

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

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The Board of Directors of Saddlehorn Ranch Metropolitan District No. 1 (the “**Board**”), El Paso County, Colorado (the “**District**”), held a regular meeting, via teleconference and at 731 North Weber, Suite 10, Colorado Springs, Colorado on December 9, 2022, at the hour of 9:00 a.m.

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

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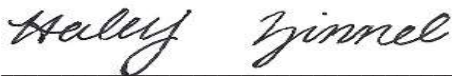
## NOTICE AS TO PROPOSED 2023 BUDGET

# AFFIDAVIT OF PUBLICATION

STATE OF COLORADO  
COUNTY OF El Paso

I, Haley Zinnel, being first duly sworn, deposes and says that he is the Legal Sales Representative of The Colorado Springs Gazette, LLC., a corporation, the publishers of a daily/weekly public newspapers, which is printed and published daily/weekly in whole in the County of El Paso, and the State of Colorado, and which is called Colorado Springs Gazette; that a notice of which the annexed is an exact copy, cut from said newspaper, was published in the regular and entire editions of said newspaper  
**1 time(s) to wit 12/03/2022**

That said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of at least six consecutive months next prior to the first issue thereof containing this notice; that said newspaper has a general circulation and that it has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879 and any amendment thereof, and is a newspaper duly qualified for the printing of legal notices and advertisement within the meaning of the laws of the State of Colorado.

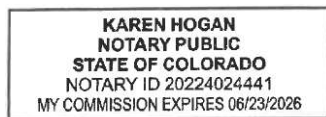


Haley Zinnel  
Sales Center Agent

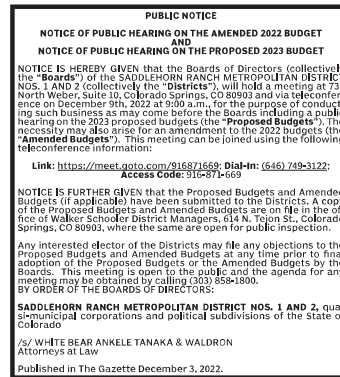
Subscribed and sworn to me this 12/05/2022, at said City of Colorado Springs, El Paso County, Colorado.  
My commission expires June 23, 2026.



Karen Hogan  
Notary Public  
The Gazette



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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 0.000 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 0.000 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 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 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 DECEMBER 9, 2022.

**DISTRICT:**

**SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *Bill Guman*  
Bill Guman (Dec 20, 2022 16:30 MST)  
Officer of the District

Attest:

By: *Jeffrey Book*  
Jeffrey Book (Dec 22, 2022 16:16 MST)

**APPROVED AS TO FORM:**

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

*[Signature]*  
Blair Dickhoner (Dec 20, 2022 18:11 EST)  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF EL PASO  
SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held at 731 North Weber, Suite 10, Colorado Springs, Colorado and via teleconference on Friday, December 9, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 20 day of December, 2022.

*Kevin Walker*

**EXHIBIT A**

**BUDGET DOCUMENT**

**BUDGET MESSAGE**

**BUDGET MESSAGE**  
(Pursuant to § 29-1-103(1) (e), C.R.S.)

**SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1**

The attached 2023 Budget for Saddlehorn Ranch Metropolitan District No. 1 includes these important features:

Saddlehorn Ranch Metropolitan Districts Nos. 1-2 are quasi-municipal corporations organized and operated pursuant to provisions set forth in the Colorado Special District Act. The districts were created under the Service District/Financing District structure under El Paso County policies.

District No. 1 is intended to be the service district with the primary purposes of 1) coordinating the financing and construction of Public Improvements identified in the Service Plan; 2) any ongoing operation and maintenance of the Public Improvements not otherwise dedicated to another entity and; 3) to furnish covenant enforcement and design review services within the districts' boundaries. The district's budget strategy is to perform these activities as cost effectively as possible.

The Budgetary basis of accounting timing measurement method used is the modified accrual basis.

**REVENUE**

The primary sources of revenue for the district in 2023 are advances from the developer and proposed water operations revenue. The district will not impose a mill levy in 2023 for Saddlehorn Ranch Metropolitan District No. 1.

**EXPENDITURES**

The district has adopted four separate funds - a General Fund to provide for administrative and operating expenditures, a Capital Projects fund to account for the construction and/or acquisition of public infrastructure as provided for in the service plan (currently inactive) a Water Operations Fund to account for revenues and expenditures related to providing water services to residents, and a Water Capital/Debt Service Fund to account for the construction of and financing of the water infrastructure (currently inactive).



**SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1**  
**2023 BUDGET**  
**GENERAL FUND**

	<b>2021</b>	<b>2022</b>	<b>2022</b>	<b>2023</b>
	<b>ACTUAL</b>	<b>PROJ / AMEND</b>	<b>BUDGET</b>	<b>BUDGET</b>
<b>GENERAL FUND BEGINNING BALANCE</b>	<b>-</b>	<b>13,748</b>	29,433	41,122
REVENUES				
PROPERTY TAX REVENUES			0	
DEVELOPER ADVANCES	67,661	100,000	100,000	40,000
TRANSFER FROM DISTRICT #2			26	4,030
TRANSFER FROM DISTRICT #3			200	-
TOTAL REVENUES	67,661		100,226	44,030
TOTAL OF BALANCE AND REVENUES	67,661	113,748	129,659	85,152
EXPENDITURES				
ACCOUNTING/AUDIT	8,323		8,000	12,000
LEGAL SERVICES	22,761	25,000	40,000	25,000
DISTRICT MANAGEMENT	6,600	26,000	36,000	20,000
ELECTION EXPENSE		-	10,000	2,500
DIRECTORS FEE				
DUES AND SUBSCRIPTIONS			500	750
INSURANCE		8,500	7,500	8,500
OFFICE SUPPLIES, BANK & BILL.COM FEES	545	3	1,500	1,500
MISCELLANEOUS	-		5,000	
CONTINGENCY			5,000	5,000
ENGINEERING			10,000	2,500
Meters		13,123		5,000
ORGANIZATION EXPENSE				
TOTAL EXPENDITURES	38,228	72,626	123,500	82,750
<b>ENDING FUND BALANCE</b>	<b>29,433</b>	<b>41,122</b>	<b>6,159</b>	<b>2,402</b>
EMERGENCY RESERVE 3%	1,147	2,179	3,705	2,483
ASSESSED VALUATION	30	30	30	30

**SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1**  
**2023 BUDGET**  
**WATER OPERATIONS FUND**

	<b>2021</b>	<b>2022</b>	<b>2022</b>	<b>2023</b>
	<b>ACTUAL</b>	<b>PROJ / AMEND</b>	<b>BUDGET</b>	<b>BUDGET</b>
WATER OPERATIONS FUND BEGINNING BALANCE		-	-	-
<b>REVENUES</b>				
BASE SERVICE CHARGES			6,750	12,000
TIERED WATER USAGE			10,000	12,000
LATE FEE - WATER CHARGES				
WATER SALES				
DEVELOPER ADVANCE		-	65,000	120,000
INTEREST INCOME		-		
TOTAL REVENUES	-	-	81,750	144,000
TOTAL OF BALANCE AND REVENUES			81,750	144,000
<b>EXPENDITURES</b>				
OPERATOR IN RESPONSIBLE CHARGE (ORC)			48,000	48,000
ACH & CREDIT CARD FEES			500	500
PROFESSIONAL DUES & FEES			500	5,000
MONTHLY BILLS & PRINTING			500	2,000
POSTAGE EXPENSE			500	1,000
LOCATE EXPENSE			-	500
WTP MAINTENANCE			10,000	10,000
GENERAL LEGAL			2,500	
AUDIT, BUDGET & OTHER ACCOUNTING/ BILLING				24,000
ENGINEERING - GENERAL				5,000
ENERGY EXPENSE - PUMP STATIONS			12,000	12,000
CHEMICALS - CHLORINE			1,500	5,000
WATER TESTING			1,000	5,000
WELL HOUSE O&M			1,000	5,000
REPAIRS - PIPELINE - GENERAL				
TOOLS & SUPPLIES - GENERAL			-	2,000
WATER STORAGE TANK O&M			1,000	5,000
COMPUTER & TECH EQUIPMENT			1,000	2,000
CONTINGENCY			1,000	10,000
TOTAL EXPENDITURES	-	-	81,000	142,000
ENDING BALANCE	-	-	750	2,000
ASSESSED VALUATION	30	30	30	30
MILL LEVY	-			
TOTAL MILL LEVY	-			