

GARDENS AT NORTH CAREFREE METROPOLITAN DISTRICT

Regular Board Meeting

Thursday, February 8, at 10:00 a.m.

in person:

1373 Struthers Rd., Colorado Springs, CO 80921

virtually:

<https://video.cloudoffice.avaya.com/join/217916951>

United States: (213) 463-4500

Meeting ID: 217916951

Board of Director	Title	Term
Ronald Covington	President	May 2025
Grace Covington	Secretary	May 2025
Laureen Deveau	Treasurer	May 2025
Heath Herber	Assistant Secretary	May 2027
VACANT	Assistant Secretary	May 2027

AGENDA

1. Call to Order/Declaration of Quorum
2. Conflict of Interest Disclosures
3. Approval of Agenda
4. Public Comment - Members of the public may express their views to the Board on matters that affect the Districts. Comments will be limited to three (3) minutes.
5. Consent Agenda - The items listed below are a group of items to be acted on with a single motion and vote by the Boards. Any item may be removed from the Consent Agenda upon request of any Board member.
 - a. Approval of Meeting Minutes from November 1, 2023 (**enclosure**)
 - b. Approval of Annual Meeting Minutes from November 1, 2023 (**enclosure**)
 - c. Payment of Claims from November 1, 2023 through February 8, 2024 (**enclosures**)
 - d. Acceptance of Unaudited Financial Statements as of December 31, 2023 and the schedule of cash position updated as of December 31, 2023 (**enclosure**)
6. Financial Matters
 - a. Review and Ratify Approval of Muni-Cap Agreement (**enclosure**)
 - b. Review and Consider Approval for 2023 Annual Audit Exemption Resolution (**enclosure**)
7. Insurance Matters
 - a. Review and Consider Approval of Resolution Adopting Intergovernmental Agreement With Colorado Special Districts Property and Liability Pool (**enclosure**)
8. New Business
 - a. Review and Consider Approval for Annual Landscape Maintenance Contract (**enclosure**)
 - b. Review and Ratify Approval for Winter Watering Services from Timberline (**enclosure**)
 - c. Review and Consider Approval for WSDM 2024 Annual Engagement (**enclosure**)
 - d. Discuss Status of Damage From Cable/ Fiberoptic Installation
9. Adjournment – Next Board Meeting will be held on May 9, 2024 at 10:00 a.m.





**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
GARDENS AT NORTH CAREFREE METROPOLITAN DISTRICT
HELD NOVEMBER 1, 2023
AT 9:00 AM**

Pursuant to posted notice, the regular meeting of the Board of Directors of the Gardens at North Carefree Metropolitan District was held on Wednesday, November 1, 2023 at 9:00 a.m., at 1373 Struthers Rd., Colorado Springs, CO 80921, and virtually: <https://video.cloudoffice.avaya.com/join/648989186>.

Attendance

In attendance were Directors:

Ronald Covington, President
Grace Covington, Secretary
Laureen Deveau, Treasurer
Heath Herber, Assistant Secretary

Also in attendance were:

Pete Susemihl, Susemihl, McDermott, & Downie, P.C.
Heather Smith, WSDM District Managers

1. Call to Order/Declaration of Quorum: Ms. Smith called the meeting to order at 9:00 a.m. and confirmed a quorum was present.
2. Conflict of Interest Disclosures: All disclosures were properly filed with the Department of Local Affairs, State of Colorado by Mr. Susemihl.
3. Approval of Agenda: Director Deveau moved to approve the Agenda as written; seconded by Director Herber. Motion passed unanimously.
4. Public Comment: There was no public comment.
5. Consent Agenda: After review, Director Herber moved to approve the Consent Agenda as presented; seconded by Director Covington. Motion passed unanimously.
 - a. Approve Meeting Minutes from June 7, 2023
 - b. Payment of Claims from June 7, 2023 through December 6, 2023
 - c. Unaudited Financial Statements as of October 31, 2023
6. Legal Matters
 - a. Review and Consider Approval for Acceptance of Public Improvements: Mr. Susemihl explained that the public improvements are ready for acceptance by the District. The Board discussed the repairs made to the temporary irrigation system and the status of declined plant replacements. Director Covington explained that all declined plants have been replaced, all plant material has a 1-year warranty, and Covington Homes will remove the temporary irrigation when the time

comes. Director Covington moved to approve the acceptance of the public improvements; seconded by Director Herber. Motion passed unanimously.

7. Insurance Matters

- a. Review and Consider Approval for Annual SDA Membership: Ms. Smith requested approval to engage an annual membership to the Special District Association (SDA) on behalf of the District and to engage insurance through the Colorado Special District (CSD) pool following the membership. Director Covington moved to approve engagement of an SDA membership and authorize the binding of insurance through the CSD Pool; seconded by Director Deveau. Motion passed unanimously.

8. Financial Matters

- a. Review and Consider Authorization to Issue Private Bond to Covington Properties, LLC: Mr. Susemihl presented a Resolution approving the issuance of a bond by the District. After review, President Covington moved to approve the Resolution as presented, subject to final determination of the interest rate; seconded by Director Herber. Motion passed unanimously.
- b. Conduct a Public Hearing on the 2024 Budget and Consider Adoption of Resolution Adopting the 2023 Budget Amendment, Adopting the 2024 Budget, Appropriating Funds, and Certifying Mill Levies: The Board conducted the public hearing on the 2024 Budget. After no public comment, the public hearing was closed. After review, President Covington moved to adopt the 2024 Budget Resolution as presented subject to the outcome of Proposition HH; seconded by Director Covington. Motion passed unanimously.

9. New Business

- a. Review and Consider Approval of Timberline Snow Removal Proposal and establish Scope of Services: After review, President Covington moved to approve the snow removal proposal from Timberline; seconded by Director Covington. Motion passed unanimously.
- b. Review and Consider Approval for Split Rail Fence Company's Proposal for Fence Repairs: The Board discussed the damage, which was caused by hail. After review, President Covington moved to approve the Split Rail Fence Company's proposal for fence repairs; seconded by Director Deveau. Motion passed unanimously.

10. Adjournment – Next Board Meeting December 6, 2023 at 9:00 a.m.: The Board unanimously adjourned the meeting at 9:30 a.m.

Respectfully Submitted,

Secretary

Approved,

President





**MINUTES OF THE ANNUAL MEETING
OF THE BOARD OF DIRECTORS OF THE
GARDENS AT NORTH CAREFREE METROPOLITAN DISTRICT
HELD NOVEMBER 1, 2023, AT 9:30 A.M.**

Pursuant to §32-1-903(6), C.R.S., the annual meeting of the Board of Directors of the Gardens at North Carefree Metropolitan District was held on Wednesday, November 1, 2023, at 9:30 AM, via video teleconference.

Attendance

In attendance were Directors:

Ronald Covington, President
Grace Covington, Secretary
Laureen Deveau, Treasurer
Heath Herber, Assistant Secretary

Also in attendance were:

Heather Smith, WSDM District Managers

1. Call to Order: Ms. Smith called the meeting to order at 9:30 a.m.
2. Presentation Regarding the Status of Public Infrastructure Projects within the District: Ms. Smith stated that all public tracts have been conveyed to and accepted by the District and there are no known upcoming public infrastructure projects.
3. Presentation Regarding Outstanding Bonds: Ms. Smith explained that the Developer has funded the project through reimbursable advances to-date and that the Board has authorized the issuance of bonds to repay the developer for the reimbursable amounts.
4. Review of Unaudited Financial Statements: Ms. Smith presented the October 31, 2023 Financial Statements in brief.
5. Open Floor for Questions: There were no members of the public present.
6. Adjournment: The meeting was adjourned at

Respectfully Submitted,

Secretary



Gardens At North Carefree Metropolitan District
PAYMENT REQUEST
11/21/2023
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount
Cherokee Metropolitan District	111323	11/13/2023	\$ 278.70
Cherokee Metropolitan District	101323	10/13/2023	\$ 1,600.47
Mountain View Electric Associaation	105572400	10/25/2023	\$ 39.82
Special District Association	110123	11/1/2023	\$ 193.14
Susemihl, McDermott & Downie	35659	10/31/2023	\$ 843.75
Timberline Landscaping	44728	9/6/2023	\$ 10,799.29
Timberline Landscaping	45124	9/26/2023	\$ 1,628.42
Timberline Landscaping	45129	9/26/2023	\$ 1,463.00
Timberline Landscaping	45273	9/29/2023	\$ 303.23
Timberline Landscaping	44535	10/1/2023	\$ 1,283.37
Timberline Landscaping	46198	11/1/2023	\$ 1,283.36
Timberline Landscaping	46409	11/3/2023	\$ 85.00
USI Insurance Services	4824321	11/7/2023	\$ 100.00
WSDM District Managers	7733	10/31/2023	\$ 750.00
TOTAL			\$ 20,651.55

Stockmans Bank as on 11/21/23	\$ 40,207.71
Payables for November 2023	\$ (20,651.55)
	\$ 19,556.16

Gardens At North Carefree Metropolitan District
PAYMENT REQUEST
12/19/2023
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount
Cherokee Metropolitan District	121223	12/12/2023	\$ 37.00
Susemihl, McDermott & Downie	35856	11/30/2023	\$ 412.50
Timberline Landscaping	46769	11/17/2023	\$ 1,028.04
Timberline Landscaping	47568	12/14/2023	\$ 1,267.86
WSDM District Managers	7773	11/30/2023	\$ 750.00
TOTAL			\$ 3,495.40

Stockmans Bank as on 12/19/23	\$ 40,716.09
Payables for December 2023	\$ (3,495.40)
	<u>\$ 37,220.69</u>

Gardens At North Carefree Metropolitan District
PAYMENT REQUEST
 12/28/2023
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount
Colorado Special Districts Property and Liability Pool	50719	12/15/2023	\$ 5,847.00
Covington Properties, LLC	122823	12/28/2023	\$ 6,510.75
TOTAL			\$ 12,357.75

Stockmans Bank as on 12/28/23	\$ 18,306.84
Draw #2 for December 2023	\$ (12,357.75)
	<u>\$ 5,949.09</u>

Gardens At North Carefree Metropolitan District
PAYMENT REQUEST
1/16/2024
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	
Mountain View Electric Associaation	105572400	12/27/2023	\$ 34.82	
Susemihl, McDermott & Downie	35887	12/31/2023	\$ 468.75	
Timberline Landscaping	47833	12/21/2023	\$ 530.88	
WSDM District Managers	7813	12/31/2023	\$ 750.00	
TOTAL			\$ 1,784.45	

Stockmans Bank as on 1/16/2024	\$ 18,306.84
Draw for 1/6/2024	\$ (1,784.45)
	<u>\$ 16,522.39</u>



Gardens At North Carefree Metropolitan District

Balance Sheet

02/01/24

As of December 31, 2023

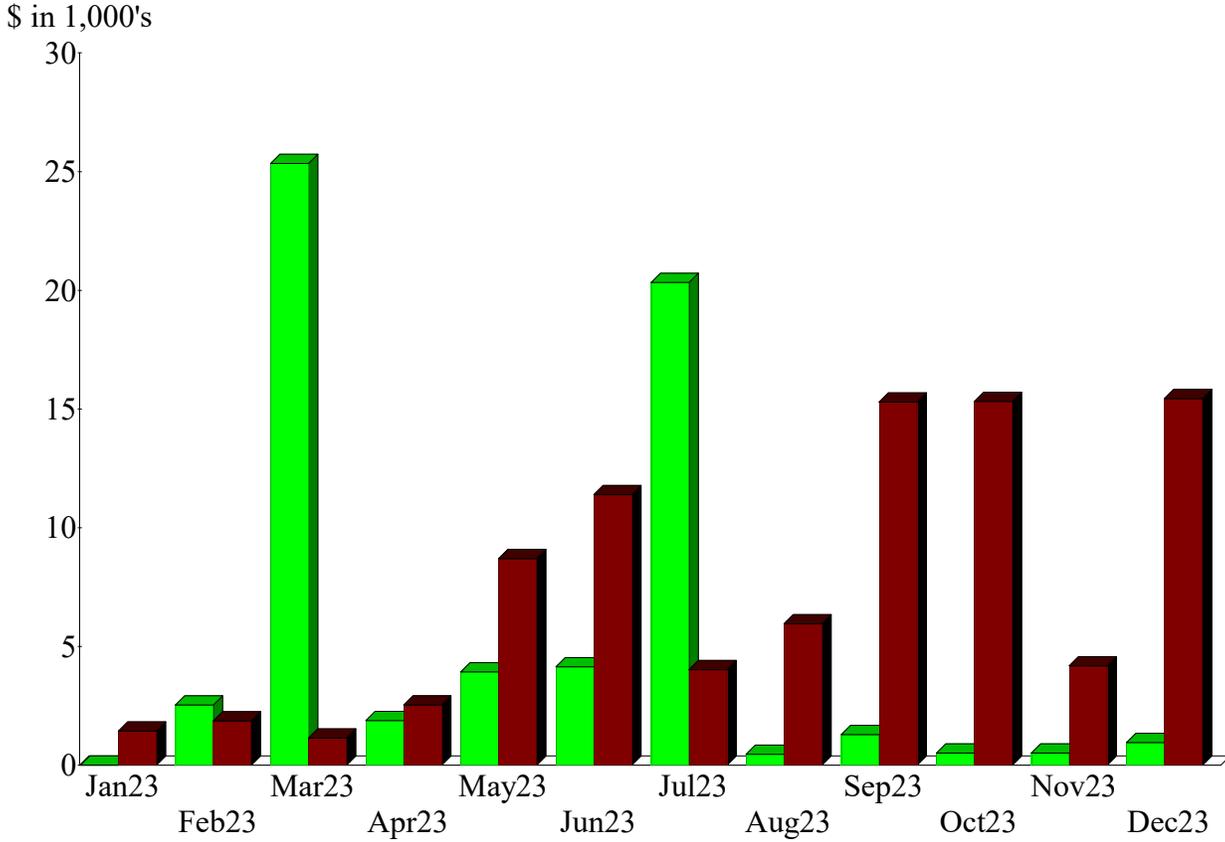
Accrual Basis

	<u>Dec 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
Stockmans Bank - Checking	18,306.84
Total Checking/Savings	<u>18,306.84</u>
Other Current Assets	
A/R - EPC Treasurer - O&M	449.39
Total Other Current Assets	<u>449.39</u>
Total Current Assets	<u>18,756.23</u>
Other Assets	
Capital Improvements	2,998,197.00
Total Other Assets	<u>2,998,197.00</u>
TOTAL ASSETS	<u><u>3,016,953.23</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	15,410.06
Total Accounts Payable	<u>15,410.06</u>
Total Current Liabilities	<u>15,410.06</u>
Long Term Liabilities	
Developer Advance - Cov Homes	2,973,197.00
Total Long Term Liabilities	<u>2,973,197.00</u>
Total Liabilities	<u>2,988,607.06</u>
Equity	
Retained Earnings	53,729.33
Net Income	-25,383.16
Total Equity	<u>28,346.17</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,016,953.23</u></u>

Gardens At North Carefree Metropolitan District
Profit & Loss Budget vs. Actual
January through December 2023

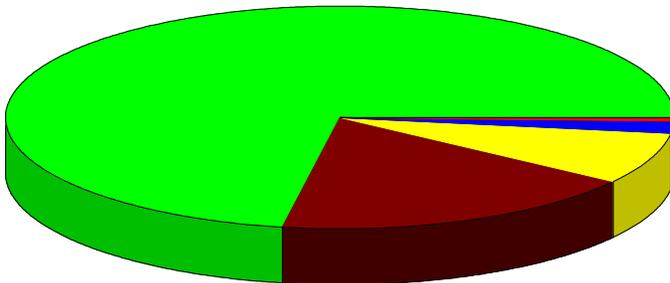
	TOTAL				
	Dec 23	Jan - Dec 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Delinquent Interest - Debt	0.00	22.29			
Delinquent Interest - O&M	0.00	5.57			
CY Property Tax - O&M	0.00	11,208.52	11,209.00	-0.48	100.0%
Specific Ownership Tax - O&M	191.83	1,172.03	784.63	387.40	149.37%
CY Property Tax - Debt	0.00	44,834.02	44,834.00	0.02	100.0%
Specifice Ownership Tax - Debt	767.33	4,688.18	3,138.38	1,549.80	149.38%
Total Income	959.16	61,930.61	59,966.01	1,964.60	103.28%
Expense					
Electric	34.82	293.34			
Developer Advance	6,510.75	26,043.00	26,043.00	0.00	100.0%
District Management	750.00	8,878.20	9,000.00	-121.80	98.65%
Insurance	5,847.00	5,947.00	1,000.00	4,947.00	594.7%
Landscaping	1,798.74	27,372.61	6,000.00	21,372.61	456.21%
Legal	468.75	9,026.75	10,000.00	-973.25	90.27%
Miscellaneous	0.00	0.00	5,000.00	-5,000.00	0.0%
Office Expense	0.00	83.37			
SDA Dues	0.00	193.14			
Treasurer Collection Fee - O&M	0.00	168.22	168.14	0.08	100.05%
Treasurer Collection Fee - Debt	0.00	672.85	672.51	0.34	100.05%
Utilities	37.00	8,635.29			
Total Expense	15,447.06	87,313.77	57,883.65	29,430.12	150.84%
Net Ordinary Income	-14,487.90	-25,383.16	2,082.36	-27,465.52	-1,218.96%
Net Income	<u>-14,487.90</u>	<u>-25,383.16</u>	<u>2,082.36</u>	<u>-27,465.52</u>	<u>-1,218.96%</u>

Income and Expense by Month
January through December 2023

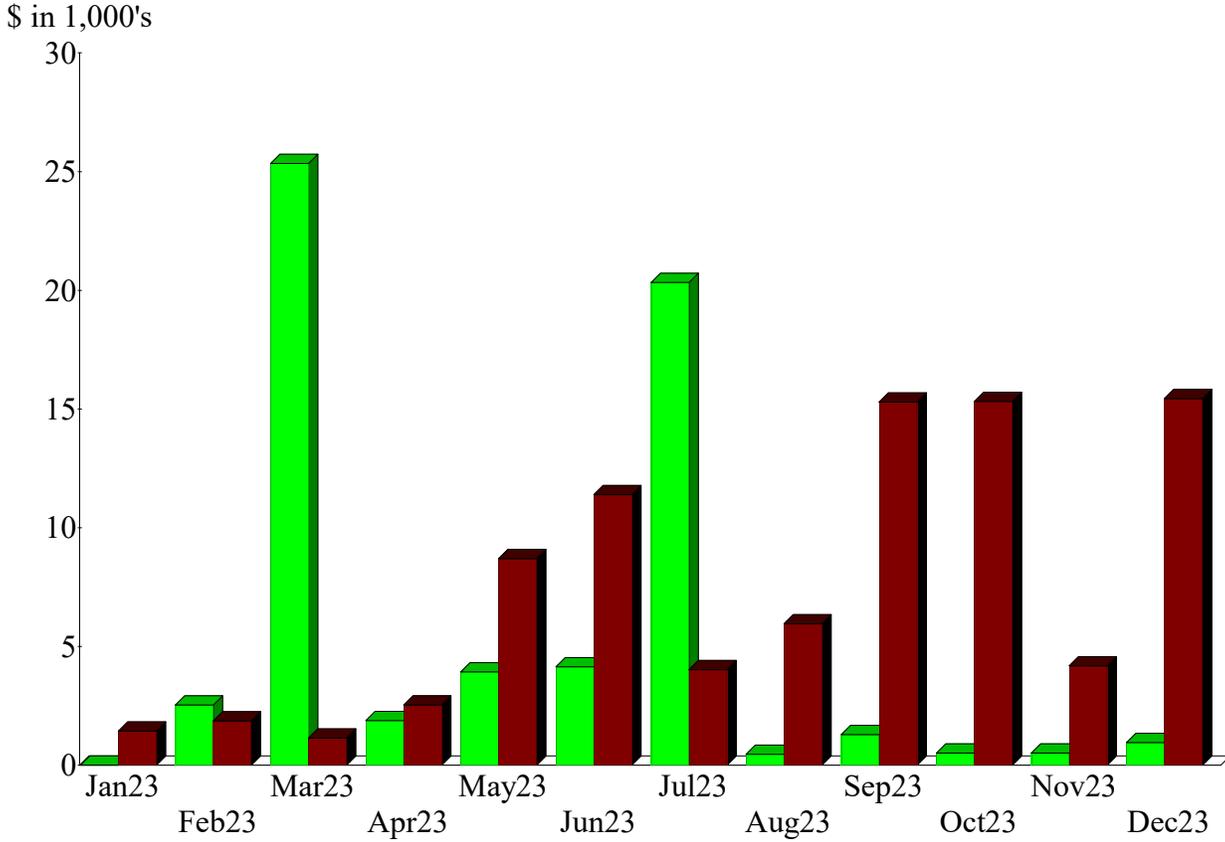


Income Summary
January through December 2023

CY Property Tax - Debt	72.39%
CY Property Tax - O&M	18.10
Specifice Ownership Tax - Debt	7.57
Specific Ownership Tax - O&M	1.89
Delinquent Interest - Debt	0.04
Delinquent Interest - O&M	0.01
Total	\$61,930.61

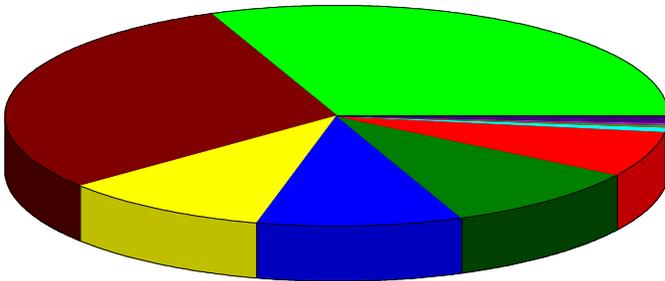


Income and Expense by Month
January through December 2023



Expense Summary
January through December 2023

Landscaping	31.35%
Developer Advance	29.83
Legal	10.34
District Management	10.17
Utilities	9.89
Insurance	6.81
Treasurer Collection Fee - Debt	0.77
Electric	0.34
SDA Dues	0.22
Treasurer Collection Fee - O&M	0.19
Office Expense	0.10
Total	\$87,313.77





MUNICAP, INC.

PUBLIC FINANCE

November 1, 2023

Gardens at North Carefree Metropolitan District

Dear Board of Directors:

MuniCap, Inc. is pleased to submit our proposal to be an external financial advisor to Gardens at North Carefree Metropolitan District. MuniCap is a registered municipal advisory firm based in Columbia, Maryland, with additional offices in Dallas, Texas; Houston, Texas; Richmond, Virginia; Pittsburgh, Pennsylvania; and Charleston, South Carolina. Our firm specializes in special district financing, and as a result of this commitment and specialization, we are one of the most experienced firms in the country in this field. Since 1997, we have assisted with the successful closing of almost 500 special district financings, totaling over \$10 billion in public financing. In 2022 alone, we assisted with 49 special district bond issues totaling over \$500 million in bonds issued.

We offer experience both in Colorado and nationally, having worked on special district projects in more than 30 states and numerous metro district financings in Colorado. We will apply this experience to ensure the District is aware of best practices and evolving trends for the use of special district financing.

As a municipal advisory firm registered with the SEC and MSRB, we are able to provide the necessary advice to Colorado governmental entities with regard to bond securities. We are a public financial advisor listed in the Bond Buyer's Municipal Market Place. We are not an officer or employee of the District.

We believe our combination of experience, special district specialization, approach, and personnel make us uniquely qualified to provide the services the District is requesting.

Attached you will find our proposal, which includes a description of our credentials, approach, and fee structure. We look forward to your response. Again, thank you for the opportunity and for your consideration.

Sincerely,

Keenan Rice
President

IV. FEE ESTIMATE AND PRICING

The costs of the EFA services described here in shall be \$5,000 to be paid at the later of closing on the bonds and completion of the services provided for herein. Additional work, if requested, shall be provided on a time and material basis.

Hourly Billing Rates

MuniCap's current hourly billing rates are shown by the following table:

Title	Hourly Rate
President	\$350
Executive Vice President	325
Senior Vice President	300
Vice President	275
Director	250
Manager	225
Project Manager	215
Senior Associate	200
Associate	175

Reimbursable Expenses

Reimbursable expenses in addition to the fees states above shall be as follows:

Travel:	Not expected, but at cost.
Photocopying:	No charge.
Telephone:	No charge.
Facsimiles:	No charge.
US postage:	No charge.
Overnight delivery:	Not expected, but at cost.
Mileage:	Not expected, but at the rate approved by the IRS.
Word processing:	No charge.
Other:	Expenses in addition to the charges noted above not considered normal general overhead to be reimbursed at cost.

MuniCap will seek reimbursement from the District for actual out of pocket cost expenses related to these services without markup (mileage shall be charged at the approved IRS rate). Other than travel expenses for meetings requested by the client, MuniCap will not incur an expense in excess of \$100 without authorization from the District.

Accepted and Authorized _____

Title _____





**Resolution Adopting Intergovernmental Agreement Between
Colorado Special Districts Property and Liability Pool
and
Gardens at North Carefree Metropolitan District**

WHEREAS, the Board of Directors of Gardens at North Carefree Metropolitan District (hereafter referred to as “the District”) has authority under Article XIV, Section 18(2)(a) of the Colorado Constitution, and §§ 24-10-115.5, 29-13-102, 29-1-201, et seq., and 8-44-204 of the Colorado Revised Statutes, as amended, to participate in a self-insurance pool for property and liability and/or workers’ compensation coverages;

WHEREAS, the Board of Directors has reviewed a contract to cooperate with other Colorado Special Districts by participating in a self-insurance pool for property and liability and/or workers’ compensation coverages entitled “Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool”, a copy of which is attached hereto as Exhibit A and incorporated into this Resolution; and,

WHEREAS, the Board of Directors finds that participation in such a pool would be in the best interest of the District, its employees, and its taxpayers.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District hereby:

1. Approves the contract entitled Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool, a copy of which is attached hereto as Exhibit A and incorporated into this Resolution by this reference.
2. Authorizes and directs the Chair of the Board of Directors to execute Exhibit A on behalf of the District.
3. Directs the Secretary of the Board of Directors to transmit to the Colorado Special Districts Property and Liability Pool (hereafter referred to as “Pool”), McGriff Insurance Services, Inc., PO Box 1539, Portland, OR 97207-1539, an executed and attested copy of this Resolution and one original of Exhibit A.
4. Designates Heather Smith, District Manager, as District’s initial Representative to the Pool and designates Kevin J. Walker, President of WSDM, LLC, as the District’s Alternative Representative.
5. Provides the following contact information for the Representative and Alternate Representative:

Representative Email Address: heather.s@wsdistricts.co

Representative Mailing Address: [614 N. Tejon Street; Colorado Springs, CO 80903](#)

Representative Phone Number: [\(719\) 447-1777](tel:(719)447-1777)

Alternate Representative Email Address: kevin.w@wsdistricts.co

Alternate Representative Mailing Address: [614 N. Tejon Street; Colorado Springs, CO 80903](#)

Alternate Representative Phone Number: (719) 447-1777

6. Understands that, with the adoption of this Resolution, the District becomes a member of the Pool, with coverage to be provided by or through the Pool on such date as determined by the District and Pool.

Director _____ moved the adoption of the above Resolution.

Director _____ seconded the adoption of the above Resolution.

This Resolution was adopted by a majority vote of the Board of Directors of the District on the 8th day of February, 2024.

Chair of the Board

ATTEST:

Secretary of the Board

**INTERGOVERNMENTAL AGREEMENT FOR THE
COLORADO SPECIAL DISTRICTS
PROPERTY AND LIABILITY POOL**

As Amended
SEPTEMBER 14, 2022

TABLE OF CONTENTS

ARTICLE	1	Definitions	1
ARTICLE	2	Creation of Pool	1
ARTICLE	3	Purposes	2
ARTICLE	4	Non-Waiver of Governmental or Other Immunity	2
ARTICLE	5	Participation	2
ARTICLE	6	Board of Directors and Officers	3
ARTICLE	7	Meetings of the Board of Directors	4
ARTICLE	8	Powers and Duties of the Board of Directors	4
ARTICLE	9	Members' Powers and Meetings	6
ARTICLE	10	Obligations of Members	7
ARTICLE	11	Contributions	8
ARTICLE	12	Liability of Directors, Officers and Employees	10
ARTICLE	13	Withdrawal of Members	11
ARTICLE	14	Expulsion of Members	11
ARTICLE	15	Effect of Withdrawal or Expulsion	12
ARTICLE	16	Miscellaneous	13

**INTERGOVERNMENTAL AGREEMENT FOR THE
COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL**

ARTICLE 1. Definitions

As used in this Pool Agreement, the following terms shall have the meaning hereinafter set out:

- 1.1 **BOARD**: Board of Directors of the Pool.
- 1.2 **CLAIM YEAR**: Any twelve consecutive month period established by the Board. The "initial" claim year is the first claim year established for the Pool.
- 1.3 **DIRECTOR**: A person serving on the Board.
- 1.4 **MEMBER**: A Special District which enters into this Pool Agreement. An "initial" member of the Pool is a member which obtains coverage through the Pool during the initial claim year.
- 1.5 **MEMBER REPRESENTATIVE**: That person who is an elected official, employee, or other person designated in writing by a Member as its representative or alternate to the Pool.
- 1.6 **POOL**: The Colorado Special Districts Property and Liability Pool established pursuant to the Constitution and the statutes of this state by this Pool Agreement.
- 1.7 **POOL AGREEMENT**: This Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool.
- 1.8 **PUBLIC ENTITY**: A public entity pursuant to Section 24-10-103(5), C.R.S., as amended, and that is formed by this Pool Agreement by Member Special Districts as a separate and independent governmental and legal entity pursuant to the provisions of Article XIV, Section 18(2) of the Colorado Constitution and Sections 29-1-201 *et. seq.*, 8-44-101(1)(C) and (3), 8-44-204, 24-10-115.5, and 29-13-102, C.R.S., as amended.
- 1.9 **SPECIAL DISTRICT**: A political subdivision of the State of Colorado that is a unit of local government pursuant to Article 13, Title 29, C.R.S., as amended, or an authority organized pursuant to Part 8, Article 25, Title 31, C.R.S., as amended, that is a public entity pursuant to Section 24-10-103(5), C.R.S., as amended, and that is eligible for membership in the Special District Association of Colorado according to the Association's bylaws as amended and in effect from time to time. "Special District" also includes any separate entity created by intergovernmental agreement authorized by Part 2, Article 1, Title 29, C.R.S., as amended, if at least one of the contracting entities is a special district and if all of the contracting entities are units of a local government pursuant to Article 13, Title 29,

C.R.S., as amended, and are public entities pursuant to Section 24-10-103(5), C.R.S., as amended.

- 1.10 SDA BOARD: The Board of Directors of the Special District Association of Colorado.

ARTICLE 2. Creation of Pool

- 2.1 The Colorado Special Districts Property and Liability Pool is hereby formed by this Pool Agreement by Member Special Districts as a separate and independent governmental and legal entity pursuant to the provisions of Article XIV, Section 18(2) of the Colorado Constitution and Sections 29-1-201 et. seq., 8-44-101(1)(C) and (3), 8-44-204, 24-10-115.5, and 29-13-102, C.R.S., as amended.
- 2.2 Each Special District entering into this Pool Agreement has the power under Colorado law to make provision for the property and liability coverages, workers' compensation benefits, and risk management, claims handling, and other functions and services which constitute the specific functions and services jointly provided by means of the Pool.

ARTICLE 3. Purposes

- 3.1 The purposes of the Pool are to provide defined property, liability, workers' compensation and associated coverages, and claims and risk management services related thereto, for Member Special Districts through a self-insurance pool.
- 3.2 It is the intent of the Members to use Member contributions to defend and indemnify, in accordance with this Pool Agreement, any Member against stated liability or loss to the extent of the coverage provided by or through the Pool.
- 3.3 All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its Members.

ARTICLE 4. Non-Waiver of Governmental or Other Immunity

- 4.1 All Pool money, plus earned interest, is money derived from its Members which consist solely of Special Districts and a Public Entity within the State of Colorado. It is the intent of the Members and the Public Entity that, by entering into this Pool Agreement, they do not waive and are not waiving any immunity provided by any law to the Public Entity, Members or their public employees, as defined in Section 24-10-103(4), C.R.S., as amended.

ARTICLE 5. Participation

- 5.1 The Board shall have the authority to limit the Members of the Pool to those Colorado Special Districts which are members of the Special District Association of Colorado and

which properly enter into and adopt this Pool Agreement.

- 5.2 New Members, including special districts which have previously withdrawn or been expelled from the Pool, shall be admitted only upon approval by the Board, subject to the payment of such sums and under such conditions as the Board in each case or from time-to-time establishes.
- 5.3 A Member may participate in the Pool for either or both of the following purposes:
 1. The property and liability coverages authorized by Sections 24-10-115.5 and 29-13-102, C.R.S., as amended, and risk management, claims handling and other functions and services related to such coverages;
 2. The workers' compensation coverages authorized by Sections 8-44-101(1)(C) and (3) and 8-44-204, C.R.S., as amended, and risk management, claims handling, and other functions and services related to such coverages.
- 5.4 A Member who is participating in the Pool for one of the purposes set forth in Paragraph 5.3 may be authorized to participate in the Pool for the other of those purposes upon further compliance, as necessary, with Paragraph 5.1 and approval of the Board, subject to the payment of such sums and under such conditions as the Board in each case or from time-to-time establishes.
- 5.5 Upon a vote of the Directors, the Board shall have the authority to approve a Public Entity to participate in the Pool for one of the purposes set forth in Paragraph 5.3. If a Public Entity is allowed to participate in the Pool, the Board must adopt rules, pursuant to Subparagraph 14 of Paragraph 8.2, to ensure that participation by the Public Entity will not interfere or conflict with the Board's obligations to its Members or impair the financial condition of the Pool. The Board shall also have the authority, upon a vote of the Directors, to remove the Public Entity from participation in the Pool. A Public Entity approved by the Board to participate in the Pool is not a Member, does not have powers of a Member under Article 9, and may not request binding arbitration under Paragraph 16.11.

ARTICLE 6. Board of Directors and Officers

- 6.1 The Pool Board of Directors shall be composed of nine persons to be appointed by the SDA Board. Directors shall be appointed from among the Member Representatives, each from a different Member. At least one (1) Pool Director shall be appointed by the SDA Board from among the SDA directors. Pool Directors who are not SDA directors shall be appointed by the SDA Board from nominations received from Members. In no event may more than three Pool Directors be appointed from any one of the following types of special districts: Ambulance, Fire, Metropolitan, Park and Recreation, Sanitation, Water, Water and Sanitation, Hospital, or Library Districts. Nominations from the Members shall be submitted to the SDA Board at such time as the SDA Board may provide, and any

nomination must be approved by the Board of Directors of the Member submitting the nomination.

- 6.2 The Executive Director of the SDA shall serve as an ex-officio, non-voting Director on the Board. Additionally, an employee of the SDA, as designated by the Executive Director of the SDA, shall serve as a non-voting Director on the Board in the role of Pool Liaison, to act as an intermediary between the Pool Board and its vendors for the purpose of coordinating services.
- 6.3 Terms of the Directors shall be two-year, overlapping terms or until their successors have been appointed, except as provided herein. The term of office shall begin on a January 1, and end at midnight on a December 31, except that the Directors appointed to the first Board following the formation of the Pool shall begin their term prior to a January 1 if the SDA Board so directs. Directors may serve successive terms. The SDA Board shall appoint to the first Board following formation of the Pool, three Directors to serve one-year terms and four Directors to serve two year terms, with the successors of each appointed for two-year terms. Of the two additional persons to be appointed to the Board upon expansion of the Board from seven to nine persons, one shall be appointed to serve a one-year term and one shall be appointed to serve a two-year term, with the successors of each appointed for two-year terms; the terms of office of the two additional persons initially appointed may begin prior to a January 1 if the SDA Board so directs.
- 6.4 The officers of the Pool shall be: president, one or more vice presidents, secretary, one or more assistant secretaries, and comptroller. The officers shall be elected annually by and from among the Directors at the first meeting of the Board following each December 31.
- 6.5 A vacancy shall occur on the Board when a Director:
 1. Submits a written resignation to the Board;
 2. Dies;
 3. Ceases to be a Member Representative;
 4. Fails to attend three consecutive regular meetings of the Board without the Board having entered upon its minutes an approval for an additional absence or absences, except that such additional absence or absences shall be excused for temporary mental or physical disability or illness; or
 5. Is convicted of a felony.
- 6.6 A change in which Member has designated a Director as its Member Representative, including alternates, does not cause a vacancy on the Board unless the change causes there to be more than three Directors appointed from the types of special districts listed in

Paragraph 6.1.

- 6.7 Any vacancy on the Board shall be filled by appointment by the SDA Board for the unexpired portion of the term.

ARTICLE 7. Meetings of the Board of Directors

- 7.1 The Board may set a time and place for regular meetings which may be held without further notice. The Members shall be notified of the time and place set for regular meetings.
- 7.2 Special meetings may be called by the President or by a majority of the Directors by mailing written notice at least ten (10) days in advance to all Directors or by unanimously executed waiver of notice.
- 7.3 Five Directors shall constitute a quorum to do business. All acts of the Board shall require approval of a majority of the Directors present, except as otherwise specifically provided in this Pool Agreement.
- 7.4 One or more or all Directors may participate in any meeting of the Board by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence at the meeting.
- 7.5 Any action of the Board may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all Directors appointed to the Board. Such consent shall have the same effect as a unanimous vote. The consent may be executed in counterparts.

ARTICLE 8. Powers and Duties of the Board of Directors

- 8.1 The business and affairs of the Pool shall be managed by the Board which shall exercise all the authority and powers and discharge all the duties of the Pool, except as is otherwise provided in this Pool Agreement.
- 8.2 In addition to all other powers of the Board set out in this Pool Agreement, the Board shall have the power to:
1. Exercise all powers necessary to carry out the purposes of the Pool.
 2. Retain agents, independent contractors and employees necessary to administer and achieve the purposes of the Pool, including, but not limited to, attorneys, accountants, investigators, experts, consultants, and others.
 3. Purchase, sell, encumber, and lease real property, and purchase, sell, encumber or

lease equipment, machinery, and personal property.

4. Invest money as allowed for the Pool by Colorado statutes or by lawful regulations adopted pursuant to Colorado statutes, as from time-to-time amended.
 5. Purchase excess insurance, stop-loss insurance, and reinsurance as the Board deems prudent.
 6. Adopt and adjust the coverages provided through the Pool.
 7. Adopt and adjust contributions to the Pool.
 8. Enter into contracts including, but not limited to, contracts for risk management, claim adjustment, and brokerage services.
 9. Reimburse Directors for reasonable and approved expenses, including expenses incurred in attending Board meetings, and pay compensation to each Director for his or her services in a sum not to exceed the maximum sum which may by statute be paid as compensation for services of directors on Colorado special district boards of directors.
 10. Purchase fidelity bonds from an insurance company approved by the Insurance Commissioner of the State of Colorado to do business in Colorado.
 11. Establish reasonable and necessary loss reduction, prevention and risk management policies and procedures to be followed by the Members.
 12. Appoint committees from time to time as the Board considers desirable.
 13. Provide for claims and loss control procedures, and establish conditions to be met prior to the payment or defense of claims.
 14. Establish rules governing its own conduct and procedure, and the authority of its officers, not inconsistent with this Pool Agreement.
 15. Approve attorneys or firms of attorneys to represent Members in claims covered through the Pool.
 16. Delegate in writing fiduciary responsibilities or ministerial powers and duties to individual Directors or committees of the Board or to such agents, employees, and independent contractors as the Board considers desirable.
- 8.3 In addition to all other duties of the Board set out in this Pool Agreement, the Board shall have the duty to:

1. Have an audit of the financial affairs of the Pool be made annually by a certified public accountant in accordance with applicable laws and regulations, and provide a copy thereof to each Member.
2. Select a qualified actuary to conduct periodic reviews of the Pool's funds and any reviews required by the Insurance Commissioner of Colorado, and make recommendations to the Board based on such reviews.
3. Designate one or more persons or entities to administer the Pool.
4. Adopt a budget annually and report the budget to the Members.
5. Three persons shall be appointed annually to an expulsion committee to serve until January 1 of the year following the appointment. One person, to be appointed by the Board, shall be a director on the board, one person, to be appointed by the Board, shall be a representative of the person(s) or entity(ies) providing general administrative services to the Pool, and one person, to be appointed by the SDA Board, shall be a member of the SDA Board.

ARTICLE 9. Members' Powers and Meetings

9.1 The Members shall have the power to:

- a. Amend the Pool Agreement by a two thirds (2/3) vote of the Members present at a meeting. Written notice of any proposed amendment shall be provided to each Member at least forty-five (45) days in advance of any vote on the amendment.
- b. Dissolve the Pool and disburse its assets by a two thirds (2/3) vote of the Members present at a meeting, pursuant to such notice and in keeping with such procedure as shall be established by the Board, and upon which question proxy voting shall not be allowed. Notice of the dissolution and plan for disbursement of assets and payment of the remaining obligations of the Pool shall be mailed to the Insurance Commissioner of Colorado at least ninety (90) days prior to the effective date of the dissolution. The plan for disbursement of assets and payment of the remaining obligations of the Pool shall not take effect until approved by the Insurance Commissioner of Colorado. Upon dissolution of the Pool, the assets of the Pool not used or needed for the purposes of the Pool, as determined by the Board and subject to approval by the Insurance Commissioner of Colorado, shall be distributed exclusively to Special Districts which are members of the Pool prior to dissolution to be used for one or more public purposes.

9.2 Meetings of the Members shall be held as follows:

- a. Members shall meet at least once annually at a time and place to be set by the Board, with notice mailed to each Member at least thirty (30) days in advance.
- b. Special meetings may be called by the Board upon its own motion and shall be called by the Board upon written request of thirty (30) percent of the Members, with notice mailed to each Member at least thirty (30) days in advance.
- c. The president of the Pool shall preside at the meetings; a vice president of the Pool shall preside in the absence of the president.
- d. Twenty (20) percent of the Members shall constitute a quorum to do business.
- e. Except for action to dissolve the Pool, proxy voting shall be allowed, pursuant to such procedures as the Board may determine.
- f. Each Member shall be entitled to one vote on each issue, to be cast by its Member Representative. No Director may cast a vote for a Member under Article 9.
- g. Notwithstanding any other provision of the Pool Agreement, any amendment to the Pool Agreement, except an amendment relating to dissolution of the Pool, may be adopted without a meeting if an approval in writing, setting forth the amendment approved, is signed by the Member Representatives of at least two thirds (2/3) of the Members. The approval may be executed in counterparts.

ARTICLE 10. Obligations of Members

- 10.1 Each Member and any Public Entity participating in the Pool shall have the obligation to:
- a. Pay all contributions or other payments to the Pool at such times and in such amounts as shall be established by the Board. Any delinquent payments shall be paid with interest pursuant to a policy established by the Board and uniformly applied.
 - b. Designate in writing, a Member Representative and one or more alternates for the Members' meetings. The Representative and any alternate shall be an elected official, employee, or other designee of the Member, and may be changed from time-to-time. Any alternate may exercise all the powers of the Representative during a Member meeting in the absence of the Member Representative. No Public Entity Member may have a Member Representative or any alternates.
 - c. Allow the Pool and its agents, contractors, employees and officers reasonable access to all facilities and records of the Member as required for the administration of the Pool.

- d. Cooperate fully with the Pool and all agents, contractors, employees and officers thereof in matters relating to the Pool.
- e. Provide information requested by the Pool, and all agents, contractors, employees, and officers thereof, as reasonably required for the administration of the Pool.
- f. Allow the Pool to make decisions regarding, and to designate attorneys to represent the Member in, the investigation, settlement and litigation of any claim within the scope of coverage furnished through the Pool.
- g. Comply with the claims, loss reduction, prevention and risk management policies and procedures established by the Board.
- h. Promptly report to the Pool all incidents or occurrences which could reasonably be expected to result in the Pool being required to consider a claim, in any form required by the Board and in compliance with any applicable excess insurance or reinsurance.
- i. Promptly report to the Pool the addition of new programs and facilities or the significant reduction or expansion of existing programs and facilities or other acts, as directed by the Board and in compliance with any applicable excess insurance or reinsurance.

ARTICLE 11. Contributions

- 11.1 The Board shall establish Member and Public Entity contributions pursuant to guidelines established by the Board from time-to-time. The contributions may include an annual contribution and any additional contributions at such times and in such amounts as the Board deems necessary to insure the solvency and avoid impairment of the Pool or which the Board otherwise deems beneficial to protect the financial condition of the Pool. The Board may provide for disbursement of non-surplus credit balances which are, pursuant to guidelines adopted by the Board from time to time, due a Member, and such disbursements shall not be subject to the provisions of Paragraphs 11.2 or 15.1.
- 11.2 Any excess funds which the Board determines are not needed for the purposes of the Pool, may be distributed among the Members and former Members, subject to Paragraph 15.1, pursuant to the following:
 - 1. Any such distribution may be in the form of credits against future contributions or in the form of payments, or a combination thereof, as the Board may determine.
 - 2. Money distributed for any claim year shall be distributed only to those Members and former Members which were Members during that claim year and shall be distributed in order of claim year contribution, with Members and former Members

of the initial claim year to receive the initial credits.

3. The amount which may be distributed for any claim year shall be established by the Board which shall have discretion as to the amount and timing of any distribution. That amount may not exceed the net sum of (i) the net income of the Pool for that claim year less (ii) the portion of the Pool's net income which equals the amount of the excess loss reserve of the claim year prior to the claim year (which is subject to the distribution) which was taken into income in that claim year plus (iii) the excess loss reserve for the claim year which is subject to the distribution.
 4. For the purpose of this Paragraph 11.2, the term "excess loss reserves" means the amount by which the amounts credited to loss reserves and charged to operating expenses in any claim year exceed the actual losses (including loss adjustment expenses) for that claim year.
 5. The amount established by the Board for a claim year pursuant to Subparagraph 3 of this Paragraph 11.2, shall be distributed among each Member and former Member which was a Member during that claim year based on the ratio which each Member's and former Member's contribution (excluding any surplus contribution) for the claim year bears to the total contributions (excluding surplus contributions) for the claim year and less the contributions of former Members which are not eligible for a distribution pursuant to Paragraph 15.1.
 6. Excess surplus funds contributed by Members and former Members may be distributed only among such contributing Members or former Members, subject to the five year membership requirement of Paragraph 15.1. The Board has discretion to determine, from time to time, the amount and timing of any distribution of such funds. The amount established by the Board shall be distributed among each Member and eligible former Member based on the ratio which each Member's and former Member's surplus contribution bears to the total amount of surplus funds contributed to the Pool by Members and former Members.
 7. No distribution of excess funds, including excess surplus funds contributed by Members, shall be made to any Member or former Member which owes any amount to the Pool until the amount so owed is paid, and any amount so owed may be deducted from the distribution to the Member or former Member.
 8. No distribution of excess funds, including excess surplus funds contributed by Members, shall cause the Pool to become impaired or insolvent.
- 11.3 The total amount of surplus shall be determined by the Board from time-to-time, but in no event shall be less than that required by the Insurance Commissioner of Colorado, and the Board may require all Members to make additional contributions to surplus as the Board deem necessary, or the Insurance Commissioner of Colorado may require.

- 11.4 The Pool shall account separately for contributions made for the property and liability coverages authorized by Sections 24-10-115.5 and 29-13-102, C.R.S., as amended, and for contributions made for the workers' compensation coverage authorized by Sections 8-44-101(1)(C) and (3) and 8-44-204, C.R.S., as amended.
- 11.5 Notwithstanding any provision of this Agreement to the contrary, the Pool Board may establish from any contributions or other assets of the Pool the initial minimum surplus for workers' compensation coverage required by the Insurance Commissioner of Colorado; provided that contributions or other assets derived from coverages other than workers' compensation shall not be used to establish such minimum surplus unless and until the Board first determines that workers' compensation contributions are or will be insufficient to fund such surplus in the amounts and within the time required by the Insurance Commissioner of Colorado; and provided further, that such minimum surplus shall be established from contributions for workers' compensation coverage as soon as the Board determines practicable consistent with ensuring the solvency and avoiding the impairment of the Pool. The Board may issue subordinated debt to establish such minimum surplus consistent with applicable requirements of the Insurance Commissioner of Colorado.
- 11.6 The Pool shall repay the Special District Association of Colorado for its ongoing services to the Pool, provided subsequent to the creation of the Pool, within such time and in such amount as the SDA Board and Pool Board may agree.

ARTICLE 12. Liability of Directors, Officers and Employees

- 12.1 No Director, officer, committee member, Pool Liaison, or employee of the Pool shall be personally liable for any acts performed or omitted in good faith. The Pool shall indemnify each Director, officer, committee member, Pool Liaison, and employee of the Pool against any and all expense including attorney fees and liability expenses sustained by them, or any of them in connection with any suit or suits which may be brought against them involving or pertaining to any of their acts or duties performed for this Pool or omitted in good faith. This provision shall not be deemed to prevent compromises of any such litigation where the compromise is deemed advisable in order to prevent greater expense or cost in the defense or prosecution of such litigation.
- 12.2 The Pool shall obtain a fidelity bond or other bond to guarantee the faithful performance of each Director's, officer's Pool Liaison's, and employee's duties hereunder, and shall make reasonable effort to obtain errors and omissions coverage for each Director, officer, committee member, Pool Liaison, and employee of the Pool. The Pool shall obtain bonds for all Directors, officers, committee members, Pool Liaison, and employees who handle or have access to Pool funds, in an amount which the Board deems appropriate but no less than the minimum amount deemed necessary by the Insurance Commissioner of Colorado.

ARTICLE 13. Withdrawal of Members

- 13.1 Any Member may withdraw from the Pool by giving written notice to the Board of its intent to withdraw at least sixty (60) days prior to the Member's coverage renewal date. A Member which has different renewal dates for different coverages must give such written notice at least sixty (60) days prior to the first renewal date following any January 1. Unless a different date is agreed to by the Board and the Member, the withdrawal shall be effective on the Member's coverage renewal date but, if the Member has different renewal dates for different coverages, the withdrawal shall be effective the latest renewal date following the written notice of withdrawal. After the notice of withdrawal is given, no coverage will be renewed but all coverages will remain in effect only until their respective expiration dates.
- 13.2 Except as otherwise provided in this Paragraph, any Member which dissolves or which is consolidated with another Special District shall be considered a withdrawn Member with the same rights and obligations under this agreement as any other withdrawn Member, such withdrawal to be effective on the date of dissolution or consolidation, as the case may be. Notwithstanding Paragraph 15.1 and under the following circumstances only, a Special District shall receive the credits against its future contributions to the Pool otherwise allocable to a dissolved or consolidated Member pursuant to Paragraph 11.2:
1. If the Special District was formed by a consolidation which included such a Member, the Special District assumed all rights of that Member under this agreement, and the Special District is a Member no later than one year after the effective date of the consolidation; or,
 2. If the Special District assumed all rights of a dissolved Member under this agreement, and the Special District is a Member no later than one year after the effective date of the dissolution.

A Special District entitled to receive such credits of a dissolved or consolidated Member shall not be obligated for any liabilities to the Pool of the dissolved or consolidated Member in excess of the amount of such credits.

ARTICLE 14. Expulsion of Members

- 14.1 A Member which fails to make a contribution or other payment due to the Pool shall be automatically expelled from the Pool on the sixtieth (60) day following the due date, unless time for payment is extended by the Board and payment is made within any extended period. A notice of failure to make a contribution or other payment due to the Pool shall be mailed to the Member at least thirty (30) days prior to the date of automatic expulsion. If payment is not made within any extended period, the automatic expulsion shall occur on a date, no later than twenty (20) days after the last day of the extended period, set by the Board. An expulsion under this Paragraph 14.1 shall not be subject to the provisions of Paragraph 14.2.

- 14.2 A Member may be expelled by the Board for failure to carry out any other obligation of the Member, or for failure to maintain its membership in the Special District Association of Colorado if such membership was required by the Board at the time the Member was admitted to the Pool, subject to the following:
1. The Member shall receive notice from the Board of the alleged failure and not less than thirty (30) days in which to cure the alleged failure, along with notice that expulsion may result if the failure is not so cured.
 2. The Member shall receive at least thirty (30) days prior notice from the Board, of the date, place and time when the Board will consider expelling the Member from the Pool, and the Member shall be entitled to be present at that meeting and to present evidence and reasons why it should not be expelled. The decision of the Board shall be effective as of the date and upon the terms and conditions set forth in the Pool Agreement and applicable excess or reinsurance policies and otherwise specified by the Board, except as provided in Subparagraph 3 of this Paragraph 14.2.
 3. The Member may appeal the Board's decision to the expulsion committee, which shall schedule a hearing thereon. The Member and the Board shall be provided at least ten (10) days prior written notice of the date, time and place of the hearing. The appealing Member shall be entitled to be present at that hearing and to present evidence and reasons why it should not be expelled and the Board may present evidence and reasons why expulsion is proper. The decision of the expulsion committee shall be final and any expulsion effective as of the date and upon the terms and conditions set forth in the Pool Agreement and applicable excess or reinsurance policies, and otherwise specified by the Board.

ARTICLE 15. Effect of Withdrawal or Expulsion

- 15.1 No withdrawn or expelled Member shall be entitled to any reimbursement of contributions or distribution or excess funds, including excess surplus funds contributed by Members, unless the Member was a Member for at least five consecutive years.
- 15.2 A withdrawn or expelled Member shall remain obligated for all amounts owing at the time of withdrawal or expulsion for the years during which the member was an active member of the Pool and for all amounts which thereafter become owing for such years pursuant to the Pool Agreement and any other Pool documents which are in effect at the time of withdrawal.
- 15.3 A withdrawn or expelled Member shall be considered a Member of the Pool for the purpose of payment of the Member's claims and expenses related thereto which remain covered under the terms of coverage existing at the time of withdrawal. A withdrawn or expelled

Member shall remain subject to all conditions of coverage and obligations of a Member which are in effect at the time of withdrawal. A withdrawn or expelled Member shall have no right to vote on any matter pending before the Pool membership.

- 15.4 No withdrawn or expelled Member may be adversely affected by any change in the Pool Agreement or other Pool documents adopted subsequent to the effective date of the Member's withdrawal or expulsion.
- 15.5 Unless disapproved by an affected excess carrier or reinsurer, the Pool shall offer a withdrawing or expelled Member, no later than forty-five (45) days after the expulsion or Board's receipt of the written notice of withdrawal, at least twenty-four (24) months extended reporting period on any claims-made coverage provided through the Pool, at a cost reasonably calculated by the Board and subject to any contracts existing at the time of withdrawal or expulsion.

ARTICLE 16. Miscellaneous

- 16.1 This document constitutes an intergovernmental agreement among those Special Districts which become Members of the Pool. The terms of this agreement may be enforced in court by the Pool or by any of its Members. The consideration for the duties herewith imposed on the Members to take certain actions and to refrain from certain other actions shall be based upon the mutual promises and agreements of the Members set forth herein.
- 16.2 A certified or attested copy of the resolution of approval for each Member shall be attached to the Member's Pool Agreement on file with the Pool.
- 16.3 Except to the extent of the limited financial contributions to the Pool agreed to herein or such additional obligations as may come about through amendments to this Pool Agreement, the contracting parties intend in the creation of the Pool to establish an organization to operate only within the scope herein set out and have not otherwise created as between Member and Member any relationship of surety, indemnification or responsibility for the debts of or claims against any other Member.
- 16.4 The provisions of this Pool Agreement and of the other documents referred to herein, and the assets of the Pool, are for the benefit of the Members of the Pool only, and no other persons or entities shall have any rights or interest in this Pool Agreement or in any of the other documents referred to herein, or in any such assets, as a third party beneficiary or otherwise. The assets of the Pool shall not be subject to attachment, garnishment, or any equitable proceeding.
- 16.5 It is the intention of the Members that the Pool and any income of the Pool not be subject to taxation, and the Members shall cooperate in such respects, including amending this Pool Agreement, as reasonably necessary to establish and maintain the non-taxable status of the Pool.

- 16.6 The Insurance Commissioner of Colorado shall have such authority with respect to the formation and operation of the Pool as is provided by applicable Colorado law.
- 16.7 Except as permitted in this Pool Agreement, and amendments hereto, neither the Board nor any other person or entity is authorized to incur liabilities or obligations or enter into contracts on behalf of the Members.
- 16.8 "Insolvency" as applied to the Pool shall have the meaning as defined in Section 10-3-212, C.R.S., as amended, or as the Insurance Commissioner of Colorado may otherwise provide.
- 16.9 The statutory reporting period for the Pool shall be the calendar year or such other period as the Insurance Commissioner of Colorado may provide.
- 16.10 If any provision of this Pool Agreement is held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the other provisions, and this Pool Agreement is expressly declared to be severable.
- 16.11 If the Board or its authorized representative and a Member disagree on whether a loss is covered through the Pool or on the amount of a covered loss, the Board or its authorized representative or the Member may request that the disagreement be submitted to binding arbitration as follows:
1. Unless otherwise agreed by the Board or its authorized representative and the Member, three persons shall be selected for the arbitration panel, one by the Board or its authorized representative, one by the Member, and one by the two so selected to act as umpire to decide the items upon which the other two disagree. If the two so selected fail for fifteen days to agree upon the umpire, the umpire shall be selected by a judge of a court of record agreed to by the Board or its authorized representative and the Member.
 2. The decision of the panel shall be binding on the Board or its authorized representative and the Member.
 3. The Pool shall pay the fees and expenses of the panelist selected by the Board or its authorized representative, the Member shall pay the fees and expenses of the panelist selected by it, and the fees and expenses of the umpire shall be shared equally by the Pool and the Member.

Dated: _____

By: _____

Title: Chairman, Board of Directors and President

Special District [name]: _____

By: _____

Title: Chairman, Board of Directors and President

Date: _____

Attest:

By: _____

Title: District Secretary



Annual Maintenance Price	\$10,753.52
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Services Billed Upon Completion

Description of Services	Frequency

Optional Services

Description of Services	Frequency	Cost per Occ.	Annual Cost
Native Post App	2	\$860.33	\$1,720.66
Winter Policing	23	\$33.17	\$762.91
Tree Wrap Install	1	\$296.18	\$296.18
Tree Wrap Removal	1	\$67.51	\$67.51
Deep Root Tree Fert		\$250.00	\$0.00
Shrub Fert	1	\$0.00	\$0.00

PAYMENT SCHEDULE

SCHEDULE	PRICE	SALES TAX	TOTAL PRICE
April	\$1,344.19	\$0.00	\$1,344.19
May	\$1,344.19	\$0.00	\$1,344.19
June	\$1,344.19	\$0.00	\$1,344.19
July	\$1,344.19	\$0.00	\$1,344.19
August	\$1,344.19	\$0.00	\$1,344.19
September	\$1,344.19	\$0.00	\$1,344.19
October	\$1,344.19	\$0.00	\$1,344.19
November	\$1,344.19	\$0.00	\$1,344.19
	\$10,753.52	\$0.00	\$10,753.52

By _____
 Pamela Gilpatric
Date 1/22/2024

Timberline Landscaping, LLC

By _____
Date _____

Gardens at North Carefree HOA

Terms & Conditions

Rates:

Irrigation Technician: \$84.00 per hour (1 hour minimum)

Materials: Based upon current pricing

After Hours Rates:

Monday – Friday from 7:00pm – 7:00am

All day Saturday, Sunday and/or holidays

Irrigation Technician: \$125.00 per hour (1 hour minimum)

Materials: Based upon current pricing

GENERAL INFORMATION:

A. Timberline Landscaping, Inc. agrees to furnish all labor, supervision, materials and equipment necessary to perform landscape management at the property specified above.

B. Timberline currently carries General Liability Insurance (not less than \$1,000,000.00), Automotive (not less than \$500,000.00) and Workman's Compensation Insurance. If additional insurance is required, an adjustment to the contract will be necessary.

C. If this property has a sales tax-exempt certificate, owner must supply this contractor with certificate prior to work being performed. Otherwise, Timberline will charge sales tax on all materials purchased.

D. Landscape management within this contract specifically excludes concrete walks and patios, asphalt areas, site lighting and any fencing.

E. Upon acceptance, the owner shall notify Timberline of any special requirements/ access to the property and provide any access keys or badges as may be necessary.

F. Any work not described within services section shall be considered extra and will be invoiced on a time and materials basis upon written acceptance from the owner.

G. Timberline will assume responsibility for contacting the Utility Notification Center of Colorado (UNCC) for any underground line locations as necessary. Timberline will not, however, be held responsible for any sub-surface lines which are not normally located and marked by UNCC or 2nd tier parties. These may include private or secondary electric, gas, phone and cable lines, irrigation and site lighting. Additional costs may be charged to locate these facilities.

H. All pesticide applications shall be supervised by a "Qualified Supervisor" certified by the

Colorado Department of Agriculture whether work is performed in house or sub contracted.

I. Losses of plants due to weather, pests, water restrictions, or irrigation malfunction not caused by this contractors negligence, are not warrantied.

PAYMENT TERMS:

Timberline shall submit invoices on the 1st of the month with payment terms of Net 30. A service charge of 1.5% per month will be added to all balances not paid within thirty (30) days of invoice date. This represents an annual rate of 18%. In addition to all service charges, there shall also be paid the reasonable costs of collection including attorney's fees and court costs.

This contract is set to auto-renew at the anniversary date described above with a minimum of a 5% increase. If the economy dictates a greater increase a new contract will be sent 30 days prior to renewal date. If Timberline chooses to not renew at the contract term a 30-day written notice will be given. Timberline may cancel the contract for non-payment within 10 days of being overdue. If this Agreement is terminated by Owner before the contract term expires, the parties agree Timberline's damages will be substantial and difficult to ascertain. Therefore, if this Agreement is terminated by Owner prior to the expiration date for any reason other than because of any uncured default by Timberline, or terminated by Timberline for cause at any time, Owner will pay Timberline, as liquidated damages and not as a penalty, 50% of the remaining contract value through the end of the contract term. If such termination occurs during the season (4/1/2024 12:00:00 AM - 11/30/2024 12:00:00 AM), the contract value will be calculated based on 50% of the balance to be paid for the remaining months in the current contract, plus 50% of the amounts to be billed for any remaining years. Owner shall also be responsible for any unpaid charges on Owner's account prior to termination.

The Weathermatic platform program will require a termination fee of \$300. 00 per controller installed if this contract is terminated within 3 years of program implementation. This fee includes the Owner retaining the smart controller(s) and weather station(s) while the Contractor will remove and retain the Aircard(s) used for monitoring.

*A 3% fuel surcharge will be added to the contract if gas prices exceed \$5.50 per gallon.

*This bid is expressly conditioned upon the parties entering into a contract upon terms acceptable to Timberline Landscaping. If accepted, this proposal shall become a full part of the contract documents.

Services

Weekly Maintenance

- **Mowing:** Timberline shall maintain turf grass to a height of approximately 2.5" to 3" and will trim all turf grass around tree wells, landscape edging and foundations weekly throughout the growing season up to **26** cuttings per season. Mulching mowers will be used to return clippings to your soil.
- **Hard Edging:** All walk-ways and curbs shall be edged **2** times and maintained throughout the season with a stick edger.
- **Insect/Disease Control:** Timberline shall monitor and provide updates to owner regarding the need for insect/disease control. If control is needed, owner will be notified, and work shall be performed upon owner's approval.
- **Tree Wells:** All established tree wells in turf areas shall be maintained weed and grass free. If tree wells are not established, this may be performed on a time and material charge or quoted price.
- **Wood Mulch:** Timberline will monitor all wood mulch bed areas and provide updates to the owner regarding areas that may need mulch replenishment or turning. Any mulch areas needing replenishment shall be performed via change request as directed by the owner.
 1. Turning of mulch is **excluded** from this contract. If mulch is turned after pre-emergent has been applied, an additional application of pre-emergent will need to be applied for an additional charge.
- **Crack Weeds:** All weeds in public/private streets and parking lots will be sprayed on a time and materials basis.
- **Policing:** Picking up and disposing of all non-contained trash and debris shall be performed on a weekly basis for the duration of the contract. This does not include clean up and removal of dog waste, tumbleweeds, and debris that has blown in through winds. Excess removal shall be charged on a time and materials basis upon notification and approval by the owner. Timberline shall advise owner as to conditions that may warrant removal of excess debris.

Spring Cleanup

- Spring: **One** general clean up and removal of all debris that has accumulated on exterior landscaped areas during the winter months. Ornamental grasses and select shrubs to be cut back at this time.

Fall Cleanup

- **Fall:** **One** general clean up and removal of all debris and leaves that have accumulated on exterior landscaped areas. To occur when at least 80% of the leaves have dropped. Perennials to be cut back at this time.
- **Excluded** from spring and fall cleanups: Parking lots and curb pans (gutters) to be done on a time and materials basis.

Safety Pruning (Under 12')

- **Safety Pruning:** Contractor shall perform safety pruning of all shrubs under 12' in height **1** time early in season. Safety pruning includes removal of growth from shrubs overhanging sidewalks and drives and limbing up low hanging tree branches. Plants shall be pruned to maintain natural form using acceptable horticultural practice.

Native Mow

- **Native Grass:** All native grass to be cut **three** times per growing season.

Bed Pre-emergent

- **Weed Control:** All planting beds shall receive **two** applications of pre-emergent herbicide early in the growing season to prevent weed seed germination. During the growing season, planting beds to be "spot" sprayed with a non-selective herbicide as needed.

Turf Aeration

- Aeration: All turf grass areas shall be aerated **one** time per growing season.

Turf Fertilization Application 1

- Fertilization: All turf grass areas shall be fertilized with a minimum of 4 lbs. of actual nitrogen per 1,000 SF per year. **3** seasonal applications shall be applied using an environmentally friendly product. *This is the **first** application.* **Weed Control:** A pre-emergent shall be applied once in early Spring for broad leaf weed control **in turf areas**.

Turf Fertilization Application 2

- Fertilization: All turf grass areas shall be fertilized with a minimum of 4 lbs. of actual nitrogen per 1,000 SF per year. **3** seasonal applications shall be applied using an environmentally friendly product. *This is the **second** application.* During growing season, turf areas to be "spot" sprayed with a selective herbicide **once**.

Turf Fertilization Application 3

- Fertilization: All turf grass areas shall be fertilized with a minimum of 4 lbs. of actual nitrogen per 1,000 SF per year. **3** seasonal applications shall be applied using an environmentally friendly product. *This is the **third** application.* A post-emergent shall be applied once in Fall for broad leaf weed control **in turf areas**.

Irrigation Check

- **Controller:** The irrigation system shall be programmed to water turf grass, native grass and shrub beds with the necessary moisture throughout the growing season. In an effort to conserve water resources, Timberline will create a cycle and soak irrigation program to be utilized where applicable. All watering times shall be coordinated with the owner and in accordance with the local water provider's watering guidelines and restrictions.
- **Repairs:** Irrigation repairs or modifications shall be made on a time and materials basis. Any repairs or modifications due to negligence by this contractor shall be made at contractor's expense.
- **Inspections:** Timberline may perform up to 18 wet inspections of the irrigation system during normal hours of operation throughout the growing season. Zones will be activated to ensure that all heads and valves are in working order. Minor adjustments may be made during inspections. A set amount of time is dedicated to inspections, which may result in not all zones being activated during that inspection. Repairs and major adjustments will be made on a T&M basis.

Irrigation Startup

- **Activation:** The irrigation system shall be activated in the spring (after the average temperature during the night is above 32°) and adjusted as necessary.

Irrigation Blow Out

- **Winterization:** At the end of the growing season, the irrigation system shall be winterized by using compressed air. Adverse weather conditions may dictate additional activations and/or winterizations which will be an additional cost.

Optional

Native Post App

- **Weed Control:** A pre-emergent shall be applied **once** in early Spring along with **1** post-emergent application for broad leaf weed control **in native areas**.

Winter Policing

- **Policing:** Picking up and disposing of all non-contained trash and debris shall be performed on a **weekly basis for the duration of the contract**. This does not include clean up and removal of dog waste, tumbleweeds, and debris that has blown in through winds. Excess removal shall be charged on a time and materials basis upon notification and approval by the owner.

Tree Wrap Install

- **Tree Wrap Installation:** Wrap all smooth bark trees less than 6" caliper in the fall.

Tree Wrap Removal

- **Tree Wrap Removal:** Un-wrap all smooth bark trees less than 6" caliper in the spring.

Deep Root Tree Fert





Timberline Landscaping, LLC

8110 Opportunity View • Colorado Springs, CO 80939

Phone: 719-638-1000

www.timberlinelandscaping.com

Estimate

ESTIMATE 35376
ATTENTION Rebecca Harris
BILLING WSDM
ADDRESS Rebecca Harris
WSDM
614 N. Tejon St.
Colorado Springs, CO 80903

DATE 11/16/2023
ESTIMATOR Pamela Gilpatric
SERVICE Gardens at North Carefree HOA
ADDRESS 3768 Vineyard Circle
Colorado Springs, CO 80922

Winter Watering

T&M

Watering T&M

- Water all trees, shrubs, and turf when weather allows and precipitation has not been sufficient to supply adequate moisture to plant material. Soil moisture readings will be taken across the region and coupled with local weather data to determine soil moisture content to initiate watering. Watering labor rate is \$84.00 per man hour with a 2 hour minimum.

SUBTOTAL

T&M

Signature - Owner/Property Manager

Date

Printed Name - Owner/Property Manager

Signature - Timberline Representative

Date

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Estimate

Special Exclusions and Clarifications:

Line Item- Line-item pricing is for illustrative purposes only. Pricing is based on the purchase of the entire proposed scope of work, and any changes will affect pricing. Timberline reserves the right to rebid if entire proposal is not accepted.

Rock- Decorative rock, boulders, block, and flagstone will possibly differ in color and size from existing, due to weathering of existing and where each rock was quarried. Natural stone will weather and crack and is not within Timberline's control and is not covered under our warranty.

Drainage- Timberline will make every effort to help lessen water issues but cannot guarantee work will eliminate future issues.

General Provisions:

- Access to areas to be landscaped must be clear of cars, other trade equipment, and debris before commencement of work.
- This Proposal does not include supplemental watering during drought conditions.
- A fuel surcharge of 3% will be added to the overall cost of the project if at the time of installation, the average pump price in Colorado Springs surpasses \$3.50 per gallon.
- Customer is responsible for locating all private utilities within the work areas. Timberline will not be responsible for damage due to private locates not marked or mismarked.
- Irrigation meter pit and/or copper stub out to be provided by others. Copper stub out is to be 18" above ground or outside of building. Electricity for irrigation controller is to be provided by others.
- All sleeving must be installed before any concrete or asphalt installation.
- Water and electricity must be available before commencement of work.
- Removal, relocation, or protection of existing landscape/irrigation is not included in this Proposal unless specified above.
- Importing or spreading of on-site topsoil is not included in this Proposal unless specified above. Grades to be received by Timberline within +/- 1/10ft of finish grades.
- If rock, frost, sub-surface water etc. is encountered, owner will be notified, and work will continue on a time and material basis.
- "Phased" installation is not included in this Proposal unless specified above.
- If any discrepancies exist between scaled drawing and the site layout, actual field measurements shall prevail over construction drawings, specs, and/or contract quantities, which may result in a change in the contract amount because of the discrepancies.
- If this is a renovation, there may be unforeseen obstacles or circumstances that could delay or add time and material to the project. If unforeseen obstacles or circumstances arise, extra costs could be incurred for which Customer shall be responsible.
- If removal of existing concrete is included within this proposal, it is assumed for bidding purposes that there is no rebar re-enforcement and concrete is standard 4" thick. Extra costs may be incurred if re-enforcement and/or thicker concrete is encountered during demolition for which customer shall be

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responsible.

- If the terms in this Proposal are not satisfied, extra costs will occur to accommodate for changes or extra work. If accepted, this Proposal shall be one of the contract documents.

Material Escalation

The Proposal amount has been determined based on the current prices for the component materials and Timberline's Proposal is only valid for thirty (30) days. Material markets are volatile and price increases are expected to occur. Timberline shall use reasonable effort to obtain the materials at the prices upon which its Proposal was determined. If there is an increase in the material prices thirty (30) days after the date of this Proposal exceeding five (5%) of the prices upon which this Proposal was based, Timberline shall be entitled to payment for the additional costs it incurs procuring these materials for the project. Timberline shall provide prompt written notice of any material price escalation. The parties expressly agree that any subcontract executed by them shall contain a material escalation provision consistent with the above which is not subject to a pay-if-paid provision.

Payment Terms:

Net 30

A 3% fee will be added to any invoice if paid by credit/debit card. To avoid additional fees, make payments by cash, check or ACH.

This proposal may be withdrawn by Timberline if not accepted within thirty (30) days of the Proposal Date. Customer is responsible for any collection costs, including attorney's fees, together with and interest at an annual rate of 18% (1.5% per month) on all past due amounts.

Scheduling:

Customer understands that a start date cannot be guaranteed. A scheduling slot will be held for the Customer, and a rough date will be given for reference. However, the date may change due to cancellations of other projects, additions and/or change orders added to projects before that slot, inclement weather, and/or other factors outside of Timberline's control.

Warranty:

This Proposal includes a Warranty for included plant material installed by Timberline for one year from substantial completion of the work. Timberline will not warranty plant materials, without a properly installed and operating automated irrigation system, in place prior to planting. Replacement of plant material is for one time and one time only. Warranty shall not apply if all amounts due under this contract are not paid in full and when due. Some plants carry no Warranty such as annuals, perennials, roses, arborvitae and a few other varieties. All Turf and non-irrigated seed carry no Warranty. Timberline warranties workmanship and specified materials only. Timberline's workmanship warranty does not apply to its construction of any trails under the contract. Upon completion of the installation of any plant material, Customer assumes all responsibility for establishment and maintenance. For additional details and/or clarification, see Timberline's Warranty policy, which is incorporated herein by reference. Plant material installed between November 1st and March 15th will be excluded from Warranty

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Estimate

unless supplemental Winter watering is provided by or paid for by Customer.

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Additional Terms and Conditions:

Work in Back-Fill Zone: If this contract includes the installation of irrigation, trees and/or shrubs within the Back- fill Zone as defined below, Customer acknowledges they have been advised that, in accordance with the recommendation of the geotechnical engineer, no irrigation or planting of trees or shrubs should be installed within the property’s designated back-fill zone (normally that area within five (5) to seven (7) feet of the foundation wall) (the “Back-fill Zone”). Customer further acknowledges that, in spite of Timberline’s recommendation that the Customer fully comply with the recommendations of the geotechnical engineer so as to avoid potentially significant damage to the foundation and/or home caused by water being introduced into the soils adjacent to the foundation, the Customer has instructed Timberline to install plantings and/or irrigation within the Back-fill Zone.

Because the instructions provided to Timberline by Customer are contrary to the geotechnical engineer’s recommendations, the Customer knowingly and voluntarily agrees to accept the risk of any and all damage to the foundation or their home caused by the installation of irrigation, trees and/or shrubs within the Back-fill Zone.

Customer further agrees to indemnify, defend and hold Timberline, its shareholders, officers, directors, and employees, harmless, from and against any and all claims, losses, liabilities, suits, demands, damages, judgments, and causes of action of any nature whatsoever (“ Back-Fill Claim”) , including the payment of reasonable attorney’s fees and costs, which are or may be asserted by any third party against Timberline for property damage or bodily injury caused by or in any way related to the installation of landscaping and/or irrigation within the Back-fill Zone.

Customer agrees that in the event of any such Back-Fill Claim being asserted against Timberline, its shareholders, officers, directors, or employees, Customer shall, within fifteen (15) calendar days of written notification by Timberline to Customer of such Back-Fill Claim, take such actions to either pay such Back-Fill Claim or defend Timberline against such Back-Fill Claim with counsel acceptable to Timberline. In the event Customer refuses or fails (after Timberline has given such written notice of and presented such Back-Fill Claim to Customer) to take such action within the time limit set forth in such sentence, Timberline, in good faith, may pay, discharge, or defend against such Back-Fill Claim as Timberline, in its sole discretion, deems appropriate to protect Timberline’s property or business. In such event, Timberline shall be entitled to recover from Customer Timberline’s reasonable attorneys’ fees, costs, and out-of-pocket expenses associated with the good faith payment, discharge, or defense of such Back-Fill Claim if Customer has refused or failed to resolve the same as set forth above.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to industry standards. Any alteration or deviation from above specifications involving extra costs will become an extra charge over and above the contract amount. Customer is to carry fire, tornado, and other necessary insurance for the protection of their property. Timberline’s employees are covered by Worker’s Compensation Insurance

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RE: 2024 Annual Engagement Letter

This agreement constitutes a Statement of Work (“SOW”) to the Original Service Agreement made by and between WSDM – District Managers and **MOUNTAIN VISTA METROPOLITAN DISTRICT** (“the District”). This engagement letter serves as a renewal to the services provided or additional services to be provided as prescribed below.

Management Services

1. Meeting and Reporting Services – WSDM will continue to provide the following services:
 - a. Coordinate Board meetings, prepare and distribute meeting agenda and packet.
 - b. Prepare, file and post legal notices required in conjunction with meetings, ensuring 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. Distribute meeting packets 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, circulate for review and comment ensuring 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 all District contractors and subcontractors maintain required coverage for the District's benefit. Obtain quotes for insurance annually.
2. Elections – Upon request, WSDM may serve as a Designated Election Official (DEO) for District elections with familiarity with various 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 – Upon request, WSDM may provide extensive construction management. Our current 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 – WSDM will provide continued support and extensive experience, creating and updating the District website, specifically including the State Internet Portal Authority funded sites (SIPA) or provide continued hosting the district website under www.wsdistricts.co.
5. Employee Management – WSDM will provide 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. Additionally, automated payroll services.
6. Covenant Enforcement and CCR Management – WSDM will continue to provide the following services:
 - a. Oversight of Architectural Control Committees or Design Review Committees, including, but not limited to, coordination of meetings, preparation of meeting materials, and attendance at meetings.
 - b. Conduct community inspections and site review of proposed improvements or architectural requests.
 - c. Provide enforcement of the recorded Covenant, Conditions, and Restrictions (CCRs) and Design Guidelines including, but not limited to, violation tracking and imposition of fines.
7. Insurance – WSDM will act as liaison for the annual insurance renewal and payment, as well as maintenance of Special District Association (SDA) membership, coordination of claims, as needed, and complete the annual insurance audit to ensure the district is properly covered.
8. Inclusion/ Exclusions of Property – WSDM will provide, assistance with Legal Counsel, coordinating any property inclusions into the District Boundaries or any property exclusions out of the District Boundaries. Determine property eligibility, present to the Board for approval, and file with proper local governing body.

Accounting and bookkeeping

1. Standard Service – WSDM will continue to provide the following services (by a Certified Public Accountant):
 - a. Accounting:
 - i. Prepare monthly, quarterly, and annual Financial Statements.
 - ii. Reconcile bank statements and trustee statements on a monthly basis.
 - iii. Coordinate bank account setup and maintenance of signature cards.

- iv. Prepare and file Continuing Disclosure Notices with the Trustee and other required parties. Coordinate review with legal counsel.
 - v. Coordinate capital project draws and requisitions.
 - vi. Prepare and review all payments of claims prior to release to ensure funds are available.
 - vii. Conduct a monthly review of all expenditures and coordinate preparation and distribution of same, monitoring to ensure the district is on track with the budget and appropriated expenditures.
- b. Accounts Payable:
- i. Receive and review invoices for accuracy and appropriateness for payment. Code invoices in accordance with the budgeted line item.
 - ii. Prepare issuance of checks (or virtual checks) to be presented to the Board for approval and signatures. The claims (Payables) list will be included in the monthly meeting packets.
 - iii. Prepare funding requests, if required.
 - iv. Release payments to vendors once all approvals and funding have been received.
- c. Accounts Receivable:
- i. Process deposit of revenues.
 - ii. Process bank charges and other miscellaneous accounts receivable matters.
- d. Financial Projections:
- i. Provide multi-year forecasting upon Board request.
 - ii. Provide Utility consumption versus rate analysis, and possible water loss calculations upon Board request.
 - iii. Provide commercial billing and rate structure analysis.
- e. Budgets:
- i. Prepare annual budget and budget message for approval by the Board and coordinate with legal counsel for same.
 - ii. Prepare or assist in the preparation of supplemental and/or amended budgets and accompanying documents, if required.
 - iii. Prepare and assist in the compliance of filing the annual Budget, or amendment, as needed.
- f. Audits:
- i. Obtain proposals for conducting the annual audit for consideration at budget hearing meeting. Proposals should be included in the meeting packet.
 - ii. Coordinate and participate in audit bids, engagements, fieldwork and audit draft review.
 - iii. Assist the auditor in performing the annual audit, to accomplish timely completion and filing by statutory deadline.
 - iv. Help present the Annual Audit for approval by the Board to be filed in compliance with State, local, and federal requirements.
- g. Bonds:
- i. Monitor and comply with Bond documents, State Statute, and Auditing requirements.
 - ii. Transfer debt obligated funds to correct Reserve Funding accounts as applicable.

- iii. Coordinate principal and interest payments as required by the governing documents.
- iv. Coordinate with Bond counsel to issue bonds as directed by the Board of Directors
- v. Coordinate the proper compliance filing including but not limited to the DLG-30, etc.
- h. Developer Reimbursements/ Advances:
 - i. Coordinate with Developers to ensure all advances are received, tracked, or accounted for to fund the district as needed.
 - ii. Monitor and comply with Developer Reimbursement agreements and Auditing requirements.
 - iii. Coordinate principal and interest payments required by the Reimbursement agreement.

Billing and Collections

1. Standard Services—WSDM will continue to utilize the Continental Utility Solutions, Inc. (CUSI) billing software system for the residential billing, Bill.com invoicing software for review of invoices and processing of payments, and/or QuickBooks bookkeeping software -- as applicable.
 - a. CUSI 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 processing systems).
2. Additional Standard Services provided by WSDM will include:
 - a. Provide resolution of re-reading of meter reads, if necessary.
 - b. Customize billing system to download meter readings directly into billing software, allowing real-time/ automatic updates to customer accounts.
 - c. Produce and transmit customer invoices to a mailing facility or process the mailing in-house, whichever is more economical.
 - d. Process and make daily deposits of all receipts mailed directly to WSDM, the billing company, or the lockbox -- as necessary.
 - e. Communicate with customers and transmit Automated Clearing House ("ACH") authorization forms, allowing the District to initiate an ACH withdrawal of balance(s) due directly from the customer's checking or savings account, using dual controls.
 - f. Coordinate and provide correspondence regarding delinquent account balances, payment plans, termination of amenity access, and service shut-off notices in compliance with the District's collection policy and in coordination with the District's legal counsel.
 - g. Process final billing pay-off requests from the title company for upcoming closings and establish new owner's billing account.
 - h. Collect transfer fee on behalf of the District, due upon the transfer of property.
 - i. Process payment arrangements for customers facing economic hardship at the direction of the Board.
 - j. Process and transmit delinquency notices.
 - k. Process service shut-off notices and direct the District's operator to proceed with shutoff.
 - l. Certify delinquent account balances 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 delinquent account balances are resolved.
- n. Respond to customer calls and inquiries in a timely and professional manner.
- o. Track Tap Fee payments and coordinate with the District's Water Operator to provide installation of a new Tap for water service – where applicable.

Customer Service

- 1. WSDM will continue to provide customer service support via telephone, email, social media, text messaging, and fax for all customer inquiries and updates.
- 2. WSDM will continue to provide access to a 24-hour emergency response for after-hours emergencies via telephone at 719-447-4840.
- 3. WSDM will continue to collaborate with patrol officers, security teams, and local law enforcement where applicable; and will monitor security systems and surveillance camera's as needed.
- 4. WSDM will respond to non-emergency customer inquiries within 1 hour during regular business hours or first thing on the following business day.

Hourly Rates

WSDM will continue to provide all applicable services listed to the District at a monthly cost not to exceed contractual monthly limit of **\$4,250/ month.**

Principal	\$225.00
Senior Manager	\$180.00
Senior Accountant (CPA)	\$190.00
Assistant Manager	\$150.00
Bookkeeper	\$ 75.00
Administrative/ Supporting Staff	\$ 50.00

- *Signature Page to Follow* -

Thank you,



Kevin Walker,
President of WSDM

APPROVED AS SIGNED:

Signature

Title

Date