walker, WSDM
Rebecca Hardekopf, WSDM
Sue Gonzales, WSDM

1. Call to Order: The meeting was called to order at 1:00 PM by Director Case II.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters: Director Case II indicated that a quorum of the Board was present with President Lindsay Case and Director Morley excused.

3. Approval of the Agenda: Ms. Hardekopf requested the Board move the item Review and Consider Approval of the 2021 Audit towards the end of the Agenda under 6. Management Update. Director Hammers moved to approve the Agenda with the change to move Review and Consider Approval of the 2021 Audit to 6.c.; seconded by Director Long. Motion passed unanimously.

4. Approval of November 2, 2021 Minutes: After review, Director Hammers moved to approve the November 2, 2021 Minutes subject to review of discussion on 5.b.; seconded by Director Long. Motion passed unanimously.

5. Financial Update:

- a. Bond Refinance Update: Mr. Walker reported on the bond refinance. He noted they owe almost \$9 million and there is about \$7 million in the bank. Last year, the assessed valuation increased by 25% and so the District will have more than enough money to pay it off by 2024 and keep the mill levy the same. Mr. Walker confirmed they are now able to pay down the loan without prepayment penalties given the interest rate environment. Mr. Walker recommends the Board consider making a prepayment on the loan up to \$7 million to reduce the interest costs as well as the possibility of dropping the mill levy this year and next year. Mr. Allen commented it would be good for the Board to get a detailed analysis on the options, so they are making an informed decision. Mr.

Walker noted that Mr. Thomas with D.A. Davidson could provide an analysis and recommendation. After further discussion, Director Hammers moved to pay off the loan reserving \$500,000 of O&M funds and subject to a letter of recommendation for loan payment from D.A. Davidson and confirmation from US Bank that there is no prepayment penalty; seconded by Director Long. Motion passed unanimously.

- b. Consider Approval of Unaudited Financial Statements dated June 30, 2022: Mr. Walker presented the Unaudited Financial Statements dated June 30, 2022. After review, Director Hammers moved to approve the Unaudited Financial Statements dated June 30, 2022 subject to review of the IGA receivable, bridge reserve, and modifying the account reserve to reflect restrictions, and adding the new O&M reserve; seconded by Director Long. Motion passed unanimously.
- c. Ratify Past Payables through July 19, 2022: Ms. Hardekopf presented the payables through July 19, 2022. After review, Director Long moved to ratify the past payables through July 19, 2022 as presented; seconded by Director Hammers. Motion passed unanimously.

6. Management Update:

- a. Discuss Adding Security Service to Area: Mr. Walker discussed the possibility of the District paying for security service for commercial in the area. After review of the Service Plan, Mr. Walker does not think the District has the authority to do security services. He noted there is a provision that says you can do anything that State statute allows as long as the County agrees and there is a process by which you can request the Service Plan be expanded to allow that service. Mr. Allen explained they may need to get consent from the El Paso County Sheriff's Department and that should be the next step. The Board discussed the cost for security services and video recording.
- b. Review and Consider Approval to take over Detention Pond Maintenance: Mr. Walker discussed the ongoing maintenance of detention ponds. He noted it is included in the Service Plan and would not require special permission, only Board approval to move forward with taking over ownership and maintenance of these private detention facilities. The Board requested additional information on the existing ponds that are currently being maintained in the service area.
- c. Review and Consider Approval of the 2021 Audit: Ms. Gonzales presented the 2021 Audit. The Auditor will give an unqualified opinion which is a clean opinion and means there is nothing of concern in the financials. After review, Director Hammers moved to approve the 2021 Audit as presented; seconded by Director Long. Motion passed unanimously.

7. Other Business:

- a. Next Scheduled Meeting: There was no discussion.
- b. The Board discussed implementing Bill.com as a way to approve and pay bills electronically. Ms. Hardekopf noted the Auditors recommend using Bill.com and it is utilized in all of the Districts they manage. Director Hammers moved to implement the Bill.com process for paying bills; seconded by Director Long. Motion passed unanimously.

8. Adjournment: The Board adjourned the meeting at 1:53 PM.

Respectfully Submitted,

By: Board of Director for the Central Marksheffel Metropolitan District

By: Kevin Walker for the Recording Secretary



**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
HELD OCTOBER 4, 2022 AT 9:30 A.M.**

Pursuant to posted notice, the special meeting of the Board of Directors of the Central Marksheffel Metropolitan District was held on Tuesday, October 4, 2022 at 9:30 a.m., via teleconference and video conference.

Directors in attendance were:

Lindsay Case, President (Excused)
Randle W. Case II, Vice President
Bryan Long, Treasurer/Secretary
James Morley, Assistant Secretary (Excused)
Dave Hammers, Assistant Secretary

Also in attendance were:

K. Sean Allen, Esq., White, Bear & Ankele, Tanaka & Waldron
Kevin Walker, WSDM District Managers
Rebecca Hardekopf, WSDM District Managers

1. Call to Order: The meeting was called to order at 9:30 AM by Mr. Walker.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters: Mr. Walker indicated that a quorum of the Board was present with President Lindsay Case and Director Morley excused.

3. Approval of the Agenda: Director Hammers moved to approve the Agenda as presented; seconded by Director Long. Motion passed unanimously.

4. Approval of July 19, 2022 Minutes: After review, Director Hammers moved to approve the July 19, 2022 Minutes; seconded by Director Long. Motion passed unanimously.

5. Financial Update:

- a. Review and Consider Approval of Memo to Pre-pay Loan: Mr. Walker explained there is an opportunity to pay down the US Bank loan without a prepayment penalty. US Bank has provided a letter authorizing the prepayment without penalty. DA Davidson has reviewed this matter and recommends approval based on the District saving \$340,000 in interest payments by making a \$6.5 million payment. Mr. Walker recommends the Board authorize payment of \$6.5 million of the available funds to pay down the debt which leaves \$500,000 in Operations capital which would cover roughly 5 years in expenses. Director Hammers moved to approve the prepayment of the loan and to authorize the proper officials to execute documents that are necessary; seconded by Director Long. Motion passed unanimously.

6. Other Business:

- a. Next Regular Meeting is November 1, 2022 at 9:30 AM. Mr. Walker noted he will distribute the 2023 draft budget in the next week and the Budget Hearing will be held on November 1, 2022.

7. Adjournment: Director Long moved to adjourn the meeting at 9:38 AM; seconded by Director Hammers. Motion passed unanimously.

Respectfully Submitted,

By: Board of Director for the Central Marksheffel Metropolitan District

By: Rebecca Hardekopf for the Recording Secretary



Central Marksheffel Metropolitan District

Balance Sheet

As of October 25, 2022

	Oct 25, 22
ASSETS	
Current Assets	
Checking/Savings	
US Bank Debt 211352001	53.96
US Bank Reserve 211352002	185,787.69
US Bank Revenue 211352000	65,260.26
1110 · CMMD Checking Account	443,410.34
Total Checking/Savings	694,512.25
Accounts Receivable	
1213 · Property Tax Receivable	6,026.98
1250 · IGA Receivable	100,000.00
Total Accounts Receivable	106,026.98
Total Current Assets	800,539.23
TOTAL ASSETS	800,539.23
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	24,578.99
Total Accounts Payable	24,578.99
Other Current Liabilities	
2610 · Deferred Property Tax Revenue	6,026.98
Total Other Current Liabilities	6,026.98
Total Current Liabilities	30,605.97
Long Term Liabilities	
2515 · Loan Payable - Series 2014A	2,150,776.02
Total Long Term Liabilities	2,150,776.02
Total Liabilities	2,181,381.99
Equity	
3000 · Opening Balance Equity	199.98
3910 · Retained Earnings	-2,546,506.54
Net Income	1,165,463.80
Total Equity	-1,380,842.76
TOTAL LIABILITIES & EQUITY	800,539.23

Central Marksheffel Metropolitan District

Profit & Loss

January 1 through October 25, 2022

	Jan 1 - Oct 25, 22
Ordinary Income/Expense	
Income	
Fees	
Commercial	9,950.00
Taxes	
Abatement - Debt	-3,546.92
Abatement - O&M	-783.44
Abatement Int - Debt	-70.93
Abatement Int - O&M	-15.67
Current Year - Debt	1,137,192.32
Current Year - O&M	251,180.00
Delinquent Int - Debt	1,775.80
Delinquent Int - O&M	392.24
Spec Own Tax - Debt	98,405.71
Spec Own Tax - O&M	10,403.09
Total Taxes	1,494,932.20
Total Fees	1,504,882.20
Total Income	1,504,882.20
Gross Profit	1,504,882.20
Expense	
Board of Director Fees	400.00
Bridge Lights	32,801.39
Copies and Postage	63.75
Treasurer's Collection Fee	
Debt	17,084.52
O&M	3,773.59
Total Treasurer's Collection Fee	20,858.11
6060 · Bank Service Charges	3,725.89
6075 · Bond Expense	
Debt Service	111,161.15
Total 6075 · Bond Expense	111,161.15
6160 · Dues and Subscriptions	695.70
6180 · Insurance	2,886.00
6200 · Interest Expense	97,266.23
6570 · Professional Fees	
District Management	63,000.00
Landscaping/Mowing	5,537.50
6571 · Accounting	8,825.00
6572 · Legal Fees	15,730.03
Total 6570 · Professional Fees	93,092.53
Total Expense	362,950.75
Net Ordinary Income	1,141,931.45
Other Income/Expense	
Other Income	
7010 · Interest Income	
O&M	5,415.37
7010 · Interest Income - Other	18,100.13
Total 7010 · Interest Income	23,515.50

2:47 PM

10/25/22

Accrual Basis

Central Marksheffel Metropolitan District

Profit & Loss

January 1 through October 25, 2022

	Jan 1 - Oct 25, 22
7030 - Other Income	16.85
Total Other Income	23,532.35
Net Other Income	23,532.35
Net Income	1,165,463.80



Central Marksheffel Metropolitan District

PAYMENT REQUEST

10/20/2022

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	
CO Spec Districts Prop & Liab Pool	23PL-60856-1143	9/6/2022	\$ 1,941.00	
Mountain View Electric Association	107440	10/5/2022	\$ 104.18	Bridge Lights-Auto payment
TCW Risk Management	11190	9/12/2022	\$ 495.00	
Walker Schooler District Managers	7194	9/30/2022	\$ 7,000.00	
Weisburg Landscape Maintenance	47455	9/30/2022	\$ 850.00	
Weisburg Landscape Maintenance	47774	10/31/2022	\$ 850.00	
White Bear Ankele Tanaka & Waldron	24147	9/30/2022	\$ 2,387.76	
TOTAL			\$ 13,627.94	

BONDS REVENUE FUND ACCOUNT

Description	Date	Transfer	Comments
El Paso County Taxes Paid	September	\$ 11,905.23	
TOTAL		\$ 11,905.23	

_____, Director



**CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
RESOLUTION TO AMEND 2022 BUDGET**

WHEREAS, the Board of Directors of Central Marksheffel Metropolitan District (the “**District**”) certifies that at a regular meeting of the Board of Directors of the District held November 1st, 2022 a public hearing was held regarding the 2022 amended budget, and, subsequent thereto, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors:

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

General Fund	\$ _____
Capital Project Fund	\$ _____
Debt Service Fund	\$ _____

and;

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

WHEREAS, funds are available for such expenditure.

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

General Fund	\$ _____
Capital Project Fund	\$ _____
Debt Service Fund	\$ _____

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

[Remainder of Page Intentionally Left Blank]

ADOPTED NOVEMBER 1ST, 2022.

DISTRICT:

CENTRAL MARKSHEFFEL

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

By: _____

Officer of the District

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

STATE OF COLORADO

COUNTY OF EL PASO

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a meeting held 119 N Wahsatch Ave, Colorado Springs, CO 80903 and Teleconference on November 1st, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 1st day of November, 2022.



RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2023

The Board of Directors of Central Marksheffel Metropolitan District (the “**Board**”), El Paso County, Colorado (the “**District**”), held a regular meeting at 119 N Wahsatch Ave, Colorado Springs, CO 80903 and via teleconference on November 1st, 2022, at the hour of 9:30 AM.

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

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NOTICE AS TO PROPOSED 2023 BUDGET

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

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

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of __.____ mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2023 budget year, there is hereby levied a tax of __.____ mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2023 budget year, there is hereby levied a tax of

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

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of El Paso County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of Page Intentionally Left Blank]

ADOPTED THIS NOVEMBER 1ST, 2022.

DISTRICT:

**CENTRAL
MARKSHEFFELMETROPOLITAN
DISTRICT**, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Officer of the District

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

STATE OF COLORADO
COUNTY OF EL PASO
CENTRAL MARKSHEFFELMETROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held at 119 N Wahsatch Ave, Colorado Springs, CO 80903 and via Zoom Teleconference on November 1st, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 1st day of November, 2022.

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
2022 AMENDED BUDGET and 2023 BUDGET
GENERAL FUND

	2021 ACTUAL	2022 ACTUAL	2022 BUDGET	2023 BUDGET
GENERAL FUND: BEGINNING BALANCE	\$ 2,063,483.64	\$ 2,687,345.77	\$ 534,016.90	\$ 402,007.97
REVENUES				
PROPERTY TAXES	\$ 202,983.43	\$ 250,787.50	\$ 252,270.40	\$ 261,671.55
ABATEMENT TAX & INTEREST	\$ (1,731.16)	\$ (799.11)		
SPECIFIC OWNERSHIP TAXES	\$ 23,837.24	\$ 18,000.00	\$ 17,658.93	\$ 13,083.58
DELINQUENT TAX AND INTEREST	\$ 328.89	\$ 375.00		
IMPACT FEES: COMMERCIAL/ RESIDENTIAL	\$ 95,538.00			
EL PASO COUNTY IGA AGREEMENT	\$ 384,305.92			
BRIDGE CREDITS	\$ 33,031.40			
INTEREST INCOME	\$ 819.23	\$ 3,496.00		
TOTAL REVENUES	\$ 739,112.95	\$ 271,859.39	\$ 269,929.33	\$ 274,755.13
TOTAL REVENUE & FUND BALANCE	\$ 2,802,596.59	\$ 2,959,205.16	\$ 803,946.23	\$ 676,763.10
EXPENDITURES				
BOARD OF DIRECTORS FEE		\$ 1,200.00	\$ 1,500.00	\$ 1,500.00
BRIDGE LIGHTS/ UTILITIES	\$ 2,129.42	\$ 35,000.00	\$ 2,500.00	\$ 4,000.00
DISTRICT MANAGEMENT/ACCOUNTING	\$ 84,000.00	\$ 84,000.00	\$ 84,000.00	\$ 84,000.00
OFFICE/POSTAGE/LEGAL NOTICES	\$ 41.71	\$ 75.00	\$ 300.00	\$ 300.00
AUDIT	\$ 8,400.00	\$ 8,825.00	\$ 9,000.00	\$ 9,200.00
INSURANCE/SDA DUES	\$ 3,781.45	\$ 1,100.00	\$ 3,700.00	\$ 3,700.00
LEGAL	\$ 8,757.27	\$ 13,342.27	\$ 10,000.00	\$ 15,000.00
TREASURER'S FEES	\$ 3,019.97	\$ 3,767.42	\$ 3,784.06	\$ 3,925.07
BANK CHARGES	\$ 21.00	\$ 5,200.00	\$ 100.00	\$ 500.00
LANDSCAPING MAINTENANCE	\$ 5,100.00	\$ 4,687.50	\$ 15,000.00	\$ 15,000.00
LANDSCAPE REPLACEMENT			\$ -	
CONTINGENCY	\$ -			
TRANSFER TO REVENUE FUND	\$ -	\$ 2,400,000.00		
TOTAL EXPENDITURES	\$ 115,250.82	\$ 2,557,197.19	\$ 129,884.06	\$ 137,125.07
GENERAL FUND: ENDING BALANCE	\$ 2,687,345.77	\$ 402,007.97	\$ 674,062.17	\$ 539,638.02
EMERGENCY RESERVE: State Required at 3%	\$ 3,458.00	\$ 4,716.00	\$ 3,897.00	\$ 4,114.00
ASSESSED VALUATION (000'S)	40,595,960.00	50,454,080.00	50,454,080	52,334,310
MILL LEVY	5.000	5.000	5.000	5.000

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
2022 AMENDED BUDGET and 2023 BUDGET
DEBT SERVICE FUND

	2021 ACTUAL	2022 ACTUAL	2022 BUDGET	2023 BUDGET
LOAN PAYMENT US BANK 2001: BEGINNING BALANCE	\$ 27,318.22	\$ 53.74	\$ 53.74	\$ 2,304.35
REVENUES				
INTEREST	\$ 1.35	\$ 0.37	\$ 5.00	
TOTAL REVENUE	\$ 27,319.57	\$ 54.11	\$ 58.74	\$ 2,304.35
EXPENDITURES				
BANK CHARGES	\$ -		\$ 2,000.00	
BOND INTEREST PAYMENT 2014 A	\$ 277,366.54	\$ 238,117.14	\$ 263,277.00	\$ 65,000.00
BOND INTEREST PAYMENT 2014 B	\$ -			
LOAN PRINCIPAL PAYMENT	\$ 350,000.00	\$ 6,804,223.98	\$ 365,000.00	\$ 380,000.00
CONTINGENCY			\$ 5,000.00	
TOTAL EXPENDITURES	\$ 627,366.54	\$ 7,042,341.12	\$ 635,277.00	\$ 445,000.00
OTHER FINANCING SOURCES (USES)				
TRANSFER IN: SURPLUS FUND	\$ 35.01	\$ 351,490.21		
TRANSFER IN: RESERVE	\$ 18.50			
TRANSFER IN: REVENUE FUND	\$ 600,047.20	\$ 6,693,101.15	\$ 635,218.26	\$ 445,000.00
	\$ 600,100.71	\$ 7,044,591.36	\$ 635,218.26	\$ 445,000.00
LOAN PAYMENT: ENDING BALANCE	\$ 53.74	\$ 2,304.35	\$ -	\$ 2,304.35
SURPLUS FUND: BEGINNING BALANCE	\$ 350,002.89	\$ 350,006.38	\$ 350,006.38	\$ -
REVENUES				
INTEREST	\$ 38.50	\$ 1,483.83	\$ 100.00	\$ 1,000.00
2014 BOND REFUNDING				
REVENUE ACCT: TRANSFER				
BOND INTEREST ACCT 01: TRANSFER				
PRINCIPAL ACCT 02: TRANSFER				
TOTAL REVENUE	\$ 350,041.39	\$ 351,490.21	\$ 350,106.38	\$ 1,000.00
EXPENDITURES				
BANK CHARGES				
TRANSFER TO ESCROW				
PRINCIPAL ACCT 02: TRANSFER				
TOTAL EXPENDITURES			\$ -	\$ -
OTHER FINANCING SOURCES (USES)				
TRANSFER OUT: LOAN PAYMENT FUND	\$ 35.01	\$ 351,490.21	\$ -	\$ -
SURPLUS ACCT: ENDING BALANCE	\$ 350,006.38	\$ -	\$ 350,106.38	\$ 1,000.00

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
2022 AMENDED BUDGET and 2023 BUDGET
DEBT SERVICE FUND

	2021 ACTUAL	2022 ACTUAL	2022 BUDGET	2023 BUDGET
REVENUE FUND: BEGINNING BALANCE	\$ 2,702,170.20	\$ 3,114,254.15	\$ 4,034,309.60	\$ 42,753.33
REVENUES				
PROPERTY TAXES	\$ 918,967.96	\$ 1,135,415.32	\$ 1,142,129.01	\$ 1,184,691.78
ABATEMENT TAX & INTEREST	\$ (7,837.56)	\$ (3,617.85)		
PRIOR YEAR TAXES				
SPECIFIC OWNERSHIP TAXES	\$ 107,918.53	\$ 86,006.27	\$ 79,949.03	\$ 82,928.42
DELINQUENT TAX AND INTEREST	\$ 1,488.94	\$ 373.16		
IMPACT FEES: COMMERCIAL/ RESIDENTIAL	\$ -	\$ 9,950.00	\$ 25,000.00	
EL PASO COUNTY IGA AGREEMENT	\$ -			
BRIDGE CREDITS	\$ -	\$ -	\$ -	
INTEREST INCOME	\$ 8,150.13	\$ 10,530.00	\$ 1,000.00	\$ 12,000.00
TOTAL REVENUES	\$ 1,028,688.00	\$ 1,238,656.90	\$ 1,248,078.04	\$ 1,279,620.20
TOTAL REVENUE & FUND BALANCE	\$ 3,730,858.20	\$ 4,352,911.05	\$ 5,282,387.64	\$ 1,322,373.53
EXPENDITURES				
BANK CHARGES	\$ 2,750.00		-	
CONTINGENCY	\$ -		1,000.00	\$ 1,000.00
TREASURERS FEES	\$ 13,806.85	\$ 17,056.57	17,131.94	\$ 17,770.38
TOTAL EXPENDITURES	\$ 16,556.85	\$ 17,056.57	\$ 18,131.94	\$ 18,770.38
OTHER FINANCING SOURCES (USES)				
TRANSFER IN: GENERAL FUND	\$ -	\$ 2,400,000.00	0	\$ -
TRANSFER OUT: LOAN PAYMENT FUND	\$ 600,047.20	\$ 6,693,101.15	\$ 633,272.00	\$ 445,000.00
REVENUE FUND: ENDING BALANCE	\$ 3,114,254.15	\$ 42,753.33	\$ 4,630,983.70	\$ 858,603.15
ASSESSED VALUATION	40,596,370	50,454,080	50,454,080	52,334,310
MILL LEVY	22.637	22.637	22.637	22.637
TOTAL MILL LEVY	27.637	27.637	27.637	27.637





RE: Annual Engagement Letter

This agreement constitutes a Statement of Work (“SOW”) to the Original Service Agreement made by and between WSDM – District Managers and **Central Marksheffel Metropolitan District** (“the District”). This engagement letters serves as a renewal to the service provided or additional service to be provided as prescribed below.

Management Services

1. Meeting and Reporting Services—WSDM will continue to provide in the following services:
 - (a) Coordinate Board meetings, prepare and distribute meeting agenda. Preparation, filing and posting of legal notices required in conjunction with the meeting.
 - (b) Ensure meeting notices are properly and timely posted.
 - (c) Contact Board members 72 hours prior to a scheduled meeting to ensure a quorum will be present. In the event of a cancelation of a meeting, contact and advise all parties of the cancelation and any changes to the meeting date, time and place, if available.
 - (d) Meeting packets will be distributed by U.S. Mail and/or email, as determined by the Board
 - (e) Prepare for and attend regular and special meetings of the Board.
 - (f) Draft, revise and finalize the minutes of the meeting and circulate for review and comment to ensure all statutory requirements have been met.
 - (g) Prepare and maintain a record of all Board members, consultants and vendors. Direct and oversee all service providers, consultants and employees.
 - (h) Prepare and make annual compliance filings (but not judicial filings) with the various State and County officials, as required. Coordinate review and approval of annual compliance filings with the attorney.
 - (i) Respond to inquiries made by various officials, property owners or consultants in a timely and professional manner.
 - (j) Set up and maintain the official records of the District and service as official custodian for same pursuant to the Colorado Open Records Act.
 - (k) Monitor requirements pertaining to HB 1343 (Illegal Aliens).
 - (l) Insurance administration, including evaluating risks, comparing coverage, process claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence. Ensure that all District contractors and subcontractors maintain required coverage for the District's benefit. Obtain quotes for insurance annually.
2. Elections—~~Service as a Designated Election Official for district elections with familiarity with various election laws, including, but not limited to the Special District Act, the Colorado Local Government Election Code, the Uniform Election~~

~~Code of 1992, to the extent not in conflict with the Colorado Local Government Election Code, and Article X, § 20 of the Colorado Constitution ("TABOR")~~

- ~~3. Construction Oversight—Extensive construction best management experience. Principals have funded and managed over \$100,000,000 in public infrastructure including roads, water, wastewater, electric, gas, telecommunications and stormwater facilities.~~
4. Website Administration – extensive experience with creating and updating District websites, specifically including the State Internet Portal Authority funded sites.
*Different district websites under current management website www.wsdistricts.co
- ~~5. Employee management—management of full or part time employees including Operators in Responsible Control (ORC), field and operations employees, administrative employees, part time seasonal employees, Certified Pool Operators, etc. Maintain compliance with Human Resource aspects like; labor statutes, insurance, training, safety, etc. issues. Also, automated payroll services~~
- ~~6. Covenant enforcement and HOA style management—WSDM manages covenant enforcement services as staff and management of Architectural Control Committees including inspections, review of proposed improvements, management of fines, and other enforcement action.~~

Accounting and bookkeeping

1. Standard Services— Our professional services include the following (with a Certified Public Accountant):
 - (a) Accounting
 1. Prepare monthly, quarterly and annual financial statements for inclusion in monthly meeting packets.
 2. Reconcile monthly bank statements and trustee statements.
 3. Coordinate bank account setup and maintenance of signature cards.
 4. Prepare and file Continuing Disclosure Notices with the Trustee and other required parties. Coordinate review with legal counsel.
 5. Coordinate capital project draws and requisitions.
 6. Reconcile bonds and other debt service payment obligations for accuracy and timely payments.
 7. Respond to bondholder and other interested parties' requests for financial information.
 8. Review all payments of claim prior to release to ensure funds are available.
 9. Monthly review of all expenditures and coordinate preparation and distribution of same with the manager for the District to prevent exceeding budgeted and appropriated expenditures.
 - (b) Accounts Payable
 1. Receive and review invoices for accuracy and appropriateness for payment. Code the invoices in accordance with the budgeted line item.
 2. Prepare issuance of checks to be presented to the Board for approval and signatures. The claims list should be included in the monthly meeting packets.
 3. Prepare funding requests, if required.
 4. Release checks to vendors when all approvals and funding have been received.

- (c) Accounts Receivable
 - 1. Process deposit of revenues.
 - 2. Process bank charges and other miscellaneous accounts receivable matters.
- (d) Financial Projections
 - 1. Multi-year forecasting.
 - 2. Utility consumption and water rate analysis.
 - 3. Commercial billing analysis and rate structure.
- (e) Budgets
 - 1. Prepare annual budget and budget message for approval by the Board and coordinate with legal counsel for same.
 - 2. Prepare or assist in the preparation of supplemental and/or amended budgets and accompanying documents, if required.
- (f) Audits
 - 1. Obtain proposals for conduct of audit for consideration at budget hearing meeting. Proposals should be included in the meeting packet.
 - 2. Coordinate and participate in audit bids, engagements, fieldwork and audit draft review.
 - 3. Assist the auditor in performing the annual audit, to accomplish timely completion and filing by statutory deadline.
- (g) Bonds
 - 1. Monitor and comply with Bond documents, State Statute, and Auditing requirements
 - 2. Transfer debt obligated funds to correct Reserve Funding accounts as applicable
 - 3. Coordinate principal and interest payments as required by the governing documents.
 - 4. Coordinate with Bond counsel to issue bonds as directed by the Board of Directors
 - 5. Coordinate the proper compliance filing including but not limited to the DLG-30, etc.
- ~~(h) Developer Reimbursements~~
 - ~~1. Monitor and comply with Developer Reimbursement agreements and Auditing requirements~~
 - ~~2. Coordinate principle and interest payments required by the Reimbursement agreement~~

Billing and Collection

- 1. Standard Services—~~WSDM currently utilizes Continental Utility Solutions, Inc. (CUSI) billing software system. This system is compatible with the Automatic Meter Reading (AMR), Badger Beacon systems as well as state of the art integration with direct payment options (Customer Web Portals, ACH, and Credit Card). In addition:~~
 - ~~(a) Provide resolution of re-reads for meter reads, if necessary.~~
 - ~~(b) Customize billing system to download meter readings directly into accounting software to allow for automatic updates to customer accounts.~~
 - (c) Produce and transmit customer invoices to a mailing facility or perform the mailing in house, whichever is more economical.
 - (d) Process and make daily deposits of all receipts mailed directly to the billing company, as necessary.
 - ~~(e) Communicate with customers and transmit Automated Clearing House ("ACH") authorization forms allowing the District to initiate an ACH withdrawal of the customer bill directly from their checking or savings account. Initiate ACH batches using dual controls.~~
 - (f) Coordinate and provide correspondence regarding terminations, delinquencies, ~~payment plans and shut-off notices~~ in compliance with the District's collection policies

and in coordination with the District's legal counsel.

- ~~(g) Process payoff requests from title company for closings and set up new ownership information.~~
- ~~(h) Collect transfer fee due upon the transfer of and account or property.~~
- ~~(i) Process payment arrangements for customers facing economic hardship at the direction of the Board.~~
- (j) Process and transmit delinquent notices.
- ~~(k) Process shutoff notices and direct the District's operator to proceed with shutoff.~~
- ~~(l) Certify delinquent accounts with the County, as applicable, in coordination with the District's legal counsel.~~
- (m) Coordinate processing of statements of liens with the District's legal counsel, and release of liens as account are paid current.
- (n) Respond to customer calls and inquiries in a timely and professional manner.
- ~~(o) Track tap fee payments.~~

Customer Service

We will continue to provide phone, email, ~~social media~~, and text messaging response to customer inquiries, questions, requests for information etc. As well we will continue utilizing our 24-emergency number and work with monitoring of security cameras as needed, etc.

Rates

*Contract limit of **\$7,000/ monthly**

Thank you,

Kevin Walker,
President of WSDM – District Managers

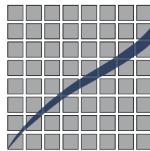
APPROVED AS SIGNED:

Signature

Title

Date





BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

October 13, 2022

Central Marksheffel Metropolitan District
Board of Directors
Via email: sue.g@wsdistricts.co

We are pleased to confirm our understanding of the services we are to provide for Central Marksheffel Metropolitan District ("District") as of and for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2022. Accounting principles generally accepted in the United States of America ("US GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A") to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by US GAAP and will be subjected to certain limited procedures, but will not be audited:

- You have informed us that the MD&A will be omitted. Our report will be modified accordingly.

We have also been engaged to report on supplementary information ("SI") other than RSI that accompanies the District's financial statements, as applicable. We will subject the SI to the auditing procedures applied in our 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS, and will provide an opinion on it in relation to the basic financial statements as a whole.

- Schedule(s) of revenues, expenditures, and changes in fund balances – budget and actual for governmental funds, as applicable

In connection with our audit of the basic financial statements, we will read any other information included with the financial statements 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.

We understand that the following people or entities will use these financial statements for the enumerated purposes:

<u>USER</u>	<u>PURPOSE</u>
State of Colorado	To assist with regulatory oversight
Management	To provide assurance on the financial statements to enhance management decision-making
El Paso County	To aid in regulatory oversight

You agree that you will discuss the suitability of this presentation with us if you intend to submit these financial statements to other users or to any of the identified users for different purposes.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with US GAAP; and report on the fairness of the SI referred to above when considered in relation to the financial statements as a whole. 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 US GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with US GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with US GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, 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 for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may also request representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

If circumstances occur which, in our professional judgment, prevent us from completing the audit or forming opinions on the financial statements, we retain the right to withdraw from the engagement without issuing opinions or report, as permitted by our professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures – Internal Control

We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance any matters related to internal control that are required to be communicated under professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Other Services

We will also prepare the financial statements of the entity in conformity with US GAAP based on information provided by you. We will perform the services in accordance with applicable professional standards.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with US GAAP with the oversight of those charged with governance.

Management is responsible for making drafts of the financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial

statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

With regard to including the auditor's report in an offering document, you agree that the aforementioned auditor's report, or reference to BiggsKofford, P.C., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for the preparation of the SI in conformity with US GAAP. You agree to include our report on the SI in any document that contains, and indicates that we have reported on, the SI. You also agree to include the audited financial statements with any presentation of the SI that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for the presentation of the SI in accordance with US GAAP; (2) you believe the SI, including its form and content, is fairly presented in accordance with US GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the SI.

You agree to assume all management responsibilities for the other services listed above and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically or on your internet website(s), you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

You agree that you will not use our firm's name or the name of an employee of the firm in a communication containing a financial presentation without the written permission of our firm. If you do use our firm name or the name of an employee of the firm in a communication containing a financial presentation, you agree to include an "accountant's report" or a "disclaimer" on the financial presentation(s) which we specify. Further, you agree to provide us with printers' proofs or masters of any document that contains our firm name or the name of an employee of the firm and a financial presentation for our review and approval before printing/publishing of the document. You also agree to provide us with a copy of the final reproduced material that contains either our firm's name and/or the name of an employee of the firm and a financial presentation for our approval before it is distributed.

We value each and every one of our clients as well as each and every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request that you not solicit our employees to work for you. You agree that if you or your agents do hire one of our employees within three months of when they last worked for BiggsKofford, we will be due a finder's fee equal to 50% of the greater of the annual salary they were earning as of their last day of employment or their starting salary with the District. Payment will be due within 10 days of your receipt of our invoice. To ensure that our independence is not impaired under the *AICPA Code of Professional Conduct*, you agree to inform the engagement principal before entering into any substantive employment discussions with any of our personnel.

You understand that we provide clients with services specifically focused on identifying and addressing deficiencies in internal controls, and on searching for the existence of fraud within the entity. If you would like us to perform these services, we would be happy to discuss that opportunity with you. However, you acknowledge that those services are outside the scope of this engagement and are not included in the fees detailed below.

It is our policy to retain engagement documentation for a period of at least five years, after which time we may commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement. The balance of our engagement file, other than the compiled financial statement, which we will provide you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony related to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates for the time we expend in connection with such response, and to reimburse us for all related out-of-pocket costs incurred.

You and BiggsKofford, P.C. both agree that any dispute that may arise from this engagement will, prior to resorting to litigation, be submitted for mediation before the American Arbitration Association. Both parties further agree that any such mediation shall be administered within El Paso County Colorado and the results of any such mediation shall be binding upon agreement of each party to be bound. Further, both parties agree that any potential legal action between you and BiggsKofford, P.C. shall be resolved in El Paso County District Court according to Colorado law. Our engagement ends on delivery of our audit report and any claim made concerning our services will be limited to the fees charged for those services. You agree to indemnify, defend, and hold BiggsKofford and its owners, heirs, executors, personal representatives, successors, and assigns harmless from any liability and costs resulting from knowing misrepresentations by management.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all parties.

We want you to clearly understand that this type of financial statement presentation is not designed for, and should not be used for, any purpose subject to regulation by the United States Securities and Exchange Commission ("SEC") or the securities division of any state.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of BiggsKofford, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Colorado Office of the State Auditor or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of BiggsKofford, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to Colorado Office of the State Auditor or its designee. The Colorado Office of the State Auditor or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Braden Hammond is the engagement principal and is responsible for supervising the engagement and for signing the report or authorizing another individual to sign it.

Our fees for this engagement are not contingent on the results of our services. We estimate that our fees for these services will be \$9,325. You will also be billed for travel and other out-of-pocket expenses. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep you informed of any problems we encounter, and our fees will be adjusted accordingly. Our invoices for these fees will be rendered semi-monthly as work progresses and are payable on presentation. Any remaining balance will be due upon delivery of your financial statements. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenses through the date of the termination.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the board of directors of the District. Circumstances may arise in which our report may differ from its expected content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report or, if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, **PLEASE INITIAL EACH PAGE, SIGN THE LAST PAGE**, and return a copy to us.

Sincerely,

BiggsKofford, P.C.

BiggsKofford, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Central Marksheffel Metropolitan District.

Officer signature: _____ Title: _____ Date: _____



**RESOLUTION OF BOARD OF DIRECTORS
CALLING ELECTION**

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT

§§ 32-1-804, 1-1-111(2), 1-13.5-1103(1), and 1-13.5-513(1), C.R.S.

At a meeting of the Board of Directors (the “**Board**”) of Central Marksheffel Metropolitan District (the “**District**”), it was moved to adopt the following Resolution:

WHEREAS, the District was organized as a special district pursuant to §§ 32-1-101, *et seq.*, C.R.S. (the “**Special District Act**”); and

WHEREAS, the District is located entirely within El Paso County, Colorado (the “**County**”); and

WHEREAS, pursuant to § 32-1-804, C.R.S., the Board governs the conduct of regular and special elections for the District; and

WHEREAS, the Board anticipates holding a regular election on May 2, 2023, for the purpose of electing directors and submitting ballot issues (the “**Election**”); and

WHEREAS, the Election shall be conducted pursuant to the Special District Act, the Colorado Local Government Election Code and the Uniform Election Code of 1992, to the extent not in conflict with the Colorado Local Government Election Code, including any amendments thereto, and shall also comply with Article X, § 20 of the Colorado Constitution (“**TABOR**”), as necessary; and

WHEREAS, pursuant to § 1-1-111(2), C.R.S., the Board is authorized to designate an election official (the “**Designated Election Official**”) to exercise authority of the Board in conducting the Election; and

WHEREAS, pursuant to § 1-13.5-513(1), C.R.S., the Board can authorize the Designated Election Official to cancel the Election upon certain conditions.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The Board hereby calls the Election for the purpose of electing directors and presenting certain ballot issues and/or questions to the electorate. The Election shall be conducted as an independent mail ballot election in accordance with §§ 1-13.5-1101, *et seq.*, C.R.S.

2. The Board names Ashley B. Frisbie as the Designated Election Official for the Election. The Designated Election Official shall act as the primary contact with the County.

3. Without limiting the foregoing, the following specific determinations also are made:
 - a. The Board hereby directs general counsel to the District to approve the final form of the ballot to be submitted to the eligible electors of the District and authorizes the Designated Election Official to certify those questions and take any required action therewith.
 - b. The Board hereby directs general counsel to the District to oversee the general conduct of the Election and authorizes the Designated Election Official to take all action necessary for the proper conduct thereof and to exercise the authority of the Board in conducting the Election, including, but not limited to, causing the call for nominations; appointment, training and setting compensation of election judges and a board of canvassers, as necessary; all required notices of election, including notices required pursuant to TABOR; printing of ballots; supervision of the counting of ballots and certification of election results; and all other appropriate actions.
4. The District shall be responsible for the payment of any and all costs associated with the conduct of the Election, including its cancellation, if permitted.
5. The Board hereby ratifies any and all actions taken to date by general counsel and the Designated Election Official in connection with the Election.
6. The Board hereby authorizes and directs the Designated Election Official to cancel the Election and to declare the candidates elected if, at the close of business on the sixty-third day before the Election, or at any time thereafter, there are not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates, and so long as the only ballot questions are for the election of candidates. The Board further authorizes and directs the Designated Election Official to publish and post notice of the cancellation as necessary and file such notice and cancellation resolutions with the County Clerk and Recorder and with the Division of Local Government, as required. The Designated Election Official shall also notify the candidates that the Election was canceled and that they were elected by acclamation.
7. This Resolution shall remain in full force and effect until repealed or superseded by subsequent official action of the Board.

[Remainder of Page Intentionally Left Blank]

ADOPTED THIS 1st DAY OF NOVEMBER, 2022.

CENTRAL MARKSHEFFEL METROPOLITAN
DISTRICT

Officer of the District

ATTEST:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

Signature Page to Resolution Calling Election



**CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
ANNUAL ADMINISTRATIVE RESOLUTION
(2023)**

WHEREAS, Central Marksheffel Metropolitan District (the “**District**”), was organized as a special district pursuant to an Order and Decree of the District Court in and for the County of El Paso, Colorado (the “**County**”); and

WHEREAS, the Board of Directors (the “**Board**”) of the District, has a duty to perform certain obligations in order to assure the efficient operation of the District and hereby directs its consultants to take the following actions.

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

1. The Board directs the District’s legal counsel to cause an accurate map of the District’s boundaries to be prepared in accordance with the standards specified by the Division of Local Government (“**Division**”) and to be filed in accordance with §32-1-306, C.R.S.
2. The Board directs the District’s Manager to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of the name of the chairman of the Board, the contact person, telephone number and business address of the District, as required by §32-1-104(2), C.R.S.
3. The Board directs the District’s legal counsel to prepare and file with the Division, within thirty (30) days of a written request from the Division, an informational listing of all contracts in effect with other political subdivisions, in accordance with §29-1-205, C.R.S.
4. The Board directs the District’s legal counsel to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§11-58-101, et seq., C.R.S.
5. The Board directs the District’s accountant to: (a) obtain proposals for auditors to be presented to the Board; (b) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and (c) to cause the audit to be filed with the State Auditor by July 31st, or by the filing deadline permitted under any extension thereof, all in accordance with §§29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by §29-1-604, C.R.S., the Board directs the District’s accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31st in accordance with §29-1-604, C.R.S.
6. The Board directs the District’s legal counsel, if the District has authorized, but unissued general obligation debt as of the end of the fiscal year, to cause to be submitted to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, the District’s audit report or a copy of its application for exemption from audit in accordance with §29-1-606(7), C.R.S.

7. The Board directs the District's accountant to submit a proposed budget to the Board by October 15th, to prepare the final budget and budget message, including any amendments thereto, if necessary, and directs the District's Manager to schedule a public hearing on the proposed budget and/or amendments, and to post or publish notices thereof, and legal counsel file the budget, budget resolution and budget message with the Division on or before January 30th, all in accordance with §§29-1-101, et seq., C.R.S.

8. The Board directs the District's accountant to monitor all expenditures and, if necessary, to notify the District's legal counsel, Manager and the Board when expenditures are expected to exceed appropriated amounts, and directs legal counsel to prepare all budget amendment resolutions and directs District Manager to schedule a public hearing on a proposed budget amendment and to post or publish notices thereof and to file the amended budget with the Division on or before the date of making such expenditure or contracting for such expenditure, all in accordance with §§29-1-101, et seq., C.R.S.

9. The Board directs legal counsel to cause the preparation of the Unclaimed Property Act report and submission of the same to the State Treasurer by November 1st if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with §38-13-110, C.R.S.

10. The Board directs the District's accountant to prepare the mill levy certification form and directs legal counsel to file the mill levy certification form with the Board of County Commissioners on or before December 15th, in accordance with §39-5-128, C.R.S.

11. The Board directs that all legal notices shall be published in accordance with §32-1-103(15), C.R.S.

12. The Board determines that each director shall receive compensation for their services as directors subject to the limitations set forth in §§32-1-902(3)(a)(I) & (II), C.R.S.

13. The District hereby acknowledges, in accordance with §32-1-902, C.R.S., the following officers for the District:

Chairman/President:	Lindsay Case
Treasurer:	Bryan Long
Secretary	Randle W Case II
Assistant Secretary:	James Morley and Dave Hammers
Recording Secretary:	District Manager

14. The Board hereby determines that each member of the Board shall, for any potential or actual conflicts of interest, complete conflicts of interest disclosures and directs legal counsel to file the conflicts of interest disclosures with the Board and with the Colorado Secretary of State at least seventy-two (72) hours prior to every regular and special meeting of the Board, in accordance with §32-1-902(3)(b) and §18-8-308, C.R.S. Written disclosures provided by Board members required to be filed with the governing body in accordance with §18-8-308, C.R.S. shall

be deemed filed with the Board when filed with the Secretary of State. Additionally, at the beginning of each year, each Board member shall submit information to legal counsel regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide legal counsel with any revisions, additions, corrections or deletions to said conflicts of interest disclosures.

15. The Board confirms its obligations under §24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition, includes elected and appointed officers.

16. The Board hereby appoints the District's Manager as the official custodian for the maintenance, care and keeping of all public records of the District, in accordance with §§24-72-202, et seq., C.R.S. The Board hereby directs its legal counsel, accountant, manager and all other consultants to adhere to the Colorado Special District Records Retention Schedule as adopted by the District.

17. The Board directs the District's Manager to post notice of all regular and special meetings in accordance with §32-1-903(2) and §24-6-402(2)(c), C.R.S. The Board hereby designates www.wsdistricts.co/projects/central-marksheffel-metropolitan-district/ as the District's website for the posting of its regular and special meeting notices. The Board also hereby designates, unless otherwise designated by the Board, any location within the District as the location the District will post notices of meetings in the event of exigent or emergency circumstances which prevent the District from posting notice of the meeting on the District's website. The Board directs the District's Manager to provide the website address set forth above to the Department of Local Affairs for inclusion in the inventory maintained pursuant to §24-32-116, C.R.S.

18. The Board determines to hold regular meetings on the first Tuesday of every month, at 9:30 AM at 119 N. Wahsatch Ave., Colorado Springs, CO 80903, and by telephone, electronic, or other means not including physical presence.

All notices of meetings shall designate whether such meeting will be held by electronic means, at a physical location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable.

19. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in §24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.

20. For the convenience of the electors of the District, and pursuant to its authority set forth in §1-13.5-1101, C.R.S., the Board hereby deems that all regular and special elections of the District shall be conducted as independent mail ballot elections in accordance with §§1-13.5-1101, et seq., C.R.S., unless otherwise deemed necessary and expressed in a separate election resolution adopted by the Board.

21. Pursuant to the authority set forth in §1-1-111, C.R.S., the Board hereby appoints Ashley B. Frisbie, of the law firm of White Bear Ankele Tanaka & Waldron, Attorneys at Law, as the Designated Election Official (the “DEO”) of the District for any elections called by the Board, or called on behalf of the Board by the DEO, and hereby authorizes and directs the DEO to take all actions necessary for the proper conduct of the election, including, if applicable, cancellation of the election in accordance with §1-13.5-513, C.R.S.

22. In accordance with §1-11-103(3), C.R.S., the Board hereby directs the DEO to certify to the Division the results of any elections held by the District and, pursuant to §32-1-1101.5(1), C.R.S., to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the district and file a copy of such certification with the Division of Securities.

23. The Board directs legal counsel to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with §32-1-1604, C.R.S.

24. Pursuant to the authority set forth in §24-12-103, C.R.S., the Board hereby designates, in addition to any officer of the District, Rose Vallesio of the law firm of White Bear Ankele Tanaka & Waldron, Attorneys at Law, as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

25. The Board directs legal counsel to cause the preparation of and filing with the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, if requested, the application for quinquennial finding of reasonable diligence in accordance with §§32-1-1101.5(1.5) and (2), C.R.S.

26. The Board directs legal counsel to cause the preparation of and the filing with the Board of County Commissioners or the governing body of any municipality in which the District is located, the Division, the State Auditor, the County Clerk and Recorder and any interested parties entitled to notice pursuant to §32-1-204(1), C.R.S., an annual report, if requested, in accordance with §32-1-207(3)(c), C.R.S.

27. The Board directs the District's Manager to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with §§24-10-115, et seq., C.R.S. The Board directs the District's accountant to pay the annual SDA membership dues, agency fees and insurance premiums, as applicable, in a timely manner. The Board appoints the District's Manager to designate the proxy for the SDA Annual meeting for voting and quorum purposes.

28. The Board hereby opts to include elected or appointed officials as employees within the meaning of §8-40-202(1)(a)(I)(A), C.R.S., and hereby directs the District's Manager to obtain workers' compensation coverage for the District.

29. The Board hereby directs legal counsel to prepare the disclosure notice required by §32-1-809, C.R.S., and to disseminate the information to the electors of the District accordingly.

Further, the Board hereby designates the following website as the District's official website for the purposes thereof: www.wsdistricts.co/projects/central-marksheffel-metropolitan-district/.

30. The Board hereby directs legal counsel to prepare and record with the County Clerk and Recorder updates to the disclosure statement notice and map required by §32-1-104.8, C.R.S., if additional property is included within the District's boundaries.

31. In accordance with §38-35-109.5(2), C.R.S., the District hereby designates the President of the Board as the official who shall record any instrument conveying title of real property to the District within thirty (30) days of any such conveyance.

32. The Board hereby affirms the adoption of the corporate seal in substantially the form appearing on the signature page of this resolution in accordance with §32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any District resolution, proceeding or other document to "affix" the District seal thereto, including for the purpose of satisfying any applicable State law, shall be satisfied by manual impression or print, facsimile reproduction or electronic reproduction or inclusion of the image of such seal. Without limiting the foregoing, any electronic production or reproduction of the image of the seal shall constitute an electronic record of information, as defined in the Uniform Electronic Transactions Act, and the Board hereby authorizes its use in accordance with the authority provided by §24-71.3-118, C.R.S.

33. The Board directs the District's Accountant to prepare and submit the documentation required by any continuing disclosure obligation signed in conjunction with the issuance of debt by the District.

34. The Board directs legal counsel to monitor, and inform the Board of, any legislative changes that may occur throughout the year.

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ADOPTED NOVEMBER 1ST, 2022.

(SEAL)

DISTRICTS :

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

By: _____
Officer of the Districts

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the Districts

CERTIFICATION OF RESOLUTION

I hereby certify that the foregoing constitutes a true and correct copy of the resolution of the Board adopted at a meeting held on November 1st, 2022, at 119 N. Wahsatch Ave., Colorado Springs, CO 80903, and via teleconference.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 1st day of November, 2022.

Signature

Printed Name