

**HEATHER GARDENS METROPOLITAN DISTRICT
POLICY MANUAL**

HEATHER GARDENS METROPOLITAN DISTRICT

POLICY MANUAL

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EFFECTIVE DATE:

3-17-08

RESOLUTION NO. R2008- 17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO RESCINDING AND RE-ENACTING RESOLUTION NO. R83-8 TO REVISE THE DISSOLUTION PROVISIONS RELATING TO HEATHER GARDENS METROPOLITAN DISTRICT TO COMPORT WITH THE AURORA MODEL SERVICE PLAN

WHEREAS, on January 17, 1983, the City Council of the City of Aurora, Colorado (the "City"), adopted Resolution No. R83-8 (the "Original Resolution") approving the organization of Heather Gardens Metropolitan District ("HGMD" or the "District"); and

WHEREAS, on April 6, 1983, HGMD was duly organized by Order and Decree (the "Court Order") of the Arapahoe County District Court following the filing of a Petition for Organization of District dated January 28, 1983 (the "Petition"); and

WHEREAS, for purposes of Sections 32-1-208(1)(a) and (3), C.R.S., the Petition constitutes a "Statement of Purposes ("SOP") for HGMD;" and

WHEREAS, the Original Resolution and Court Order reflect that "it is the intent that after all outstanding indebtedness of the District, bonded or otherwise, has been liquidated, that the District be dissolved in accordance with the laws of the State then in effect;" and

WHEREAS, HGMD's outstanding indebtedness is expected to be repaid in December of 2010; and

WHEREAS, HGMD has requested that the City approve an amendment to the SOP to allow HGMD to continue in existence, after its debt is repaid in 2010, to serve the current and future needs of the HGMD community; and

WHEREAS, the City Council has considered the above request and all testimony and evidence presented to the City Council at the public hearing thereon, including a petition signed by 2,020, or 68%, of the eligible electors of HGMD in favor of its continuation; and

WHEREAS, by adoption of this Resolution, the Original Resolution is rescinded and re-enacted in its entirety; and

WHEREAS, the City Council finds that it is appropriate to designate this Resolution as the SOP for HGMD, in place of the Petition, and make certain other revisions as specifically set forth herein;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO:

Section 1. This Resolution shall constitute the SOP for HGMD in accordance with Section 32-1-208(1)(b), C.R.S., and its adoption shall enable the District to continue to exist after its debt is repaid in 2010.

Section 2. The District is bounded on the south and east by Cherry Creek Dam Spillway; on the west by Interstate Highway 1-225, and on the north by Yale Avenue.

Section 3. The purposes for which HGMD was formed were to acquire certain assets and facilities of Environmental Developers, Inc. ("EDI") to provide park and recreation facilities, and to maintain and improve streets within the District. Specifically, the District was to acquire from EDI free and clear of all encumbrances, the assets within the contiguous boundaries of the District as set forth in Section 4(f) below.

Section 4. A general description of the facilities to be acquired within and for the District shall include the following:

- a. Community center, two swimming pools and two tennis courts;
- b. 9-hole executive golf course;
- c. Maintenance building;
- d. RV lot;
- e. Residential garden plot;
- f. All real and personal property comprising the Heather Gardens Complex, with certain exceptions as set forth in a Letter of Intent Agreement dated October 28, 1982, between EDI and Heather Community Association, together with all incidentals and appurtenances; and
- g. Certain perimeter landscaped properties.

Section 5. General provisions:

- a. All improvement plans of the District shall be subject to the review and approval of the City;
- b. The District shall obtain all necessary permits, and pay all prescribed fees, associated with any and all improvements to be made;
- c. All improvements constructed by the District shall be designed, constructed and warranted in accordance with the standards, specifications and Utility Contracts of the City;
- d. The District shall be allowed to own, operate and maintain land within the District;
- e. The District shall maintain its property according to the standards of the City;
- f. The City shall be the sole provider of public services to the subject property, including water and sanitation services, fire and police protection, street maintenance, zoning and code enforcement, and all other services as the City may provide to the residents of the City;
- g. Adequate notice and disclosure shall be provided to the initial and subsequent purchasers and users of the properties within the proposed District regarding the existence, operations and costs of the District;

- h. The City shall not incur any expense in the formation or operation of the proposed District or its retirement of capital obligations;
- i. The District shall be structured to ensure that the City has the option to exercise control over the operations of the District when organized, as permitted by law;
- j. The District shall not exceed its boundaries or have its powers altered in any way without the prior approval of the City Council of the City;
- k. The District will agree to pay annually to the City and any presently existing or future school districts that have or will have legal authority to assess the properties contained within the District in lieu of taxes the money that would have been paid in taxes on the real and personal property to be acquired by the District when such assessments are computed and presented to the District in a certified form by the taxing body.

Section 6. Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file a Petition for Dissolution.

Section 7. A copy of this Resolution shall be filed with the Arapahoe County District Court.

RESOLVED AND PASSED this 17th day of March, 2008.

Edward J. Tauer
EDWARD J. TAUER, Mayor


ATTEST:

Debra Johnson
DEBRA JOHNSON, City Clerk

APPROVED AS TO FORM:

[Signature]

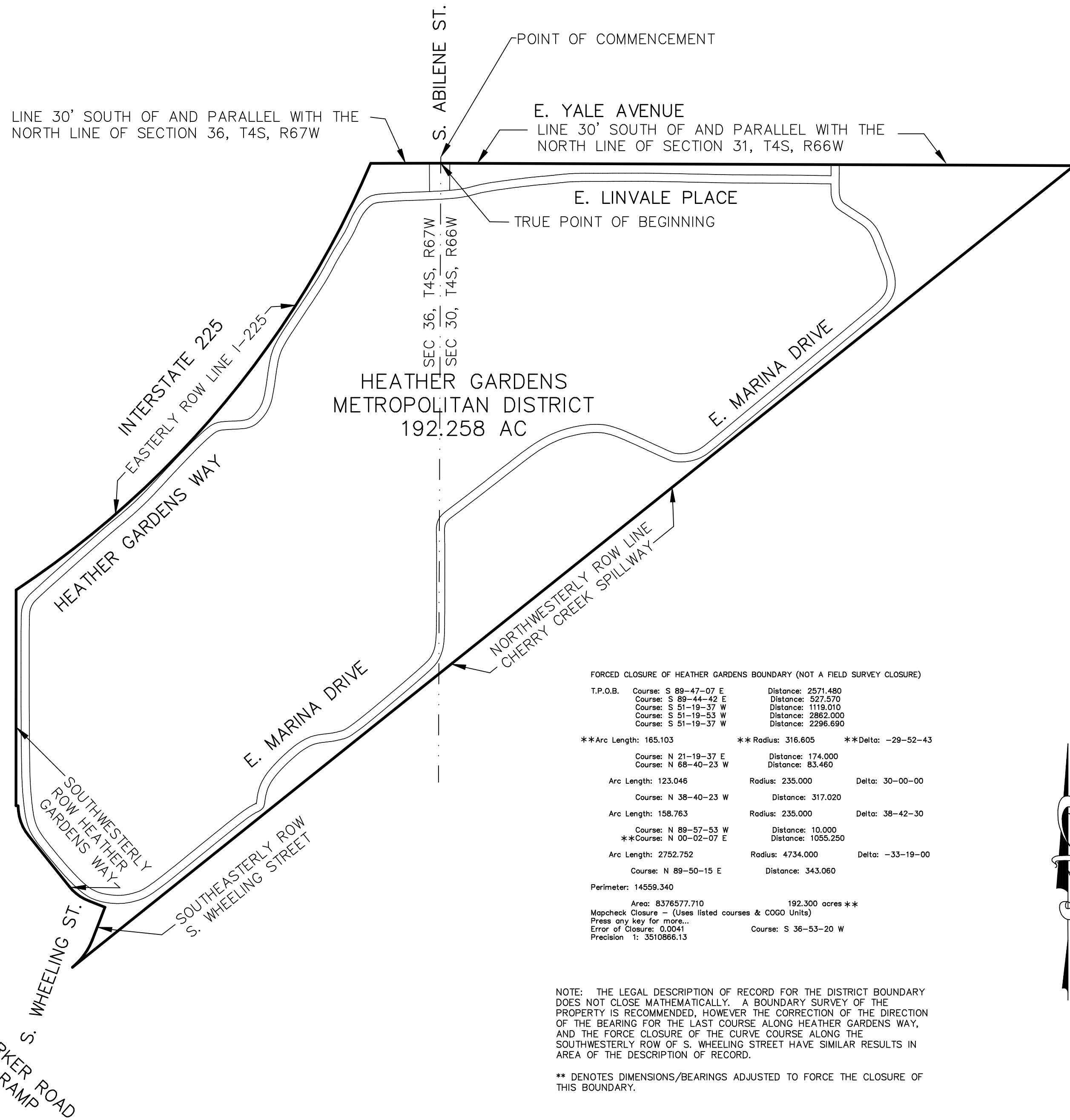
Certified to be a full, true & correct copy of the original in my custody on 4/29/08.
Debra Johnson
City Clerk/Records Manager



3 pages

HEATHER GARDENS METROPOLITAN DISTRICT MAP AND LEGAL DESCRIPTION ("PAPER SURVEY ONLY")

**A PART OF SECTION 31, T. 4 S., R 66 W. & A PART OF SECTION 36, T4S, R67W, OF THE 6TH P.M.
CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO**



LEGAL DESCRIPTION OF RECORD AS PROVIDED BY HEATHER GARDENS ASSOCIATION:
A PARCEL OF LAND LOCATED IN SECTION 36, TOWNSHIP 4 SOUTH, RANGE 67 WEST, AND IN SECTION 31, TOWNSHIP 4 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 31, THENCE S00°12'38"W ALONG THE WEST LINE OF SAID SECTION 31, 30.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE S89°47'07"E, PARALLEL TO THE NORTH LINE OF SAID SECTION 31, 2571.48 FEET; THENCE S89°44'42"E CONTINUING PARALLEL TO SAID NORTH LINE, 527.57 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF THE CHERRY CREEK SPILLWAY; THENCE ALONG SAID NORTHWESTERLY LINE FOR THE FOLLOWING THREE (3) COURSES: 1) S51°19'37"W, 1119.01 FEET; 2) THENCE S51°19'53"W, 2862.00 FEET; 3) THENCE S51°19'37"W, 2296.69 FEET, TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF SOUTH WHEELING STREET; THENCE LEAVING AFOREMENTIONED NORTHWESTERLY RIGHT-OF-WAY LINE OF CHERRY CREEK SPILLWAY AND ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY OF SOUTH WHEELING STREET, AND ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF *325.00 FEET, A CENTRAL ANGLE OF *30°00'00", AN ARC LENGTH OF *164.93 FEET AND A CHORD BEARING *N36°19'37"E, *163.06 FEET TO A POINT OF *TANGENCY; THENCE N21°19'37"E, 174.00 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF HEATHER GARDENS WAY; THENCE N68°40'23"W, 83.46 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, AND ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF HEATHER GARDENS WAY, HAVING A RADIUS OF 235.00 FEET, A CENTRAL ANGLE OF 30°00'00", AND AN ARC LENGTH OF 123.05 FEET TO A POINT OF TANGENCY; THENCE N38°40'23"W, 317.02 FEET TO A POINT OF TANGENT CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 235.00 FEET, A CENTRAL ANGLE OF 38°42'30", AN ARC LENGTH OF 158.76 FEET, AND A CHORD BEARING OF N19°19'08"W, 155.76 FEET TO A POINT; THENCE LEAVING AFOREMENTIONED SOUTHWESTERLY RIGHT-OF-WAY LINE ON A RADIAL BEARING FROM SAID CURVE N89°57'53"W, 10.00 FEET; THENCE *S00°02'07"W, 1055.25 FEET TO A POINT SITUATED ON A CURVE ON THE EASTERLY RIGHT-OF-WAY LINE OF INTERSTATE 225; THENCE ALONG THE ARC OF A CURVE TO THE LEFT AND ALONG SAID EASTERLY RIGHT-OF-WAY LINE, HAVING A RADIUS OF 4734.00 FEET, A CENTRAL ANGLE OF 33°19'00", AN ARC LENGTH OF 2752.75 FEET, AND A CHORD BEARING OF N39°42'49"E, 2714.13 FEET TO A POINT 30.00 FEET SOUTH OF THE NORTH LINE OF SAID SECTION 36; THENCE N89°50'15"E, PARALLEL TO SAID NORTH LINE 343.06 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINS 192.258 ACRES, MORE OR LESS.

(*) DENOTES POSSIBLE MATHEMATICAL ERROR IN CLOSURE

I, DEAN F. GLORSO, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO HEREBY CERTIFY THAT THIS MAP AND LEGAL DESCRIPTION ("PAPER SURVEY") WAS PREPARED BY ME. AND THAT NO FIELD SURVEY WAS PERFORMED AT THIS TIME TO COMPILE THIS INFORMATION.

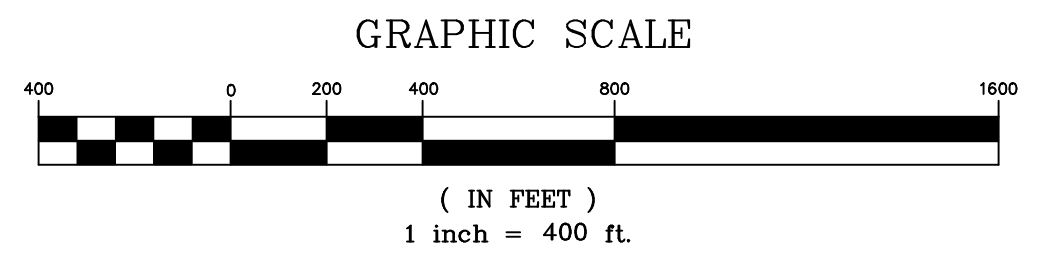
DEAN F. GLORSO, PLS 16109
FOR AND ON BEHALF OF
GLORSO MAPPING SERVICES, LLC

FORCED CLOSURE OF HEATHER GARDENS BOUNDARY (NOT A FIELD SURVEY CLOSURE)

T.P.O.B.	Course: S 89-47-07 E	Distance: 2571.480
	Course: S 89-44-42 E	Distance: 527.570
	Course: S 51-19-37 W	Distance: 1119.010
	Course: S 51-19-53 W	Distance: 2862.000
	Course: S 51-19-37 W	Distance: 2296.690
**Arc Length:	165.103	**Radius: 316.605
		**Delta: -29-52-43
	Course: N 21-19-37 E	Distance: 174.000
	Course: N 68-40-23 W	Distance: 83.460
Arc Length:	123.046	Radius: 235.000
		Delta: 30-00-00
	Course: N 38-40-23 W	Distance: 317.020
Arc Length:	158.763	Radius: 235.000
		Delta: 38-42-30
	Course: N 89-57-53 W	Distance: 10.000
**Course:	N 00-02-07 E	Distance: 1055.250
Arc Length:	2752.752	Radius: 4734.000
		Delta: -33-19-00
	Course: N 89-50-15 E	Distance: 343.060
Perimeter:	14559.340	
Area:	8376577.710	192.300 acres **
Mapcheck Closure - (Uses listed courses & COGO Units)		
Press any key for more...		
Error of Closure:	0.0041	Course: S 36-53-20 W
Precision	1: 3510866.13	

NOTE: THE LEGAL DESCRIPTION OF RECORD FOR THE DISTRICT BOUNDARY DOES NOT CLOSE MATHEMATICALLY. A BOUNDARY SURVEY OF THE PROPERTY IS RECOMMENDED, HOWEVER THE CORRECTION OF THE DIRECTION OF THE BEARING FOR THE LAST COURSE ALONG HEATHER GARDENS WAY, AND THE FORCE CLOSURE OF THE CURVE COURSE ALONG THE SOUTHWESTERLY ROW OF S. WHEELING STREET HAVE SIMILAR RESULTS IN AREA OF THE DESCRIPTION OF RECORD.

** DENOTES DIMENSIONS/BEARINGS ADJUSTED TO FORCE THE CLOSURE OF THIS BOUNDARY.



Glorso Mapping Services, LLC	3765 Balderas St. Brighton, CO 80014 (303) 755-8300	
HEATHER GARDENS ASSOCIATION HEATHER GARDENS METRO DISTRICT DISTRICT MAP AND LEGAL Sec. 31, T4S, R66W, & Sec. 36, T4S, R67W City of Aurora, Arapahoe County, CO		DATE: 09/22/2009
		PROJECT NO: 2180
		FIELD BOOK NO. n/a
DRAWN: DFG	SEP09	SCALE: 1"=400'
CHECK: DFG	2180Lap2\2180-map.dwg	
		SHEET 1 OF 1

**ANNUAL RESOLUTION OF
THE BOARD OF DIRECTORS OF THE
HEATHER GARDENS METROPOLITAN DISTRICT**

At a regular meeting of the Board of Directors of the Heather Gardens Metropolitan District, City of Aurora, Arapahoe County, Colorado, held at 1:00 P.M., on Thursday, January 16, 2020, at the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado at which a quorum was present, the following resolution was adopted:

WHEREAS, the Heather Gardens Metropolitan District (the “District”) was organized as a special district pursuant to an Order of the District Court in and for the County of Arapahoe, Colorado, dated April 16, 1983 and is located within the City of Aurora, Arapahoe County; and

WHEREAS, the Board of Directors of the District (collectively referred to as the “Board” or individually as “Director(s)”) has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, § 32-1-306, C.R.S. requires the District to file a current, accurate map of its boundaries with the County Assessor, County Clerk and Recorder and the Division of Local Government (the “Division”) on or before January 1 of each year; and

WHEREAS, §§ 24-10-109 & 24-32-116, C.R.S. require that the District provide its name, its principal address and/or mailing address, the name of its agent and the agent’s mailing address to the Department of Local Affairs (the “Department”) and keep such information updated regularly; and

WHEREAS, § 32-1-809, C.R.S. requires that the Board provide notice, containing certain information about the District, to the eligible electors of the District no more than sixty (60) days prior to and not later than January 15; and

WHEREAS, § 32-1-104(2), C.R.S. requires that the District, on or before January 15, file a copy of the notice required by § 32-1-809, C.R.S. with the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder in each county in which the District is located, the governing body of any municipalities in which the District is located and the Division; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101 *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets and to file copies of the budgets and amendments thereto; and

WHEREAS, § 29-1-205(1), C.R.S. requires the District to file a current list of all contracts in effect with other political subdivisions within thirty (30) days of receiving a request therefor from the Division; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101 *et seq.*, C.R.S., issuers of nonrated public securities shall make public within sixty (60)

days following the end of each of such issuer's fiscal year, an annual information report or reports with respect to any of such issuer's nonrated public securities which are outstanding as of the end of each such fiscal year; and

WHEREAS, in accordance with § 29-1-604(1), C.R.S., if expenditures and revenues of the District are not in excess of \$100,000, the District may file an exemption from audit with the State Auditor; or in accordance with § 29-1-604(2)(b), C.R.S., if expenditures and revenues of the District for any fiscal year commencing on or after January 1, 2015, are at least \$100,000, but not more than \$750,000, the District may file an exemption from audit with the State Auditor; or in accordance with § 29-1-603, C.R.S., the governing body of the District shall cause to be made an annual audit of the financial statements for each fiscal year; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101 *et seq.*, C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer by November 1 of each year; and

WHEREAS, pursuant to § 32-1-103(15), C.R.S., the legal notices of the District must be published in one newspaper of general circulation in the District, and if there is not one such newspaper of general circulation, then in one newspaper in each county in which the District is located; and

WHEREAS, pursuant to § 24-6-402(2)(c)(I), C.R.S., in addition to any other means of full and timely notice, the Board shall annually designate at the first meeting of the calendar year a posting place within the boundaries of the District for posting of notices; and

WHEREAS, pursuant to §§ 32-1-903(2) and 24-6-402(2)(c)(I) & (III), C.R.S., in addition to any other means of full and timely notice, the Board shall be deemed to have given full and timely notice of a public meeting if the Board posts the notice on a public website of the District or in a designated public place within District boundaries, no less than twenty-four hours prior to the meeting; and

WHEREAS, § 32-1-903(1), C.R.S. requires that the Board shall meet regularly at a time and place to be designated by the Board that is within the boundaries of the District or within the boundaries of any county in which the District is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty miles from the District boundaries, unless the proposed change of location for a meeting appears on the Board agenda of a regular or special meeting and a resolution is adopted stating the reason for which a meeting of the Board is to be held in a location other than under the provisions of § 32-1-903(1), C.R.S. and further stating the date, time and place of such meeting; and

WHEREAS, pursuant to § 32-1-904, C.R.S., the office of the District shall be at some fixed place to be determined by the Board; and

WHEREAS, pursuant to § 32-1-901(1), C.R.S., each Director, within thirty (30) days after his or her election or appointment to fill a vacancy, shall take an oath or affirmation in accordance

with § 24-12-101, C.R.S., and the oath must be filed with the County Clerk and Recorder, and in accordance with § 32-1-901(1), C.R.S. with the Clerk of the Court and with the Division; and

WHEREAS, in accordance with § 32-1-901(2), C.R.S., at the time of filing said oath, there shall also be filed for each Director a surety bond; and

WHEREAS, in accordance with § 24-14-102(2), C.R.S., the District may, in lieu of the required bond, purchase crime insurance to protect the District from any dishonesty, theft, or fraud; and

WHEREAS, pursuant to § 32-1-902(1), C.R.S., the Board shall elect one of its members as chairman of the Board and president of the District, one of its members as vice president, one of its members as a treasurer of the Board and District, and a secretary who may be a member of the Board, or the secretary and treasurer may be one individual, who in such case is a member of the Board; and

WHEREAS, Directors may receive compensation for their services subject to the limitations imposed by § 32-1-902(3)(a), C.R.S.; and

WHEREAS, Directors are governed by § 32-1-902(3)(b), C.R.S., in effect since 1981, which requires any Director to disqualify himself or herself from voting on an issue in which he or she has a conflict of interest, unless the Director has properly disclosed such conflict in compliance with § 18-8-308, C.R.S.; and

WHEREAS, Directors are governed by § 32-1-902(4), C.R.S., which requires any Director who owns undeveloped land that constitutes at least twenty percent (20%) of the territory included in the District to properly disclose such fact in compliance with § 18-8-308, C.R.S.; and

WHEREAS, §§ 32-1-1604 & 32-1-1101.5(1), C.R.S. require the District to issue notice of the authorization or incurrence of general obligation indebtedness to the Board of County Commissioners of each county in which the District is located or the governing body of the municipality that has adopted a resolution of approval of the special district and to record such notice with the County Clerk and Recorder in each county in which the District is located within thirty (30) days of incurring or authorizing such indebtedness; and

WHEREAS, § 32-1-1101.5(1), C.R.S. requires the District to certify the results of ballot issue elections to incur general obligation indebtedness to the Board of County Commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the District within forty-five (45) days after the election, or at least thirty (30) days before issuing any general obligation debt if not previously certified, and requires the District to file a copy of such certificate with the Division of Securities within that timeframe; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) & (2), C.R.S., the Board of County Commissioners or the governing body of a municipality that has adopted a resolution of approval

of the District may require the District to file an application for the quinquennial finding of reasonable diligence; and

WHEREAS, in accordance with §§ 32-1-207(3)(c) & (d), C.R.S., the Board of County Commissioners or the governing body of a municipality in which the District is wholly or partially located may require the District to file a special district annual report; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., the Board is given authority to obtain insurance; and

WHEREAS, the Colorado Open Meetings Law at § 24-6-402(2)(d.5)(II)(A), C.R.S. specifies that discussions that occur in an executive session of a local public body shall be electronically recorded; and

WHEREAS, pursuant to §§ 24-6-402(2)(d.5)(II)(E), C.R.S., such electronic recording of executive sessions shall be retained for at least ninety (90) days after the date of the executive session; and

WHEREAS, in accordance with the Public Deposit Protection Act, §§ 11-10.5-101 *et seq.*, C.R.S., the Board shall designate an official custodian with plenary authority to deposit public funds in any bank which has been designated by the Colorado Banking Board as an eligible public depository; and

WHEREAS, in accordance with § 32-1-104.8, C.R.S., the District must record a public disclosure document and a map of the boundaries of the District with the County Clerk and Recorder of each county in which the District is located at any time thereafter that an order or decree confirming the inclusion of real property into the District is recorded; and

WHEREAS, elections may be held pursuant to the Special District Act, Article 1 of Title 32, C.R.S.; the Uniform Election Code of 1992, Articles 1 to 13 of Title 1, C.R.S.; and the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S., for the purpose of 1) electing members of the Board and 2) presenting certain ballot questions to the eligible electors of the District; and

WHEREAS, §§ 1-1-111(2), 1-13.5-108 and 32-1-804(2), C.R.S. provide that all powers and authority granted to the Board may be exercised by a “Designated Election Official” designated by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEATHER GARDENS METROPOLITAN DISTRICT AS FOLLOWS:

1. The Board directs the Heather Garden Association’s general manager in accordance with the Management Agreement by and between the District and the Heather Gardens Association dated August 23, 2018 and as may be amended from time to time (the “Manager”) to prepare an accurate map as specified by the Division for

filing with the County Assessor, County Clerk and Recorder and the Division as required by § 32-1-306, C.R.S on or before January 1, if applicable.

2. The Board directs the Manager to notify the Department of the District's name, principal address and/or mailing address, agent's name and agent's mailing address in accordance with §§ 24-10-109 & 24-32-116, C.R.S.
3. The Board directs the Manager to: (1) provide notice, containing certain information about the District, to the eligible electors of the District, not earlier than November 16 and not later than January 15, in the manner set forth in § 32-1-809, C.R.S; and (2) in accordance with § 32-1-104(2), C.R.S., file a copy of the notice with the Board of County Commissioners, County Assessor, County Treasurer, County Clerk and Recorder's Office in each county in which the District is located, the governing body of any municipality in which the District is located and with the Division. The Board further directs that a copy of the notice shall be made available for public inspection at the principal business office of the District.
4. The Board directs the Manager to submit a proposed budget to the Board by October 15; to schedule a public hearing on the proposed budget; to prepare a final budget, including any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy; to prepare budget resolutions, including certification of mill levies and amendments to the budget if necessary; to certify the mill levies on or before December 15; and to file the approved budgets and amendments thereto with the proper governmental entities not later than thirty (30) days after the beginning of the fiscal year of the budget adopted, in accordance with the Local Government Budget Law of Colorado.
5. The Board directs the Manager to prepare and file a current list of all contracts in effect with other political subdivisions with the Division within thirty (30) days of receiving a request therefor from the Division, if applicable.
6. The Board directs the Manager to prepare and file the annual public securities report for nonrated public securities issued by the District with the Department within sixty (60) days following the end of the District's fiscal year, if applicable.
7. The Board directs the Manager to file either an audit exemption application with the State Auditor within three (3) months after the close of the District's fiscal year or that an audit of the financial statements is prepared and submitted to the Board within six (6) months after the close of the District's fiscal year. Further, the Board directs that the audit report be filed with the State Auditor within thirty (30) days after the Board's receipt of the audit report from the auditor.
8. The Board directs the Manager to prepare the Unclaimed Property Act report and forward to the State Treasurer by November 1, if applicable.

9. The Board designates the Aurora Sentinel as a newspaper of general circulation within the boundaries of the District or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes in the Aurora Sentinel.
10. The Board designates the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado, as the posting place for notices of meetings in 2020 for purposes of § 24-6-402(2)(c), C.R.S.
11. Emergency meetings may be called without notice, if notice is not practicable, by the president of the Board or any two (2) Board members in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the property owners and residents of the District. If possible, notice of such emergency meeting may be given to the members of the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency, and shall be provided to the public via any practicable means available, *if any*, including, but not limited to, posting notice of such emergency meeting on the District's website, if any. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided however, that any action taken at an emergency meeting shall be ratified at the first to occur: (a) the next regular meeting of the Board, or (b) the next special meeting of the Board.
12. The Board determines to hold regular meetings the third Thursday of each month at 1:00 P.M. at the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado 80014.
13. Pursuant to § 32-1-904, C.R.S., the Board determined that the office of the District shall be at the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado 80014.
14. Pursuant to § 32-1-901, C.R.S., the Board directs the District's administrative assistant, with the assistance of legal counsel, to prepare, administer and file an oath or affirmation in accordance with § 24-12-101, C.R.S., and to file the oath or affirmation with the County Clerk and Recorder. In addition to the oath or affirmation, to procure either crime insurance in accordance with § 24-14-102(2), C.R.S. or a surety bond for each Director as required by § 32-1-901, C.R.S. in the total amount of \$10,000, and to file copies of the oath or affirmation and the crime insurance or surety bond with the Clerk of the Court and the Division.
15. The Board hereby elects the following officers for the District:

President/Chairman:	Craig Baldwin
Vice President:	David Funk
Treasurer/Secretary:	William Archambault

16. The Board directs that each director may receive compensation for services as Directors in accordance with §§ 32-1-902(3)(a)(I) & (II), C.R.S.
17. The Board has determined that legal counsel will file conflict-of-interest disclosures provided by Directors with the Secretary of State seventy-two (72) hours prior to each meeting of the Board. In addition, written disclosures provided by Directors required to be filed with the governing body in accordance with § 18-8-308, C.R.S. shall be deemed filed with the Directors of the District when filed with the Secretary of State.
18. The Board directs the Manager to issue notice of indebtedness to the Board of County Commissioners or to the governing body of the municipality that has adopted a resolution of approval of the District, as applicable, and to record such notice with the County Clerk and Recorder in each county in which the District is located within thirty (30) days of incurring or authorizing any indebtedness in accordance with §§ 32-1-1604 & 32-1-1101.5(1), C.R.S. The Board also directs the Manager to certify the results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners of each county in which the District is located, to the governing body of a municipality that has adopted a resolution of approval of the District, as applicable, and the Division of Securities within forty-five (45) days after such election, or at least thirty (30) days before the District's issuance of any general obligation debt if not previously certified, in accordance with § 32-1-1101.5(1), C.R.S.
19. The Board directs the Manager to prepare and file, if requested, the quinquennial finding of reasonable diligence with the Board of County Commissioners or to the governing body of a municipality that has adopted a resolution of approval of the District, as applicable, in accordance with §§ 32-1-1101.5(1.5) & (2), C.R.S.
20. The Board directs the Manager to prepare and file, if requested, the special district annual report with the Board of County Commissioners, any municipality in which the District is wholly or partially located, the Division, the State Auditor, and County Clerk and Recorder in accordance with § 32-1-207(3)(c) & (d), C.R.S.
21. The District is currently a member of the Special District Association ("SDA"), and insured through the Colorado Special Districts Property and Liability Pool. The Board directs the District's accountant to pay the annual SDA membership dues and insurance premiums in a timely manner. The Board will review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained, at least biannually.
22. The Board directs the custodian of all electronic recordings of executive sessions to retain all electronic recordings of executive sessions for purposes of the Colorado Open Meetings Law for ninety (90) days after the date of the executive session. The Board further directs the custodian to systematically delete all recordings of executive sessions made for purposes of the Colorado Open Meetings Law at its

earliest convenience after the ninetieth (90th) day after the date of the executive session.

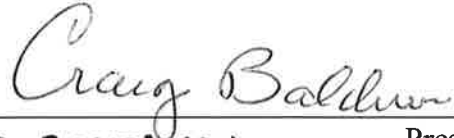
23. The Board hereby designates the Heather Gardens Association, in accordance with the Management Agreement by and between the District and the Heather Gardens Association dated August 23, 2018 and as it may be amended from time to time, as its official custodian over public deposits in accordance with §§ 11-10.5-101 *et seq.*, C.R.S.
24. The Board directs legal counsel to prepare the special district public disclosure statement in accordance with § 32-1-104.8, C.R.S. and record the statement with the County Clerk and Recorder at any such time as a decree or order of inclusion of real property into the District's boundaries is recorded.
25. Evelyn Ybarra, Assistant to the Board, is hereby appointed as the "Designated Election Official" of the Board for any elections to be held during 2020 and any subsequent year unless another Designated Election Official is appointed by resolution. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board, cancelling the election, if applicable, and certifying election results.

[The remainder of this page is intentionally left blank.]

Whereupon, a motion was made and seconded, and upon a majority vote this Annual Resolution was approved by the Board.

ADOPTED AND APPROVED THIS 16TH DAY OF JANUARY 2020.

HEATHER GARDENS METROPOLITAN DISTRICT



CRAIG BALDWIN, President

ATTEST:



WILLIAM MCHAMBAULT, Secretary / TREASURER

CERTIFICATION

I, WILLIAM ARCHANGELI, Secretary ^{TREASURER} of the Heather Gardens Metropolitan District, do hereby certify that the annexed and foregoing Resolution is a true copy from the records of the proceedings of the Board of said District, on file with Icenogle Seaver Pogue, P.C., general counsel to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, at the County of Arapahoe, Colorado, this 16th day of January 2020.

William Archangeli
WILLIAM ARCHANGELI, Secretary/
TREASURER



STATE OF COLORADO
COUNTY OF ARAPAHOE
HEATHER GARDENS METROPOLITAN DISTRICT
2020 BUDGET RESOLUTION

The Board of Directors of the Heather Gardens Metropolitan District, Arapahoe County, Colorado held a special meeting at the Heather Gardens Clubhouse Board Room, 2888 South Heather Gardens Way, Aurora, Colorado, on Thursday October 17, 2019, at the hour of 10:00 A.M., a regular meeting at the Heather Gardens Clubhouse Board Room, 2888 South Heather Gardens Way, Aurora, Colorado, on Thursday, November 21, 2019 at the hour of 1:00 P.M., and a regular meeting at the Heather Gardens Clubhouse Board Room, 2888 South Heather Gardens Way, Aurora, Colorado, on Thursday, December 19, 2019 at the hour of 1:00 P.M.,

The following members of the Board of Directors were present on Thursday, October 17, 2019:

President:	Sandra Rosenberg
Vice President:	Craig Baldwin
Treasurer/Secretary:	William Archambault
Director:	David Funk
Director:	Michael George

Also present were: Calvin White, General Manager, Brett Miller Controller and Evelyn Ybarra, Board Assistant, Jennifer Ivey, Icenogle Seaver Pogue, P.C.; and members of the public.

The following members of the Board of Directors were present on Thursday, November 21, 2019:

President:	Sandra Rosenberg
Vice President:	Craig Baldwin
Director:	David Funk
Director:	Michael George

Also present were: Calvin White, General Manager, Brett Miller Controller and Evelyn Ybarra, Board Assistant, Jennifer Ivey, Icenogle Seaver Pogue, P.C.; and members of the public.

The following members of the Board of Directors were present on Thursday, December 19, 2019:

President:	Sandra Rosenberg
Vice President:	Craig Baldwin
Treasurer/Secretary:	William Archambault
Director:	David Funk
Director:	Michael George

Also present were: Calvin White, General Manager, Brett Miller Controller and Evelyn Ybarra, Board Assistant, Jennifer Ivey, Icenogle Seaver Pogue, P.C.; and members of the public.

It was reported that, prior to each meeting, each of the directors had been notified of the date, time and places of the meetings and the purposes for which they were called. It was further reported that these meetings are a special meeting and two regular meetings of the Board of Directors of the District and that in accord with action taken at the July 18, 2019 regular meeting, a notice of special meeting and a notice of regular meeting were posted at three places within the boundaries of the District, and were believed to have remained posted to the date of each respective meeting. An original publisher's Affidavit of Publication for the October 17, 2019 budget hearing is attached hereto as Exhibit A and incorporated herein by this reference.

On December 19, 2019, Director Funk introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2020 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE HEATHER GARDENS METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

WHEREAS, the Board of Directors (the “Board”) of the Heather Gardens Metropolitan District (the “District”) has authorized its treasurer to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration at a special meeting held on Tuesday, October 15, 2019; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Thursday, October 10, 2019 in the Sentinel, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District’s increased property tax revenues resulting from a request to the Division of Local Government (the “Division”) pursuant to §29-1-302(1), C.R.S.

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Thursday, October 17, 2019 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-301, C.R.S., and Article X, § 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, pursuant to § 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District; and

WHEREAS, pursuant to § 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division within thirty (30) days following the beginning of the fiscal year of the budget adopted.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEATHER GARDENS METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO:

Section 1. Summary of 2020 Revenues and 2020 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2020, as more specifically set forth in the resolution and budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, amended and attached hereto as Exhibit B, was approved and adopted as the budget of the District for fiscal year 2020 on October 17, 2019 and that approval and adoption is hereby affirmed.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Sandra Rosenberg, President of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division.

Section 5. 2020 Levy of General Property Taxes. That the foregoing budget, adopted on October 17, 2019 indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$0.00 and that the 2019 valuation for assessment, as certified by the Arapahoe County Assessor, is \$44,301,263.00. That for the purposes of meeting all general operating expenses of the District during the 2020 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2020.

Section 6. 2020 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$548,849.00 and that the 2019 valuation for assessment, as certified by the Arapahoe County Assessor, is \$44,301,263.00. That for the purposes of meeting all debt retirement expenses of the District during the 2020 budget year, there is hereby levied a tax of 12.389 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2020.

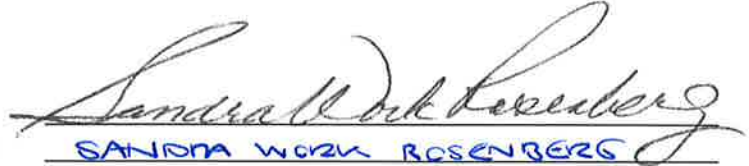
Section 7. Certification to County Commissioners. That on November 21, 2019 the President of the District or Brent Miller, Controller, were authorized and directed to certify to the Board of County Commissioners of Arapahoe County, the mill levy for the District hereinabove determined and set on or before December 13, 2019. That said certification was in the form attached hereto as Exhibit C and incorporated herein by this reference and is hereby affirmed.

[The remainder of this page is intentionally left blank.]

The foregoing Resolution was seconded by Director BALDWIN.

RESOLUTION APPROVED AND ADOPTED THIS 19th DAY OF DECEMBER, 2019.

HEATHER GARDENS METROPOLITAN DISTRICT



By: SANDRA WORK ROSENBERG
Its: PRESIDENT

ATTEST:



By: CRAIG BALDWIN
Its: VICE PRESIDENT

STATE OF COLORADO
COUNTY OF ARAPAHOE
HEATHER GARDENS METROPOLITAN DISTRICT

I, SANDRA WORK ROSENBERG, hereby certify that I am a director and the duly elected and qualified PRESIDENT of the Heather Gardens Metropolitan District, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a special meeting of the Board of Directors of the Heather Gardens Metropolitan District held on October 17, 2019, at a regular meeting of the Board of Directors of the Heather Gardens Metropolitan District held on November 21, 2019, at 2888 South Heather Gardens Way, Aurora, Colorado, and at a regular meeting of the Board of Directors of the Heather Gardens Metropolitan District held on December 19, 2019, at 2888 South Heather Gardens Way, Aurora, Colorado as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2020; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 19th day of December, 2019.




By: 
Its: PRESIDENT

EXHIBIT A

Affidavit of Publication
Notice as to Proposed 2020 Budget

SENTINEL
PROOF OF PUBLICATION

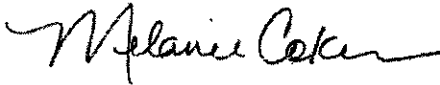
STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I JAMES S. GOLD, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the County of Arapahoe, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Arapahoe for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 1 consecutive insertion; and that the first publication of said notice was in the issue of said newspaper dated October 10 A.D. 2019 and that the last publication of said notice was in the issue of said newspaper dated October 10 A.D. 2019.

I witness whereof I have hereunto set my hand this 11th day of October A.D. 2019.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 11th day of October A.D. 2019.



Notary Public

MELANIE COKER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164022849
MY COMMISSION EXPIRES JUNE 15, 2020

NOTICE AS TO PROPOSED 2020
BUDGET AND HEARING HEATHER
GARDENS METROPOLITAN DISTRICT

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the HEATHER GARDENS METROPOLITAN DISTRICT for the year of 2020. A copy of such proposed budget has been filed in the office of the District, 2888 South Heather Gardens Way, Aurora, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Heather Gardens Metropolitan District to be held at 10:00 A.M. on Thursday, October 17, 2019. The meeting will be held at 2888 South Heather Gardens Way, Aurora, Colorado. Any interested elector within the Heather Gardens Metropolitan District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2020 budget.

BY ORDER OF THE
BOARD OF DIRECTORS:
HEATHER GARDENS
METROPOLITAN DISTRICT
By: /s/ William F Archambault
Board Treasurer/Secretary

Publication: October 10, 2019
Sentinel

EXHIBIT B

Budget Resolution

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE YEAR 2020 FOR THE HEATHER GARDENS METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

Thereupon, Director Archambault introduced and moved the adoption of the following Resolution:

WHEREAS, the Board of Directors (the “Board”) of the Heather Gardens Metropolitan District (the “District”) has authorized its treasurer to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration at a special meeting held on Tuesday, October 15, 2019; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Thursday, October 10, 2019 in the Sentinel, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District’s increased property tax revenues resulting from a request to the Division of Local Government (the “Division”) pursuant to §29-1-302(1), C.R.S.

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Thursday, October 17, 2019 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEATHER GARDENS METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO:

Section 1. Summary of 2020 Revenues and 2020 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2020, as more specifically set forth in the resolution and budget attached hereto as Exhibit B-1 and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, amended and attached hereto as Exhibit B-1, was approved and adopted as the budget of the District for fiscal year 2020 on October 17, 2019.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

The foregoing Resolution was seconded by Director George.

RESOLUTION APPROVED AND ADOPTED THIS 17th DAY OF OCTOBER, 2019.

HEATHER GARDENS METROPOLITAN DISTRICT


By: SANDRA WORK ROSENBERG
Its: PRESIDENT

ATTEST:


By: CRAIG BALDWIN
Its: VICE PRESIDENT

EXHIBIT B-1
Budget Document
Budget Message



2020

Operating & Capital Reserve Budget

Version October 3, 2019

HGMD 2020 OPERATING BUDGET

HGMD

2020 Budget	2019 Budget	% Change 2019 Budget	2019 Forecast	2018 Actual
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ENTERPRISE FUND

Revenue

D504	Bank Interest Reserve Account	16,800	16,800	0.00%	20,848	18,077
D505	Recreation Fee	1,382,559	1,207,317	14.51%	1,207,721	1,056,756
D506	Restaurant Income	690,293	685,656	0.68%	741,072	629,880
D507	Golf Fees Daily	282,737	263,758	7.20%	242,215	246,873
D509.2	Golf Discount - 40 Play	19,602	19,602	0.00%	13,282	16,200
D511	Golf Cart Rentals	82,038	74,580	10.00%	71,008	68,706
D511.1	Merchandise	14,600	3,300	342.42%	16,854	59
D511.2	Lessons	2,900	3,000	-3.33%	2,045	80
D511.3	Bag Storage	3,750	3,750	0.00%	4,702	0
D511.4	Golf Club/Pull Cart Rentals	1,020	800	27.50%	2,314	153
D512	CH Building Rentals	34,200	29,400	16.33%	40,335	31,295
D513	Events	66,490	61,430	8.24%	58,114	53,716
D513.1	Trips Revenue	31,992	31,992	0.00%	35,232	42,996
D514	RV Lot Income	44,400	44,400	0.00%	47,017	41,708
D514.1	Garden Plot	2,520	2,520	0.00%	2,690	2,455
D515	Classes	86,875	86,765	0.13%	86,475	102,923
D515.2	Contribution Revenue	-	-	0.00%	-	0
D516	Miscellaneous Revenue	24,900	71,900	0.00%	1,495	1,203
D516.1	Coffee Revenue	8,100	5,400	50.00%	5,634	5,112
D516.2	Insurance Proceeds					
	Total Revenue	2,795,776	2,612,370	7.02%	2,599,053	2,318,192
D590	COGS	272,621	264,073	3.24%	295,336	255,147
	Gross Profit	2,523,156	2,348,297	7.45%	2,303,717	2,063,045

Expenses

D550	Club House Expenses	846,992	850,007	-0.35%	813,196	762,286
D555	Golf Course Expenses	582,291	571,566	1.88%	566,529	504,809
D557	Restaurant Expenses	537,369	550,389	-2.37%	603,350	504,332
D560	RV Lot Expenses	3,050	2,800	8.93%	1,091	1,108
D565	Garden Plot Expenses	1,945	1,945	0.00%	1,226	938
D522	Services - Insurance	56,635	51,916	9.09%	45,484	47,033
D523	Services - Audit	24,500	24,500	0.00%	40,350	30,600
D523.5	Bad Debt Expense	2,250	2,250	0.00%	2,250	0
D524	Services - Professional Fees	36,000	48,000	-25.00%	51,161	54,856
D525.1	Election Expenses	20,000	-	0.00%	-	5,261
D526	Miscellaneous Expense	24,900	21,900	13.70%	316	5,443
D526.1	SDA Membership Dues	2,400	2,400	0.00%	90	3,858
D519	Zion Bank Fee	1,400	1,000	40.00%	1,000	1,400
D542.2	Non Capital Expense	-	-	#DIV/0!		5,599
D601	Capital Outlay	370,877	219,078	69.29%	110,823	2,325
D601	Capital Outlay - Insurance					
D603	Interest Expense	46	46	0.00%	47	
D603.1	Marketing	12,000	-			3,336
D604	Insurance Claims	500	500		500	
	Total Expenditures	2,523,156	2,348,297	7.45%	2,237,413	1,933,183

NET OPERATING SURPLUS/(LOSS) - - #DIV/0! 66,304 129,862

NON OPERATING EXPENSE

HGMD 2020 OPERATING BUDGET

HGMD		2020 Budget	2019 Budget	% Change 2019 Budget	2019 Forecast	2018 Actual
D529	Depreciation Expense	-	-	#DIV/0!		622,514
D605	Gain/Loss Asset Disposal	-	-	#DIV/0!		
	Total Non-Operating Expense	-	-	#DIV/0!	-	622,514
NET ENTERPRISE FUND REV/EXP		-	-	#DIV/0!	66,304	(492,652)
RESTRICTED FUNDS						
<u>Conservation Trust Income (Lottery)</u>						
D503	Conservation Trust Income (Lottery)	18,400	15,200	21.05%	18,369	16,626
D504.3	Interest Income Lottery	168	4	4100.00%	119	45
	Total Lottery Revenue	18,568	15,204	22.13%	18,488	16,671
D530	Conservation Trust Expense	-	-			9,498
	Net CTF	-	-			7,173
<u>Foundation Fund</u>						
D515.1	Donation Revenue	-	-	#DIV/0!	5,113	6,162
D620	Foundation Expense	-	-	#DIV/0!	4,161	18,035
	Net Foundation	-	-	#DIV/0!	952	(11,874)
<u>Debt Service Fund Bond Issue</u>						
D517	Property Taxes	548,849	557,819	-1.61%	556,764	488,706
D518	Spec Ownship Tax Rev	39,996	36,996	8.11%	39,861	36,290
D504.2	Zion Bank Interest	7,200	180	3900.00%	5,549	7,234
	Total Revenue	596,045	594,995	0.18%	602,174	532,230
D520	Debt Serv Interest 2017 Issue	328,106	337,038	-2.65%	388,094	345,930
D521.1	Original Issue Amort					
D525	County Collection Fee	7,939	7,957	-0.22%	8,358	7,331
D700	Bond Principal Payment	260,000	250,000	4.00%	250,000	
	Total Expenditures	596,045	594,995	0.18%	646,452	353,260
	Net Debt Service **	-	-	#DIV/0!	(44,278)	178,969
ALL RESTRICTED FUNDS SURPLUS/(LOSS)		18,568	15,204	22.13%	(24,838)	183,766

HGMD 2020 OPERATING BUDGET

	2020 Budget	2019 Budget	% Change 2019 Budget 2020 Budget	2019 Forecast	2018 Actual (unaudited)
Club House					
Revenue	227,657	182,995	24.41%	190,558	193,047
Expenses	846,992	850,007	-0.35%	813,196	762,286
Total Subsidy Club House	(619,335)	(667,012)	-7.15%	(622,638)	(569,239)
Golf					
Revenue	406,647	357,940	13.61%	326,505	331,779
COGS	7,592	825	820.24%	3,676	46
Expenses	582,291	571,566	1.88%	566,529	504,809
Total Subsidy Golf	(183,236)	(214,450)	-14.56%	(243,700)	(173,076)
Restaurant					
Revenue	690,293	685,656	0.68%	741,072	629,880
COGS	265,029	263,248	3.24%	248,973	255,100
Expenses	537,369	550,389	-2.37%	603,350	504,332
Total Subsidy Restaurant	(112,105)	(127,982)	-12.41%	(111,251)	(129,552)
Total Subsidy 3 Cost Centers	(914,675)	(1,009,444)	-9.39%	(977,589)	(871,868)

Heather Gardens Metropolitan District 2020 Class & Events Budget

					2020 Budget	2019 Budget	% Change 2019 Budget 2020 Budget	2019 Forecast	2018 Actual (unaudited)
Classes	Cost Per Class	# Offered Per Week	# of Classes	Avg # of Students					
Aqua Gentle Motion	\$ 35	3.00	4	20	2,800				
Aqua Fitness I	\$ 30	2.00	5	20	3,000				
Aqua Fitness II	\$ 30	2.00	5	20	3,000				
Aqua Cardio	\$ 35	3.00	5	20	3,500				
Aqua Function Motion	\$ 35	3.00	5	20	3,500				
Water Early Birds	\$ 30	2.00	5	20	3,000				
Water Warriors	\$ 30	2.00	5	20	3,000				
Water Squawkers	\$ 30	2.00	5	20	3,000				
Aqua Zumba	\$ 25	1.00	4	20	2,000				
Aqua Zumba	\$ 25	1.00	4	20	2,000				
Ballroom Dance	\$ 25	1.00	2	10	500				
Bones & Balance	\$ 30	2.00	2	15	900				
Bridge	\$ 30	2.00	4	16	1,920				
Clay	\$ 35	3.00	3	10	1,050				
Cooking	\$ 30	2.00	3	12	1,080				
Creative Glass	\$ 35	3.00	4	18	2,520				
Guided Autobiography	\$ 30	2.00	4	10	1,200				
HG Fit Krew	\$ 35	3.00	4	35	4,900				
Jazzercise	\$ 30	2.00	4	35	4,200				
Knit & Crochet #1	\$ 30	2.00	4	15	1,800				
Painting	\$ 35	3.00	4	25	3,500				
Pilates	\$ 25	1.00	4	15	1,500				
Pilates	\$ 25	1.00	4	10	1,000				
Quilting #1	\$ 35	3.00	4	10	1,400				
Quilting #1	\$ 35	3.00	4	10	1,400				
Spanish Beginning	\$ 25	1.00	4	10	1,000				
Spanish Continuing	\$ 25	1.00	4	10	1,000				
Spanish Intermediate	\$ 25	1.00	4	10	1,000				
Restore Rehab	\$ 30	2.00	4	10	1,200				
Weight Strengthening	\$ 35	3.00	4	50	7,000				
Wood Carving	\$ 30	2.00	4	12	1,440				
Wood Intarsia	\$ 30	2.00	4	10	1,200				
Yoga	\$ 25	1.00	4	15	1,500				
Yoga Chair	\$ 30	2.00	4	25	3,000				
Zumba	\$ 25	1.00	4	15	1,500				
Zumba Chair	\$ 30	2.00	4	25	3,000				
Line Dance	\$ 25	1.00	4	15	1,500				
Line Dance	\$ 25	1.00	2	10	500				
Tap Dance	\$ 25	1.00	2	8	400				
Square Dance	\$ 30	2.00	4	12	1,440				
Tai Chi	\$ 25	1.00	4	10	1,000				
Locker Rental - Wood Shop			45 @ \$25		1,125				
Locker Rental - Billiard			40 @ \$10		400				
Total					86,875	86,765	0.13%	86,475	102,923

Events	Revenue	# of Part	
Movies 4X Month	\$ 5.00	70	16,800
Texas Holdem	\$ 5.00	25	750
Concert - Monthly	\$ 7.00	75	6,300
Resource Fair			12,000
Travel Expo			1,000
Fitness Walk	\$ 10.00	50	500
First Saturday Dance - Advance Tix	\$ 6.00	35	2,520

Heather Gardens Metropolitan District 2020 Class & Events Budget

				2020 Budget	2019 Budget	% Change 2019 Budget 2020 Budget	2019 Forecast	2018 Actual (unaudited)
First Saturday Dance - Day of Tix	\$	8.00	30					
New Year's Eve Dance	\$	15.00	100	2,880				
Flea Market/Craft Fair				1,500				
Fashion Show	\$	3.00	150	3,400				
Line Dance Invitational	\$	7.00	50	450				
Historical Presentation	\$	3.00	40	700				
John Phillip Souza	\$	7.00	100	1,440				
Comedy Night	\$	7.00	100	500				
Friday Concert	\$	5.00	75	1,500				
Miscellaneous				2,250				
				12,000				
			Total	66,490	61,430	8.24%	58,114	53,716

HGMD 2020 OPERATING BUDGET

CLUB HOUSE

	2020 Budget	2019 Budget	% Change 2019 Budget 2020 Budget	2019 Forecast	2018 Actual (unaudited)
Summary					
Wages/Benefits	330,166	316,899	4.19%	291,936	283,570
Operating Expenses	516,825	533,108	-3.05%	482,571	471,364
Total Expense	846,992	850,007	-0.35%	774,507	754,934

Wages/Benefits

C500	Salaries - FTP	103,326	102,757	0.55%	94,515	94,019
C510	Salaries - Part Time	86,717	92,681	-6.43%	78,657	74,280
C520	Salaries - Overtime	-	0	#DIV/0!	69	375
C530	Salaries - Teachers	94,043	94,043	0.00%	92,829	93,865
C540	Taxes - Payroll	24,227	26,574	-8.83%	23,471	22,668
C550	Retirement Expense	3,245	3,109	4.36%	2,353	1,438
C553	Insurance - Personnel	12,130	14,273	-15.02%	13,060	14,341
C574	Recruit/Train/Services	2,295	1,795	27.86%	1,136	608
C575	Employee Bonus	800	1,000	-20.00%	2,483	0
C588	Workers Comp Insurance	3,385	3,806	-11.06%	2,483	3,199
C588.1	Workers Comp Adjustments				2,088	(399)
	Total Wages/Benefits	330,166	340,037	-2.90%	313,145	304,394
C675.2	Salary Charge Out-Operations	-	(23,138)	-100.00%	(21,209)	(20,824)
	Net Wages/Benefits	330,166	316,899	4.19%	291,936	283,570

	Full Time Employees	2.00	2.00			
	Part Time Hours	7,301	7,769			
	Overtime Hours	-	-			
	Teacher Hours	3,894	3,894			

Operating Expense

C621.1	Mileage Reimbursement	204	300	-32.00%	58	191
C627	Pool Care & Supplies	17,400	17,400	0.00%	14,208	19,646
C639	Software & IT	4,080	5,040	-19.05%	1,826	
C640	Electric	91,847	93,339	-1.60%	86,447	88,948
C643	Gas	17,656	17,656	0.00%	18,619	19,220
C662	Office Supplies & Postage	8,520	8,712	-2.20%	8,572	9,103
C662.1	CC & ActiveNet Software	11,000	11,000		10,609	11,749
C671	Outside - Contractors	26,047	26,335	-1.09%	23,577	31,586
C673	Maintenance Hours	67,682	67,682	0.00%	64,530	57,448
C676	Golf Charge In Hours	4,598	4,598	0.00%	10,895	3,797
C677	Roads & Grounds Hours	6,948	6,948	0.00%	7,903	5,857
C678	Custodial Hours	95,949	95,949	0.00%	90,924	79,414
C683	Repairs - Equipment	4,400	4,050	8.64%	6,966	6,966
C684	Supplies	22,875	25,675	-10.91%	16,790	16,790
C684.1	Custodial Supplies	18,360	18,000	2.00%	18,377	18,377
C684.2	Coffee Supplies	9,000	9,000	0.00%	9,367	9,367
C686.1	Special Events Supplies	21,800	21,450	1.63%	12,120	12,120
C686.2	Special Events Contractors	13,850	13,650	1.47%	19,471	19,471
C687	Trips Expense	31,992	31,992	0.00%	24,963	24,963

HGMD 2020 OPERATING BUDGET

<u>CLUB HOUSE</u>		2020 Budget	2019 Budget	% Change 2019 Budget 2020 Budget	2019 Forecast	2018 Actual (unaudited)
C688	Non Capital Equipment	12,985	24,700	-47.43%	8,066	8,066
C689	Phone & Internet	4,680	4,680	0.00%	4,558	4,558
C698	Water & Sewer	24,953	24,953	0.00%	23,727	23,727
	Total Operating Expense	516,825	533,108	-3.05%	482,571	471,364
TOTAL PAYROLL & OPERATING EXPENSE		846,992	850,007	-0.35%	774,507	754,934

CLUB HOUSE

2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
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C574-Recruit/Train/Services	2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
New Hire Screening/Ad	460	460			
Lift Training - OSHA	300	300			
CPR for 10	500	500			
Colo Parks & Rec Membership	85	85			
CASC workshop	150	150			
CPRA Conference	-	-			
CPO Course (every 2 years)	500	-			
Computer Class	300	300			
	-	-			
	2,295	1,795	27.86%	1,136	608

C588 - Workers Comp Insurance	2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
Monthly insurance (renew in Aug)	2,385	2,806			
Deductible	1,000	1,000			
	-	-			
	3,385	3,806	-11.06%	2,483	3,199

C627 - Pool Care Supplies	2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
UV Services	1,600	1,600			
Chemicals	8,400	8,400			
Pool Perfect System/Maintenance	2,000	2,000			
Testing Kits/Supplies	620	620			
Recalibrate Palin Tester	300	300			
Leak Control Replacement	1,480	1,480			
Replace Socks & O Rings	3,000	3,000			
	-	-			
	17,400	17,400	0.00%	14,206	19,646

C639 - Software & IT	2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
SOS	4,080	5,040			
	4,080	5,040	-19.05%	-	-

C662 - Office Supplies/Postage	2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
Misc Office Supplies	1,200	1,200			
Specialty Paper	240	240			
Copier Lease	3,120	4,572			
Copies	3,960	2,700			
	-	-			
	8,520	8,712	-2.20%	8,572	9,103

CLUB HOUSE

	2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
C662.1 - ActiveNet Software & CC Expense					
Active Net 2.5% of all registrations	1,051	1,051			
Credit Card - 100% of all Sales @ 3.5%	6,000	6,000			
	7,051	7,051	0.00%	10,609	11,749

C671 - Outside Contractors					
Exercise equipment demo	360	360			
Resurface Auditorium Floor	8,000	8,000			
Tower Electric	1,000	1,000			
Department of Labor - Chemicals	25	25			
Electronic Locks (fitness & woodshop)	-	-			
Tune pianos	400	400			
Test fire alarm system	575	575			
Glass replacement/mirrors	750	750			
Trash removal	4,200	4,200			
Pool window cleaning - acid wash	220	220			
Window Cleaning	750	750			
Light & sound system repairs	500	500			
Rose Sign Language Interpreting	144	432			
Fitness Equipment Service Contract	350	350			
Fire Alarm Monitoring	360	360			
Flre Extinguisher Testing	520	520			
Sprinkler Testing	230	230			
Backflow Testing	245	245			
Billiards Repair	150	150			
Elevator Maintenance	1,968	1,968			
HVAC Service Agreement	5,000	5,000			
Equipment Certification for lift	300	300			
	26,047	26,335	-1.09%	23,577	31,586

C673 - Maintenance Hours					
Maintenance Charge out	67,682	67,682			
Paint Charge Out 24hour/2x/year	1,856	1,856			
	69,538	69,538	0.00%	64,530	57,448

C683 - Repairs Equipment					
Wood Shop equipment	800	800			
Exercise equipment repairs	750	750			
Kiln repairs	500	500			
Piano/Organ	250	500			
Locks,keys, signage	300	300			
Locker Room	-	-			
Stanley doors	1,200	1,200			
SaniGlaze Men's Locker Room	-	-			

CLUB HOUSE	2020	2019	Percent	2019	2018
	Budget	Budget	Change	Forecast	Actual
Paint MOVE TO SUPPLIES	-	-			
Fitness Equipment	500	-			
Patio Furniture	-	-			
Tennis Club ball machine	100	-			
	-	-			
	4,400	4,050	8.64%	6,966	6,966

C684 - Supplies					
Electric, plumbing, hardware	7,800	7,800			
Pickle Ball Equipment	-	-			
Stained Glass Tools	300	300			
Holiday Decorations	200	200			
First Aid Supplies	600	600			
Class Supplies	600	600			
Outdoor flowers	2,600	2,600			
Trees & shrubs	1,500	1,500			
Mulch	3,000	3,000			
Inventory Withdrawals	2,400	2,400			
Staff Shirts	500	300			
Clay	225	225			
Quilting	150	150			
Air Filters	1,200	1,200			
Paint class	1,000	1,000			
Fitness class	800	800			
	-	0			
	22,875	25,675	-10.91%	16,790	16,790

C686.1 - Special Events Supplies					
Movie License	4,100	3,800			
Movie Supplies	1,800	1,800			
First Sat Dance food	1,200	1,200			
Dance Supplies - décor/table cloths	-	0			
Monthly Concerts/Events	2,400	2,400			
Resource Fair	600	500			
Bingo - New Set	100	100			
Fitness Fair	1,600	1,600			
New Year's Eve Party	500	500			
Poker Table Tops	300	300			
Miscellaneous Expense	3,600	3,600			
SESAC License	1,400	1,400			
BMG Music License	800	800			
Talent Show	150	150			
Popcorn Machine	200	200			
Flea Market	400	400			
Craft Fair	700	700			
Clubhouse Showcase	200	200			
Fashion Show	200	200			

CLUB HOUSE

	2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
Travel Expo	500	500			
Texas Hold'em	900	300			
Car Show	150	150			
	21,800	21,450	1.63%	12,120	12,120

C686.2 - Special Events Contractors					
First Sat Dance	4,200	3,900			
Volunteer Luncheon	1,500	1,500			
Monthly Concerts/Events	4,800	4,800			
New Year's Eve Party	1,000	900			
Miscellaneous Holiday Events	800	800			
Memorial Day	200	200			
Smithtonians Bell Choir	400	400			
Denver Brass	450	450			
John Phillip Souza Band	500	500			
	13,850	13,650	1.47%	19,471	19,471

C687 - Trips Expenses					
RTD Senior Ride Trips	14,400	14,400			
Chartered Coach Trips	17,592	17,592			
	31,992	31,992	0.00%	-	-

C688 - Non Capital Equipment					
Billiard Table Repair & Cover	1,500	1,500			
Pickleball/Tennis Equipment	2,500	1,400			
Planer	3,200	1,900			
Miter Saw and stand	935	2,600			
Router	1,550	2,800			
Projector	3,000	4,500			
Compressor	300	10,000			
	12,985	24,700	-47.43%	90,924	79,414

C689 - Telephone & Internet					
Comcast	2,484	2,484			
Telephone	816	816			
Internet	1,380	1,380			
	4,680	4,680	0.00%	4,558	4,558

HGMD 2020 OPERATING BUDGET

<u>GOLF</u>	2020 Budget	2019 Budget	% Change 2019 Budget 2020 Budget	2019 Forecast	2018 Actual (unaudited)
<u>Summary</u>					
Sales	406,647	368,790	10.27%	368,792	332,071
Cost of Goods Sold	7,592	825	820.24%	3,676	46
Gross Profit	399,055	367,965	8.45%	365,116	332,025
Wages/Benefits	423,268	399,060	6.07%	322,073	284,656
Operating Expenses	159,024	172,506	-7.82%	185,710	215,166
Net Income <Loss>	(183,236)	(203,600)	-10.00%	(142,667)	(167,797)

Sales

D507	Golf Fees Daily	282,737	263,758	7.20%	236,707	246,873
D509.2	Golf Disc - 40 Play	19,602	19,602	0.00%	18,548	16,200
D511	Golf Cart Rental Income	82,038	74,580	10.00%	45,323	153
D511.1	Golf Merchandise	14,600	3,300	342.42%	27,303	68,708
D511.2	Golf Lesson	2,900	3,000	-3.33%	9,876	59
D511.3	Golf Bag Storage	3,750	3,750	0.00%	1,720	80
D511.4	Golf Club Rentals	1,020	800	27.50%	4,952	0
Total Sales		406,647	368,790	10.27%	344,430	332,071

Cost of Goods Sold

G450	Merchandise	7,592	825	820.24%	3,676	46
Total COGS		7,592	825	820.24%	3,676	46
Gross Profit		399,055	367,965	8.45%	340,754	332,025

Wages/Benefits

G500	Salaries - FTP	276,055	224,675	22.87%	194,534	162,964
G510	Salaries - Part Time	74,125	98,017	-24.38%	63,781	67,030
G520	Salaries - Overtime	4,200	4,200	0.00%	6,464	7,843
G540	Taxes - Payroll	30,090	30,094	-0.01%	21,222	20,959
G545	Temporary Outside Labor	1,400	2,000	-30.00%	5,282	6,336
G550	Retirement Expense	6,861	6,361	7.86%	4,003	4,138
G553	Insurance - Personnel	24,259	27,311	-11.17%	23,406	15,373
G574	Recruit/Train/Services	6,187	5,978	3.50%	3,563	6,937
G575	Employee Bonus	2,300	2,300	0.00%	0	0
G588	Workers Comp Insurance	2,389	2,722	-12.24%	2,321	2,534
G588.1	Workers Comp Adjustments	-	0	0.00%	1,654	(316)
Total Wages/Benefits		427,866	403,658	6.00%	326,229	293,798
Vacancy Adjustment		-	-			
G675.2	Salary Charge Out-Operations	(4,598)	(4,598)	0.00%	(4,156)	(9,142)
Net Wages/Benefits		423,268	399,060	6.07%	322,073	284,656

Full Time Employees	5	4
Part Time Hours	5,255	6,976
Overtime Hours	191	191

HGMD 2020 OPERATING BUDGET

GOLF

	2020 Budget	2019 Budget	% Change 2019 Budget 2020 Budget	2019 Forecast	2018 Actual (unaudited)
<u>Operating Expense</u>					
G621 Fuel Expense	7,049	7,225	-2.44%	7,406	4,291
G621.1 Mileage Reimbursement	160	160	0.00%	165	46
G624 Contingency-Water	6,500	6,500	0.00%	3,500	347
G635 Tree & Shrub Replacement	700	700	0.00%	0	0
G639 Software & IT	2,400	3,360	-28.57%	0	0
G640 Electric	8,895	8,895	0.00%	9,009	7,837
G640.1 Electric - Pump	43,719	43,719	0.00%	32,112	41,448
G643 Gas	894	894	0.00%	12,433	947
G645 Uniforms	1,995	1,275	56.47%	971	1,131
G659 Miscellaneous	-	0	#DIV/0!	973	260
G662 Office Supplies & Postage	50	50	0.00%	171	938
G662.1 Credit Card Expense	7,200	15,600	-53.85%	8,462	16,467
G664 Advertising	-	0	#DIV/0!	0	0
G665 Rent - Equipment	1,400	1,400	0.00%	2,110	2,482
G670 Asphalt Repairs	4,800	4,800	0.00%	4,787	0
G671 Outside - Contractors	19,618	18,538	5.83%	3,784	12,676
G676 Golf Shop Pro Contract	-	0	#DIV/0!	56,503	73,319
G676.1 Golf Shop Supplies	1,864	1,864	0.00%	1,487	1,366
G680 Radio Communications	200	200	0.00%	88	349
G683 Repairs - Equipment	12,000	12,000	0.00%	12,268	13,904
G684 Supplies	35,080	40,826	-14.07%	24,935	32,737
G688 Non Capital Equipment	-	0	#DIV/0!	0	0
G689 Telephone	4,500	4,500	0.00%	4,546	4,641
Total Operating Expense	159,024	172,506	-7.82%	185,710	215,166
TOTAL PAYROLL & OPERATING EXPENSE	582,291	571,566	1.88%	507,783	499,822

GOLF

	2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
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G574-Recruit/Train/Services					
CPR Training for 1	500	150			
Turf Seminar	-	200			
Pesticide License (2017)	-	100			
New Hire Screening/Ad	450	550			
Computer Class	-	0			
National Golf Conference	4,120	3888			
Rocky Mountain Association	170	165			
Golf Superintendents Association (2)	581	565			
Colorado Golf Association	103	100			
United States Golf Association	113	110			
Mechanic Training (2017)	150	150			
	6,187	5,978	3.50%	3,563	6,937

G588 - Workers Comp					
Monthly Insurance (renew in Aug)	1,889	2,222			
Deductible	500	500			
	-	-			
	2,389	2,722	-12.24%	#REF!	(316)

G621 - Fuel					
Unleaded Price Per Gallon 3 year average					
Total Unleaded Gas	4,118	4,298			
Diesel Price Per Gallon 3 Year Average					
Total Diesel Gas	2,931	2,926			
Total Unleaded & Diesel - Budget	7,049	7,225	-2.44%	7,406	4,291

G639 - Software & IT					
SOS	2,400	3,360			
	-	-			
	2,400	3,360	-28.57%	3,500	347

GOLF

	2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
G645 - Uniforms					
Uniform Cleaning	720	-			
Uniform Purchases	1,275	1,275			
	1,995	1,275	56.47%	973	250

G671 - Outside Contractors					
Pump and Well Service	1,000	1,000			
Tree Removal	5,000	10,000			
Sanolet Service	4,320	3,240			
Goose Service	-	-			
Nat Sup Network (Paid thru 3/31/20)	2,500	-			
Alrvac Services	1,308	1,308			
Miscellaneous	-	-			
Aquatic Weed Control	2,990	2,990			
Deep Tine Contractor	2,500	-			
	19,618	18,538	5.83%	1,487	73,319

G676.1 - Golf Shop Supplies					
Score Cards	-	-			
Cash Register	-	-			
Credit Card Paper	533	533			
Handicap Flags	100	100			
Pencils	450	450			
Tee Time Sheets	380	380			
Discount Cards	30	30			
Gift Cards (next in 2020)					
rubber tee markers	30	30			
trash bags	200	200			
wasp and ant spray	-	-			
Defibulator (batteries)	-	-			
First Aid Supplies	50	50			
Yellow paint for parking	21	21			
Colored Pens	50	50			
Scotch Tape	5	5			
White Out Tape	5	5			
Boxing Tape for Cards	10	10			
	-	-			
	1,864	1,864	0.00%	12,268	349

GOLF

	2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
G684 - Supplies					
Irrigation parts	5,500	5,500			
Inventory supplies	400	360			
Top dressing	2,500	2,000			
Bunker sand	3,000	6,000			
Greens fertilizer	3,000	3,000			
Fairways & tee fertilizer	3,000	4,000			
rough fertilizer	3,000	4,000			
Fungicides/snow mold control	1,500	1,500			
Lake Dye	500	500			
Misc course accessories	3,000	1,736			
Tools	200	200			
Seed - greens	500	500			
Seed - fairways	1,500	4,000			
Drainage Supplies	800	500			
Herbicides	700	700			
Surfactants	1,500	2,500			
Sod	1,000	200			
Top Soil	500	500			
Tree Supplies	-	-			
Safety Equipment	100	100			
Signage	200	200			
Ice Melt	1,000	800			
Shop Service	1,180	1,180			
Misc. Supplies	-	650			
Marking Paint	500	200			
Water Cooler Stand	-	-			
	35,080	40,826	-14.07%	#REF!	#REF!
G688 - Non Capital Equipment					
	-	-			
	-	-			
	-	-			
	-	-			
	-	-			
	-	-	#DIV/0!	-	-

HGMD 2020 OPERATING BUDGET

RESTAURANT

Summary

	2020 Budget	2019 Budget	% Change 2019 Budget 2020 Budget	2019 Forecast	2018 Actual (unaudited)
Sales	690,293	685,656	0.68%	712,018	629,880
Cost of Goods Sold	265,029	263,248	0.68%	248,973	255,100
Gross Profit	425,265	422,407	0.68%	463,044	374,780
Wages/Benefits	402,826	402,279	0.14%	392,749	376,270
Operating Expenses	134,543	148,111	-9.16%	152,210	128,060
Net Income <Loss>	(112,105)	(127,982)	-12.41%	(81,915)	(129,550)

Sales

D506	Food Sales	584,461	580,534	0.68%	606,480	545,909
D506.1	Beer Sales	34,235	34,005	0.68%	31,442	21,344
D506.2	Wine Sales	37,363	37,112	0.68%	38,695	35,118
D506.3	Liquor Sales	34,235	34,005	0.68%	35,401	27,509
Total Sales		690,293	685,656	0.68%	712,018	629,880

Cost of Goods Sold

H450	Food (41%)	239,629	238,019	0.68%	221,481	233,096
H455	Beer (24%)	8,216	8,161	0.68%	8,839	7,185
H455.1	Wine (24%)	8,967	8,907	0.68%	11,520	8,879
H455.2	Liquor (24%)	8,216	8,161	0.68%	7,132	5,940
Total COGS		265,029	263,248	0.68%	248,973	255,100

Gross Profit

	425,265	422,407	0.68%	463,044	374,780
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Wages/Benefits

H500	Salaries - FTP	183,754	178,526	2.93%	199,786	151,541
H510	Salaries - Part Time	158,767	157,701	0.68%	128,457	163,719
H520	Salaries - Overtime	4,151	5,189	-20.00%	5,745	2,986
H540	Taxes - Payroll	29,496	31,359	-5.94%	33,594	34,452
H545	Temporary Outside Labor	-	-	#DIV/0!	-	-
H550	Retirement Expense	9,013	8,751	2.99%	2,073	2,481
H553	Insurance - Personnel	12,130	14,273	-15.02%	18,162	15,509
H574	Recruit/Train/Services	1,255	1,255	0.00%	1,816	3,163
H575	Employee Bonus	1,200	1,800	-33.33%	-	-
H588	Workers Comp Insurance	3,061	3,424	-10.62%	2,214	2,764
H588.1	Workers Comp Adjustments	-	-	#DIV/0!	902	(345)
Total Wages/Benefits		402,826	402,279	0.14%	392,749	376,270

Full Time Employees	3	3	0.00%
Part Time Hours	13,780	13,780	0.00%
Overtime Hours	252	315	-20.00%

HGMD 2020 OPERATING BUDGET

<u>RESTAURANT</u>		2020 Budget	2019 Budget	% Change 2019 Budget 2020 Budget	2019 Forecast	2018 Actual (unaudited)
					18.04%	
<u>Operating Expense</u>						
H621.1	Mileage Reimbursement	-	0	#DIV/0!		0
H639	Software & IT	3,600	3,840	-6.25%	2,571	0
H640	Electric	22,777	22,777	0.00%	21,632	22,224
H643	Gas	4,384	4,429	-1.02%	3,294	5,150
H644	Water	2,480	2,502	-0.87%	2,359	2,653
H645	Phone & TV	2,400	2,400	0.00%	2,496	2,352
H646	Trash Removal	4,104	4,104	0.00%	4,805	3,611
H651	Uniforms	1,000	1,000		410	568
H652	Discounts & Comps	6,500	6,500	0.00%	8,198	8,411
H655	Linen Service	4,704	4,704	0.00%	7,666	5,586
H662	Office Supplies	660	660	0.00%	1,333	1,227
H671	Outside Contractors	6,730	6,730	0.00%	10,977	15,031
H673	Maintenance Hours	3,120	3,120	0.00%	9431	3,962
H674	Custodial Hours	6,375	6,375	0.00%	4770	1,954
H681	Credit Card Fees	20,709	20,570	0.68%	14,716	14,726
H683	Repairs - Equipment	7,200	7,200	0.00%	4,494	3,787
H684	China/Glass/Flatware	3,000	3,000	0.00%	1,500	3,875
H684.1	Restaurant/Kitchen Supplies	18,000	18,000	0.00%	21,193	19,806
H684.2	Supplies - Other	-	0	#DIV/0!	1,748	5,628
H684.3	Equipment	-	600	-100.00%	-	1,305
H685	Cleaning Supplies	3,600	3,600	0.00%	6,657	3,252
H688	Non Capital Equipment	8,700	15,500	-43.87%	15,500	
H689	Marketing	-	0	#DIV/0!	4,636	
H690	Licenses & Taxes	4,500	4,500	0.00%	1,825	2,952
H697	Marketing	-	6,000	-100.00%		
Total Operating Expense		134,543	148,111	-9.16%	152,210	128,060
NET INCOME		(112,105)	(127,982)	-12.41%	(81,915)	(129,550)

2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
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H574 - Recruiting Training				
Craigslist	420	420		
Employment Screening	735	735		
CPR Training	100	100		
	1,255	1,255	0.00%	1,816
				3,163

H588 - Workers Comp				
Monthly Insurance (renew in Aug)	2,061	2,424		
Deductible	1,000	1,000		
	-	-		
	3,061	3,424	10.62%	2,214
				2,764

H671 - Outside Contractors				
Hood Cleaning	1,980	1,980		
Hood Inspection	950	950		
Grease Trap Pump	1,400	1,400		
BEC Gift Cards	600	600		
Entertainment	1,800	1,800		
	-	-		
	6,730	6,730	0.00%	10,977
				15,031

H684.3 - Equipment				
2 Drawer Bread Warmer	-	-		
Microwave	-	600		
	-	-		
	-	-		
	-	600	100.00%	-
				1,305

H688 - Non Captial Equipment				
Sandwich Prep Cooler	3,000	4,000		
Fryer	1,200	3,000		
Server Stations (3)	4,500	5,000		
	-	3,500		
	8,700	15,500	43.87%	15,500
				-

2020 Budget	2019 Budget	Percent Change	2019 Forecast	2018 Actual
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H689 - Marketing				
Heather n Yon	-	-		
Heather Ridge	-	-		
Miscellaneous	-	-		
Print Media	-	-	#DIV/0!	4,636
	-	-		-

H690 - Licenses & Taxes				
Aloha Annual License	2,000	2,000		
Personal Property Tax	700	700		
Liquor License	1,800	1,800		
	4,500	4,500	0.00%	1,825
				2,952

HGMD CAPITAL IMPROVEMENT PROJECTS

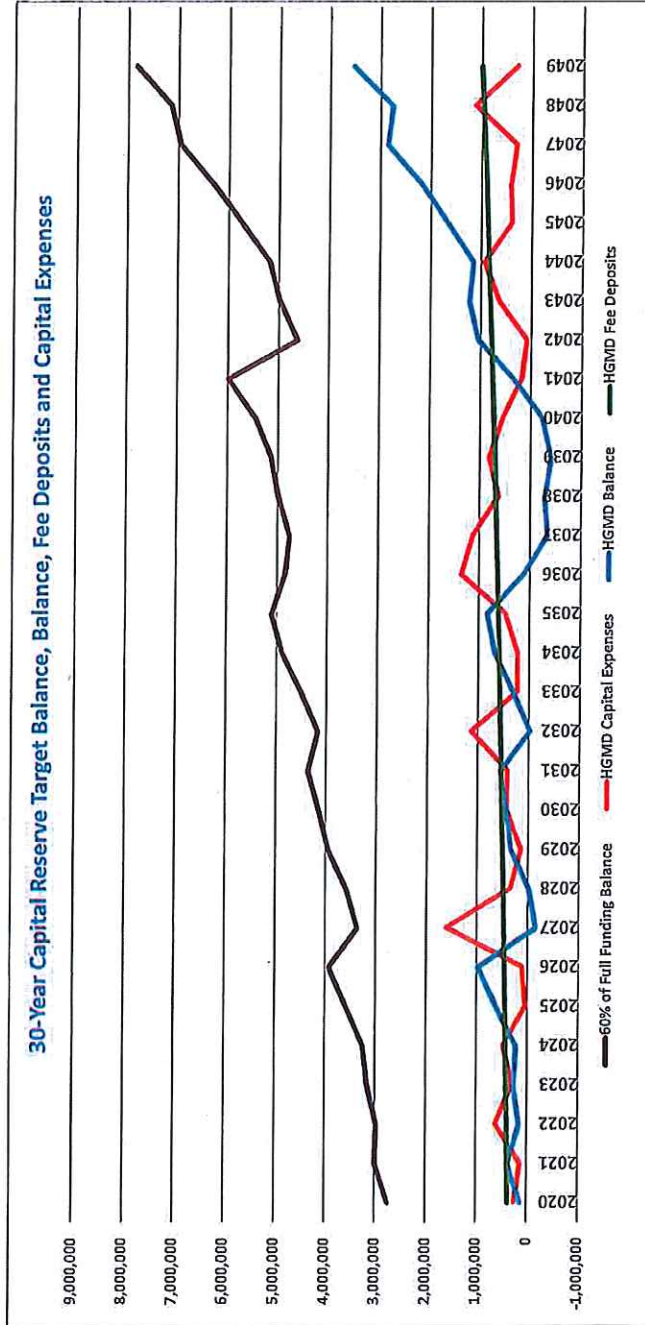
2020 Budget	2019 Budget
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D601 - Capital Outlay		
Board room AV system	20,700	
Banquet Room Carpet	10,793	
Lake Fountain North	10,600	
Pump House Roof TPO	10,350	
Cart Washer	5,382	
Golf cart Fleet Batteries (6 per cart)	43,563	
Grinder, Reel	49,855	
LD Utility Vehicle # 608 (cab with snow p	49,680	
Parking Lot - Shop	57,277	
Vehicle hoist 1992	9,496	
Linvale Place	36,698	
	-	
	-	
	-	
	-	
	-	
	-	
	-	
	-	
Contribution to Reserve	66,483	25,000
	-	-
	370,877	219,078

Heather Gardens Metropolitan District 2020 Capital Reserve Financial Assessment

Key Variables	Values	Average Per Unit Per Month	Values	Capital Fee Adjustments
Analysis Year	2020	\$7.53	\$219,078	Current 2019 Deposit
Inflation Rate	3.5%	\$7.79	\$226,746	Est. 2020 Base Deposit
Earnings Rate	2.1%	\$4.95	\$1,444,104	Deposit Adjustment
Base Rate	1.5%	2020	2050	Year Start and Year End
High Rate	2.6%	Minimum Capital Project Cost	\$5,000	
Split at	150%	Target Full Funding Balance Share	60%	

HGMD NRSS Full Funding	'Bank' Balance	'Bank' Deposit
Amount Needed (100%)	\$4,288,380	\$463,497
Jan 1, 2019 Actual	\$0	\$219,078
Success Ratios	0.0%	47.3%
Years Low Balance	7 < Zero	11 < \$250,000
Start "Rainy Day" Fund at	No	\$0



HEATHER GARDENS ASSOCIATION

MONTHLY HOMEOWNERS DUES

BUDGET YEAR

2020

Unit Type	CAPITAL RESERVE	REC FEE	WATER & SEWER	INSUR.	MAINT.	GAS & ELEC	2020 TOTAL	2019 TOTAL	\$ CHANGE 2019-2020	PERCENT CHANGE
ALPHA										
B	60.15	43.03	39.01	35.28	162.32	35.21	375.00	356.00	19.00	5.3%
E	64.34	43.88	39.01	37.73	173.43	36.61	395.00	374.00	21.00	5.6%
A (Base)	78.84	46.82	39.01	46.23	212.62	41.48	465.00	437.00	28.00	6.4%
C	89.44	48.97	39.01	52.45	241.09	45.04	516.00	482.00	34.00	7.1%
G	89.99	49.08	39.01	52.78	242.91	45.23	519.00	485.00	34.00	7.0%
F	98.36	50.78	39.01	57.68	265.13	48.04	559.00	521.00	38.00	7.3%
BB	120.31	52.82	39.01	70.55	323.89	70.42	677.00	639.00	38.00	5.9%
AE	143.17	57.46	39.01	83.96	385.30	78.10	787.00	738.00	49.00	6.6%
AA	158.35	60.53	39.01	92.86	427.06	83.19	861.00	803.00	58.00	7.2%
SOMERSET										
B-77-6	60.32	43.06	39.01	35.38	162.96	35.27	376.00	357.00	19.00	5.3%
K-6	70.47	45.12	39.01	41.33	189.40	38.67	424.00	401.00	23.00	5.7%
A-77-6	78.78	46.81	39.01	46.20	212.74	41.46	465.00	437.00	28.00	6.4%
J-6	89.44	48.97	39.01	52.45	241.09	45.04	516.00	482.00	34.00	7.1%
C-6	89.44	48.97	39.01	52.45	241.09	45.04	516.00	482.00	34.00	7.1%
F-6	98.36	50.78	39.01	57.68	265.13	48.04	559.00	521.00	38.00	7.3%
AB-6	139.10	56.63	39.01	81.58	374.95	76.73	768.00	720.00	48.00	6.7%
AK-6	148.86	58.61	39.01	87.30	401.21	80.01	815.00	762.00	53.00	7.0%
AA-77-6	157.56	60.37	39.01	92.40	424.73	82.93	857.00	800.00	57.00	7.1%
SEVILLE										
B-S	55.41	42.07	39.01	32.50	149.39	33.62	352.00	336.00	16.00	4.8%
K-S	63.72	43.75	39.01	37.37	171.74	36.41	392.00	372.00	20.00	5.4%
A-S	70.97	45.23	39.01	41.62	191.33	38.84	427.00	403.00	24.00	6.0%
C-S	79.51	46.96	39.01	46.63	214.18	41.71	468.00	440.00	28.00	6.4%
F-S	85.53	48.18	39.01	50.16	230.39	43.73	497.00	466.00	31.00	6.7%
AB-S	126.39	54.05	39.01	74.12	340.97	72.46	707.00	665.00	42.00	6.3%
BC-S	134.92	55.78	39.01	79.12	363.84	75.33	748.00	702.00	46.00	6.6%
AK-S	134.70	55.74	39.01	78.99	363.31	75.25	747.00	701.00	46.00	6.6%
ATRIUM										
N-2	55.36	42.06	39.01	32.46	149.51	33.60	352.00	336.00	16.00	4.8%
M-2	58.15	42.62	39.01	34.10	166.58	34.54	365.00	348.00	17.00	4.9%
K-2	71.98	45.43	39.01	42.21	194.19	39.18	432.00	407.00	25.00	6.1%
A-2	80.40	47.14	39.01	47.15	216.29	42.01	472.00	444.00	28.00	6.3%
A-2-3	83.69	47.80	39.01	49.08	225.31	43.11	488.00	458.00	30.00	6.6%
C-2	89.77	49.04	39.01	52.65	241.38	45.15	517.00	484.00	33.00	6.8%
L-2	89.77	49.04	39.01	52.65	241.38	45.15	517.00	484.00	33.00	6.8%
F-2	99.14	50.94	39.01	58.14	267.47	48.30	563.00	524.00	39.00	7.4%
AK-2	152.38	59.32	39.01	89.36	410.74	81.19	832.00	777.00	55.00	7.1%
AK-2-3	155.67	59.99	39.01	91.29	419.75	82.29	848.00	791.00	57.00	7.2%
OMEGA										
B-O	59.48	42.89	39.01	34.88	160.76	34.98	372.00	354.00	18.00	5.1%
K-O	69.97	45.02	39.01	41.03	188.46	38.51	422.00	399.00	23.00	5.8%
A-O	77.67	46.58	39.01	45.55	209.10	41.09	459.00	432.00	27.00	6.3%
C-O	88.38	48.76	39.01	51.83	238.33	44.69	511.00	478.00	33.00	6.9%
F-O	98.97	50.90	39.01	58.04	266.84	48.24	562.00	523.00	39.00	7.5%
AK-O	147.64	58.36	39.01	86.58	397.81	79.60	809.00	757.00	52.00	6.9%
COUNTRY PLACES & TOWN HOMES										
3BR	88.43	48.77	39.01	51.86	237.93	0.00	466.00	436.00	30.00	6.9%
2BR	77.28	46.50	39.01	45.32	207.89	0.00	416.00	390.00	26.00	6.7%
3B2	104.66	52.06	39.01	61.38	281.89	0.00	539.00	503.00	36.00	7.2%
TH	104.38	52.00	39.01	61.22	281.39	0.00	538.00	501.00	37.00	7.4%
MV	63.56	43.72	39.01	37.27	171.44	0.00	355.00	333.00	22.00	6.6%
HOMEOWNERS DUES BUDGET							TOTAL DUES			
BY CATEGORY	2,405,499	1,382,559	1,135,727	1,410,707	6,481,249	1,096,237	13,911,979	12,943,146	968,833	7.5%
					W/O GAS & ELECTRIC		12,815,741	11,987,206	828,535	6.9%
PREVIOUS YEAR'S BUDGET:										
BY CATEGORY	2,324,154	1,207,317	1,294,789	965,397	6,195,549	955,940	12,943,146			
% CHANGE	3.5%	14.5%	-12.3%	46.1%	4.6%	14.7%	7.5%			

EXHIBIT C

Certification of Tax Levy

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the Heather Gardens Metropolitan District,

the (taxing entity)^A Board of Directors

of the (governing body)^B Heather Gardens Metropolitan District
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 44,301,263 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 44,301,263 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/11/2019 for budget/fiscal year 2020
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
3. General Obligation Bonds and Interest ^J	12.389 mills	\$ 548,848
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	12.389 mills	\$ 548,848

Contact person: (print) Brett Miller Daytime phone: (720) 974-6952
Signed: Brett Miller Title: Controller

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	General Obligation Refunding Bonds	
	Series:	Series 2017	
	Date of Issue:	November 27, 2017	
	Coupon Rate:	3.98% to 4.0%	
	Maturity Date:	December 1, 2040	
	Levy:	12.389	
	Revenue:	\$548,848	

2.	Purpose of Issue:		
	Series:		
	Date of Issue:		
	Coupon Rate:		
	Maturity Date:		
	Levy:		
	Revenue:		

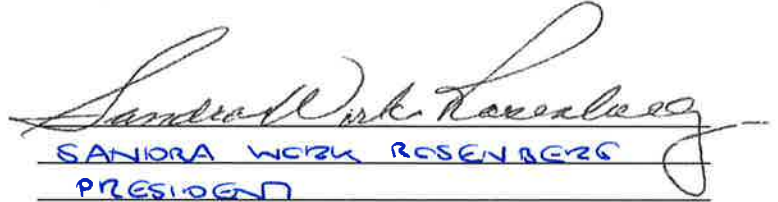
CONTRACTS^K:

3.	Purpose of Contract:		
	Title:		
	Date:		
	Principal Amount:		
	Maturity Date:		
	Levy:		
	Revenue:		

4.	Purpose of Contract:		
	Title:		
	Date:		
	Principal Amount:		
	Maturity Date:		
	Levy:		
	Revenue:		

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Heather Gardens Metropolitan District of Arapahoe County, Colorado on this 19th day of December, 2019.


By: SANDRA WORK ROSENBERG
Its: PRESIDENT



MANAGEMENT AGREEMENT

This Agreement is entered into as of the 23rd day of AUGUST, 2018 by and between HEATHER GARDENS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and the HEATHER GARDENS ASSOCIATION, a non-profit Colorado corporation (the "Association"). Together, the District and the Association may be referred to as the "Parties" or individually as a "Party."

WHEREAS, the District is metropolitan district, organized on April 6, 1983 in accordance with Title 32 of the Colorado Revised Statutes for the purpose of providing park and recreational facilities and improving and maintaining streets for the District, and the benefit of the public and inhabitants thereof; and

WHEREAS, the Association is a Colorado non-profit corporation, organized pursuant the Colorado Nonprofit Corporation Act as the homeowners' association for the owners of condominium units at Heather Gardens (herein called "Homeowners") pursuant to, among other things, the Amended and Restated Condominium Declaration for Heather Gardens recorded at Reception Number D5005871 in the Arapahoe County records (the "Declaration"); and

WHEREAS, the District owns or leases, or in the future will own or lease, certain real property, including without limitation recreational facilities, open space, grounds, roads and walkways, a golf course, a club house, a restaurant, a maintenance shop, a recreational vehicle parking lot, a community garden, storage units and other real estate, structures and improvements, and certain personal property located therein all located within the boundaries of the District (collectively the "Properties"); and

WHEREAS, the District and the Association are desirous of entering into this Agreement whereby the Association is to (i) operate and manage the affairs of the District except for those duties which the State of Colorado requires the District to retain, and (ii) manage, operate, maintain, upgrade, rehabilitate, retire, replace and otherwise deal with the Properties.

NOW, THEREFORE, in consideration of the covenants contained herein, plus other good and valuable consideration passing between the Parties hereto, the sufficiency and receipt of which is hereby acknowledged, the Parties mutually agree as follows:

I

MANAGEMENT OF DISTRICT AND ITS PROPERTIES

1. The District, as Principal, designates the Association, subject to the District's Board of Director's policies, budgeting, finances, and oversight, as the District's agent to (i) operate and manage the affairs of the District, including performance of all duties of the District except those duties reserved by and to the District herein and those duties which the District is required by law to retain (e.g. adoption of budgets, finances, levying of taxes, issuance of debt, setting of rates, fees, tolls and charges, etc.) and (ii) manage, operate, maintain, and otherwise deal with the Properties and, with the specific approval of the District, upgrade, rehabilitate, retire, and/or replace the Properties (collectively the "Delegated Duties").

2. The Association hereby accepts this agency and agrees to perform the Delegated Duties, subject to available funding provided by the District and the Recreation Fees (defined below), and to responsibly and responsibly execute the Delegated Duties, and subject to limitations and restrictions in the Association's Amended and Restated Declaration of Condominium, its bylaws, "Rules" (as defined in Section 1.32 of the Declaration, to wit: "rules, regulations, procedures, procedure memoranda, policies and guidelines adopted by the Board" of the Association) policy and/or the Colorado Common Interest Ownership Act, Colorado Nonprofit Corporation Act and related employment laws and regulations.

3. In addition to those duties which by law are reserved to the District and its Board of Directors, the District expressly reserves unto its Board of Directors decisions regarding the following: (1) Substantive physical alteration of real property which is part of the Properties, or any part thereof; (2) reassignment of use of real property which is part of the Properties from its use as of the date of this Agreement or as later authorized by the District; and (3) sale or other disposition of any part of the Properties without the advance written consent of the District's Board of Directors, by specific action or, in the case of personal property, by approved protocols for disposition. For purposes of this Section 3, "substantive physical alteration" shall not include or refer to maintenance, or repairs that do not change access to the Properties.

4. With regard to District functions, the District President shall serve as the liaison between the District's Board of Directors and the Association Manager (as that term is defined below). The Association Manager shall not be required to take direction from the District other than through the District's Board of Directors or the District's President. Except as provided below, the District shall not direct or give instruction to the Association's staff. The Association Manager may, from time to time, authorize direct access for a District director to Association staff for such purposes as determined by the Association Manager. In such cases, it is understood and agreed that the District director concerned will, at all times, keep the Association's Manager informed regarding the substance of the transaction or communication.

5. The Parties acknowledge that the Association manages its affairs in accordance with a dynamic set of Rules. Nothing in this Agreement shall prevent the Association and the District from otherwise agreeing in writing to additional or alternative procedural documentation for management.

6. From time to time the District and the Association may form joint committees to advise the Board of Directors of both the District and the Association in areas of common interest, e.g. budgeting and finance.

a. When formed, such joint committees shall be governed by a procedure memorandum, approved by the District and the Association, which outlines the scope and membership of such committees.

b. A joint committee is dissolved when either the Board of Directors of the District or the Association take action to withdraw from a joint committee.

II

THE ANNUAL BUDGET AND FEES

1. The Parties recognize that development of annual District and Association budgets supporting the costs associated with the Delegated Duties requires cooperation, timely preparation, review, and setting of the Recreation Fee and User Fee. "Recreation Fee" or "Recreation Fees" shall mean the monthly fee levied and collected by the Association from the Homeowners and their properties pursuant to the Declaration and remitted to the District. "User Fee" or "User Fees" shall mean the fees adopted by the District for use or uses of the Properties, collected by the Association, on behalf of the District, and remitted to the District. The Parties further recognize that the Recreation Fee and User Fee must be annually determined in conjunction with one another, to the end that the combined revenues therefrom shall be sufficient to enable the District to meet its maintenance, operational, capital reserve, and financial responsibilities, in light of other revenues that may be available to the District. The District shall have no right to require the Association to determine, fix, or change the Recreation Fees outside of the annual budget process. Likewise, the Association shall have no right to require the District to determine, fix, or change the User Fees outside of the annual budget process. In connection herewith, the Parties shall timely perform the following tasks:

a. For the duration of this Agreement, the Association, as agent of the District, shall be the entity designated by the District's Board of Directors to prepare and submit to that Board a proposed budget, which shall be submitted no later than October 15 of the year prior to the budget year under consideration. The Association, as the District's agent, shall process the ensuing year's budget as required by law, and take or direct all actions necessary for the budget and the property tax levy thereunder to be valid and binding. The proposed budget shall show the Association's proposal for Recreation

Fees in the budget year and the Association's projections for User Fees in the budget year, as well as other anticipated District revenues and all anticipated District expenditures and shall otherwise be in compliance with requirements of State law.

b. No later than November 15 of the year prior to the budget year under consideration, the Association will consult with the District and develop (i) an Association budget for Recreation Fees, (ii) a recommendation to the District for determining User Fees, and (iii) a recommendation to the District for its entire budget for the ensuing year, including all revenues and expenditures.

c. No later than November 30 of the year prior to the budget year under consideration, the District, after review of the Association's recommendations as provided in Section II.1.b., will set a proposed budget and cause publication of a notice of consideration thereof as required by State law. Neither the Association's recommendations nor proposed budget shall bind the District.

d. After public hearing on the budget proposed for the ensuing budget year, and no later than December 15 of the year prior to the budget year, the District's Board of Directors shall adopt its budget, appropriate funds, and levy ad valorem property taxes. The District's Board of Directors may also set rates, fees (other than Recreation Fees), tolls and charges in connection with its budget process or at such other times as it may find necessary.

e. All dates set forth in this Article II shall be adjusted as necessary, without any amendment to this Agreement being required, to comply with any changes in State law.

III

RIGHTS AND DUTIES OF THE DISTRICT

1. a. The District shall plan and budget for those of its obligations not subject to management by the Association per this Agreement, including retirement of its outstanding bonded indebtedness.

b. The final responsibility and authority for all District funds and assets rests with the District and its Board of Directors, and nothing in this Agreement shall be construed to effect an unlawful delegation thereof to the Association.

c. All furniture, fixtures, equipment, and machinery owned by the District presently used in or about the Properties shall be and remain the property of the District. The Association shall prepare and periodically update an inventory of all furniture, fixtures, equipment and machinery owned by the District. The District shall review and suggest revisions, if any, to the inventory prepared by the Association of all furniture, fixtures, equipment and machinery owned by the District. The District shall also provide all machinery and equipment necessary for the care and maintenance of the Properties.

Each Party shall be responsible for and bear the cost of acquisition, maintenance and repair of its own furniture, fixtures, equipment and machinery.

d. Where legal assistance is required in connection with District matters, such action shall be instituted by and through counsel designated by the District. The expense for such counsel shall be borne by the District, with approval of the District.

e. The District hereby authorizes the Association to make District deposits in deposit accounts suitable for a public entity under State law, and to arrange, as agent, for the payments authorized by the District's budget and this Agreement. Further, the District authorizes the Association to arrange for the District's timely payment to the holders of District debt and to meet other budgeted and valid financial obligations of the District.

IV RIGHTS AND DUTIES OF THE ASSOCIATION

1. a. Subject the District's Board of Director's policies, budgeting, finances, and oversight, the Association shall make necessary operational and management decisions relative to the execution of the Delegated Duties.

b. The Association shall take all necessary steps to levy the Recreation Fees, and to take commercially reasonable efforts to collect and enforce the collection of all Recreation Fees and all User Fees and remit the collected Recreation Fees and User Fees to the District.

c. The Association shall collect on behalf of, safeguard, account, transfer, and turn over to the District all revenues of the District, including the collected Recreation Fees and User Fees. The Association may pay from those revenues all expenses of the District approved by the District's Board of Directors and, at such intervals as may be set by the District, turn over to the District all receipts net of such approved expenses and provide the District with a monthly reconciliation thereof.

d. The Association shall maintain accurate records of all moneys received and disbursed in connection with this Agreement, including the operation and management of the Properties, and such records shall be open for inspection by the District and its members at all reasonable times, and as required by the Colorado Open Records Act.

e. All furniture, fixtures, equipment, and machinery owned by the Association presently used in or about the Properties shall be and remain the property of the Association. The Association shall prepare and periodically update an inventory of all furniture, fixtures, equipment and machinery owned by the District and the Association.

f. Where legal assistance is required in connection with Association matters, such action shall be instituted by and through counsel designated by the Association. The expense for such counsel shall be borne by the Association, with approval of the Association.

2. Subject to available funding, the Association shall do everything reasonably necessary, consistent with this Agreement, the Declaration, and the Rules, for the proper execution of the Delegated Duties, including, but not limited to, periodic inspections, supervision of maintenance and arranging for maintenance of such improvements, alterations and repairs as may be required for the Properties.

3. The Association shall follow the standards and guidelines outlined in its employee handbook as it relates to employees performing work to ensure the proper execution of the Delegated Duties. Notwithstanding the foregoing sentence, all employees, whether performing work on the Properties, under this Agreement for the District, or for the Association, are employees of the Association, and shall not be considered employees of the District. All matters concerning the employment of the Association's employees will remain confidential between the Association and its respective employees, and the Association shall have no obligation to disclose such confidential matters to the District. Nevertheless, the Association shall report to the Board of Directors of the District regarding noteworthy disciplinary action or proposed termination of employment of any key employees (e.g., managers of the cost centers) or groups of employees (i.e. when multiple employees are involved) performing work to ensure the proper execution of the Delegated Duties. Said report may be delivered orally and shall be made on a quarterly basis in order to keep the District apprised of personnel issues, unless more frequent reporting would be necessary or appropriate as it relates to any particular circumstance, as it may be determined by the Association.

4. The Association has the authority to engage independent contractors, within District budget constraints, on behalf of the District and in the District's name or in the Association's name to assist with the execution of the Delegated Duties; provided, however, that all contracts to upgrade, rehabilitate, retire, and/or replace the Properties shall require prior approval of the Board of Directors of the District. The Association shall administer all such contracts.

5. The Association agrees that it has the duty and responsibility of an agent, and its agency is contained in the provisions of this Agreement. The Association shall perform this Agreement and manage the affairs and Properties of the District as an agent and in full compliance with the requirements of all applicable laws.

6. In its agency capacity, the Association shall have the right to occupy and utilize the Properties for the use and benefit of those legally entitled thereto, i.e. the public, including Homeowners, lessees and occupants of condominium units at Heather Gardens.

7. In the performance of its agency and duties hereunder, the Association shall employ an Association manager (hereafter "Association Manager") and shall require, as part of his or her duties, that he/she responsively and responsibly serve the District, be responsible for advising its Board of Directors and supervising the Delegated Duties in a manner consistent with this Agreement and the policies of the District's Board of Directors. The Association shall act through its Board of Directors, or, at the direction of the Association's Board of Directors, through the Association Manager. The Association shall also employ such other employees as the Association deems necessary to execute the Delegated Duties.

8. In consideration of the Association's undertakings in this Agreement and for the convenience of the District, during the term of this Agreement the Association is granted the right to occupy office space currently occupied by the Association in the Clubhouse located at 2888 So. Heather Gardens Way, and the space presently occupied in the maintenance facility located at 2877 So. Heather Gardens Way without payment of rent or any other monetary compensation. Within its space, the Association will continue to provide space for District records and functions, along with the clerical and accounting services. The Parties consider the value of space and services contributed by each to be of equal value. No charges shall be levied by either Party on the other in connection herewith.

V **INSURANCE AND INDEMNITIES**

1. a. Throughout the term of this Agreement, the Association shall keep in full force and effect for the mutual benefit of both Parties, (a) personal property casualty insurance on all furniture, furnishings, machinery and equipment used in, on or about the Properties; designating the District as loss payee, (b) real property casualty insurance, designating the District as loss payee, (c) a comprehensive general liability insurance for personal injury, death or property damage liability arising from the use occupancy and condition of the Properties, or adjacent areas or access ways, or arising from the Association's performance of this Agreement, and (d) such other coverage as is customary for the protection of the District (including without limitation, crime loss and pollution liability). Each coverage shall be in an amount sufficient to make whole the District in case of loss or claim, and under all circumstances in the minimum amount of \$1,000,000 for such injury or damage for any one accident or occurrence. The Association and the District shall each be named as an additional insured under each other's policies. The Association shall provide the District with evidence of insurance and provide the District with notice in the event of cancellation of any insurance. Nothing in this Section V or this Agreement shall be construed to be a waiver of the District's governmental immunity.

b. To the extent permitted by law, each Party shall indemnify and hold the other Party (including its directors and officers) harmless from and against any claim,

demand, damage, liability loss and expense arising out of the performance of this Agreement, except in the instance of gross negligence of the Party otherwise indemnified.

VI **TERM OF THE AGREEMENT**

1. The term of this Agreement shall be for a period commencing on the date hereof and shall continue in force and effect until the end of this calendar year. Thereafter, absent written notice by one Party to the other not less than 180 days prior to the end of a calendar year, the Parties agree that this Agreement shall renew for additional calendar years on a similar basis, with each year constituting a separate contract for management.

VII **DISPUTE RESOLUTION**

1. a. In the event the District believes any of the Delegated Duties are not being properly executed, the District shall forthwith notify the Association in writing and request a joint meeting to discuss the proper execution of the Delegated Duties in question.

b. The Parties agree that they shall in good faith attempt to settle any disputes arising pursuant to this Agreement as early as practicable by prompt discussion and negotiation.

c. If the Parties are unable to resolve the dispute themselves through discussion and negotiation, the Parties shall each select a mediator and the two mediators so selected shall be a person eligible to vote in Association and District elections. Such mediators shall serve without fee. The mediators shall choose a third mediator who shall be a professional mediator. The fees of the professional mediator and the associated costs of the mediation process shall be shared equally by the Parties.

d. Mediation shall be a condition precedent to litigation or, if agreed upon, arbitration.

e. The Parties agree that, to the extent permitted by law, in any dispute confidentiality will be maintained and no public statement shall be issued prior to the completion of the above stated dispute resolution process. Violation of the foregoing confidentiality obligation may subject the offending Party to litigation.

VIII
MISCELLANEOUS PROVISIONS

1. a. For the purpose of this Agreement, and until changed by written notice to the other Party, the mailing addresses of the District and the Association for all purposes are as follows:

The District: Heather Gardens Metropolitan District
2888 So. Heather Gardens Way
Aurora, Colorado 80014


The Association: Heather Gardens Association
2888 So. Heather Gardens Way
Aurora, Colorado 80014

b. Nothing contained in this Agreement shall constitute or be construed to be or create a partnership or joint venture between the District and the Association, its successors or assigns.

c. This Agreement may be changed or modified only in writing, by an agreement approved by the respective Boards of Directors of the Parties and signed by authorized officers of each Party.

d. This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter of this Agreement.

e. The Article and paragraph headings are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

f.  Any provision to the contrary notwithstanding, none of the obligations of either Party to this Agreement will be enforceable by any person other than a Party to this Agreement or its permitted successors or assigns.

g. This Agreement will be deemed to have been made and will be construed and interpreted in accordance with the laws of the State of Colorado. The District's obligations hereunder are subject to annual appropriation and nothing herein shall be construed to attempt to restrict the legislative power of the District's Board of Directors.

h. Should any one or more sections or provisions of this Agreement be judicially adjudged invalid or unenforceable, such judgment shall not affect, impair, or invalidate the remaining provisions of this Agreement, the intention being that the various sections and provisions hereof are severable.

i. This Agreement, in all respects terminates and supersedes the Management Agreement by and between the Parties dated September 2, 2015.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and sealed by their duly authorized officers as of the date first above written.

HEATHER GARDENS METROPOLITAN DISTRICT

By: Craig Baldwin
President

ATTEST

By: Gary Hizer
Secretary

State of Colorado
County of ARAPAHOE

The foregoing instrument was acknowledged before on this (date) by
CRAIG BALDWIN, President of Heather Gardens Metropolitan
District Board of Directors and GARY HIZER, Secretary of
Heather Garden Metropolitan District Board of Directors.

Stephanie Wyche
Notary's Official Signature

STEPHANIE WYCHE
Notary Public
State of Colorado
Notary ID # 20084019923
My Commission Expires 03-15-2021

3-15-2021
Commission Expiration

Notary Seal

HEATHER GARDENS ASSOCIATION

By: Kay A Sawyer
President

ATTEST

By: Mel Rawles
Secretary

State of Colorado
County of Arapahoe

The foregoing instrument was acknowledged before on this (date) by
KAY SAWYER, President of Heather Gardens Association Board
of Directors and MEL RAWLES, Secretary of Heather Gardens
Association Board of Directors.

Stephanie Wych
Notary's Official Signature

STEPHANIE WYCHE
Notary Public
State of Colorado
Notary ID # 20084019923
My Commission Expires 03-15-2021

3-15-2021
Commission Expiration

Notary Seal



**BYLAWS
OF THE
HEATHER GARDENS METROPOLITAN DISTRICT**
Adopted and Effective July 18, 2019

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ARTICLE VI. GENERAL

ARTICLE I – APPLICATION OF BYLAWS

Section 1. Authority. Heather Gardens Metropolitan District (District) is a quasi-municipal corporation and political subdivision of the State of Colorado with those powers specifically authorized by, and in compliance with the Special District Act, Article 1 of Title 32, C.R.S. (Special District Act), including, but not limited to the power to adopt, amend, and enforce bylaws and rules and regulations, not in conflict with the constitution and laws of this state for carrying on the business, objectives, and affairs of the Board of Directors (Board) of the District and the District.

Section 2. Purpose. It is hereby declared that the Bylaws hereunder set forth will serve a public purpose and aid the Board and the District in carrying on its business, objectives, and affairs.

Section 3. Scope. These Bylaws shall supersede all previous versions of the District’s bylaws and policy manuals, as well as all previous resolutions, actions and informal practices and policies of the District or portions thereof which may be in conflict with the provisions hereof.

ARTICLE II – ORGANIZATION

Section 1. Powers and Duties. All powers, privileges and duties vested in, or imposed upon the District by law shall be exercised and performed by and through the Board, whether set forth specifically or impliedly in these Bylaws, provided, however, the Board:

- A.** May delegate to officers, contractors or employees of the District any or all administrative or ministerial duties;
- B.** Has delegated to the Heather Gardens Association and the Association’s general manager (District’s Agent) certain managerial, administrative and ministerial duties in accordance with the Management Agreement by and between the District and the Heather Gardens Association dated August 23, 2018, as may be amended from time to time (Management Agreement);
- C.** May delegate the authority to make purchases, negotiate leases for office space, and sign contracts, receipts, endorsements, checks, releases and other documents; and
- D.** May create standing or special committees and delegate such authority thereto as the Board deems necessary and proper for the performance of such committee’s functions and obligations.

Section 2. Office.

- A. Business Office.** The principal business office of the District shall be at 2888 South Heather Gardens Way, Aurora, Colorado 80014, until otherwise designated by the Board.

Section 3. Meetings.

- A. Regular Meetings.** Regular meetings of the Board shall be conducted on the third Thursday of each month at 1:00 p.m., at the Heather Gardens Clubhouse Board Room, 2888 South Heather Gardens Way, Aurora, Colorado, unless otherwise designated by the Board.
- B. Special Meetings.** From time to time the Board may call special meetings of the Board upon advance written notice in compliance with the Special District Act and other applicable laws.
- C. Study Sessions.** From time to time the Board may hold study sessions to receive, present and/or discuss information but not take any official actions.
- D. Public Meetings.** All meetings of the Board and its committees, including study sessions, other than executive sessions, shall be noticed in compliance with applicable laws and, with the exception of the executive sessions, open to the public and allow time for public comments.
- E. No Informal Action by the Board/Quorum.** Except as otherwise provided herein or as allowed by law, all official business of the Board shall be transacted at a regular or special meeting at which a quorum (more than one-half of the number of Board members serving on the Board at that time) shall be present in person or telephonically.
- F. Executive Sessions.** Executive sessions may be called at regular or special meetings of the Board in compliance with the Colorado Open Meetings Law, §§ 24-6-401 *et seq.*, C.R.S. No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called.

- G. Continuance of Meetings.** When a regular or special meeting is for any reason continued to another time and place, further notice need not be given of the continued meeting if the time and place of such meetings are announced at the meeting at which the continuance is taken, except as required by law. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.
- H. Emergency Meetings.** Emergency meetings may be called without notice, if notice is not practicable, by the president of the Board or any two (2) Board members in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the property owners and residents of the District. If possible, notice of such emergency meeting may be given to the members of the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency, and shall be provided to the public via any practicable means available, if any, including, but not limited to, posting notice of such emergency meeting on the District's website, if any. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided however, that any action taken at an emergency meeting shall be ratified at the first to occur: (a) the next regular meeting of the Board, or (b) the next special meeting of the Board.

Section 4. Preparation for and Conduct of Meetings. The Board recognizes that establishing a uniform and systematic protocol for preparing for and conducting its regular, special, and committee meetings and study sessions will help assure the efficient operations of the District and transparency to and participation of the public. As such, the Board hereby adopts the following procedures for the preparation of and conduct at meetings which the Board, the District's Agent, and the officers, agents and employees of the District shall use all reasonable efforts to follow and which shall be in addition to and shall be subject to other legal requirements set forth relating to the notice of and conduct at meetings:

- A. Agenda.** The agenda for all meetings and study sessions of the District is set by the chairperson with recommendations from other Board members and the District's Agent, and if appropriate, by legal counsel. The agenda for all meetings will include an agenda item for public comment for non-agenda items. The District's Agent is responsible for posting the notice and agenda in accordance with law and as provided in the District's annual administrative resolution. The agenda for any meeting or study session may be revised by motion, second and a majority vote of members of the Board.

B. Order of Business. The business of all regular and special meetings of the Board shall be transacted, as far as practicable, as follows:

1. Determine quorum is present.
2. Call meeting to order.
3. Consider approval of the minutes of the previous meeting/meetings.
4. Addition or changes to agenda.
5. President's comments.
6. Review of Financial Reports
7. Discussion of General Manager's report.
8. Reports of Directors, committees and professional consultants
9. Unfinished business.
10. New business.
11. Other business.
12. Residents wishing to address the Board on non-agenda items. (Time Limit – Three Minutes.)
13. Adjournment.

C. Motions.

1. Motions to take an action may be made at any meeting (but not study session) in open session (not executive session) by any member of the Board.
2. A motion may be made to take the following illustrative (but not exhaustive) list of actions:
 - a. Approve;
 - b. Disapprove;
 - c. Table to a date certain;
 - d. Table indefinitely; or
 - e. Refer to a committee.
3. A motion must receive a second. If there is not a second then the motion dies without further discussion.
4. After a motion and second, the members of the Board will have further discussion and public comment will be allowed (see below).

D. Public Review/Comment.

1. The Board, when possible, will endeavor to provide advance notice to the residents of Heather Gardens (in addition to that required by law) prior to adopting any new or revised bylaws or policy/procedure manuals by publishing information regarding such new or revised bylaws or policy/procedure manuals in the newsletter and the Heather Gardens Association electronic distribution and by making copies of such new or revised bylaws or policies manuals available for review.
2. The agenda for all meetings and study sessions will include an agenda item for public comment for non-agenda items. Public comment during this item is limited to 3 minutes per person. Members of the public wishing to address the Board during this agenda item will be asked to sign-up in advance and public comment will be received by the chairperson.
3. Public comment will be solicited and received by the chairperson after a motion and second have been made for a Board action and before a vote is taken. Public comment during this item is limited to 3 minutes per person. Members of the public wishing to address the Board during Board action items may, but will not be asked to, sign-up in advance. Public comment may be solicited and received by the chairperson after discussion of items at a study session.
4. No response to public comment is expected or required. However, when a response is made the following order may be used:
 - a. Chairperson;
 - b. District's Agent;
 - c. Board members; and
 - d. Legal counsel.

E. Discussion. After a motion and second have been made regarding a Board action item, the following rules will apply to discussions by members of the Board:

1. All discussion must stay on topic and be polite.
2. Discussion can be closed by:
 - a. The chairperson if there is no objection; or

- b. If there is an objection, the Board members shall vote on whether to close discussion.
- F. **Voting.** After the close of discussion, the chairperson will call for a vote and announce the results. The chairperson may take the vote by show of hands, orally or by roll call. All votes will be open, not by secret ballot, except as allowed by law. Except as otherwise provided herein or required by law or contract, any action of the Board shall require the affirmative vote of a majority of the Board members present, or attending telephonically, and voting.
- G. **Disruptive, Disorderly and Unlawful Conduct.** If a member of the Board, member of the public or any attendee of a District meeting or study session engages in disruptive, disorderly or unlawful conduct during a District meeting or study session the chairperson may issue a warning regarding such conduct, call a recess in the meeting or study session, adjourn the meeting or study session, and/or call security/law enforcement.

ARTICLE III – BOARD MEMBERS AND OFFICERS

Section 1. Board Members.

- A. **Board Member Qualifications and Terms.** Board members shall be eligible electors of the District as that term is defined by law. The term of each Board member shall be determined by relevant statutory provisions with elections held and conducted in the manner prescribed by the Special District Act, the Uniform Election Code of 1992, Articles 1 to 13 of Title 1, C.R.S. and the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S. The eligible electors of the District have not exercised the rights granted to them in Article XVIII, Section 11 of the Colorado Constitution to lengthen, shorten or eliminate the limitations on the terms of office imposed by such section, therefore, members of the Board are subject to term limits as provided by law.
- B. **Board Member’s Performance of Duties.** A Board member of the District shall perform all duties of a Board member, including duties as a member of any committee of the Board upon which the Board member may serve, in a manner which the Board member reasonably believes to be in the best interest of the District. Board members have a common-law fiduciary obligation to the District. As a fiduciary, each Board member has the duty to exercise the utmost good faith, business sense and astuteness on the

District's behalf and is prohibited from taking personal advantage of a situation to benefit the Board member or to prejudice the District.

In performing the Board member's duties, each Board member shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data provided, however, a Board member shall not be considered to be acting in good faith if the Board member has knowledge concerning the matter in question that would cause such reliance to be unwarranted.

- C. Oath of Office and Bond.** Each member of the Board, before assuming the responsibilities of the office, shall take and subscribe to an oath of office and provide a bond as required by law and provided at the expense of the District.
- D. Vacancies.** Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Board members, as provided by law. The appointed individual must meet the statutorily prescribed qualifications for Board members and shall serve until the next regular election.
- E. Resignation and Removal.** Board members may be removed from office only by recall as provided by law. A Board member may resign as a Board member or an elected office (president, vice-president, secretary, treasurer) at any time by giving written notice to the Board, and acceptance of such resignation shall not be necessary to make it effective. Removal from an elected office may occur when, for a demonstrable reason, an officer becomes unable to perform the duties of the office. In such a case, a member of the Board shall make a motion to that effect, and upon a majority of the Board voting in favor of such motion, the officer shall be removed immediately. The officer position shall then be declared vacant. An election by the Board shall then be held to fill the vacant officer position.
- F. Disclosure of Conflict of Interest.** A potential conflict of interest of any Board member shall be disclosed by such Board member in accordance with law, particularly Article 18 of Title 24, C.R.S., and §§ 32-1-902(3) and 18-8-308, C.R.S.
- G. Compensation.** Board members may receive compensation for services in accordance with §§ 32-1-902(3)(a)(I) & (II), C.R.S. if so authorized by resolution of the Board. The District shall allow reimbursement of

reasonable and actual expenses of the Board members while acting on behalf of the District.

Section 2. Officers.

- A. Election of Officers.** The Board shall elect from its membership a president, secretary, and treasurer. The office of secretary and treasurer may be held by one person. The Board may also elect from its membership a vice president.
1. The officers shall be elected by a majority of the Board members voting at such meeting at which the election of officers is considered.
 2. Election of officers shall be conducted annually at the first regular or special District meeting held in May and the officers shall serve for a term of one year. Election of officers may also be conducted at other meetings in order to fill a vacant office.
- B. President/Chairperson.** The president (also referred to as the chairperson) shall preside at all meetings. The president is authorized to sign all Board approved contracts, deeds, notes, debentures, warrants and other instruments on behalf of the District.
- C. Vice President.** The vice president shall preside at all meetings of the Board and perform the presidential duties in the absence of the president.
- D. Secretary.**
1. In the absence of the president and, if applicable, the vice-president, the secretary shall preside at all meetings of the Board.
 2. The secretary shall be responsible for the records of the District; may act as secretary at meetings of the Board and record all votes; may be responsible for composing a record of the proceedings of the Board in a minute book kept for that purpose, which shall be an official record of the Board; and shall perform all duties incident to that office.
 3. The secretary shall have the authority to affix the District seal to and attest to all contracts and instruments authorized to be executed by the Board.

E. Treasurer.

1. The treasurer shall be authorized to invest all surplus funds or other available funds of the District in permitted investments authorized by law or as specified by the Board. The Board may authorize investments only as authorized by law.
2. The treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for and on behalf of District in permanent records.
3. The treasurer shall ensure that a corporate fidelity bond in an amount determined by the Board but not less than \$5,000, conditioned on the faithful performance of the duties of the Treasurer's office is filed with the Clerk of the Court, at the expense of the District.
4. The treasurer shall be responsible for the presentation of the Budget to the District.

F. Recording Secretary. The Board shall have the authority to appoint a recording secretary who need not be a member of the Board, and who will be responsible for recording all votes and composing a record of the proceedings of the Board in the minute archive and will be the custodian of the seal of the District. The recording secretary shall not be required to take an oath of office, nor post a performance bond.

G. Additional Duties. The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board or which are required by law.

ARTICLE IV – STANDING AND SPECIAL COMMITTEES

Section 1. Functions. The primary purpose of a committee is to serve in an advisory role and recommend courses of action to the Board. In particular, committees:

- A. Monitor, in cooperation with the District's Agent, or designated staff, the effectiveness of policies and rules within its area of concern;
- B. Review and/or make recommendations concerning the policies and procedures of the District for its area of concern;
- C. Review and/or make recommendations concerning fees, if any, for its area of concern; and

- D. Make recommendations to assist in the preparation of the annual budget for its area of concern.

Section 2. Committee Composition. Each committee consists of a chairperson and up to seven eligible electors of the District. Eligible electors of the District may apply for membership on committees by completing an application obtained in the business office and submitting it to the chairperson of the committee on which membership is desired.

Section 3. Committee Chairperson. Unless otherwise authorized by the Board, the chairperson of each committee shall be a Board member appointed by the District president, subject to approval by the Board.

Section 4. Duties of the Chairperson. The chairperson of each committee shall enroll members in the committee as required to ensure that all members meet the criteria of these bylaws and act in the best interest of the District;

Section 5. Substitute Chairpersons. Committee chairpersons shall arrange for another Board member to chair any meeting of the committee at which the chairperson will be unable to attend.

Section 6. Tenure of Committee Members. Members of committees may serve for a maximum of four consecutive years. After a one-year break in service, such person may return to the committee at the recommendation of the chairperson and after approval by the Board. Approval for a member to be permitted to exceed this limitation may be granted on a case-by-case basis by the Board. Such extensions will be valid for only one year at a time and should normally be requested and approved because of one or both of the following circumstances:

- A. Losing the member will reduce membership below the minimums specified in these bylaws; and/or
- B. The member has professional experience (e.g., finance, law, engineering, etc.) that is particularly valuable to the committee.

Once seated, members of a committee, may be removed with or without cause by a vote of the Board.

Section 7. Cohabitants. No two persons living in the same unit shall be permitted to serve on the same committee.

Section 8. Committee Quorum. A committee's quorum is a majority of its minimum number of voting members, including the chairperson.

Section 9. Standing Committees. The following standing committees are hereby created by the Board: Clubhouse/Restaurant, Golf, Foundation, and Property Policy. The Board, at its discretion, may from time to time form additional standing committees or dissolve a standing committee. The duration, composition, purpose, duties and responsibilities of any standing committee, are set forth in the composition, membership, purpose, duties and responsibilities of a Procedure Memorandum approved by the Board.

Section 10. Special Committees. From time to time a project outside the concerns of the standing committees may occur, in which case the Board may create a special committee for such project. The duration, membership, chairperson, purpose, duties and responsibilities of any special committee of the Board shall be as defined by the Board. Once the project is completed the special committee may be dissolved.

Section 11. Open Meetings. All committee meetings shall be open to the public and allow time for public comment.

ARTICLE V – ADMINISTRATION

Section 1. The District’s Agent shall perform all duties necessary to fulfill the obligations of the Management Agreement.

Section 2. Financial Administration.

- A. Fiscal Year.** The fiscal year of the District shall commence on January 1 of each year and end on December 31.
- B. Budget.** The District’s Agent, in cooperation with the treasurer of the Board, shall be responsible for preparation, presentation, notice and filing of the annual budget for the District in accordance with law.
- C. Contracts.** Neither the Board nor the District’s Agent has authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for which funds have not been appropriated by the Board. Any contract, verbal or written, contrary to this Section shall be void ab initio, and no District funds shall be expended in payment of such contracts, except as may be allowed by law.
- D. Annual Audit.** The Board shall cause an annual audit to be performed at the end of each fiscal year of all financial affairs of the District through December 31 of such fiscal year in accordance with law.

Section 3. Selection of and Consultation with Consultants and Contractors. Agents, engineers, accountants, special consultants and legal counsel of the District shall be selected by the Board. The District’s President, the District’s Agent and any other

individual authorized by the District's President, Agent or Board may contact the legal counsel, auditor or other consultants engaged by the Board to seek advice.

ARTICLE VI – GENERAL

Section 1. Modification of Bylaws. These Bylaws may be altered, amended or repealed at any regular or special meeting of the Board by a majority vote of the Board members to become effective immediately or at a subsequent date.

ADOPTED the 18th day of July, 2019, by the Board of Directors of Heather Gardens Metropolitan District.

HEATHER GARDEN METROPOLITAN DISTRICT

_____, President

ATTEST:

_____, Secretary



HEATHER GARDENS METROPOLITAN DISTRICT
GENERAL RULES AND REGULATIONS
Adopted and Effective August 29, 2019

**ARTICLE I
PURPOSE AND SCOPE OF RULES AND REGULATIONS**

A. GENERAL PURPOSE AND AUTHORITY. The purpose of these Rules and Regulations is to provide for the orderly construction, management, operation, and control of the public facilities, and improvements of the Heather Gardens Metropolitan District (the "District"). The District is a governmental entity and political subdivision of the State of Colorado and a body corporate with all powers of a public or quasi-municipal corporation which are specifically granted or implied for carrying out the objectives and purposes of the District.

These Rules and Regulations are promulgated and adopted pursuant to the provisions of Section 32-1-1001(1)(m), Colorado Revised Statutes, as may be amended from time to time. The Board of Directors of the District (the "Board") has determined to adopt these Rules and Regulations in order to assist the District, the public, the District's Agent, agents, and consultants in implementing the decisions and policies of the Board. Any Person desiring to use the District's Facilities shall comply with these Rules and Regulations.

The District's Agent, agents, and consultants shall utilize these Rules and Regulations as a tool for assuring proper treatment of Persons within the District and fair responses to issues which confront the District. The District's Agent shall post the Rules and Regulations on the Heather Gardens website and shall provide copies of these Rules and Regulations to any Person who requests them, at cost. No Person shall be entitled to any exemption from the applicability of these Rules and Regulations due to the failure of that Person to become familiar with policies and standards of the District contained herein, and in amendments or supplements hereto.

B. PUBLIC HEALTH, SAFETY, AND WELFARE. It is hereby declared that the Rules and Regulations hereinafter set forth serve a public interest and are necessary for the protection of the health, safety, prosperity, security, and general welfare of the Residents and Users of the District and the public in general.

C. SCOPE OF RULES AND REGULATIONS. These Rules and Regulations shall be treated and considered as a new and comprehensive regulation, governing the operations and functions of the District and shall supersede all previous compilations of Rules and Regulations and informal practices and policies of the District, which practices and policies may be in conflict with the provisions hereof.

There are additional rules and regulations for the use of specific District Facilities contained in the Procedure Memorandum applicable to each of the District Facilities and those rules and regulations are supplemental hereto and are incorporated herein by this reference.

HEATHER GARDENS METROPOLITAN DISTRICT

In addition, the Heather Gardens Association may have additional policies and rules that are applicable.

D. RULES OF CONSTRUCTION. The Rules and Regulations of the District are promulgated pursuant to statute in the exercise of the Board's discretion to provide a tool for management of the District and for the orderly provision of services. These Rules and Regulations shall be liberally construed to affect the general purposes set forth herein, and each and every part hereof is separate and distinct from all other parts. Nothing contained herein shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law now in effect or any law which may subsequently be enacted by the Colorado General Assembly pertaining to the affairs of the District. No omission or additional material set forth herein shall be construed to alter, waive, or deviate from any grant of power, duty, responsibility, limitation, or restriction imposed or conferred upon the Board by statutes now existing or amended in the future or under any contract or agreement existing between the District and any other governmental entity. The Board reserves the right to construe any provision hereof in its sole discretion in order to effectuate lawful purposes of the District and to attempt to ensure orderly and non-discriminatory treatment of all Persons or entities subject to these Rules and Regulations now or in the future.

The Rules and Regulations constitute guidelines for the benefit of the District and must be complied with by all Residents and Users absent receipt of a proper written waiver. No Owner, Resident, or User shall obtain, by virtue of the Rules and Regulations, any right or cause of action against the District or its management arising as a result of the enforcement or lack of enforcement of the Rules and Regulations by the District. Nothing herein shall be deemed to be a waiver of any immunity granted to the District under Colorado law.

E. CONFLICTS. In case of any conflict between any provision of these Rules and Regulations, the District shall be entitled to resolve such conflict in its own favor at the District's sole discretion, it being the intention of the Board that these Rules and Regulations shall be construed or interpreted by the District in such manner so as to maximize the ability of the District to govern and manage the District and its facilities.

The District has attempted to articulate herein its rules, regulations, and policies for the provision, management and operation of public services and facilities by the District. From time to time, the Board may adopt policies reflected in the minutes of meetings for the District or reflected in resolutions of the Board. To the extent any policy found in minutes of District meetings which pre-date and conflict with any resolution of the Board, the resolution shall be deemed to supersede the minutes, unless the Board determines otherwise after such conflict is brought to the attention of the Board. To the extent policies found in minutes of meetings post-date resolutions of the District and conflict with such resolutions, the policy stated in the minutes shall be binding unless the Board determines otherwise after

such conflict is brought to the attention of the Board. The District shall have the right, at all times, to repeal and re-enact resolutions of the Board unless any resolution specifically states that it is not subject to repeal and such statement is found to be enforceable.

The District's Bylaws and Procedure Memoranda shall be considered supplemental hereto, except, in the instance where anything therein is in conflict with the provisions hereof, in which case these Rules and Regulations shall govern.

To the extent that any of the District's Rules and Regulations are inconsistent with any valid and applicable regulations promulgated by any local, state, or federal agency, the local, state or federal agency shall govern.

F. AMENDMENT, MODIFICATION, WAIVER, OR SUSPENSION. These Rules and Regulations may be amended, modified, waived, or suspended, from time to time, by the Board, as it deems appropriate. Neither notice, beyond that required by law, of such amendments, modifications, waivers, or suspensions nor public hearing shall be required to be provided by the District prior to exercising its amendment, modification, waiver, or suspension powers. The District has the power to revise its Rules and Regulations from time to time by either formal action of the Board or by implication and has authority to waive the application of its Rules and Regulations to its own activities, or to the activities of others. Any formal action of the Board to revise, amend, or modify these Rules and Regulations shall be deemed incorporated herein notwithstanding whether such revision, amendment, or modification is codified herein. Supplemental policies of the District may be adopted from time to time in order to assist the Board in managing the affairs of the District. The Board shall have the sole authority to amend, waive, suspend, or modify these Rules and Regulations. Any Person claiming the benefit of such a waiver, suspension, or modification shall be required to obtain a written waiver signed by the District Agent. No refusal, failure, or omission of the Board or its agents to apply or enforce these Rules and Regulations shall be construed as an alteration, waiver, or deviation from any grant of power, duty, or responsibility, or any limitation or restriction upon the Board by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other entity. Any express waiver shall not be deemed an amendment of these Rules and Regulations. However, an express waiver or variance from these Rules and Regulations by the Board shall supersede these Rules and Regulations regarding the subject matter of the express waiver. No waiver shall be deemed a continuing waiver.

G. RULES AND REGULATIONS OF OTHER GOVERNMENTAL ENTITIES. Residents and Users of the District shall abide by all applicable local, state, and federal laws and regulations or permits. If, as a result of any violation of applicable local, state, and federal laws and regulations or permits, the District is subject to any civil or criminal liability, any fines, fees, penalties, or other costs assessed

against the District and any costs incurred by the District to defend against such liability, including but not limited to legal, engineering, administrative, and accounting fees and costs, shall be owed and paid to the District by such violator.

H. SEVERABILITY. The invalidity or unenforceability of any portion or previous version of these Rules and Regulations shall not affect the validity or enforceability of any other portion or provision. Any invalid or unenforceable portion or provision shall be deemed severed from these Rules and Regulations, and the balance of these Rules and Regulations shall be construed and enforced as if these Rules and Regulations did not contain such invalid or unenforceable portion or provisions.

**ARTICLE II
DESCRIPTION OF THE DISTRICT AND POWERS**

- A. DESCRIPTION OF THE DISTRICT.** The District is a quasi-municipal corporation and political subdivision of the State of Colorado that was organized with the authority to provide certain services and facilities within the boundaries of the District. The District derives its power from the Special District Act, Sections 32-1-101 *et seq.*, Colorado Revised Statutes, and the Statement of Purposes, as the same may be amended from time to time.
- B. RATES, FEES, TOLLS, AND CHARGES.** The District has the power to charge various rates, fees, tolls, charges, and penalties, and impose taxes, for services and facilities provided by the District. The Schedule of Fees and Charges is available from the District upon request.
- C. PENALTIES AND PERPETUAL LIEN.** Reasonable penalties may be fixed for any delinquency including, but not limited to, interest on delinquent fees, reasonable attorney's fees, and costs of collection pursuant to state law. The District expressly reserves the right to impose all penalties permitted under state law, as appropriate. The failure of a Resident to pay fees imposed by the District creates a perpetual lien on the affected property and a right for the District to foreclose on that lien. The District expressly imposes a perpetual lien pursuant to state law for failure to pay or for delinquent payment of any rate, fee, toll, charge, or penalty assessed by the District pursuant to state law. The District exercises such powers for the overall benefit of the District and reserves the right to exercise its discretion on a case-by-case basis in determining whether to file a statement of such lien and foreclose it. Additional provisions regarding violations and enforcement are contained in these Rules and Regulations.

**ARTICLE III
DEFINITIONS**

Unless the context specifically indicates otherwise, the meaning of terms used herein shall be as follows. Additional meanings of terms as used within a specific Article hereof may be defined therein.

- A. BOARD.** Shall mean the duly elected and/or appointed Board of Directors of the District which acts as the governing body of the District.
- B. CLUBHOUSE.** Shall mean the Heather Garden's Clubhouse located within the boundaries of the District.
- C. DISTRICT.** Shall mean the Heather Gardens Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado.
- D. DISTRICT'S AGENT or AGENT.** Shall mean the Heather Gardens Association's general manager or duly authorized representative thereof, who, in accordance with the Management Agreement, has been delegated certain agential, administrative and ministerial duties related to the affairs of the District.
- E. DISTRICT FACILITIES OR FACILITIES.** Shall mean all property and facilities owned and/or operated by the District, including, but not limited to the Rendezvous Restaurant, Golf Course, maintenance facilities, Linvale Place, Clubhouse, RV Lot, and the Garden Plots.
- F. GARDEN PLOTS.** Shall mean the community garden property and facilities owned and/or operated by the District, including the 72 individual garden plots.
- G. GOLF COURSE.** Shall mean the nine-hole executive golf course located within the boundaries of the District and the associated golf shop.
- H. GOLF PROFESSIONAL.** Shall mean the Person who is an employee of the Heather Gardens Association for the management and operation of the Golf Course.
- I. MANAGEMENT AGREEMENT.** Shall mean the Management Agreement by and between the District and the Heather Gardens Association dated August 23, 2018, as may be amended from time to time.
- J. OWNER.** Shall mean the Person owning a fee interest in property located within the boundaries of the District.

HEATHER GARDENS METROPOLITAN DISTRICT

- K. PERSON.** Shall mean any individual, firm, company, society, corporation, association, organization, partnership, group, government or subdivision thereof, or other entity.
- L. RESIDENT.** Shall mean any Person residing in property located within the boundaries of the District.
- M. RENDEZVOUS RESTAURANT.** Shall mean the Rendezvous Restaurant located within the boundaries of the District.
- N. RULES AND REGULATIONS.** Shall mean the Rules and Regulations adopted by the Board including all amendments, policies, and resolutions.
- O. RV LOT.** Shall mean the recreational vehicle parking lot owned and/or operated by the District, including the 99 parking individual parking spaces.
- P. SCHEDULE OF FEES AND CHARGES.** Shall mean the schedules of the District's fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District and authorized to be assessed pursuant to Section 32-1-1001(1)(j)(I), Colorado Revised Statutes, as the same may be amended from time to time, which is included in the Procedure Memorandum for the applicable District Facilities and available from the District upon request and is incorporated herein by this reference.
- Q. SHALL** is mandatory; **MAY** is permissive.
- R. USER.** Shall mean any Person that uses the District's Facilities, this includes a Person who does not reside in Heather Gardens, but who is personally invited and accompanied by a Resident and any Person not residing in property located within the boundaries of the District.
- S. PEDESTRIAN.** Shall mean any Person walking near or within the Golf Course boundaries who is not a paid golfer, an authorized staff person, or an authorized golf spectator.

**ARTICLE IV
GENERAL RULES REGARDING USE OF DISTRICT FACILITIES**

- A. ASSUMPTION OF RISK.** All use of the District Facilities is at each User's own risk. The District is not responsible for any injuries sustained while using the District Facilities. The District does not endorse Persons who rent the use of District Facilities or endorse any information or claims made by such Persons.
- B. CONDUCT.** All Persons using the District Facilities must conduct and present themselves in such a manner as to preserve the comfort, health, safety and welfare of others using the District Facilities. Proper attire, etiquette, language, and courtesy are to be observed at all times. This includes proper conduct and relinquishing of facilities that are subject to scheduled reservations. Any Person violating these Rules may be asked to leave without a refund, if applicable. The District and its agents expressly deny responsibility for User's conduct while using District Facilities.
- C. SMOKING/TOBACCO PRODUCTS.** No smoking or tobacco products will be allowed to be used where prohibited (as posted or provided by law) in the District Facilities. No smoking shall be allowed within twenty-five (25) feet of any entryway to the Clubhouse building.
- D. GUNS/FIREARMS/WEAPONS.** No guns, firearms or weapons of any kind will be allowed to be used where prohibited (as posted or provided by law) in the District Facilities, unless, authorized by law or carried by authorized security personnel and law enforcement.
- E. ALCOHOL CONSUMPTION.** Alcoholic beverages may be served and consumed only within designated areas of the District Facilities in accordance with the District's liquor license. All Persons consuming alcohol within the District Facilities shall abide by all laws governing consumption of alcoholic beverages.
- F. EMERGENCIES.** All emergencies shall be reported by calling 9-1-1 or other appropriate authorities as any individual emergency may require. In addition, if feasible without risking safety, emergencies shall be reported to a security officer, the District's Agent, and/or the Golf Professional, Golf Course Superintendent and Clubhouse management, as appropriate based on the location of the emergency.
- G. NON-DISCRIMINATION.** The District will not exclude anyone from participating in the enjoyment of and/or use of the District Facilities based on national origin, race, color, physical handicap, or sexual orientation.
- H. OPEN TO THE PUBLIC.** The District endeavors to provide well maintained, attractive facilities and programs designed to meet the needs of an active senior community. All are encouraged to make use and enjoy the District Facilities.

- I. CLOSURE OF FACILITIES.** The District reserves the right, in its sole discretion, from time to time to close District Facilities to the public and restrict access. The District's Agent will endeavor to limit such closures to events that financially benefit the District and to times when the majority of the Users will not be inconvenienced.
- J. PROHIBITED ACTIVITIES ON DISTRICT PROPERTIES.** No fishing is allowed in any District lake. No feeding of wildlife on District Facilities, and no pets allowed on the Golf Course at any time. Climbing on rocks surrounding the lakes, wading in the lakes, or walking on any ice on the lakes is prohibited. Bicycles are prohibited on the Golf Course and the paved Golf Course path.
- K. PEDESTRIAN RULES AND REGULATION.** The Golf Course is designed as a recreational facility for golfers. The District recognizes that the paved perimeter pathway and outlying grass areas are utilized by Pedestrians for personal access to and from residences and for exercise. The District allows this access only in compliance with the regulations listed. A Pedestrian is prohibited from walking at any time on the grassy surfaces within the Golf Course boundaries, the sand bunkers, and on the rock lined lake shore.
- L. INDEMNIFICATION AND ACCIDENTS.** The User agrees to take, use, provide, and maintain all necessary precautions, safeguards, and protection to prevent accidents or injury to Persons or property on, about, or adjacent to the District Facilities. The User shall continuously maintain adequate protection to the District's Facilities from injury or loss arising in connection with the User's activities and shall make good any such damages, injury, or loss except for ordinary wear and tear incidental to the use of the District's Facilities by the User. The User agrees to report any accidents, injury, or damage to the Clubhouse Manager-on-Duty and/or Security immediately. The rental of any District Facilities is hereby conditioned upon the individual renting such District Facilities (the "Rental Party"), agreeing on behalf of itself and its successors and assigns, to waive and release all liability and to forever defend, indemnify, and hold harmless, the District, the District's employees, consultants, licensees, invitees, agents, successors, and assigns from any and all injuries, loss, claims, liability, damages, and costs, including, without limiting the generality of the foregoing, court costs and attorney's fees, caused by, resulting from, or in any way arising out of, or alleged to arise out of, in whole or in part, the use of the District's Facilities by the Rental Party, its licensees, invitees, agents, contractors, subcontractors, employees, successor, and/or assigns.

**ARTICLE V
FEES, RATES, AND CHARGES**

- A. GENERAL.** The Board is empowered to fix and from time to time to increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District pursuant to Section 32-1-1001(1)(j)(I), Colorado Revised Statutes, as amended from time to time. The District imposes and collects such rates, fees, tolls, and charges in amounts to ensure they are sufficient to operate, maintain, repair, and replace District Facilities. The District imposes and utilizes its rates, fees, tolls, and charges in accordance with applicable law for protection of the health and welfare of Residents and Owners of the District.
- B. APPLICATION.** The fees, rates, tolls, penalties, and charges established by the Board and the other information set forth herein shall apply to all Owners, Residents, and Users.
- C. FEES, RATES, AND CHARGES.** The fees, rates, tolls, penalties, and charges in existence and in effect are set by the Board and are set forth in the Schedule of Fees and Charges. Such fees, rates, tolls, penalties, and charges shall remain in effect until modified by the Board in accordance with applicable laws. Nothing contained herein shall limit the Board from modifying fees, rates, tolls, penalties, and charges or from modifying any classification.
- D. ADJUSTMENT OF FEES, RATES, AND CHARGES.** In those situations where, in the District's sole discretion, the fees, rates, tolls, penalties, and/or charges as set forth in the Schedule of Fees and Charges do not represent a fair, reasonable, and equitable charge for the intended use, the District, in its sole discretion, may adjust said fees, rates, tolls, penalties, and/or charges in accordance with law.
- E. PAYMENT OF FEES, RATES, AND CHARGES.** Pursuant to the Management Agreement the Heather Gardens Association bills and collects a "Recreation Fee" (as defined in the Management Agreement). All other fees, rates, and charges of the District are billed and/or collected at or before the service, class, event, or trip are rendered.
- F. REFUNDS.** Requests for refunds are administered based on the Procedure Memorandum.
- G. RESPONSIBILITY FOR COSTS.** Any Person who seeks to do business with the District, obtain agreements with the District, obtain approval of plans from the District, or otherwise undertake activities which cause the District to incur costs or fees may be responsible for paying the District for all such costs. Any activities by Persons that may require additional costs to the District, including,

but not limited to, additional legal, engineering, administrative, and accounting fees and costs, shall pay the District for all such additional costs. Payment shall be due upon receipt of invoice from the District or as the Board directs, but not later than the date when such agreements are executed, approvals are delivered, or such Person receives benefit from the District for such activities.

- H. PERPETUAL LIEN / FORECLOSURE.** In accordance with 32-1-1001(1)(j)(I), Colorado Revised Statutes, as may be amended from time to time, and as more particularly discussed in Sections 2.3 and 6.2.2.4 of these Rules and Regulations, until paid, all rates, tolls, charges, fines, fees, assessments, penalties, and costs shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of this state for the foreclosure of mechanics' liens. If at any time it becomes necessary for the District to initiate foreclosure proceedings as allowed by Section 32-1-1001(1)(j), Colorado Revised Statutes, as amended from time to time, in order to collect overdue payments of any fee or charge assessed by the District under these Rules and Regulations or Colorado law, all costs so incurred by the District shall be due and payable by the Owner, Resident, or User.
- I. PENALTIES FOR LATE PAYMENT OR NON-PAYMENT.** Late payment or non-payment of any rates, tolls, charges, fines, fees, and/or assessments owed to the District may result in the District taking one or more actions, including but not limited to, charging a late fee, charging interest, and/or revoking use of District Facilities, in accordance with these Rules and Regulations. Further, the District has the right to assess to any Owner, Resident, or User who is overdue in payment of his or her account, any and all court, legal, engineering, administrative, and accounting fees and costs and any other costs necessary to or incidental to the collection of said account

**ARTICLE VI
ENFORCEMENT, VIOLATIONS, AND PENALTIES**

Please note that all references made to days are calendar days.

A. VIOLATIONS. Any intentional or negligent action taken by a Person in contravention of these Rules and Regulations or the conditions or obligations set forth in any other agreement with the District shall be considered a violation and shall be subject to the provisions of this Article.

B. ENFORCEMENT REMEDIES.

1. Notification of Violation. Whenever the District finds that any Person has violated or is violating these Rules and Regulations or the conditions or obligations set forth in any other agreement with the District, the District may issue a written notice to resolve the violation and correct the problem or practice at issue. If, in the sole discretion of the District, an emergency exists, the District may take immediate action as provided in these Rules and Regulations and shall provide written notice as soon thereafter as possible. In the event of late payment or non-payment of any rates, tolls, charges, fines, fees, and/or assessments, the District is not required to send any notification beyond the billing statement, unless otherwise required by law. Should the violation still exist after the time limit on the notice has elapsed, the District may deny access to District Facilities, or assess charges, fines, and/or penalties as provided in these Rules and Regulations.

2. Penalties for Violations.

A. Penalty. Any Person in violation of these Rules and Regulations or the conditions or obligations set forth in any other agreement with the District may be assessed penalties as set forth below. Each violation is subject to a penalty and each day of a violation shall be considered a separate violation. Penalties may be added to the Owner's, Resident's or User's next bill.

Non-compliance with the Rules and Regulations may result in the following penalties:

- Verbal warning
- Written warning
- A fine of \$10.00
- A fine of \$50.00
- Possible loss of privileges if so, determined by the Board, in its sole discretion.

If the severity of a particular event of non-compliance so merits the Board may determine to immediately suspend privileges to use of one or more the District's Facilities and/or take any other action allowed by law

- B. Late Fee.** Any time an Owner, Resident, or User is thirty (30) days late in payment of any rates, tolls, charges, fines, fees, and/or assessments due to the District, the District shall have the right to assess a penalty on the unpaid balance in the amount shown on the Schedule of Fees and Charges.
- C. Interest.** Unpaid rates, tolls, charges, fines, fees, assessments, and/or penalties may be assessed interest as permitted by law.
- D. Perpetual Lien/Foreclosure.** In accordance with 32-1-1001(1)(j)(I), Colorado Revised Statutes, as may be amended from time to time, until paid all rates, tolls, charges, fines, fees, assessments, penalties, and costs (including legal, engineering, administrative, and accounting fees and costs) shall constitute a first and perpetual lien on or against the property served. Any such lien may be foreclosed in the manner provided by law.
- E. Removal/Denial of Access.** Violation of any of these Rules and Regulations may result in immediate removal from the District Facilities. Should an Owner, Resident, or User remain in violation of these Rules and Regulations or the conditions or obligations set forth in any agreement after the time limit stated on a violation notice issued pursuant to of these Rules and Regulations has elapsed, the District may deny access to District Facilities. In the event of a proposed denial of access to District Facilities, the Owner, Resident, or User shall be given not less than ten (10) days advance notice in writing of the denial of access. A notice denying access to District Facilities shall set forth the following:

 - 1. The reason for the denial of access and the date on which denial of access to District Facilities shall begin;
 - 2. That the Owner, Resident, or User has the right to contact the District and the manner in which the District may be contacted for the purpose of resolving the violation(s); and

3. That there exists an opportunity for a hearing in accordance with these Rules and Regulations.

If the violations(s) are not resolved or a request for a hearing, accompanied by a deposit equal to the amount of any fees, rates, and/or charges specified in the notice (if any), is not received by the District within ten (10) days, the District may deny access to the District Facilities.

F. Civil Liability. Any Person who intentionally or negligently violates any provision of these Rules and Regulations or the conditions or obligations set forth in any agreement may be subject to civil liability to the District.

G. Criminal Liability. Any Person who violates these Rules and Regulations or the conditions or obligations set forth in any agreement and in doing so commits a misdemeanor or felony may be charged with a misdemeanor or felony, and upon conviction thereof, shall be subject to such penalties as provided by law.

H. Other Remedies Provided at Law. In addition to the other rights and remedies set forth in these Rules and Regulations, the District may exercise any other rights or remedies it may be entitled to under law or in equity to enforce these Rules and Regulations or the conditions or obligations set forth in any agreement.

I. Reimbursement of District Costs. Any Person that violates any of the provisions of these Rules and Regulations or the conditions or obligations set forth in any agreement shall become liable to the District for any expense, loss, or damage occasioned by reason of such violation, including, but not limited to, administrative, attorneys', engineering, collection, court, and accounting fees and costs. Residents may be responsible for damage incurred by their family members and their guests.

C. HEARING AND APPEAL PROCEDURES.

1. General. If an Owner, Resident, or User wishes to dispute any rates, tolls, charges, fines, fees, assessments, and/or penalties imposed by or determination made by the District, the Owner, Resident, or User may appeal such rates, tolls, charges, fines, fees, assessments, and/or penalties

or determination by following the procedure set forth below (an Owner, Resident, or User filing an appeal is referred to in the remainder of this Section as the “Appellant”). Notwithstanding the filing of an appeal, the Appellant is required to pay any rates, tolls, charges, fines, fees, assessments, and/or penalties assessed by the District, and such rates, tolls, charges, fines, fees, assessments, and/or penalties shall be held by the District until such time as the appeal is final. The hearing and appeal procedures established below shall apply to all disputes concerning the interpretation, application, or enforcement of the rates, tolls, charges, fines, fees, assessments, and/or penalties of the District and the application and enforcement of these Rules and Regulations, as they now exist or may hereafter be amended. In the event a proper and timely request for an appeal is not made as provided herein, the right to an appeal shall be deemed forever waived.

- 2. Appeal to District’s Agent.** The Appellant must first file a written request with the District’s Agent within ten (10) days of being notified of a proposed denial of access to District Facilities or other determination of the District or of the due date specified for a rate, toll, charge, fine, fee, assessment, and/or penalty of the District. Within thirty (30) days of receiving the request from the Appellant and after a full and complete review of the record, the District’s Agent shall issue a written determination regarding the application or enforcement of the rates, tolls, charges, fines, fees, assessments, and/or penalties of the Districts and/or application and enforcement of these Rules and Regulations, as may be applicable.
- 3. Hearing Before Board of Directors.** If the Appellant wishes to appeal the written determination of the District’s Agent under Section 6.3.2 of these Rules and Regulations, the Appellant must file a written request with the Board for a hearing within ten (10) days of the date the written determination of the District’s Agent under Section 6.3.2 of these Rules and Regulations was mailed. The request for a hearing shall set forth with specificity the facts upon which the Appellant is relying and shall contain a brief statement of the Appellant’s reasons for the complaint. The Board shall hold a formal hearing on the appeal at the next regularly scheduled meeting that is held no earlier than ten (10) days after the filing of the Appellant’s request for a hearing.
 - A. Notice.** A notice shall be served on the Appellant, specifying the time and place of the hearing to be held by the Board regarding the appeal and directing the Appellant to present evidence of why the determination regarding the application or enforcement of the rates, tolls, charges, fines, fees, assessments, and/or penalties of the District and/or

application and enforcement of these Rules and Regulations, as may be applicable, is not correct. The notice of the hearing shall be served personally or by certified mail return receipt requested or by any mail delivery service that is the equivalent to or superior to certified mail return receipt requested, at least ten (10) days before the hearing. Service may be made on any agent or officer of a corporation. When an Appellant is represented by an attorney, notice of any action, finding, determination, decision, or order affecting the Appellant shall also be served upon the attorney.

B. Conduct of Hearing. At the hearing, the District's Agent and the Appellant shall be entitled to present all evidence that is relevant and material to the dispute, and to examine and cross-examine witnesses. The Board may establish rules and procedures governing the hearing. A record of the hearing shall be maintained.

C. Written Determination. Based on the record established, the Board shall issue a written decision concerning the disposition of the dispute presented to it and shall cause notice of the decision to be hand delivered or sent by certified mail to the Appellant within fifteen (15) days after the hearing.

D. Board of Directors Determination Final. The decision issued by the Board shall be final and binding upon the District and the Appellant and shall constitute the final administrative action of the District. Any party to the hearing aggrieved or adversely affected by an order of the Board may appeal such order to the District Court in and for the County of Arapahoe, pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure.

D. EMERGENCIES. If an emergency is deemed to exist, the District may take any reasonable actions to remediate the emergency until such time as the District has received adequate assurance that any and all violations of these Rules and Regulations will cease and will not occur in the future. The District will, as soon as possible, provide written notice as described in Section 6.2.1 of these Rules and Regulations.



HEATHER GARDENS FOUNDATION

PROCEDURE MEMORANDUM

Adopted July 18, 2019 and Effective August 29, 2019

Updated January 16, 2020

HEATHER GARDENS FOUNDATION

Date Adopted:	July 18, 2019, Effective August 29, 2019, Updated January 16, 2020
Document Type:	Procedure Memoranda, F-1
Attachment (s):	Not Applicable

This Procedure Memorandum shall supersede all previous versions of the Procedure Memorandum and Functions and Policy Manuals for the Foundation Committee, as well as all previous resolutions, actions and informal practices and policies of the District or portions thereof which may be in conflict with the provisions hereof.

ARTICLE I – BACKGROUND & PURPOSE

The Foundation Committee is a standing committee authorized by the Board of Directors (Board) of the Heather Gardens Metropolitan District (District).

The purpose of the Foundation Committee is to serve in an advisory role and solicit, review and approve all donations to the District, maintain a record book and publicize the activities of The Heather Gardens Foundation (Foundation).

The Foundation Committee recognizes that the Foundation was originally formed as a non-profit corporation under the laws of the State of Colorado, pursuant to Articles of Incorporation dated June 1991 and recognized by a Certification of Incorporation issued by the Colorado Secretary of State dated June 27, 1991 and currently continues in existence as a the Foundation Committee and funds donated thereto as presented as a restricted account consistent with the Foundation donors' instructions.

All capitalized terms not herein defined shall be defined as presented in the District's Bylaws or Rules and Regulations.

ARTICLE II - COMPOSITION

The Foundation Committee shall be composed of the chairperson (Board member appointed to the Foundation Committee by the President of the Board), the District's Agent (without vote), and a minimum of (4) four and a maximum of (7) seven eligible electors of the District.

ARTICLE III – PROCEDURES

Section 1. Committee Chairperson. The chairperson chairs all meetings of the Foundation Committee and appoints all Foundation Committee members from eligible

electors of the District that have applied therefor. The chairperson also counsels with Residents and interested parties regarding the donations and proposed projects, publicizes activities of the Foundation (including in the Heather 'n Yon), and verifies that monthly donations match the financial report prepared by the Controller. The chairperson reports to the Board.

Section 2. Committee Duties and Responsibilities.

- A.** Evaluates donations to the Foundation and accepts only those determined to be suitable and appropriately intended for the benefit of the District.
- B.** Accepts and evaluates proposed projects received from individual committee members, the District, and/or members of the public. Evaluation consists of determining if funding is available and if the project will be for the benefit of the District. Assures that the project meets the décor of the District Facilities.
- C.** Submit all Foundation Committee approved projects to the Board for their consideration. Upon District approval, the Foundation Committee will determine the process and/or procedure for completion of projects.
- D.** Oversee use of and requests for changes to the kiosk located in the Clubhouse lobby (Kiosk) as provided herein.
- E.** Annually review rules and regulations applicable to the Foundation and recommend changes thereto, as needed, to the Board.

ARTICLE IV – POLICIES

Section 1. Non-Discrimination Policy. The District will not exclude anyone from making donations to the Foundation based on national origin, race, color, physical handicap, or sexual orientation.

Section 2. Donation/Project Policy. Donations to the District are accepted by the Foundation if they are suitable and appropriately intended for the benefit of all members of the District.

- A.** Persons wishing to make a donation are asked to complete a donation form created by the Foundation Committee and available in the Management Office and Clubhouse lobby. These donations may be tax deductible.
- B.** Donations should be delivered to the Heather Gardens Management Office for deposit into the Foundation Account. The Controller will post said donations into the designated category (Clubhouse, Golf, Roads &

Grounds, Unspecified funds, etc.). The donations form is sent to the Board Assistant, who drafts the letter of acknowledgment for the chairperson to sign. Once signed, the letter is then sent by the Board Assistant to the donor, the honoree, or the family of donations sent in memory. The chairperson verifies the amount against the monthly financials provided by the Controller.

- C. For unspecified donations, the Foundation Committee has the prerogative of using the donation on the most current project or may reserve it for a future project.
- D. Donations to the Foundation shall not be used for routine maintenance of District Facilities or Heather Gardens Association property.
- E. Donations designated for use in a specific area of the District shall be utilized only in the specified area. Donations that come in for a specific project shall be utilized for that project until it is totally funded. Excess donations that come in for a project will be moved to the unspecified funds to be used on future projects.
- F. All projects considered must be for use on District properties and available to all Residents and Owners. Clubs and organizations requesting Foundation funds must be open to all Residents and Owners and shall not have restricted criteria to become a part of the Club or organization. Project requests for supplies that will be depleted and would be considered as an individual student or club expense will not be considered.

Section 3. Kiosk. The primary functions of the Kiosk are to track Foundation donations, provide easy access to review donations, allow family members and Resident's access to names of individuals who donated in their loved one's name. The Kiosk also functions to disseminate useful information regarding community activities, classes, trips, and special events, provide access to restaurant and golf shop information and showcases what the District has to offer as a community. The Kiosk was purchased with donated funds and shall be utilized as follows:

- A. Donations to the Foundation are to be input into the Kiosk by the Heather Gardens Management Office on a monthly basis.
- B. All requests for changes or additions to the Kiosk shall be submitted to the Foundation Committee for review. If change requests fall outside of the Foundation Procedure Memorandum (PM) F-1 guidelines the request shall be sent to the Board for consideration.

- C. Requests that require outside technical support may be funded by the District.



HEATHER GARDENS GOLF COURSE

PROCEDURE MEMORANDUM

Adopted July 18, 2019 and Effective August 29, 2019

Updated January 16, 2020

GOLF COURSE

Date Adopted:	July 18, 2019, Effective August 29, 2019, Updated January 16, 2020
Document Type:	Procedure Memoranda, G-1
Attachment (s):	The Schedule of Fees and Charges

This Procedure Memorandum shall supersede all previous versions of the Procedure Memorandum and Functions and Policy Manuals for the Golf Committee, as well as all previous resolutions, actions and informal practices and policies of the District or portions thereof which may be in conflict with the provisions hereof.

ARTICLE I – BACKGROUND & PURPOSE

The Golf Committee is a standing committee authorized by the Board of Directors (Board) of the Heather Gardens Metropolitan District (District).

The purpose of the Golf Committee is to serve in an advisory role and make policy, operational, and financial recommendations to the Board related to the Heather Gardens Golf Course (Golf Course) to ensure that the Golf Course is cost-effective, safe, well maintained and attractive.

The Golf Committee recognizes that the District and the Heather Gardens Association (HGA) entered into a Management Agreement dated August 23, 2018, as may be amended from time to time (Management Agreement), which authorizes HGA to operate and provide daily management of the Golf Course.

All capitalized terms not herein defined shall be defined as presented in the District's Bylaws or Rules and Regulations.

ARTICLE II - COMPOSITION

The Golf Committee shall be composed of the chairperson (Board member appointed to the Golf Committee by the President of the Board), the Golf Course Superintendent (without vote), the Golf Professional (without vote), the Presidents of the Heather Gardens Ladies Golf Club and Men's Golf Club, or their representatives selected for one year, both of who must be eligible electors of the District, and a minimum of (2) two and maximum of (5) five eligible electors of the District, which is in addition to the representatives of the Heather Gardens Ladies Golf Club and Men's Golf Club.

ARTICLE III – PROCEDURES

Section 1. Committee Chairperson. The chairperson chairs all meetings of the Golf Committee and appoints all Golf Committee members from eligible electors of the District that have applied therefor. The chairperson also counsels with Residents, the Golf Professional and the Golf Course Superintendent, the Golf Committee and interested parties regarding the Golf Course. The chairperson reports to the Board.

Section 2. Committee Duties and Responsibilities.

- A. Reviews the Golf Course policies at least once a year and makes recommendations for any policy changes to the Board.
- B. Reviews the District Agent's proposed annual budget for the Golf Course and makes recommendations to the Board prior to its inclusion in the annual budget.
- C. Annually review fees charged for use of the Golf Course and recommend changes thereto, as needed, to the Board.
- D. Annually review rules and regulations applicable to the Golf Course and recommend changes thereto, as needed, to the Board.

ARTICLE IV – RULES AND REGULATIONS

Article VI of the District's General Rules and Regulations regarding Enforcement, Violations, and Penalties is applicable to non-compliance with these Golf Course Rules and Regulations. In addition, the District's General Rules and Regulations are applicable to all Residents, Owners and Users of District Facilities and these Golf Course Rules and Regulations are supplemental thereto.

Section 4.1 Golf Course.

- A. **Hours of Operation.** The Golf Course is open year-round, provided, however, the Golf Course may be closed if weather conditions make play impractical. Additionally, the Golf Course will be closed on Thanksgiving, Christmas and New Year's days and may occasionally be closed for maintenance purposes. Hours of operation will depend on the season and the hours of operation will be posted in the golf shop and on the Heather Gardens website.
- B. **Rain Checks.** Rain checks will be issued to players of the Golf Course as a result of Golf Course closure for inclement weather only if the player has

not completed five holes and did not start in inclement weather. Rain checks expire on December 31 of the year issued.

- C. Discounted/Complimentary Play.** Resident or Owner discount cards and gift certificates must be presented prior to play. Valid identification may be required as proof of Heather Gardens residency or ownership. Golf Course maintenance employees may be granted complimentary plays limited to two (2) per week as tee times may be available. The Golf Professional, as may benefit the Golf Course operations, may grant complimentary play (green fees only), at his/her discretion, not to exceed a total of 150 for the calendar year and not to exceed 50 rounds per month.
- D. Attire.** Golf attire is to be worn at all times while on the Golf Course. Attire deemed unacceptable for men or women on the Golf Course is: tank top, halter top or bare mid-drift shirts, shorts or denims that are cut, torn or ragged. When using the Golf Course or Golf practice areas, athletic or Golf shoes are required. User's not complying with this attire regulation may be denied permission to play on the Golf Course.
- E. Assumption of Risk.** The District and its agents expressly deny responsibility for the play of any User on the Golf Course. Damage to a person or animal or structure by a golf User's errant shot is an issue between the golfer and the damaged party.

Section 4.2 Golf Course Reservations.

- A.** Resident or Owner players may make reservations up to fourteen (14) days in advance. Non-Resident and Non-Owner players may make reservations up to seven (7) days in advance.
- B.** Players are required to check-in fifteen (15) minutes prior to tee time. Failure to do so may result in loss of reservation.
- C.** Individual tee times will not be accepted during men's and ladies' club events, league and/or non-Resident and Non-Owner tournaments.
- D.** An opening tee time reservation delayed by frost or inclement weather will lose the reservation but will be given priority on the stand-by list.
- E.** A playing adult must accompany individuals under 17 years of age. The Golf Professional has the discretion to waive this rule.
- F.** Minimum play age is 8 years old.

Section 4.3 Golf Cart Rental.

- A. Rental of a golf cart allows the use of a golf cart for one round of golf for each player, not to exceed two players per cart.
- B. A valid driver's license is required for all drivers of golf carts.
- C. No motorized golf carts may be on Golf Course when the golf shop is closed.
- D. The last rental time for a golf cart will be two hours prior to the closing time of the golf shop.
- E. All pull and motorized carts are to be kept off tees, greens, and on paths where a path is roped.

Section 4.4 Golf Clubs, Tournaments, and Leagues.

- A. The golf clubs' tournament chairs shall schedule their tournaments with the Golf Professional no later than March 15, or at the discretion of the Golf Professional.
- B. Tournaments canceled due to inclement weather may be made up on another date.
- C. Ladies Golf Club tournaments will be scheduled for Wednesday mornings.
- D. Men's Golf Club tournaments will be scheduled for Friday and occasionally on Thursday.
- E. Two-day men's and ladies' golf tournaments may take place at the discretion of the Golf Professional.
- F. Non-Resident and Non-Owner golf tournaments will be at the discretion of the Golf Professional to be scheduled at times with the least Resident or Owner play.
- G. Requests for league play must be made no later than March 15 at the discretion of the Golf Professional.

Section 4.5 Golf Course Use.

- A.** Practicing/playing on the Golf Course is prohibited except in designated areas. Violators shall be reported to Security.
- B.** Players will play one ball only, except where rules of golf allow a second ball.
- C.** Fivesomes are not allowed. The Golf Professional has the discretion to waive this rule.
- D.** No private carts will be permitted except pull-type or non-riding type.
- E.** The Golf Shop staff have the authority to complete a foursome with a casual or other player(s), as needed.
- F.** A 9-hole round should be played in two hours. Players who are deemed to be too slow will be asked to speed up and may be removed from the course by the Golf Professional or a security officer. Players are encouraged to use continuous putting and holing out when not interfering with another players' line of play.
- G.** Only the Golf Professional is allowed to give lessons for hire.
- H.** Golf balls in the lakes are the sole property of the District. A player is permitted to recover a ball only if it is easily retrievable without climbing on rocks and without holding up play.

ATTACHMENT 1

GOLF COURSE FEE SCHEDULE

Section 1. Definitions of Rates and Fees.

- A. Golf Discount Card. Cards are issued to Residents or Owners for 40 plays and do not expire. The card is transferable only to the spouse of the Resident or Owner. Refunds are available only on death or disability of the Resident or Owner. Refunds will be based on the cash value of the unused plays and at the rate in force at the time of purchase.
- B. Golf Play. The measurement by which fees are charged for golfing 9 consecutive holes in compliance with the rules and regulations established by the District. Refunds or credit will not be given for playing less than 9 holes except when rain check policy applies.
- C. Guest Play. A player who is accompanied by a Resident or Owner player. Up to three (3) guest players may be allowed per Resident or Owner per day. Exceptions may be made by the Golf Professional or his designee.
- D. Junior Play. A player between the ages of 8 and 17 must be accompanied by an adult Player. The Golf Professional has the discretion to waive this rule.
- E. League Play. Players recognized as league members during scheduled League Play.
- F. Non-Resident and Non-Owner. A player who does not reside or own property in the District.
- G. Non-Resident and Non-Owner 18 Hole Play. Allows a Non-Resident and Non-Owner player two consecutive 9-hole Plays. The first 9 holes will be charged at the Non-Resident and Non-Owner rate; the second 9 holes will be charged at the Guest Rate.
- H. Non-Resident and Non-Owner Senior. A player who is at least 65 years of age and who does not reside or own property in the District.
- I. Resident or Owner. A player who resides in or owns property in the District. All Heather Gardens Association employees may play at Resident or Owner rates.

- J. Super Senior Resident or Owner. A player who is at least 85 years of age and who resides in or owns property in the District.

Section 2. Golf Rates and Fees. The following rates are the published per 9-hole round of golf unless otherwise indicated, however, specials will be permitted from time to time.

A. <u>Resident or Owner Rate</u>	\$9.00
B. <u>Super Senior Rate</u>	\$8.00
C. <u>40-play Resident or Owner Rate</u> hole rounds	\$324.00 per 40 9-
D. <u>Guest of Resident or Owner Rate</u>	\$12.00 <i>(must be accompanying a resident for rate to apply)</i>
E. <u>Weekday Non-Resident and Non-Owner Rate</u>	\$15.00
F. <u>Weekday Non-Resident and Non-Owner Senior Rate</u>	\$12.00
G. <u>Weekday Non-Resident and Non-Owner Junior Rate</u>	\$8.00
H. <u>Weekend Non-Resident and Non-Owner Rate</u>	\$18.00
I. <u>Weekend Non-Resident and Non-Owner Senior Rate</u>	\$15.00
J. <u>Weekend Non-Resident and Non-Owner Junior Rate</u>	\$10.00
K. <u>Non-Resident and Non-Owner 18-Hole Play Rate</u>	\$27.00
L. <u>League Rate</u>	\$12.00
M. <u>Golf Cart Rental</u>	\$7.50 per resident or owner rider \$8.50 per non- resident and non- owner rider
N. <u>Pull Cart Rental.</u>	\$6.00
O. <u>Weekday Golf Club Rental.</u>	\$10.00
P. <u>Weekend Golf Club Rental.</u>	\$12.00
Q. <u>Non-Resident and Non-Owner Storage Locker Rental</u>	\$100.00 per year
R. <u>Resident or Owner Storage Locker Rental</u>	\$75.00 per year
S. <u>Weekday Special</u>	\$20.00 for 2 players <i>(Monday – Friday, 12:00 p.m. – 3:00 p.m.)</i>
T. <u>Off-Season Special</u>	\$24.00 for 2 players <i>(Nov. 1st – April 1st)</i>
U. <u>Twilight Rate</u>	\$10.00

- (walking only, 6:00 p.m. – 7:30 p.m., must call for advance tee time)*
- V. Non-Resident and Non-Owner Golf Simulator \$30.00/hour
 - W. Resident or Owner Golf Simulator \$20.00/hour
 - X. PGA Instructions \$45.00 each
3 sessions for \$115.00



HEATHER GARDENS PROPERTY POLICY

PROCEDURE MEMORANDUM

Adopted and Effective August 29, 2019

Updated January 16, 2020

PROPERTY POLICY COMMITTEE

Date Adopted:	August 29, 2019, Effective August 29, 2019, Updated January 16, 2020
Document Type:	Procedure Memoranda, PP-1
Attachment (s):	Fee Schedule Schematic of Garden Plot Garden Plot Rental Agreement Garden Plot Fact Sheet Schematic of RV Lot RV Lot Space Rental Agreement RV Lot Fact Sheet

This Procedure Memorandum shall supersede all previous versions of the Procedure Memorandum and Functions and Policy Manuals for the Property Policy Committee, as well as all previous resolutions, actions and informal practices and policies of the District or portions thereof which may be in conflict with the provisions hereof.

ARTICLE I – BACKGROUND & PURPOSE

The Property Policy Committee is a standing committee authorized by the Board of Directors (Board) of the Heather Gardens Metropolitan District (District).

The purpose of the Property Policy Committee is to serve in an advisory role and make recommendations to the Board regarding policies and operations related to District owned property including, but not limited to, the Garden Plots, RV Lot, Linvale Place, and Maintenance Building location, but excluding District owned property that falls within the purview of another committee of the District, including, but not limited to, the Restaurant, Clubhouse, and Golf Course (District Properties).

The Property Policy Committee recognizes that the District and the Heather Gardens Association (HGA) entered into a Management Agreement dated August 23, 2018, as may be amended from time to time (Management Agreement), which authorizes HGA to operate and provide daily management of the District Properties.

All capitalized terms not herein defined shall be defined as presented in the District's Bylaws or Rules and Regulations.

ARTICLE II - COMPOSITION

The Property Policy Committee shall be composed of the chairperson (Board member appointed to the Property Policy Committee by the President of the Board), the District's Agent (without vote), and a minimum of (4) four and a maximum of (7) seven eligible electors of the District.

ARTICLE III – POLICIES AND PROCEDURES

Section 1. Committee Chairperson. The chairperson chairs all meetings of the Property Policy Committee and appoints all Property Policy Committee members from eligible electors of the District that have applied therefor. The chairperson also counsels with Residents and interested parties regarding the District Properties. The chairperson reports to the Board.

Section 2. Committee Duties and Responsibilities.

- A. Receives and evaluates requests for consideration from individual committee members, the District Board, and/or members of the public related to District Properties. Evaluation consists of determining if funding is available and if the requests will be for the benefit of the District.
- B. Reviews the District Agent's proposed annual budget for the District Properties and makes recommendations to the Board prior to its inclusion in the annual budget.
- C. Submits all Property Policy Committee recommendations to the Board for their consideration.
- D. Annually reviews rules and regulations applicable to the District Properties and recommends changes thereto, as needed, to the Board.

ARTICLE IV – RULES AND REGULATIONS

Article VI of the District's General Rules and Regulations regarding Enforcement, Violations, and Penalties is applicable to non-compliance with these Property Policy Rules and Regulations. In addition, the District's General Rules and Regulations are applicable to all Residents, Owners and Users of District Facilities and these Property Policy Rules and Regulations are supplemental thereto. Finally, the District's Clubhouse/Restaurant Rules and Regulations and Golf Course Rules and Regulations are applicable to use of certain District Facilities and these Property Policy Rules and Regulations are supplemental thereto.

Section 4.1 GARDEN PLOTS.

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- A. Leasing of Plot(s).** Individual plots within the Garden Plot may be leased by the District on a first-come, first-served basis to any Person in accordance with the terms of a Garden Plot lease agreement, including, but not limited to, the payment of an annual lease fee as set forth in the Schedule of Fees and Charges. Assignment of individual plots is subject to the discretion of the District. Once all individual plots have been leased the District will maintain a waitlist for leasing individual plots. The District will also maintain a waitlist for Persons wishing to transfer individual plot locations. When an individual plot becomes available preference will be first given to Persons on the plot transfer waitlist and then to Persons on the plot lease waitlist.
- B. Maintenance of Garden Plots.** The District will maintain the main water spigot and the water supply lines to the main water spigot. Lessees are responsible for repairing and maintaining the water lines from the main water spigot to their individual plots, plot dividers, and any items planted or located within the individual plots. Lessees are responsible for placing trash, weeds, and cuttings into the appropriate disposal containers located on site and for maintaining their individual plots in a neat, orderly, and aesthetically pleasing manner.
- C. Use of Manufactured Apparatuses/Chemicals.** All activity using manufactured apparatus or chemicals for fertilizing, weed, bug and pest control, must be accomplished in strict accordance with the manufacturer's recommendations and all applicable Federal, State, and local regulations and must be contained within lessee's individual garden plot.
- D. Watering Restrictions.** The Garden Plots are subject to all applicable watering restrictions and lessees are responsible for monitoring and following all such restrictions. The District will endeavor to post any watering restrictions that are in effect at the garden kiosk.
- E. Sheds.** Sheds may be located within the individual garden plots, provided they meet the following standards:
1. Sheds must be erected within the perimeters of the lessee's individual garden plot.
 2. Sheds must be no larger than 3' x 4' x 7'.
 3. Sheds must be constructed of non-metal material such as wood, vinyl, or durable plastic.
 4. Wood sheds must be painted.

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5. All sheds must be maintained in good condition.

F. Prohibited Activities.

1. Lessees are prohibited from attaching or hanging tools, artwork, or any other items on the fence surrounding the Garden Plots.
2. Lessees are prohibited from placing any plants, garden supplies, sheds, trash, or other items within the 3-foot walkway along the State Highway Department fence.
3. Pets, other than service animals, are prohibited from the Garden Plots.
4. Plants that produce a Schedule 1, hallucinogenic or psychedelic substance are prohibited and will be removed by the District.
5. Headphones must be used when lessees are listening to music or other audio.

G. Garden Plots Gate. The gate to the Garden Plots must remain locked at all times when it is not being actively used for ingress or egress to the Garden Plots.

Section 4.2 RV LOT.

A. Leasing of Space(s). Individual spaces within the RV Lot may be leased by the District on a first-come, first-served basis to any person in accordance with the terms of an RV storage agreement, including, but not limited to, the payment of an annual lease fee as set forth in the Schedule of Fees and Charges. Assignment of individual spaces is subject to the discretion of the District. Once all individual spaces have been leased the District will maintain a waitlist for leasing individual spaces. The District will also maintain a waitlist for persons wishing to transfer individual space locations. When an individual space becomes available preference will be first given to persons on the space transfer waitlist and then to persons on the space lease waitlist. Once a person is offered an appropriate size space for the vehicle in the RV Lot, a lease must be executed within three (3) business days or the person will be placed at the end of the respective waitlist.

B. Maintenance of Vehicles. Lessees are responsible for the all repairs and maintenance to the vehicles parked in the RV Lot and shall keep such vehicles in a working and serviceable condition (e.g., drivable, towable with no flat tires and appropriately licensed) and the area within the individual space in a neat, orderly, and aesthetically pleasing manner free from debris and trash.

C. RV Lot Dump Station.

1. Lessee's may only use the dump station for the vehicle that is the subject of the RV storage agreement.
2. Lessees must use a discharge hose to dump the contents of the RV holding tanks.
3. The dump station may only be used to dump the contents of the RV holding tanks, i.e. wash water, known as "gray" water, and toilet water, known as "black" water. The discharge of any other materials is strictly prohibited.
4. The Water faucets are only for use filling an RV's fresh water tank and may not be used to flush holding tanks or rinse discharge hoses.
5. Use of the dump station to wash vehicles is prohibited.

D. Prohibited Activities.

1. Lessees are prohibited from parking any vehicle that is not allowed under a current and valid RV storage agreement in the RV Lot.
2. Lessees are prohibited from storing any items, other than authorized vehicles and the items therein, within the RV Lot.
3. Lessees are prohibited from storing any flammable liquids, explosives, contraband, illegal substances, other than those included as an integral part of a factory built-in component of the vehicle, within the RV Lot.
4. Lessee is prohibited from storing any items within the RV Lot which might cause damage to property, present danger to Persons, or create offensive appearances or noxious odors.
5. Lessee is prohibited from subleasing the leased space.

E. RV Lot Gate. The gate to the RV Lot must remain closed at all times when it is not being actively used for ingress or egress to the RV Lot.

**ATTACHMENT 1
PROPERTY POLICY FEE SCHEDULE**

HEATHER GARDENS GARDEN PLOT FEES	
Room	Fee
<u>Annual Lease</u> <i>(includes 1 Garden plot and 1 key)</i>	
Resident or Owner	\$35.00
Non-Resident and Non-Owner User	\$150.00
<u>Additional Key</u>	
Resident or Owner	\$5.00
Non-Resident and Non-Owner User	\$5.00
HEATHER GARDENS RV LOT SPACE RENTAL FEES	
Room	Fee
<u>Under 25 feet</u>	
Resident or Owner	\$90.00/quarter
Non-Resident and Non-Owner User	\$300.00/quarter
<u>25 feet to 35 feet</u>	
Resident or Owner	\$100.00/quarter
Non-Resident and Non-Owner User	\$330.00/quarter
<u>Over 35 feet</u>	
Resident or Owner	\$110.00/quarter
Non-Resident and Non-Owner User	\$340.00/quarter
<u>Late Payment Fee</u>	
Resident or Owner	20% of rent
Non-Resident and Non-Owner User	20% of rent

**ATTACHMENT 2
SCHEMATIC OF GARDEN PLOTS**



ATTACHMENT 3
GARDEN PLOT RENTAL AGREEMENT

EFFECTIVE DATE: _____

LEASE PERIOD FROM: _____ TO: _____

PLOT #: _____

LESSEE NAME: _____

LESSEE'S PHONE #: _____

LESSEE'S ADDRESS: _____

This Garden Plot Rental Agreement (Agreement) is made and entered into the effective date first written above (Effective Date) by and between Heather Gardens Metropolitan District (HGMD), a quasi-municipal corporation and political subdivision of the State of Colorado, and the above-named lessee (Lessee). In consideration of the mutual covenants and stipulations contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. In consideration of the annual rental charge of _____ (Rent) which is due and payable by the Lessee to the HGMD on the Effective Date (in a prorated amount for the first year if the Agreement is entered into after January 1) and on January 1 of each subsequent year this Agreement remains in effect (at the then current rate), the HGMD hereby grant the Lessee a revocable lease of the plot described above by plot # (Plot) which is generally located at the southwestern corner of Heather Gardens immediately adjacent to East Marina Drive to be used solely for the purpose of gardening, on the terms and conditions set forth below.
2. Rent is due and payable on January 1 of each year that this Agreement remains in effect. If payment is not received by May 1 of any renewal year, this Agreement will be automatically canceled, and the Plot reassigned. Checks for the payment of Rent are to be made payable to "Heather Gardens Metropolitan District" and delivered to Accounts Receivable, 2888 S. Heather Gardens Way, Aurora, CO 80014.
3. Lessee hereby acknowledges receipt of _____ gate key(s). This Agreement and payment of Rent entitles the Lessee to one key. Lessee may purchase additional or replacements keys a charge of \$5.00 per additional key.

4. This Agreement shall automatically renew on January 1 of each calendar year at the then current rental rate unless the Lessee notifies HGMD in writing at least thirty (30) days prior to December 31 of its intent to terminate this Agreement.
5. HGMD may terminate this Agreement at any time by providing the Lessee with notice at least thirty (30) days prior to the effective date of the termination and, provided the Lessee is not in default of the terms of this Agreement, refunding the pro rata amount of Rent for the remainder of the year. If the Lessee is in default of the terms of this Agreement HGMD may terminate this Agreement at any time after notice of a violation has been provided in accordance with the HGMD Rules and Regulations and the Lessee has been afforded an opportunity to cure or appeal the violation in accordance with the HGMD Rules and Regulations.
6. Lessee agrees to abide by the HGMD Property Policy Procedure Memorandum, HGMD Rules and Regulations, and all local, state and federal rules, regulations, and laws applicable to the Plot and use thereof, including, but not limited to the City of Aurora's watering restrictions, all of which may be amended from time to time.
7. Lessee agrees to place trash, weeds and cuttings in the containers provided by HGMD and to maintain his/her plot in a neat and orderly way.
8. Lessee agrees not to attach or hang tools, artwork or other articles on the fence surrounding the lot.
9. HGMD or its agents reserve the right to enter the Plot to inspect the Plot and to notify Lessee of any deficiencies in the care of the Plot and surrounding areas.
10. HGMD will maintain the main water spigot and the water supply lines to the main water spigot. Lessee is responsible for repairing and maintaining the water lines from the main water spigot to their individual plots, plot dividers, and any items planted or located within the individual plots.
11. Lessee hereby agrees on behalf of itself and its successors and assigns, to waive and release all liability and to forever defend, indemnify, and hold harmless, HGMD, the HGMD's employees, consultants, licensees, invitees, agents, successors, and assigns from any and all injuries, loss, claims, liability, damages, and costs, including, without limiting the generality of the foregoing, court costs and attorney's fees, caused by, resulting from, or in any way arising out of, or alleged to arise out of, in whole or in part, the use of the Plot and HGMD Garden Plot by the Lessee, its licensees, invitees, agents, contractors, subcontractors, employees, successor, and/or assigns.

Signatures below indicate approval and acceptance of the above-mentioned terms and conditions:

HGMD

LESSEE

By: _____

**ATTACHMENT 4
GARDEN PLOT FACT SHEET**

Number of Spaces: 72

Rental Rates - Annually: Resident or Owner - \$35
Non-Resident and Non-Owner - \$150

Rental Payment: Due on January 1. Make check payable to:
Heather Gardens Metropolitan District
Attention: Accounts Receivable
2888 S. Heather Gardens Way
Aurora, CO 80014

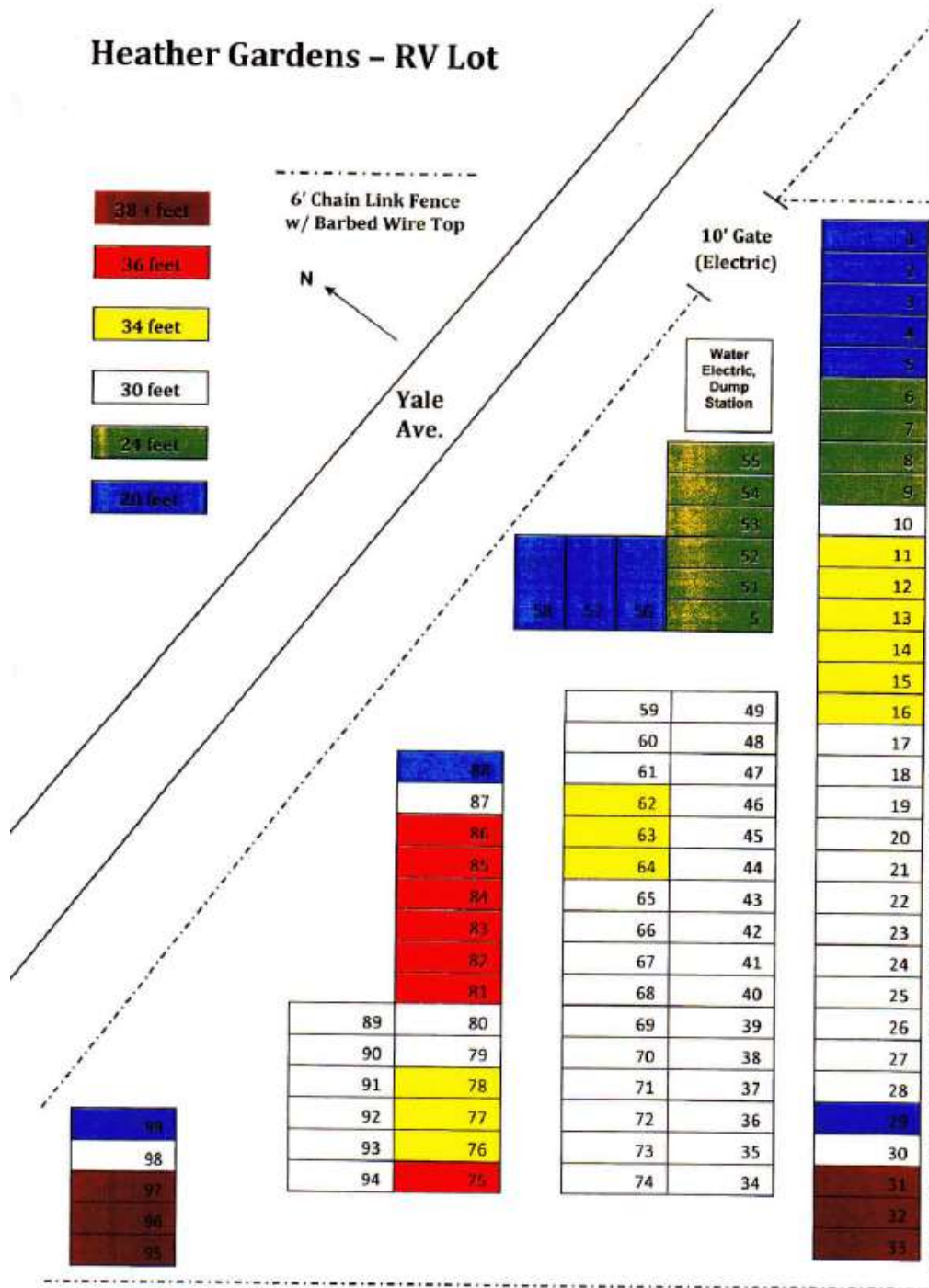
If rental payment is not received by May 1 of any renewal year, the lease shall automatically terminate and the space reassigned.

Access: By key. One key will be provided with the rental payment. A second key or a replacement key will be provided for a \$5 payment.

Administration: The Heather Gardens Association Resident Services Coordinator will be responsible for lease preparation.

Waitlist: A waitlist will be maintained by the District.

ATTACHMENT 5 SCHEMATIC OF RV LOT



**ATTACHMENT 6
RV LOT SPACE RENTAL AGREEMENT**

DATE: _____

LEASE PERIOD FROM: _____ TO: _____

SPACE #: _____

LESSEE: _____

LESSEE'S PHONE #: _____

LESSEE'S ADDRESS: _____

EMERGENCY CONTACT, OTHER THAN ABOVE:

Name: _____

Address: _____

Phone #: _____

VEHICLE 1:

MAKE _____ TYPE _____ COLOR _____ LENGTH _____ YEAR _____ LICENSE# _____

VEHICLE 2:

MAKE _____ TYPE _____ COLOR _____ LENGTH _____ YEAR _____ LICENSE# _____

INSURANCE: _____

Pursuant to Section 38-21.5-101.5, C.R.S., please disclose any lienholders with an interest in property that is or will be stored in the RV Lot: _____

This RV Lot Space Rental Agreement (Agreement) is made and entered into the effective date first written above (Effective Date) by and between Heather Gardens Metropolitan District (HGMD), a quasi-municipal corporation and political subdivision of the State of Colorado, and the above-named lessee (Lessee). In consideration of the mutual covenants and stipulations contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. In consideration of the annual rental charge of _____ (Rent) which is due and payable by the Lessee to the HGMD on the Effective Date and on January 1 of each subsequent year this Agreement remains in effect (at the then current rate), the HGMD hereby grant the Lessee a revocable lease of the space described above by space # (Space) which is generally located at the far eastern corner of the Heather Gardens

community, immediately south of Yale Street to be used solely for the purpose storage of the vehicle(s) described above. Notwithstanding the foregoing, the Rent may be paid quarterly in the amount of _____ by the Lessee in advance of each calendar quarter on January 1, April 1, July 1 and October 1. If the terms of this Agreement commence in the middle of a payment period, the first rental installment shall be prorated through the end of December for an annual term or through the end of the calendar quarter for the quarterly term, and thereafter, rental payment shall be due on the dates set forth in this paragraph.

2. Rent is due and payable on January 1 of each year (which may be paid quarterly as provided above) that this Agreement remains in effect. If Rent payment is not received by the due date, a late charge of 20% of the applicable Rent will be assessed. It is understood by Lessee that pursuant to Section 38-21.5-101.5, C.R.S. if no payment has been received for a continuous thirty-day period all articles stored under the terms of such agreement will be sold or otherwise disposed by HGMD. Lessee hereby agrees that failure to timely pay Rent and any late fees constitutes a breach of this Agreement and shall be a basis for immediate termination of this Agreement by HGMD.
3. Checks for the payment of Rent and gate opener deposits are to be made payable to "Heather Gardens Metropolitan District" and delivered to Accounts Receivable, 2888 S. Heather Gardens Way, Aurora, CO 80014.
4. Lessee hereby acknowledges receipt of _____ Automatic Gate Opener(s) for purposes of gaining entry to the RV facility. There is a \$35.00 deposit per gate opener charge, which is refundable when the gate opener is returned, in operating condition, upon termination of this Agreement.
5. This Agreement shall automatically renew on January 1 of each calendar year at the then current rental rate unless the Lessee notifies HGMD in writing at least thirty (30) days prior to December 31 of its intent to terminate this Agreement.
6. Either party may terminate this Agreement by providing the other party with a written notice of intent to terminate at least thirty (30) days prior to the last day of any calendar quarter in which this Agreement is in effect. If the Lessee is in default of the terms of this Agreement HGMD may terminate this Agreement at any time after notice of a violation has been provided in accordance with the HGMD Rules and Regulations and the Lessee has been afforded an opportunity to cure or appeal the violation in accordance with the HGMD Rules and Regulations. In the event of the termination of this Agreement at any time other than at the end of a quarterly period, the rent for that entire quarter shall still be due and payable, and the Lessee shall not be entitled to reimbursement for any prepaid rent for any portion of that quarter which is unused due to such termination.
7. If Lessee is a resident of or owner of property in HGMD and moves away from or sells their property in Heather Gardens, the Lessee and Lessor hereby agree that this Agreement shall remain in effect but shall be automatically amended such that Rent is converted to the then current rate applicable to non-residents and non-owners.

8. HGMD may change the terms of this Agreement for any renewal term hereof by providing notice of the new terms to the Lessee in writing at least thirty (30) days prior to December 31.
9. Lessee hereby agrees to keep all vehicle(s) stored in the Space insured and current on registration with the State of Colorado. The Lessee shall provide HGMD and its agent(s) with a current copy of Lessee's insurance policy, the insurance agent's name and contact number, and current proof of registration. If at any time a Lessee's vehicle registration and/or insurance expire Lessee shall be considered in default of this Agreement.
10. For purposes of this Agreement, a "Vehicle" is defined as any item of personal property required to be registered with the department of revenue pursuant to Section 42-3-103, C.R.S. Vehicles allowed to be parked in the RV Lot are: trucks, large RV, small RV, large trailer, and small trailers with and without a boat. All items listed must fit into the designated spot. No commercial vehicles may be parked in the RV storage area. Any exceptions to this shall be at the discretion of HGMD or its agent(s).
11. The Lessee's vehicle(s) described above shall be the only vehicle(s) authorized to park in the Space; any passenger car, truck and/or van that may be left in place of the recreational vehicle (RV) while the RV is being used must be included in the description above or may be subject to removal by HGMD. Any exceptions to this shall be at the discretion of HGMD or its agent(s). Lessee hereby agrees that parking an unauthorized vehicle in the Space or anywhere in the RV Lot may result in removal of the unauthorized vehicle, constitutes a breach of this Agreement, and shall be a basis for immediate termination of this Agreement by HGMD.
12. The Lessee shall not have the right to sublease the Space.
13. Lessee agrees to abide by the HGMD Property Policy Procedure Memorandum, HGMD Rules and Regulations, and all local, state and federal rules, regulations, and laws applicable to the Space and use thereof, all of which may be amended from time to time.
14. Lessees are responsible for the all repairs and maintenance to the vehicles parked in the RV Lot and shall keep such vehicles in a working and serviceable condition (e.g., drivable, towable with no flat tires and appropriately licensed) and the area within the individual space in a neat, orderly, and aesthetically pleasing manner free from debris and trash. No other storage, except within the vehicle(s), is allowed. However, other than built-in factory equipped containers that are an integral part of the RV, storage of flammable liquids, explosives, contraband, illegal substances, such as, but not by way of limitation, gasoline, gunpowder, ammunition, fireworks, stolen property, illicit drugs, etc. is prohibited. Lessee agrees not to store any items that might cause damage to the property, present danger to persons, or create offensive appearances or noxious odors.
15. HGMD or its agents reserve the right to enter the Space to inspect the Space and to notify Lessee of any deficiencies in the care or use of the Space and surrounding areas.

16. Storage of and access to the vehicle(s) shall be on a 24-hour basis, by means of a gate opener. Lessee agrees to keep his/her vehicle(s) locked at all times. Lessee understands that **NO ATTENDANT WILL BE ON DUTY AT ANY TIME**. Lessee hereby releases HGMD and its employees, consultants, licensees, invitees, agents, successors, and assigns for any responsibility for articles left in the vehicle(s), for loss or damage to the vehicle(s) caused by other Lessees, for loss or damage to the vehicle(s) caused by rain, hail, wind, freezing, acts of God, personal injuries or property damage during entry or exit, theft of the entire vehicle or any part thereof, fire explosion, riots, civil commotion, malicious mischief, vandalism or any other cause beyond the control of HGMD.
17. Lessee hereby acknowledges that entering into this Agreement establishes a lien on all personal property located in the Space in favor of HGMD in accordance with Section 38-21.5-102, C.R.S., which lien may be enforced in accordance with Section 38-21.5-103, C.R.S. and any other applicable laws.
18. Use of RV Dump Station:
- a. Lessee may only use the dump station for the vehicle(s) that is the subject of this Agreement
 - b. Lessee must use a discharge hose to dump the contents of the RV holding tanks.
 - c. The dump station may only be used to dump the contents of the RV holding tanks, i.e. wash water, known as "gray" water, and toilet water, known as "black" water. The discharge of any other materials is strictly prohibited.
 - d. Accidental spillage of holding tank contents outside of the curbed containment area must be immediately reported to Security at (303) 750-9477.
 - e. There are separate water faucets with hoses labeled potable (meaning suitable for drinking) and non-potable. **DO NOT USE** the potable hose to flush holding tanks or rinse discharge hoses. Potable water is to be used only for filling an RV's fresh water tank.
 - f. The water faucets are only for use filling an RV's fresh water tank and may not be used to flush holding tanks or rinse discharge hoses.
 - g. Use of the dump station to wash vehicles is prohibited.
19. Indemnification and Accidents:
- a. Lessee agrees to take, use, provide, and maintain all necessary precautions, safeguards, and protection to prevent accidents or injury to persons or property on, about, or adjacent to the Space.

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- b. Lessee shall continuously maintain adequate protection to the HGMD's property from injury or loss arising in connection with the Lessee's activities and shall make good any such damages, injury, or loss except for ordinary wear and tear incidental to the use of the Space by the Lessee.
 - c. Lessee hereby agrees on behalf of itself and its successors and assigns, to waive and release all liability and to forever defend, indemnify, and hold harmless, HGMD, the HGMD's employees, consultants, licensees, invitees, agents, successors, and assigns from any and all injuries, loss, claims, liability, damages, and costs, including, without limiting the generality of the foregoing, court costs and attorney's fees, caused by, resulting from, or in any way arising out of, or alleged to arise out of, in whole or in part, the use of the Space and HGMD RV Lot by the Lessee, its licensees, invitees, agents, contractors, subcontractors, employees, successor, and/or assigns and on account of or in any way growing out of any personal injuries or property damage resulting from the storage of the vehicle(s) involved by HGMD and its employees, consultants, licensees, invitees, agents, successors, and assigns under this Agreement.
 - d. The Lessee agrees to report any accidents, injury, or damage to the appropriate authorities and HGMD Security immediately.

Signatures below indicate approval and acceptance of the above-mentioned terms and conditions:

HGMD

LESSEE

By: _____

**ATTACHMENT 7
RV LOT FACT SHEET**

Features: Capacity of 99 spaces, six-foot security fence with three strands of barbed wire around the top, automatic gate, a dump station, coin operated electrical meter outlet.

Rental Rates:	<u>Owner</u>	<u>Resident or Owner</u>	<u>Non-Resident and Non-</u>
	Under 25 feet	\$ 90 per quarter	\$300 per quarter
	25 feet to 35 feet	\$100 per quarter	\$330 per quarter
	Over 35 feet	\$110 per quarter	\$340 per quarter

Rental Payment: Rent shall be paid quarterly. Make the checks payable to:

Heather Gardens Metropolitan District
2888 S. Heather Gardens Way
Aurora, CO 80014

Access Ability: A Lessee has access to the RV facility on a 24-hour basis.

Insurance & Registration: Proof of insurance and registration of the vehicle in the name of the lessee shall be provided on all vehicles. The Lessee shall provide current copies of this information.

Administration: The Heather Gardens Association Resident Services Manager will be responsible for lease preparations, collections, refunds, gate openers, etc. Telephone inquiries may be made by calling (303) 755-0652.

Waitlist: A waitlist will be maintained by the District. Once a person is offered an appropriate size space for the vehicle in the RV lot, a Lease must be executed within three (3) business days or be placed at the end of the respective waitlist.



**HEATHER GARDENS CLUBHOUSE/
RENDEZVOUS RESTAURANT
PROCEDURE MEMORANDUM**

Adopted and Effective August 29, 2019

Updated January 16, 2020

CLUBHOUSE/RESTAURANT COMMITTEE

Date Adopted:	August 29, 2019, Effective August 29, 2019, Updated January 16, 2020
Document Type:	Procedure Memoranda, C/R-1
Attachment (s):	Fee Schedule Application for Club Clubhouse/Restaurant Facilities Rental Agreement Restaurant Catering Agreement Locker Rental Agreement

This Procedure Memorandum shall supersede all previous versions of the Procedure Memorandum and Functions and Policy Manuals for the Clubhouse/Restaurant Committee, as well as all previous resolutions, actions and informal practices and policies of the District or portions thereof which may be in conflict with the provisions hereof.

ARTICLE I – BACKGROUND & PURPOSE

The Clubhouse/Restaurant Committee is a standing committee authorized by the Board of Directors (Board) of the Heather Gardens Metropolitan District (District).

The purpose of the Clubhouse/Restaurant Committee is to serve in an advisory role and make policy, operational, and financial recommendations to the Board related to the Heather Gardens Clubhouse (Clubhouse) and the Rendezvous Restaurant at Heather Gardens (Restaurant).

The Clubhouse/Restaurant Committee recognizes that the District and the Heather Gardens Association (HGA) entered into a Management Agreement dated August 23, 2018, as may be amended from time to time (Management Agreement), which authorizes HGA to operate and provide daily management of the Clubhouse and the Restaurant.

All capitalized terms not herein defined shall be defined as presented in the District's Bylaws or Rules and Regulations.

ARTICLE II - COMPOSITION

The Clubhouse/Restaurant Committee shall be composed of the chairperson (Board member appointed to the Clubhouse/Restaurant Committee by the President of the

Board), the District's Agent (without vote), the Clubhouse Manager (without vote), the Restaurant Manager (without vote), and a minimum of (4) four and a maximum of (7) seven eligible electors of the District.

ARTICLE III – POLICIES AND PROCEDURES

Section 1. Committee Chairperson. The chairperson chairs all meetings of the Clubhouse/Restaurant Committee and appoints all Clubhouse/Restaurant Committee members from eligible electors of the District that have applied therefor. The chairperson also counsels with Residents, the Clubhouse Manager, the Restaurant Manager, the Clubhouse/Restaurant Committee and interested parties regarding the Clubhouse and the Restaurant. The chairperson reports to the Boards.

Section 2. Committee Duties and Responsibilities.

- A. Reviews, monthly, the financial statements of the Clubhouse and the Restaurant. Makes suggestions/recommendations regarding the financial position and operations of the Clubhouse and/or the Restaurant.
- B. Reviews the annual operating and capital requirements budget submitted by the District's Agent Manager. Makes appropriate modifications and recommends the budget to the Board.
- C. Annually review Clubhouse Room Rental Rates and makes recommendations regarding rates to the Board.
- D. Annually review fees charged for classes held in the Clubhouse and makes recommendations regarding fees to the Board.
- E. Annually review fees charged for use of Clubhouse and/or Restaurant.
- F. Annually review rules and regulations applicable to the Clubhouse and/or Restaurant and recommend changes thereto, as needed, to the Board.
- G. Donations.
 - 1. Reviews non-cash donations, with a value of \$500 or more, including, but not limited to, machinery, electronic equipment and large appliances and determines if they are suitable and appropriately intended for the benefit of the District and its Residents and Owners and makes recommendations to the Board regarding acceptance of donations.

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2. Persons wishing to make a donation requiring Clubhouse/Restaurant Committee recommendation for approval are asked to complete a donation form available at the Clubhouse reception desk.
 3. Items under \$500 in value may be accepted or rejected at the discretion of the District's Agent or appropriate department manager based on need, condition or alignment of the facility functions or decor.
 4. The Clubhouse/Restaurant Committee, the District, or the District's Agent may require an inspection and approval by the HGA Maintenance Department, or another qualified professional, prior to accepting the donation.
 5. The District will not accept donations with any restrictions or conditions.
 6. All items donated become the property of the District.
 7. The donating party agrees to pay the cost incurred for moving and delivery of the item to be donated.
 8. The District reserves the right to refuse any item at any time during the donation process.
 9. The District, in its sole discretion, has the prerogative of using the donated item immediately or may reserve it for the future.

ARTICLE IV – RULES AND REGULATIONS

Article VI of the District's General Rules and Regulations regarding Enforcement, Violations, and Penalties is applicable to non-compliance with these Clubhouse/Restaurant Rules and Regulations. In addition, the District's General Rules and Regulations are applicable to all Residents, Owners and Users of District Facilities and these Clubhouse/Restaurant Rules and Regulations are supplemental thereto.

Section 1. Hours of Operation. The Clubhouse and Restaurant is open year-round, with the exception of major holidays. Hours of operation are posted at the Restaurant and Heather Gardens website. The hours of the Clubhouse and/or Restaurant may be changed by the District in its sole discretion.

Section 2. Closure of Facilities. The District reserves the right, in its sole discretion, from time to time to close the Clubhouse and/or Restaurant to the public and restrict access only to the invitees of a large event. The District will endeavor to limit such

closures to events that financially benefit the District or is in the interest of the District as a whole, and to times when the majority of the clientele will not be inconvenienced.

Section 3. Clubhouse Facilities. The District's Clubhouse facilities include meeting rooms, auditorium, fitness center, swimming pools and spa, tennis court, woodshop, arts and craft room, game room, media center, horseshoe court, and picnic pavilion. The District's Management shall arrange classes, events and activities compatible to the facilities and interest of the Owners, Residents, and Users. Meeting rooms, the auditorium, and the picnic pavilion may be reserved/rented for activities and events based on availability, and/or Facility Rental Contract terms and conditions, and the Schedule of Fees and Charges.

- A. Clubhouse arranged classes, events, and activities shall take priority over open usage. Fees for participation will be charged based on the attached Schedule of Fees and Charges. Classes/workshops are open to Owners, Residents, and full-time employees of Heather Gardens Association at the resident or owner fee rate. All other Users may enroll on a space available basis at the non-resident and non-owner rate.
- B. The Clubhouse Manager may introduce and test new classes (referred to as Pop-Up Classes on the Schedule of Fees and Charges) for a reduced class period and fee to determine interest.
- C. Rental rates are calculated on a minimum four-hour base rate and hourly thereafter, as outlined in the Schedule of Fees and Charges.

Clubs/Organizations, defined as groups with headquarters at Heather Gardens having at least 75% of their total membership as Residents or Owners, may reserve Clubhouse facilities at no charge, provided that the club/organization does not charge a fee to those outside their club/organization while hosting the event. The Club/Organization president must schedule the Clubhouse facility with the Clubhouse Manager. Reoccurring events may receive a reduced rental rate as negotiated by rental agreement. All reservations and rentals must be arranged with the Clubhouse Manager. The Clubhouse Manager has the authority to refuse the scheduling of any event.

The District and HGA Boards have approved our elected officials (State, Federal, Local) to conduct monthly meetings and occasionally additional meetings at no charge. The elected official must reserve the Clubhouse facility through the HGA's Civic Affairs Committee Chairperson. Clubhouse staff will rely on the Club President's or the HGA's Civic Affairs Committee Chairperson's approval to waive the rental fee.

Public rentals shall be consistent with the interest of District/HGA as a whole.

- D. Prior to use of fitness equipment and woodshop machinery all Users are required to view an orientation CD or take an orientation class.
- E. Clubhouse operating guidelines may limit the number of Users permitted based on size and activity level and may limit or restrict usage by minors. For example, any activity deemed unsafe may be prohibited and limited hours will be available for children under 16 in the swimming pools, and minors are not permitted in the spa or Billiard room.
- F. Tables Usage in Clubhouse. Requests to set up tables in the Clubhouse must meet the following requirements:
 - 1. Requests must be submitted to the Clubhouse Manager at least 3 days prior to the date desired.
 - 2. Table requests are on a first come/first served basis.
 - 3. Table location is at the sole discretion of the Clubhouse Manager. Generally, table locations will not be allowed in the entrance lobby area.
 - 4. Table usage is limited to one day per week.
 - 5. The individual using the table must not approach individuals in the Clubhouse in an unsolicited manner.
 - 6. The individual using the table must provide materials for display, including easels and/or other visual equipment. All materials must be disposed of by the individual using the table when the table is taken down.
- G. Cancellations and refunds.
 - 1. Classes may be canceled temporarily or permanently for low participation, lack of instructor, cost increase, holiday, Clubhouse or Facility closure or special event.
 - 2. Permanent cancellation of a class due to low participation, lack of instructor or long-term facility closure will result in a full refund or credit to be used on another class.

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3. Cancellation requests by participants must be made prior to class starting. A \$7 service fee will apply to all direct refunds. The service charge will be waived if the participant accepts the refund in a Clubhouse gift certificate to be used for a future class or event. No refunds or credits will be made after 50% of the class session has transpired.
 4. In the event that a trip or tour is canceled by the event sponsor, the Clubhouse Manager will receive a full refund that will be passed on to the participant.
 5. No refund will be made for trips or tours if the participant is unable to attend. It is the participant's responsibility to resell their ticket/reservation and provide the Clubhouse Manager with notice of the new participant.
 6. In the event that a room rental is canceled by the Clubhouse Manager, a full refund will be issued to the renter. Renters may cancel room reservation and will receive refunds of rental fees according to the following schedule:
 - a. Room rental canceled with at least 60 days prior notice to Clubhouse Manager – 100% Refund.
 - b. Room rental canceled with at least 30 days prior notice to Clubhouse Manager – 50% refund.
 - c. Room rental canceled with 29 days or less prior notice to Clubhouse Manager – no refund.
 7. Clubhouse Event refunds will only be granted when the event has been canceled by the event sponsor or Clubhouse Manager.

Section 4. Restaurant Facilities: The District's Restaurant facilities include a bar, seated restaurant area, dance floor, patio, and banquet room. The banquet room and/or Restaurant may be reserved/rented for events by Users subject to the Minimum Sales Requirement set forth in the Schedule of Fees and Charges. All reservations and rentals must be arranged with the Restaurant Management and are at the sole discretion of the Restaurant Management.

- A. Reservations/rentals shall be made in person, by email, or by telephone. Seating for small groups will be arranged in the main restaurant.

-
- B. Reservations/rentals of the Banquet Room or full Restaurant must meet or exceed the Minimum Sales Requirement listed in the Schedule of Fees and Charges. Users shall sign a rental agreement prior to securing the reservation.
1. If special setup arrangements are needed, they shall be outlined in the rental agreement.
 2. If confetti or glitter is used an automatic penalty for cleanup will be assessed.
 3. Security may be required at the discretion of the Restaurant Manager. The User that secured the reservation will be responsible for all applicable costs thereof.
 4. The damage and cleaning deposit will be forfeited in full if the District's Restaurant facilities are damaged or need excessive cleaning.
 5. All personal items must be removed immediately following the event.
- C. Playing cards, dominoes, and other games are prohibited in the Restaurant, unless done as part of a scheduled event in the District's Restaurant facilities.
- D. Cancellations and refunds.
1. In the event of cancellation of a Restaurant facilities rental by the Restaurant, a refund of rental fee and damage deposit will be made in full to the renter within 15 days of the cancellation.
 2. In the event of cancellation of a Restaurant facilities rental by the renter, a refund of the rental fee and damage deposit less the food and liquor costs incurred by the Restaurant on behalf of the event will be issued to the renter. Costs can occur if the event is canceled within 7 days prior to the event, and the Restaurant is unable to cancel the food/liquor order or is unable to otherwise sell the merchandise purchased.

ATTACHMENT 1

CLUBHOUSE/RESTAURANT FEE SCHEDULE

ROOM RENTAL FEES*			
Clubhouse Rooms	RENTAL FEE (4 HOURS)	PER ADDITIONAL HOUR	REQUIRED DAMAGE DEPOSIT
<u>Full Sandberg Auditorium</u>			
Resident or Owner	\$200.00	\$50.00	\$200.00
Non-Resident and Non-Owner	\$600.00	\$150.00	\$200.00
<u>Half Sandberg Auditorium</u>			
Resident or Owner	\$100.00	\$25.00	\$100.00
Non-Resident and Non-Owner	\$400.00	\$100.00	\$100.00
<u>Aspen Room</u>			
Resident or Owner	\$60.00	\$15.00	\$100.00
Non-Resident and Non-Owner	\$200.00	\$50.00	\$100.00
<u>Blue Spruce Room</u>			
Resident or Owner	\$60.00	\$15.00	\$100.00
Non-Resident and Non-Owner	\$200.00	\$50.00	\$100.00
<u>Picnic Pavilion</u>			
Resident or Owner (Full Pavilion)	\$50.00	\$10.00	\$100.00
Non-Resident and Non-Owner	\$100.00	\$50.00	\$100.00
Grill Rentals	\$10.00 each		
<u>Mountainview Room</u>			
Resident or Owner	\$35.00	\$10.00	\$100.00
Non-Resident and Non-Owner	\$100.00	\$25.00	\$100.00

<u>Skyview Room</u>			
Resident or Owner	\$35.00	\$10.00	\$100.00
Non-Resident and Non-Owner	\$100.00	\$25.00	\$100.00
Restaurant Facilities	MINIMUM SALES REVENUE (4 HOURS)	PER ADD'L HOUR	REQUIRED DAMAGE DEPOSIT
<u>Full Restaurant</u>	\$3,000.00	By Contract	\$500.00
<u>Banquet Room</u>	\$400.00	\$100.00	\$100.00

*Room rental fees may be waived for eligible events held by Heather Gardens Clubs

RENTAL AND EVENT FEES	
Description	Fee
Class Firing Fee	\$11.00 per class
Locker Rental Wood Shop	\$25.00 per year
Locker Rental Billiard	\$10.00 per year

CLASS FEES[^]			
CLASS	NON-RESIDENT AND NON-OWNER FEE per session	DROP-IN FEE per class	OWNER OR RESIDENT FEE per session
Aqua/Fitness Classes 3 x per week/hour 2 x per week/hour 1 x per week/hour	\$125.00 \$100.00 \$ 75.00	\$8.00	\$35.00 \$30.00 \$25.00
Fitness Center Daily Use	\$15.00	N/A	N/A
Writing	\$75.00	N/A	\$30.00
Dancing	\$60.00 - \$75.00/per person \$25/per person for partner dancing w/resident or owner	\$6.00 - \$8.00	\$25.00
Bridge/Card Games/Billiards/etc.	\$60.00	\$8.00 - \$10.00	\$40.00
Arts	\$60.00 - \$150.00 includes firing fee	N/A	\$35.00 - \$46.00 includes firing fee
Computers	\$75.00	N/A	\$40.00
Cooking	\$60.00	N/A	\$20.00
Knitting/Crocheting/Quilting/etc.	\$60.00 - \$70.00	N/A	\$30.00 - \$35.00
Foreign Language	\$75.00	N/A	\$25.00

[^] Where a price range is provided the actual fee will be determined based on the cost of providing the applicable type of class. From time to time classes may be added or deleted and the cost therefor will be based on the cost of providing the class.

ACTIVITY FEES		
ACTIVITY	NON-RESIDENT AND NON-OWNER DROP-IN FEE	OWNER OR RESIDENT FEE DROP-IN FEE
Pickleball – Hourly Use	\$16.00	\$0.00
Swimming Pool – Indoor Daily Use	\$8.00	\$0.00
Swimming Pool – Outdoor Daily use	\$8.00	\$0.00
Table Tennis	\$8.00	\$0.00
Tennis Courts – Hourly Use	\$16.00	\$0.00
Tennis Ball Machine (must also pay court fee)	\$8.00	\$0.00
Woodshop – Daily Use	\$8.00	\$0.00

**ATTACHMENT 2
APPLICATION FOR CLUB**

APPLICATION FOR CLUB

Clubs must be comprised of 8 or more residents or owners of property within the Heather Gardens Metropolitan District. In order to maintain Club status, the Club must submit an informational piece to the Heather N Yon for publication at least quarterly.

Heather Gardens _____ CLUB

Name of Club you would like to initiate.

Name of Club contact: _____ Building #: _____

Building Address: _____ Unit: _____

Phone#: _____

Please include all #'s, home and cell.

Email address: _____

Purpose of Club: _____

Club will meet: _____

Please include date, time, and frequency.

(This will depend on availability or space in the Clubhouse)

How does this Club contribute to the community? _____

This Application for Club must be accompanied with a signed Clubhouse/Restaurant Facilities Rental Agreement in order to reserve space for Club meetings. The fee for rental of Clubhouse facilities for clubs that continuously maintain the eligibility requirements set forth above will be waived.

The Club hereby acknowledges and agrees that by accepting this Application for Club and designating this group as a Club the Heather Gardens Metropolitan District (HGMD) does not in any way endorse or condone the activities of the Club, create a joint venture with the Club, or assume any liability or responsibility for the Club.

The Club hereby further agrees that the HGMD may change its policies related to Clubs at any time.

The Club hereby agrees on behalf of itself and its successors and assigns, to waive and release all liability and to forever defend, indemnify, and hold harmless, HGMD, the HGMD's employees, consultants, licensees, invitees, agents, successors, and assigns from any and all injuries, loss, claims, liability, damages, and costs, including, without limiting the generality of the foregoing, court costs and attorney's fees, caused by, resulting from, or in any way arising out of, or alleged to arise out of, in whole or in part, the Club's activities.

Signature: _____ Date: _____

**ATTACHMENT 3
CLUBHOUSE-RESTAURANT FACILITIES
RENTAL AGREEMENT**

EFFECTIVE DATE: _____

EVENT/LEASE DATE: _____

Set-up Time: _____ .M

Event Start Time: _____ .M

Breakdown Time: _____ .M

CLUBHOUSE/RESTAURANT FACILITIES RENTED: _____

EVENT PURPOSE: _____

LESSEE NAME: _____

Owner or Resident

Non-Owner and Non-Resident

LESSEE'S EMAIL ADDRESS: _____

LESSEE'S PHONE #: _____

LESSEE'S ADDRESS: _____

ANTICIPATED NUMBER OF ATTENDEES: _____

IS ALCOHOL BEING SERVED? Yes No

IS SECURITY REQUIRED*? Yes No

(*Security is required if alcohol is being served, party is after 6:00 p.m., there are more than 100 guests, or if deemed necessary by HGMD)

This Clubhouse/Restaurant Facilities Rental Agreement (Agreement) is made and entered into the effective date first written above (Effective Date) by and between Heather Gardens Metropolitan District (HGMD), a quasi-municipal corporation and political subdivision of the State of Colorado, and the above-named lessee (Lessee). In consideration of the mutual covenants and stipulations contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

- 1. In consideration of the rental charge of the rental fee of \$_____ (Rent) and required damage deposit of \$_____ (Deposit) which are both due and payable by the Lessee to the HGMD on the Effective Date,

the HGMD hereby grants the Lessee a revocable lease of the above-named Heather Gardens Clubhouse and/or Restaurant Facilities (Rented Facilities) for the above-described event (Event), on the terms and conditions set forth below for use during the above-named lease date (Event Date). Rent is based on a four (4) hour rental time including set-up and breakdown times. Additional rental fees apply for any time over four (4) hours or for rentals that are outside of the normal operating hours of the Clubhouse and/or Restaurant. Rent will not be pro-rated. Rent is based on the HGMD Clubhouse/Rendezvous Restaurant Schedule of Fees and Charges, which may be amended from time to time.

2. The Rented Facilities include routine pedestrian ingress and egress to the Rented Facilities but do not include the non-routine use of any District Facilities other than the Rented Facilities. Events must be confined to the Rented Facilities, and guests may not disturb other members of the public. Teenagers and children must be supervised at all times, and the Lessee is responsible for the behavior of all guests.
3. Rent includes normal operational expenses including, but not limited to, electricity, heat, water, use of tables and chairs and any additional items listed on the attached function sheet. Special audio and visual systems, additional lighting fixtures, stage lighting effects, catering and decorating needs, and other special maintenance work the Lessee may require are not available as part of this Agreement. The Lessee hereby agrees that HGMD may, in its sole discretion, deem that additional staffing or services are necessary for additional supervision, maintenance, or security enforcement in connection with the Lessee's use of the Rented Facilities on the Event Date and that the cost thereof will be paid by the Lessee. In the event that HGMD pays the cost of such additional staffing or services, the costs thereof will be invoiced to the Lessee and payable to HGMD within thirty (30) days after notification. If any invoice charges are not paid within thirty (30) days, interest shall accrue at a rate of eighteen (18%) per annum from the thirtieth (30th) day following the date of the invoice until paid.
4. Checks for the payment of Rent and Deposit are to be made payable to "Heather Gardens Metropolitan District" and delivered to Management, 2888 S. Heather Gardens Way, Aurora, CO 80014.
5. The Deposit will be returned to the Lessee in full within fourteen (14) days following the Event Date provided there is no property damage, missing property or breach of this Agreement.
6. Lessee agrees to abide by the HGMD Clubhouse/Rendezvous Restaurant Procedure Memorandum, HGMD Rules and Regulations, and all local, state

and federal rules, regulations, and laws applicable to the Rented Facilities and use thereof, all of which may be amended from time to time, which include, but are not limited to, rules related to the reporting of emergencies, alcohol consumption, weapons, smoking, conduct, assumption of risk, and accidents. A violation of any of the foregoing, may result in forfeiture of the Rent, the Deposit and/or immediate revocation of the right to use the Rented Facilities during the Event and in the future.

7. Lessee, or a representative thereof, must be at least twenty-one (21) years of age and MUST be present for the Event during the duration of the times listed on the Event Date.
8. If alcohol is being served, no fee may be charged for admission to or attendance at the Event for which the Rented Facilities are being used under this Agreement. Excessive noise or disruption to other members of the public will be grounds for immediate revocation of the right to use the Rented Facilities.
9. Lessee must inspect the Rented Facilities immediately prior to the Event time and notify HGMD of any damage or other issues with equipment and/or cleanliness. Failure to report damage will result in the Lessee accepting responsibility for all existing damage. The Rented Facilities may not be decorated without the prior approval of HGMD. No confetti or glitter, if confetti or glitter is used an automatic fee to cover the cost of cleanup will be assessed. Nails, tacks, and other damaging items are not permitted, and only removable tape may be used. Lessee hereby agrees to return the Rented Facilities to a clean and orderly condition to including, but not limited to, the following:
 - a. Clean up of any spills and removal of trash from the floors, tabletops, chairs, counters, stage, stairs, and appliances in the Clubhouse.
 - b. Coffee pots and punch bowls must be washed, and trash must be disposed of in proper containers (see Manager-on-Duty for specific information, as needed) in the Clubhouse.
 - c. All decorating, catering or any other property of the Lessee must be removed prior to the end of the above-listed Event time, if applicable.
 - d. Any items left beyond the end of the above-listed Event time could result in forfeiture of the Deposit.
 - e. Lessee hereby agrees to be responsible for all costs and expenses incurred by HGMD to restore the Rented Facilities to the condition they

were in immediately preceding the Event Date, including, but not limited to, any additional cleaning costs and costs of repair or replacement for lost or damaged real or personal property. These costs and expenses will be deducted from the Deposit and, to the extent the amount exceeds the Deposit, will be invoiced to the Lessee and payable to the HGMD within thirty (30) days after notification. If any invoice charges are not paid within thirty (30) days, interest shall accrue at a rate of eighteen (18%) per annum from the thirtieth (30th) day following the date of the invoice until paid.

10. Lessee may serve its own outside (i.e., not provided by the Restaurant) food and/or non-alcoholic beverages for consumption in the Rented Facilities only if such Rented Facilities are located within the Clubhouse. If the Rented Facilities are within the Restaurant no outside food and/or beverages will be allowed and the Lessee must enter into a separate catering agreement with HGMD regarding any food and/or non-alcoholic beverages to be consumed during the Event. If the Rented Facilities are within the Clubhouse, the Lessee may have the Restaurant provide food and/or non-alcoholic beverages for consumption at an Event by entering into a separate catering agreement with HGMD.
11. Alcoholic beverages may be served and consumed only within designated areas and in accordance with HGMD's liquor license. All persons consuming alcohol within HGMD shall abide by all laws governing consumption of alcoholic beverages.
 - a. If the Rented Facilities are within the Restaurant, alcohol must be purchased from the Restaurant and must be consumed only within the Restaurant. Consumption of alcohol purchased from the Restaurant in areas outside of the Restaurant is prohibited and will constitute a breach of this Agreement and result in immediate revocation of the right to use the Rented Facilities.
 - b. If the Rented Facilities are the **Aspen, Blue Spruce, Skyview, and/or Mountain View Rooms, and/or Picnic Pavilion** alcohol can be self-served and must be provided free of charge to guests and must stay within the Rented Facilities. No glass bottles or containers permitted at Picnic Pavilion. Alcohol may not be self-served except in the above specified locations.
 - c. Non-profit groups may be able to obtain a "Special Events" liquor license from the City of Aurora Clerk. There is a mandatory waiting period of 45 days between application and granting of a Special Events Liquor License.

- d. Serving alcohol to persons under the age of 21 is strictly prohibited. If alcohol will be served, the Lessee agrees to abide by all relevant state and local laws, ordinances, and regulations governing the serving and/or consumption of alcohol. The Lessee further agrees to be solely responsible for any claim or liability that arises as a result of the serving of alcoholic beverages.
12. HGMD or its agents reserve the right to enter the Rented Facilities to inspect the Rented Facilities during the Event Date or the end of the above-listed Event time and to notify Lessee of any deficiencies in the care of the Rented Facilities and surrounding areas.
13. Lessee hereby agrees on behalf of itself and its successors and assigns, to waive and release all liability and to forever defend, indemnify, and hold harmless, HGMD, the HGMD's employees, consultants, licensees, invitees, agents, successors, and assigns from any and all injuries, loss, claims, liability, damages, and costs, including, without limiting the generality of the foregoing, court costs and attorney's fees, caused by, resulting from, or in any way arising out of, or alleged to arise out of, in whole or in part, the use of the Rented Facilities by the Lessee, its licensees, invitees, agents, contractors, subcontractors, employees, successor, and/or assigns.
14. Lessee agrees to take, use, provide, and maintain all necessary precautions, safeguards, and protection to prevent accidents or injury to persons or property on, about, or adjacent to the Rented Facilities. The Lessee agrees to report any accidents, injury, or damage to the appropriate authorities and HGMD Security immediately.
15. HGMD, consultants, licensees, invitees, agents, successors, and assigns are not responsible for any lost, stolen or unclaimed property associated with the Lessee use of the Rented Facilities on the Event Date.
16. HGMD may terminate this Agreement at any time by providing the Lessee with notice prior to the effective date of the termination and refunding the Rent and Deposit.
17. Termination of this Agreement by Lessee may result in forfeiture of the Rent and Deposit in full. All refunds of Rent and Deposit as a result of termination of this Agreement and the underlying rental of the Rented Facilities for the Event Date by the Lessee are governed by the HGMD Clubhouse/Rendezvous Restaurant Procedure Memorandum and HGMD Rules and Regulations, both of which may be amended from time to time.

- 18. The HGMD’s performance of this Agreement is contingent upon the ability of HGMD to complete the same and the HGMD shall not be liable for any losses or its failure to perform under this Agreement if such is attributable to any of the following causes that are beyond the control and which could not have been avoided by due diligence or use of reasonable efforts by HGMD: acts of God, acts of the public enemy, epidemics, area-wide fires, earthquake, storm-extraordinary inclement weather event, tornado, or other cataclysmic phenomenon of nature, rebellion, war, riot, terrorist act, area-wide strike, freight embargo or labor dispute.
- 19. Nothing in this Agreement will be construed as a partnership in the staging and conduct of the use of the Rented Facilities or as constituting a joint venture between the Lessee and HGMD.
- 20. Lessee and its agents, guests or employees shall not take any actions that imply that the Event for which the Lessee is leasing the Rented Facilities on the Event Date is in any means sponsored by or affiliated with HGMD.

This Agreement and all accompanying forms must be completed, signed, and all rental fees and damage deposit paid at time of reservation.

Signatures below indicate approval and acceptance of the above-mentioned terms and conditions:

HGMD	LESSEE
_____	_____
By: _____	

Office use only

Staff preparing Contract: _____ Date: _____

Rental Fee \$ _____ + Damage Deposit \$ _____ =\$ _____ Check # _____ Cash \$ _____

Credit Card _____

Additional Security charges _____ hrs. x \$45.45 = \$ _____

TOTAL FEES DUE = \$ _____ Check # _____ Cash _____

Notes on Rental (please initial) _____

Return of Damage Deposit recommended: Yes No

Return of Damage Deposit Processed: Date _____ By: _____

**HEATHER GARDENS CLUBHOUSE
Event Planning**

Event: _____ Date/Date: _____
 Room: _____ Approximate Attendance: _____
 Setup Time: _____ Event Time: _____ Breakdown Time: _____
 Contact Name: _____

Primary Phone Number: _____ Alternate Number: _____

Room Information: (Please draw your desired set up on the back of this form, noting doors/windows as reference.)

<u>Room</u>	<u>Dimension</u>	<u>Capacity</u>
Aspen	32' x 19'	42 - Theater Style
Blue Spruce	32' x 19'	42 – Theater Style
Combined Aspen/Blue Spruce	38' x 32'	84 – Theater Style 60 to 80 – Tables/Chairs
Auditorium – Full	60' x 45'	200 – Theater Style 150 – Tables/Chairs
Auditorium – Half	30' x 45'	100 – Theater Style 75 – Tables/Chairs
Mountainview	Main area 18' x 12' Window area 12' x 12'	25 (any style)
Skyview	15' x 20'	20 Theater Style/ 16 card tables
Pavilion	29' x 52'	12 Tables each seat 10

PLEASE MARK QUANTITY OF REQUESTED ITEMS			
8' Rectangular Tables			Coffee Pot (100 cups)
6' Rectangular Tables			Coffee Pot (30 cups)
5' Round Tables			Punch Bowls
Chairs			Portable PA System

Other Requests: _____

Note: No items from the list above are to be used at the Picnic Pavilion.
 Card tables cannot be removed from the Blue Spruce, Mountainview, or Skyview rooms.
 Bingo equipment available for \$5 may be used inside the building or at Picnic Pavilion.
 Reservations are to be made in advance at the Reception Desk.

**ATTACHMENT 4
RESTAURANT CATERING AGREEMENT**

EFFECTIVE DATE: _____

EVENT/LEASE DATE: _____

Set-up Time: _____ .M

Event Start Time: _____ .M

Breakdown Time: _____ .M

CLUBHOUSE/RESTAURANT FACILITIES RENTED: _____

EVENT PURPOSE: _____

LESSEE NAME: _____

Owner or Resident

Non-Owner and Non-Resident

LESSEE'S PHONE #: _____

LESSEE'S ADDRESS: _____

ANTICIPATED NUMBER OF ATTENDEES: _____

IS ALCOHOL BEING SERVED? Yes No

IS SECURITY REQUIRED*? Yes No

(*Security is required if alcohol is being served, party is after 6:00 p.m., there are more than 150 guests, or if deemed necessary by HGMD)

This Restaurant Catering Agreement (Agreement) is made and entered into the effective date first written above (Effective Date) by and between Heather Gardens Metropolitan District (HGMD), a quasi-municipal corporation and political subdivision of the State of Colorado, and the above-named lessee (Lessee). In consideration of the mutual covenants and stipulations contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. In consideration of the minimum consumption charge of \$_____ (Minimum Fee) and required damage deposit of \$_____ (Deposit), the HGMD hereby agrees to cater the above-described event (Event) in the above-named Heather Gardens Clubhouse and/or Restaurant Facilities (Rented Facilities), on the terms and conditions set forth below for use during the above-named lease date (Event Date). The Deposit is due and payable by the Lessee to the HGMD on the Effective Date.

-
2. The Minimum Fee is based on a four (4) hour rental time including set-up and breakdown times. The Minimum Fee includes banquet food, non-alcoholic beverages, and alcoholic beverages (if indicated in Paragraph 8 below). The Minimum Fee does not include services charges, taxes, or labor charges. Additional fees apply for any time over four (4) hours or for catering this is outside of the normal operating hours of the Restaurant. The Minimum Fee is based on the HGMD Clubhouse/Rendezvous Restaurant Schedule of Fees and Charges, which may be amended from time to time. The Minimum Fee is due and payable on the Effective Date or that date which is twenty-one (21) days prior to the Event Date, whichever occurs first.
 3. Checks for the payment of the Minimum Fee and Deposit are to be made payable to "Heather Gardens Metropolitan District" and delivered to Management, 2888 S. Heather Gardens Way, Aurora, CO 80014. Payment of the Minimum Fee may also be made by credit card or cash.
 4. Final payment for any food, non-alcoholic beverages, and/or alcoholic beverages consumed in excess of the Minimum Fee along with services charges, taxes, or labor charges will be due prior to conclusion of the Event on the Event Date. A minimum 20% service charge will be added to the total cost of the Event, inclusive of the Minimum Fee and any charges for food, non-alcoholic beverages, and/or alcoholic beverages consumed in excess of the Minimum Fee.
 5. The Deposit will be returned to the Lessee in full within fourteen (14) days following the Event Date provided there is no property damage, missing property or breach of this Agreement.
 6. A final attendance count must be received by the Restaurant Manager no later than 11:00 a.m. on the day that is five (5) business days prior to the Event Date. Once submitted the final attendance count may not be changed and is considered a guarantee.
 7. If the Rented Facilities are within the Restaurant no outside food and/or beverages will be allowed except as follows: _____

 8. Alcoholic beverages may be served and consumed only within designated areas and in accordance with HGMD's liquor license. All persons consuming alcohol within HGMD shall abide by all laws governing consumption of alcoholic beverages. The following types of alcohol service are available, please select one:

-
- _____ Hosted Bar Package: Price for alcoholic beverages consumed by attendees of the Event during the Event Date are charged to the Lessee on a per attendee basis for the above-described Event times.
- _____ Consumption Bar: Price for alcoholic beverages consumed by attendees of the Event during the Event Date are charged to the Lessee on a per drink basis for the above-described Event times at the regularly set price for each alcoholic beverage.
- _____ Cash Bar: Price for alcoholic beverages consumed by attendees of the Event during the Event Date are paid by the attendees of the Event on a per drink basis for the above-described Event times at the regularly set price for each alcoholic beverage.

Serving alcohol to persons under the age of 21 is strictly prohibited. If alcohol will be served, the Lessee agrees to abide by all relevant state and local laws, ordinances, and regulations governing the serving and/or consumption of alcohol. The Lessee further agrees to be solely responsible for any claim or liability that arises as a result of the serving of alcoholic beverages.

9. Lessee hereby agrees on behalf of itself and its successors and assigns, to waive and release all liability and to forever defend, indemnify, and hold harmless, HGMD, the HGMD's employees, consultants, licensees, invitees, agents, successors, and assigns from any and all injuries, loss, claims, liability, damages, and costs, including, without limiting the generality of the foregoing, court costs and attorney's fees, caused by, resulting from, or in any way arising out of, or alleged to arise out of, in whole or in part, this Agreement.
10. HGMD may terminate this Agreement at any time by providing the Lessee with notice prior to the effective date of the termination and refunding the Minimum Fee, if already paid, and Deposit.
11. The HGMD's performance of this Agreement is contingent upon the ability of HGMD to complete the same and the HGMD shall not be liable for any losses or its failure to perform under this Agreement if such is attributable to any of the following causes that are beyond the control and which could not have been avoided by due diligence or use of reasonable efforts by HGMD: acts of God, acts of the public enemy, epidemics, area-wide fires, earthquake, storm-extraordinary inclement weather event, tornado, or other cataclysmic phenomenon of nature, rebellion, war, riot, terrorist act, area-wide strike, freight embargo or labor dispute.
12. Termination of this Agreement by Lessee may result in forfeiture of the Minimum Fee and Deposit in full. All refunds of the Minimum Fee and Deposit as a result of termination of this Agreement by the Lessee are governed by the

HGMD Clubhouse/Rendezvous Restaurant Procedure Memorandum and HGMD Rules and Regulations, both of which may be amended from time to time.

This Agreement and all accompanying forms must be completed, signed, and all rental fees and damage deposit paid at time of reservation.

Signatures below indicate approval and acceptance of the above-mentioned terms and conditions:

HGMD

LESSEE

By: _____

Office use only

Staff preparing Contract: _____ Date: _____

Minimum Fee \$ _____ + Damage Deposit \$ _____ = \$ _____ Check # _____ Cash \$ _____

Additional Security charges _____ hrs. x \$45.45 = \$ _____

TOTAL FEES DUE = \$ _____ Check # _____ Cash _____

Notes on Rental (please initial) _____

Return of Damage Deposit recommended: Yes No

Return of Damage Deposit Processed: Date _____ By: _____

HEATHER GARDENS CATERING
Function Sheet

Party Event Sheet **Date** **Day** **Room**



Banquet room

Contact person

Dining room

Name of group

Auditorium

Email address

Other

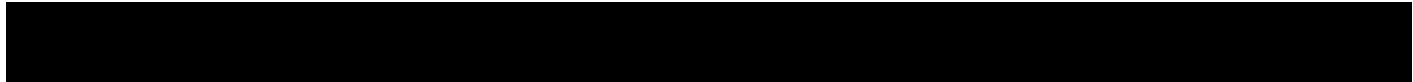
Estimate #

Time of event

Type of event

Bar needs

Bar open @

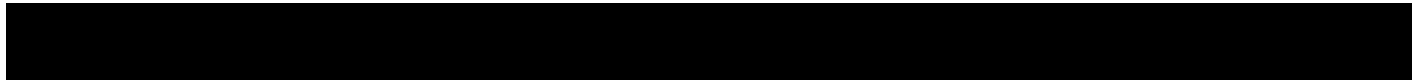


Food needs

Time for food

Menu

Room Set - up



Cost

Head table

Tax 8%

Separate checks

Gratuuity 20%

Name of P in charge

Payment type

Special Requests

Decorate

Microphone

Piano

Linen

ATTACHMENT 5
LOCKER RENTAL AGREEMENT

EFFECTIVE DATE: _____

LEASE PERIOD FROM: _____ TO: _____

LOCKER LOCATION: _____ LOCKER #: _____

LESSEE NAME: _____

LESSEE'S PHONE #: _____

LESSEE'S ADDRESS: _____

This Locker Rental Agreement (Agreement) is made and entered into the effective date first written above (Effective Date) by and between Heather Gardens Metropolitan District (HGMD), a quasi-municipal corporation and political subdivision of the State of Colorado, and the above-named lessee (Lessee). In consideration of the mutual covenants and stipulations contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Lockers are rented on a first-come, first-served basis and are not transferrable. In the woodshop area when all Lockers are rented, plastic bins can be utilized and will be placed in a designated area. Such plastic bins will be considered a "Locker" for purposes of this Agreement.
2. In consideration of the annual rental charge of _____ (Rent) which is due and payable by the Lessee to the HGMD on the Effective Date (if the Agreement is entered into after January 1 the annual rental charge will not be prorated) and on January 1 of each subsequent year this Agreement remains in effect (at the then current rate), the HGMD hereby grant the Lessee a revocable lease of the locker described above by location and locker # (Locker) which are generally located in the wood shop and billiards area of the Heather Gardens Clubhouse to be used solely for the purpose of storage of personal property, on the terms and conditions set forth below. Rent is non-refundable.
3. Rent is due and payable on January 1 of each year that this Agreement remains in effect. If payment is not received by March 1 of any renewal year, this Agreement will be automatically canceled, and the Locker reassigned. Checks for the payment of Rent are to be made payable to "Heather Gardens Metropolitan District" and delivered to Management, 2888 S. Heather Gardens Way, Aurora, CO 80014.

-
4. The Lockers in the woodshop area do not have attached locks and Lessee's must provide their own locks. The Lockers in the billiards area have locks that are opened with keys. Lessee hereby acknowledges receipt of _____ locker key(s). This Agreement and payment of Rent entitles the Lessee to one key, if applicable. Lessee may purchase additional or replacements keys a charge of \$5.00 per additional key, if applicable. If the Locker is of a type that does not have a lock attached the Lessee is responsible for providing their own locks at Lessee's sole expense.
 5. HGMD may terminate this Agreement at any time by providing the Lessee with notice at least thirty (30) days prior to the effective date of the termination and, provided the Lessee is not in default of the terms of this Agreement, refunding the pro rata amount of Rent for the remainder of the year. If the Lessee is in default of the terms of this Agreement HGMD may terminate this Agreement at any time after notice of a violation has been provided in accordance with the HGMD Rules and Regulations and the Lessee has been afforded an opportunity to cure or appeal the violation in accordance with the HGMD Rules and Regulations.
 6. Lessee agrees to abide by the HGMD Clubhouse/Rendezvous Restaurant Procedure Memorandum, HGMD Rules and Regulations, and all local, state and federal rules, regulations, and laws applicable to the Locker and use thereof, all of which may be amended from time to time.
 7. HGMD or its agents reserve the right to enter the Locker to inspect the Locker.
 8. Lessee is responsible for any items placed within the Locker. HGMD shall not be held responsible for any items that are lost or stolen from the Locker.
 9. Lessee hereby agrees on behalf of itself and its successors and assigns, to waive and release all liability and to forever defend, indemnify, and hold harmless, HGMD, the HGMD's employees, consultants, licensees, invitees, agents, successors, and assigns from any and all injuries, loss, claims, liability, damages, and costs, including, without limiting the generality of the foregoing, court costs and attorney's fees, caused by, resulting from, or in any way arising out of, or alleged to arise out of, in whole or in part, the use of the Locker by the Lessee, its licensees, invitees, agents, contractors, subcontractors, employees, successor, and/or assigns.

Signatures below indicate approval and acceptance of the above-mentioned terms and conditions:

HGMD

LESSEE

By: _____

Supporting Community-Based Government



B o a r d

M e m b e r

M a n u a l

A Reference Guide
for Special Districts

2019



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President

Prospect Recreation & Park District

Mitch Chambers

Vice President

Southgate Sanitation District

Kathy Morris

Secretary/Treasurer

Durango Fire Protection District



Sue Blair

Independence Metropolitan District No. 4

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Fort Collins-Loveland Water District

Kent Bosch

Upper Thompson Sanitation District

Mike Feeley

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Leo Johnson

Southwest Suburban Denver Water
and Sanitation District

Ronda Lobato

Costilla County Conservancy District

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Eagle Bend Metropolitan District No.2

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SDA Publications

SDA News

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

SDA Board Member Manual

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

SDA Member Directory

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

SDA's Guide to Special Districts

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

Special District Board Member Manual

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Supporting Community-Based Government

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

the advice and assistance of legal counsel experienced in special district matters as to any legal issues that arise.

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

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Preface

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

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

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

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Chapter I

Board Membership

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

A. Qualifications:

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

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

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

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

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

B. Taking Office:

1. Oath or Affirmation:

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

The oath or affirmation must be administered by a qualified official (any person designated by the Board, any officer of the Board, Notary Public, Judge, Clerk of the Court, or Clerk and Recorder) and filed with the Clerk of the District Court that issued the District’s organizational decree; the County Clerk and Recorder for the counties in which the District is situated; and the Division of Local Government. Before the person is fully seated as a Board member, the oath or affirmation must be filed with such County Clerk(s). [§24-12-101, §24-12-103 and §32-1-901\(1\), C.R.S.](#); [Article XII, Section 9, Colorado Constitution](#).

2. Bond:

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

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

3. Commencement of Term:

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

C. Vacancies:

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

1. Failure to meet the qualifications of Director;
2. Failure to satisfy the oath or affirmation and bond or insurance requirements;
3. Written resignation;
4. Failure to remain qualified for the office;
5. Conviction of a felony;
6. Removal from office or voidance of election by Court (subject to appeal);
7. Failure to attend three consecutive regular Board meetings, unless approval of absence is entered in the minutes,

or absence is excused by temporary mental or physical disability or illness, followed by a fourth absence; or

8. Death.

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

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

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

D. Election of Officers:

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

E. Term Limits:

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

Term limits apply only to elected four-year terms. Term limits do not apply to interim terms that arise due to a vacancy or to elected two-year terms that are created due to a vacancy. *Attorney General Opinion No. 2000-2 (February 9, 2000)*.

F. Increasing Number of Board Members:

A special district having a five-member Board may increase the number of Board members to seven by the adoption of a resolution by the Board and a certified copy of the resolution shall be filed with the Board of County Commissioners or governing

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

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

G. Fiduciary Obligations:

1. **General:**

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

2. **Confidential Information:**

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

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

Keep in mind that the District holds the attorney-client privilege, not the individual Board members. *The Colorado Rules of Professional Conduct, Rule 1.13.* Therefore, only the District as a whole can waive the attorney-client privilege by an intentional, official act, such as adoption of a resolution. An inadvertent or unauthorized disclosure of confidential information by one Director does not constitute a waiver of the privilege, meaning the "leaked" information cannot be used against the District in Court. Still, it can be extremely damaging to the District if Directors discuss confidential information with people who are not on the Board, even if it seems harmless to you.

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

H. Compensation:

1. Limitations:

For Directors serving a term of office commencing after January 1, 2018, Directors may receive compensation not in excess of \$2,400 per annum, payable not to exceed \$100 per meeting attended. For Directors serving a term of office commencing prior to January 1, 2018, Directors may receive compensation not in excess of \$1,600 per annum, payable not to exceed \$100 per meeting attended. [§32-1-902\(3\)\(a\), C.R.S.](#) Any “perks” received by a Director may be considered compensation and subject to the limitations, unless they are in exchange for value actually received or are considered to be a valid expense otherwise subject to reimbursement. A study session is considered a special meeting for which compensation for attending is allowed, if all the conditions described in Paragraph I on page 12 are met.

No Director shall receive any compensation as an employee of the District. [§32-1-902\(3\)\(b\), C.R.S.](#)

2. Reimbursement:

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

3. Gifts:

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

Although most attorneys do not believe it applies to special districts, Amendment 41 adopted in 2006 places further prohibitions on gifts with value exceeding \$53 (adjusted) given to county and municipal officials, employees of local governments, and their immediate family members. This gift ban is unrelated to any official action and is without regard to any intent to corrupt or influence. [Art. XXIX, Sect. 3, Colo. Const.](#)

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

I. Bylaws, Rules and Regulations, and Policies:

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

A Court will not imply rules and regulations if they have not been formally adopted by the Board.

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

J. Recall:

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

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

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

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

K. Inactive Status for Certain Districts:

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

A period of inactive status is commenced by the Board adopting a resolution of inactive status and filing (by December 15) a notice of inactive status with certain prescribed entities. A notice of continuing inactive status must be filed annually by December 15 until the District returns to active status. Permitted activities during this “time-out” period are conducting elections and undertaking the procedures necessary to implement a return to active status.

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

L. Filings and Postings:

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

Date	Filings and Postings
At the time of recording organizational decree or Order of Inclusion for any District	<p>Every special district shall record a special district public disclosure document and a map of the boundaries of the District with the County Clerk and Recorder of each county in which the District is located that provides the following information:</p> <ol style="list-style-type: none"> 1. The name of the District; 2. The powers of the District as authorized by Section 32-1-1004 and the District's Service Plan or, as appropriate, the District's statement of purpose as described in Section 32-1-208, current as of the time of the filing; 3. A statement indicating that the District's Service Plan or, as appropriate, the District's statement of purpose as described in Section 32-1-208, which can be amended from time to time, includes a description of the District's powers and authority, and that a copy of the Service Plan or statement of purpose is available from the Division of Local Government; and 4. The following statement: <p>[Name of the District] is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning Directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809 (I), Colorado Revised Statutes, which can be found at the District office, on the District's website, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.</p> <p style="text-align: right;"><i>§32-1-104.8, C.R.S.</i></p>
First Board meeting of each year	<p>Board adopts resolution designating the posting location for the District's 24-hour agenda notice.</p> <p style="text-align: right;"><i>§24-6-402(2)(c), C.R.S.</i></p>
72-hour notice before any meeting—current law effective until August 2, 2019	<p>Notice of the time and place designated for all regular meetings shall be posted in at least three public places within the limits of the special district; in addition, another such notice shall be posted in the County Clerk and Recorder's office in the county or counties in which the special district is located. Special meetings must be posted in the same manner at least 72 hours prior to said meeting.</p> <p style="text-align: right;"><i>§32-1-903(2), C.R.S.</i></p>
Meeting notice posting requirements after August 2, 2019	<p>Please see Chapter III, Board Meetings (page 10) for the new meeting notice posting requirements, including options for electronic and non-electronic notices.</p> <p>For an electronic notice, a District shall be deemed to have given full and timely notice of a public meeting if the District posts the notice, with specific agenda information if available, on a public website of the District no less than 24 hours prior to holding the meeting. The notice must be accessible at no charge to the public. A District that provides notice on a website shall provide the address of the website to the Department of Local Affairs. A District that posts notices on a public website may in its discretion also post a notice by any other means, but it is not required to do so.</p> <p style="text-align: right;"><i>§24-6-402(2)(c)(III), C.R.S.</i></p> <p>For a non-electronic notice, a District shall be deemed to have given full and timely notice if the notice of the meeting is posted in a designated public place within the District no less than 24 hours prior to the holding of the meeting. The public place or places for posting such notice shall be designated annually at the District's first regular meeting of each calendar year. The 24-hour notice must include specific agenda information when possible.</p> <p style="text-align: right;"><i>§24-6-402(2)(c)(I), C.R.S.</i></p> <p>Special meetings must be posted in one of the ways discussed above.</p>
30-day notice prior to fixing/ increasing water or sewer rates	<p>The governing body of any special district furnishing domestic water or sanitary sewer services directly to residents and property owners within or outside the District may fix or increase fees, rates, tolls, penalties, or charges for domestic water or sanitary sewer services only after consideration of the action at a public meeting held at least 30 days after providing notice stating that the action is being considered and stating the date, time, and place of the meeting at which the action is being considered.</p> <p>Notice must be provided to the customers receiving the domestic water or sanitary sewer services of the District in one or more of the following ways:</p> <ol style="list-style-type: none"> 1. Mailing the notice separately to each customer of the service on the billing rolls of the District; 2. Including the notice as a prominent part of a newsletter, annual report, billing insert, billing statement, letter or other notice of action, or other informational mailing sent by the special district to the customers of the District; 3. Posting the information on the official website of the special district if there is a link to the District's website on the official website of the Division of Local Government; or 4. For any District that is a member of a statewide association of special districts formed pursuant to Section 29-1-401, C.R.S. (such as SDA), by mailing or electronically transmitting the notice to the statewide association of special districts, which association shall post the notice on a publicly accessible section of the association's website. <p style="text-align: right;"><i>§32-1-1001(2), C.R.S.</i></p>
January 1 Update map	<p>Deadline to file a current, accurate map of District boundaries prepared according to Division of Local Government standards with the County Assessor, the Clerk and Recorder of each county in which the District is located, and the Division of Local Government. For map specification information, contact the Division of Local Government at 303-864-7720 or go to the Division of Local Government's website.</p> <p style="text-align: right;"><i>§32-1-306, C.R.S.</i></p>

Date	Filings and Postings
<p>January 15 Notice to Electors (not earlier than November 16)</p>	<p>Deadline for Notice to Electors (Transparency Notice), and no more than 60 days preceding.</p> <ol style="list-style-type: none"> 1. The notice shall contain the following: <ol style="list-style-type: none"> a. The address and telephone number of the principal business office of the District; b. Name and business telephone number of the manager or primary contact person; c. The names of and contact information for the members of the Board, the name of the Board Chair, and the name of each Director whose office will be on the ballot at the next regular election; d. The times and places designated for regularly scheduled meetings of the Board during the year and the place where notice of Board meetings is posted pursuant to Section 24-6-402(c), C.R.S.; e. The current mill levy and the total ad valorem tax revenue received by the District during the last year; f. The date of the next regular special district election at which members of the Board will be elected; g. Information on the procedure and time for an eligible elector of the special district to submit a self-nomination form for election to the Board pursuant to Section 1-13.5-303, C.R.S.; h. The address of any website on which the special district's election results will be posted; and i. Information on the procedure for an eligible elector to apply for permanent absentee voter status as described in Section 1-13.5-1003, with the special district. 2. The notice shall be made in one or more of the following ways: <ol style="list-style-type: none"> a. Mailing the notice separately to each household where one or more eligible elector resides; b. Including the notice as part of a newsletter, annual report, billing insert, billing statement, letter, voter information card or other notice of election, or other informational mailing sent by the special district to the eligible electors of the special district; c. Posting the information on the District's official website, if there is a link to the District's website on the official website of the Division of Local Government; d. For any District that is a member of a statewide association of special districts formed pursuant to Section 29-1-401, C.R.S. (such as SDA), by mailing or electronically transmitting the notice to the statewide association of special districts, which association shall post the notice on a publicly accessible section of the association's website; or e. For a District with less than 1,000 eligible electors that is wholly located in a county with a population of less than 30,000, posting the notice in at least three public places within the limits of the special district and at the office of the County Clerk and Recorder. Such notice shall remain posted until the Tuesday succeeding the first Monday of the following May. 3. Each District shall file the notice with the Board of County Commissioners, the County Assessor, the County Treasurer, and the County Clerk and Recorder of each county in which the District is located; any governing body of any municipality in which the District is located; and with the Division of Local Government; and make a copy of the notice available for public inspection at the principal business office of the special district. 4. Special districts with overlapping boundaries may combine the notices mailed pursuant to subsection 2(a), so long as the information regarding each District is separately displayed and identified. <p style="text-align: right;"><i>§32-1-809 and 32-1-104(2), C.R.S.</i></p> <p>County or Municipal Withhold If a District fails to file any information required in Section 32-1-104 (2), C.R.S. (Notice to Electors) or within nine months of the date of the request for such information, the Board of County Commissioners or the municipal governing body of any municipality in which the special district is located, after notice to the affected special district, may notify any County Treasurer holding moneys of the special district and authorize the County Treasurer to prohibit the release of any such moneys until the District complies with such requirement. <i>§32-1-209, C.R.S.</i></p>
<p>January 30 Budget due</p>	<p>A certified copy of the adopted budget, which includes the budget message, for the current fiscal year must be filed with the Division of Local Government no later than this date. Sample forms can be found in the Financial Management Manual. The resolution(s) to adopt the budget, set mill levies, and appropriate funds shall accompany the copy of the certified budget. For more information, see the Budget Calendar on the Division of Local Government's website.</p> <p>Penalty: The Division of Local Government may authorize the County Treasurer to withhold distribution of tax revenues to the District if the budget is not filed.</p> <p style="text-align: right;"><i>§29-1-113(1), C.R.S.</i></p>
<p>February Special election</p>	<p>Special election for non-TABOR questions may be conducted on the first Tuesday after the first Monday.</p> <p style="text-align: right;"><i>§1-13.5-111, C.R.S.</i></p>
<p>March 1</p>	<p>If a special district has securities outstanding which are non-rated and which were issued to the public for an amount of not less than \$1 million and for a term of more than one year payable beyond the next year, then that District must file an annual report on form DLG 30 with the Division of Local Government. This report must be filed within sixty days following the end of the fiscal year.</p> <p style="text-align: right;"><i>§11-58-105, C.R.S.</i></p>

Date	Filings and Postings
March 31	<p>Deadline for qualifying entities to request exemption from audit from the State Auditor using Application for Exemption from Audit. For information call Local Government Audits, Office of State Auditor, at 303-869-3000. The ceiling amount for a local government to qualify for exemption from audit is \$750,000.</p> <p style="text-align: right;"><i>§29-1-604(3), C.R.S.</i></p> <p>If the District has authorized but unissued general obligation debt as of the end of the fiscal year, a copy of the Application for Exemption from Audit must be filed with the Board of County Commissioners for each county in which the District is located or the governing body of municipality that approved the Service Plan.</p> <p style="text-align: right;"><i>§29-1-606(7), C.R.S.</i></p>
May Regular or special election	<p>Regular election (election for members of Board of Directors) must be held in even-numbered years. TABOR elections may be held in even-numbered years. Special election for non-TABOR questions may be held in odd-numbered years. If a TABOR issue will be included as part of the May regular election, it must be conducted as an independent mail ballot election pursuant to Section 1-13.5-1101, <i>et seq.</i>, C.R.S.</p> <p style="text-align: right;"><i>§32-1-103(17),(21); §1-13.5-111, C.R.S.</i></p>
June	<p>Each Director, within 30 days after his/her election or appointment, must be administered the oath of office or affirmation. The signed oath or affirmation and bond (public officials' performance bond) must be filed with the District Court Clerk and with the Division of Local Government. Directors' bond must be not less than \$1,000; the Treasurer's bond must be not less than \$5,000. Bond requirements can be satisfied by purchase of crime coverage. A copy of each signed oath or affirmation must be filed with the Clerk and Recorder before the Director is fully seated.</p> <p style="text-align: right;"><i>§32-1-901, C.R.S.; §24-12-101; §24-14-102(2), C.R.S.; Article XII, Section 9 of the Colorado Constitution</i></p>
June 30	<p>Statutory deadline for local government auditor to submit audit report to special district governing Board.</p> <p style="text-align: right;"><i>§29-1-606(1)(a), C.R.S.</i></p>
July 30	<p>Deadline for submitting annual audit report or request for extension to State Auditor. District audit must be forwarded to State Auditor's Office within 30 days of receipt from auditor.</p> <p style="text-align: right;"><i>§29-1-606(3), C.R.S.</i></p> <p>PENALTY: If an audit is not filed (when an exemption has not been granted), the County Treasurer may be ordered to withhold District tax revenues.</p> <p style="text-align: right;"><i>§29-1-606(5)(a) and (b), C.R.S.</i></p> <p>If the District has authorized but unissued general obligation debt as of the end of the fiscal year, a copy of the audit report must be filed with the Board of County Commissioners for each county in which the District is located or the governing body of municipality that approved the Service Plan.</p> <p style="text-align: right;"><i>§29-1-606(7), C.R.S.</i></p>
August 25	<p>Deadline for Assessors to certify to all taxing entities and the Division of Local Government the total assessed valuation and real property values of all taxable property and the amounts for the various factors used to compute the statutory property tax revenue limit and the constitutional property tax revenue limit.</p> <p style="text-align: right;"><i>§39-5-128, C.R.S.</i></p>
September 30	<p>If State Auditor has granted extension (received prior to July 30 filing deadline), this is the final date an audit may be filed.</p> <p style="text-align: right;"><i>§29-1-606(4), C.R.S.</i></p> <p>PENALTY: If an audit is not filed (when an exemption has not been granted) the County Treasurer may be ordered to withhold District tax revenues.</p> <p style="text-align: right;"><i>§29-1-606(5)(a) and (b), C.R.S.</i></p>
October Special election	<p>Special election for non-TABOR questions may be conducted on the first Tuesday after the first Monday.</p> <p style="text-align: right;"><i>§1-13.5-111, C.R.S.</i></p>
October 15	<p>Statutory deadline for budget officer to submit the proposed budget to Board of Directors.</p> <p style="text-align: right;"><i>§29-1-105, C.R.S.</i></p> <p>"Notice of Budget Hearing" to be published upon Board's receipt of proposed budget.</p> <p style="text-align: right;"><i>§29-1-106, C.R.S.</i></p> <p>Notice of budget hearing must state that the budget is available for inspection by the public at a designated office; give the date and time of the budget hearing; and state that any interested elector may file objections any time prior to its adoption. For Districts with a total annual budget of less than \$50,000, posting of the notice in three public places is permitted in lieu of publication.</p> <p>See §29-1-103, C.R.S. for budget content and format requirements. Contact the Division of Local Government for further information and assistance in order to be in compliance with the budget law.</p>
November	<p>TABOR ballot issues and non-TABOR ballot questions may be referred to the voters the first Tuesday after the first Monday of even-numbered years, or the first Tuesday in odd-numbered years. A TABOR election that is not part of an organizational election must be conducted either as part of a coordinated election or as an independent mail ballot election pursuant to Section 1-13.5-1101, <i>et seq.</i>, C.R.S. If the District determines to not coordinate the election with the County Clerk, such election must be conducted as an independent mail ballot election.</p> <p style="text-align: right;"><i>§1-7-116(1); §1-13.5-111(2), C.R.S.</i></p>
December Special Election	<p>Special election for non-TABOR questions may be conducted on the first Tuesday after the first Monday.</p> <p style="text-align: right;"><i>§1-13.5-111, C.R.S.</i></p>
December 10	<p>Assessors must recertify property value, one time only, no later than December 10, to the District.</p> <p style="text-align: right;"><i>§39-1-111(5), C.R.S.</i></p>

Date	Filings and Postings
December 15	<p>Deadline for certification of mill levies to the Board of County Commissioners. <i>§39-5-128(1), C.R.S.</i></p> <p>Note: Districts levying a property tax must adopt their budgets before certifying levies to the county. <i>§29-1-108(2), C.R.S.</i></p> <p>PENALTY: If the budget is not adopted by certification deadline, 90% of the amounts appropriated for operating and maintenance expenses in the current fiscal year shall be deemed re-appropriated. <i>§29-1-108(3), C.R.S.</i></p>
December 15	<p>For inactive special districts, deadline for filing Notice of Continuing Inactive Status with the Division of Local Government and the State Auditor. <i>§32-1-104(4), C.R.S.</i></p>
December 31	<p>Districts not levying property tax must adopt budget by this date. <i>§29-1-108, C.R.S.</i></p> <p>By this date Board shall enact "Resolution to Appropriate Funds" for ensuing fiscal year. <i>§29-1-108(4), C.R.S.</i></p> <p>PENALTY: District is restricted to 90% of its current year's appropriation for operation and maintenance expenses if Board fails to enact a resolution to make appropriations by this date. <i>§29-1-108(4), C.R.S.</i></p>
<p>NOTE: If a District:</p> <ul style="list-style-type: none"> • Has failed to hold or properly cancel a regular special district election, • Has failed to adopt a budget for two consecutive years, • Has failed to submit to an audit (or be granted exemption from audit) for two consecutive years; or • Has not provided or attempted to provide any of the service(s) or facilities for which the District was organized for two consecutive years; and • Has no outstanding financial obligations, <p>then, the Division of Local Government may initiate statutory proceedings to administratively dissolve the District. <i>§32-1-710, C.R.S.</i></p>	

Chapter II

Conflict of Interest

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

A. Disclosure Required:

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

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

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

B. Proscribed Acts Constituting a Conflict of Interest:

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

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

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

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

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

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

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

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

C. Guides to Conduct Regarding Ethical Principles:

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

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

D. Conflicts Involving Developer Districts:

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

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

E. Effect of Existence of Potential Conflict of Interest:

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

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

Chapter III

Board Meetings

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

A. Calling the Meeting:

1. Designation of Time and Place:

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

a. Electronic Notice:

On or after August 2, 2019, a District shall be deemed to have given full and timely notice of a public meeting if the District posts the notice, with specific agenda information if available, no less than 24 hours prior to holding the meeting on a public website of the District. The notice must be accessible at no charge to the public. The District shall, to the extent feasible, make the notices searchable by type of meeting, date and time of meeting, agenda contents, and any other category deemed appropriate by the District, and shall consider linking the notices to any appropriate social media accounts of the District. A District that provides notice on a website shall provide the address of the website to the Department of Local Affairs. A District that posts notices on a public website may in its discretion also post a notice by any other means, but is not required to do so. If a District is unable to post a notice on a public website pursuant to this section, the District shall post its meeting notices in compliance with paragraph (A)(1)(b) below. [§24-6-402\(2\)\(c\)\(III\), C.R.S.](#)

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

- i. Making a final determination to issue or refund general obligation indebtedness;
- ii. Consolidating the District;
- iii. Dissolving the District;
- iv. Filing a plan for adjustment of debt under federal bankruptcy law;

- v. Entering a private contract with a Director; or
- vi. Not making a scheduled bond payment.

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

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

c. Requested Notice:

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

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

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

2. Notice to Directors:

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

B. Location of Meetings:

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

C. Open to the Public:

All meetings of a quorum, or three or more members (whichever is fewer), of the Board of Directors at which public business is discussed or formal Board action may be taken must be open to the public. [§24-6-402\(2\)\(b\)](#), C.R.S.

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

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

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

D. Rules of Procedure:

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

E. Voting:

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

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

The Chairman/President can make motions and can vote.

F. Attendance:

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

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

A Director's office shall be deemed to be vacant if the Director who was duly elected or appointed fails to attend three consecu-

tive regular meetings of the Board without the Board having entered upon its minutes an approval for an additional absence or absences, except that such additional absence or absences shall be excused for temporary mental or physical disability or illness. [§32-1-905\(1\)\(g\)](#), C.R.S.

G. Minutes:

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

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

H. Executive Sessions:

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

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

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

1. Purchase, acquisition, lease, transfer, or sale of any property interest. (*Note: Not available where a member of the Board has a personal interest in the transaction.*) [§24-6-402\(4\)\(a\)](#), C.R.S.
2. Conferences with the District's attorney regarding legal advice on specific legal questions. (*Notes: The mere presence or participation of an attorney is not sufficient to satisfy this requirement. State the topic of the legal questions in as much detail as possible without disclosing confidential information.*) [§24-6-402\(4\)\(b\)](#), C.R.S.
3. Confidential matters pursuant to state or federal law. (*Note: Must announce specific citation to the applicable law.*) [§24-6-402\(4\)\(c\)](#), C.R.S.
4. Security arrangements or investigations. [§24-6-402\(4\)\(d\)](#), C.R.S.
5. Negotiations. [§24-6-402\(4\)\(e\)](#), C.R.S.
6. Personnel matters, identifying the person or position to be discussed, except if the employee who is the subject of the executive session has requested an open meeting; or if the personnel matter involves more than one employee, all of the employees must request an open meeting. (*Note: Not available to discuss general personnel policies.*) [§24-6-402\(4\)\(f\)](#), C.R.S.
7. Items concerning mandatory nondisclosure under the Open Records Act. [§24-6-402\(4\)\(g\)](#), C.R.S.
8. Discussion of individual students where public disclosure would adversely affect the person. [§24-6-402\(4\)\(h\)](#), C.R.S.

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

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

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

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

I. Special Meetings/Study Sessions:

Special meetings include study sessions at which a quorum of the Board is in attendance and notice of the meetings has been given in accordance with §24-6-402 (2) (c), C.R.S. and at which information is presented to the Board, but no official action can be taken by the Board. You may want to check with your legal counsel about the recording of minutes.

J. Resolutions and Motions:

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

Chapter IV

Public Records

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

A. Public Right of Access:

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

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

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

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

Special rules apply to records that are kept digitally:

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

B. Fees:

1. A copying fee not to exceed 25¢ per standard page may be assessed, unless actual costs exceed that amount. [§24-72-205\(5\)\(a\), C.R.S.](#)

2. If the copying or printout is generated from a computer output other than word processing, the cost of building and maintaining that information system may be offset by charging a reasonable allocation to the person requesting the record. [§24-72-205\(4\), C.R.S.](#)
3. A reasonable research and retrieval fee may be charged, but only if the District has adopted and published on their website, or elsewhere, a written policy that includes a specific research and retrieval fee. The fee may not exceed \$30 per hour and no charge may be imposed for the first hour of research and retrieval of public records. [§24-72-205\(6\)\(a\), C.R.S.](#)
4. Within three working days of receiving the request, the custodian shall notify the record requester that a copy of the record is available but will only be sent once the custodian either receives payment or makes arrangements for receiving payment for all costs and fees associated with the request for and transmission of the public record, unless the custodian has waived all or some of the fees. [§24-72-205\(1\)\(b\), C.R.S.](#)

C. Transmission of Records:

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

D. Response Time:

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

- b. The request is broadly stated, encompasses a large category of records, and the District is unable to gather the records within three working days because it needs to devote all or substantially all of its resources to meeting an impending deadline or period of peak demand that is unique or not predicted to recur more frequently than once a month; or
- c. The request involves such a large volume of records that the custodian cannot gather the records without substantially interfering with his other public duties. [§24-72-203\(3\)\(b\)\(I\) to \(III\), C.R.S.](#)

E. Denial of Access:

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

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

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

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

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

F. Reasonable Attorney Fees and Costs:

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

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

G. Email Policy:

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

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

Chapter V

Service Plans

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

A. Conformance:

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

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

B. Amendment and Modification:

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

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

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

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

C. Transfer of Authority to Annexing Municipality:

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

Chapter VI

Boundary Issues

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

A. Inclusion:

1. Petition for Inclusion:

The inclusion process (sometimes erroneously referred to as "annexation") is initiated by a petition for inclusion which may be brought by one of the following three means:

[§32-1-401, C.R.S.](#)

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

2. Public Hearing:

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

3. Decision of Board:

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

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

If the petition is granted, the Board shall make an Order to that effect and file the same with the Clerk of the District Court requesting issuance of a final Order of Inclusion.

[§32-1-401\(1\)\(c\), C.R.S.](#)

4. Election:

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

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

5. *Note to Fire Protection Districts:*

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

6. Recording and Filing of Order of Inclusion:

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

B. Exclusion:

1. Petition for Exclusion:

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

The petition is to be accompanied by a deposit of money sufficient to pay all costs of the exclusion proceedings.

[§32-1-501\(1\), C.R.S.](#)

2. Public Hearing:

The Board shall hear the petition for exclusion at a public meeting after publication of notice of the hearing.

[§32-1-501\(2\), C.R.S.](#)

3. Decision of Board:

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

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

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

4. Exclusions Involving a Municipality:

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

In the case of unilateral exclusion by a municipality, the District may be entitled to compensation.

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

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

A fire protection district may alter its boundaries through exclusion of a specific area if the area will be provided with the same service by another fire district and that District has agreed by resolution to include the property. In some cases, an election must first be held within such area.

[§32-1-501\(1.5\), C.R.S.](#)

6. Outstanding Indebtedness:

Property that is excluded from the District remains subject to any existing bonded indebtedness. [§32-1-503, C.R.S.](#)

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

7. *Note to Health Service Districts:*

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

8. Recording and Filing of Order of Exclusion:

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

C. Consolidation:

1. Consolidation Resolution:

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

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

2. Concurring or Rejecting Resolution:

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

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

The initiating resolution, together with all concurring resolutions, shall be filed with the Board of County Commissioners and the District Court. Usually, very detailed pre-consolidation agreements are executed, and Service Plan amendments may be necessary.

4. Hearing:

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

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

5. Election:

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

6. Procedure After Consolidation Election:

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

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

- a. Determine the persons who shall serve on the first Board of Directors of the consolidated District from those persons elected to the Boards of the consolidating Districts, and determine each of their terms of office;
- b. If the Board is to have seven Directors, divide the consolidated District into seven Director Districts and determine the Director who shall represent each Director District; and
- c. Determine the amount of the bond for each Director and Treasurer. [§32-1-603\(2\), C.R.S.](#)

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

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

D. Boundary Map:

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

E. Intergovernmental Agreements:

See also page 30, Chapter XII, Section C, *Intergovernmental Agreements*, regarding the creation of Water Authorities, Recreation Authorities, and Fire Authorities.

F. Service Outside District Boundaries:

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

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

Chapter VII

Property Issues

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

A. Acquisition Issues:

1. Title Insurance and Title Documents:

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

2. Payoff of Taxes:

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

3. Financing:

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

4. Environmental Audits:

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

5. Surveys:

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

B. Condemnation/Eminent Domain:

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

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

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

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

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

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

C. Easements, Leases, and Other Property Interests:

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

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

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

D. Encroachment onto Public Property:

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

E. Relationship to County and Municipal Powers:

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

1. Zoning:

The District is subject to the applicable zoning plan. However, local governments, including special districts, have long been authorized to follow a separate procedure known as “location and extent” when seeking county or municipal approval of the District’s construction of a new facility. The review of a location and extent application is limited to approval or disapproval, but disapproval by the county or municipality can be overruled by the District’s Board of Directors. *§§ 30-28-110(1) and 31-23-209, C.R.S.* A county, at least, may not use its zoning authority to frustrate the efforts of the District to carry out its statutory duties.

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

2. Subdivisions:

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

3. Building Codes and Permits:

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

Chapter VIII

Financial Matters

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

A. Fees, Rates, Tolls, and Charges:

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

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

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

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

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

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

B. Mill Levy:

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

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

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

C. Collection of Delinquencies and Assessment of Penalties:

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

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

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

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

For water, sewer, or water and sewer services only, in addition to disconnection of service (after proper notice) or foreclosure, the District may certify delinquent accounts to the County Treasurer for collection along with taxes. Such accounts may then be collected by the county and the proceeds distributed to the District. [§32-1-110\(1\)\(e\), C.R.S.](#)

Districts are allowed to add delinquency charges to delinquent fees and assessments, but the amounts are limited by statute. The limitations are spelled out in the Local Government Delinquency Charges statute. [§§29-1-101, et seq., C.R.S.](#)

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

The State of Colorado also has a state agency that will collect debts on behalf of political subdivisions. More information is available at www.colorado.gov/pacific/osc/CCS.

D. Budget:

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

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

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

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

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

E. Appropriation:

1. Adoption of Budget and Appropriating Funds:

Before the mill levy is certified, the District must adopt a resolution adopting the budget and making appropriations for the budget year. The amounts appropriated shall not exceed the budgeted expenditures. [§29-1-108\(2\), C.R.S.](#) If the proposed budget is more than \$50,000, notice of the date and time of

the hearing at which adoption of the budget will be considered and where the proposed budget is available for inspection must be published one time; if the budget is \$50,000 or less, the notice must be posted in three public places within the District in lieu of publication. [§29-1-106\(3\), C.R.S.](#) Any action or expenditure made beyond the appropriated sum is considered invalid and void. [§29-1-110, C.R.S.](#)

2. Budget Amendments:

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

F. Donations or Gifts by Districts:

Local governments are not permitted to make any donation or grant to, or in aid of, a private individual or entity without receiving value in return. However, "value" is a relative term and can be determined many ways. For example, donating a round of golf to a charity for its silent auction can have marketing and public relations value for a District. [Art. XI, Sect. 2, Colo. Const.](#)

Special districts are allowed to accept, on behalf of the special district, real or personal property for the use of the special district and to accept gifts and conveyances made to the special district upon such terms or conditions as the Board may approve. [§32-1-101\(1\), C.R.S.](#) Such contributions to the District are generally exempt from TABOR's revenue limits.

G. Public Funds:

1. Investments:

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

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

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

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

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

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

- a. Inform the depository that District funds are subject to the PDPA;
- b. Maintain documents or other verification necessary to identify the public funds which are subject to the PDPA; and
- c. Apply to the State for an assignment of an account number for all accounts established with an eligible public depository.

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

H. TABOR:

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

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

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

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

A SID may impose assessments on properties within the SID, but such assessments must be equitable based on the benefit received by the properties, such as based on the frontage area or zone of the property benefitting from the improvement. [§32-1-1101.7\(2\), C.R.S.](#) Costs of improvements within a SID are often financed through special assessment bonds issued by the special district on behalf of the SID. These bonds must be approved by the majority of the eligible electors voting, which are either the electors of the special district or the electors of the SID, as determined by the special district’s Board. [§32-1-1101.7\(3\)\(g\), C.R.S.](#)

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

J. Sales Taxes:

1. Metropolitan Districts-Road and Transportation Purposes:

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

2. Metropolitan Districts-Fire Protection:

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

3. Health Service Districts:

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

K. Urban Renewal/Tax Increment Financing:

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

Chapter IX

TABOR

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

A. Introduction:

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

B. Financial Limitations:

1. Mill Levies:

TABOR requires voter approval to:

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

exempts future revenue from TABOR limitations under the proper circumstances. *City of Aurora v. Acosta*, 892 P.2d 264 (Colo. 1995).

2. Spending:

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

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

3. Debt:

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

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

C. Election Requirements:

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

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

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

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

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

D. Multiple Fiscal Year Financial Obligations:

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

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

E. Enterprise Exemption:

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

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

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

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

Chapter X

Public Financing

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

A. Authorization:

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

B. Types of Financing:

1. General Obligation Debt:

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

2. Revenue Bonds:

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

3. Enterprise Obligations:

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

4. Refunding Obligations:

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

5. Lease/Purchase:

A lease-purchase agreement provides that portions of lease payments are applied to the ultimate purchase of certain property. These obligations are dependent upon the District appropriating money each year and are

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

6. Tax Anticipation Note:

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

7. Bond Anticipation Note:

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

8. Other:

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

C. Bankruptcy Protection:

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

D. Special Requirements:

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

1. Conducting a debt authorization election for general obligation or revenue debt. [Art. X, Sect. 20, Colo. Const.](#)
2. Posting of a special 72-hour notice when issuing or refunding general obligation debt (or consolidating, dissolving, making a contract with a Director, filing for bankruptcy, or not making a bond payment). [§32-1-903\(3\), C.R.S.](#)
3. Compliance with Colorado Securities Commission filing and approval requirements.

4. For Districts with authorized but unissued general obligation debt approved before July 1, 1995, the results of the election at which such approval was given and a statement of the principal amount of debt must be certified and sent by certified mail to the Board of County Commissioners or the governing body of the municipality no later than 30 days before issuing any new general obligation debt. [§32-1-1101.5\(1\), C.R.S.](#)
5. Filing results of a debt authorization election with the Board of County Commissioners or municipality that approved the Service Plan, and with the Division of Securities, within 45 days after the election. [§32-1-1101.5\(1\), C.R.S.](#)
6. Filing a report of outstanding unrated securities with the Division of Local Government by March 1 of each year. [§11-58-105, C.R.S.](#)
7. In every fifth calendar year after general obligation debt was approved, the Board of County Commissioners or governing body of municipalities may require a quinquennial finding of reasonable diligence. [§32-1-1101.5 \(1.5\), C.R.S.](#)
8. The District's audit report must include the amount of any authorized but unissued general obligation debt as well as current or anticipated plans to issue such debt. [§29-1-605, C.R.S.](#)

Chapter XI

Audits

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

A. Mandatory Financial Audit:

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

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

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

B. Exemption from Audit:

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

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

C. Optional Performance Audits:

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

1. Investment and Purchasing Procedures:

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

2. Legal Audit:

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

3. Liability Audit:

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

4. Management, Operations, and Maintenance Audits:

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

Chapter XII

Contracting

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

A. Construction Contracts:

1. Publication and Bid Requirements:

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

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

2. Integrated Project Delivery (“IPD”):

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

3. Bonds and Retainage:

It is recommended that the District require a Bid Bond (usually in the amount of 5% of the bid amount) to avoid

withdrawal of low bids. Bid Bonds are not, however, required by law.

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

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

4. Appropriations Clause:

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

5. Final Payment and Claims:

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

At any time up to and including the time of final settlement for the work contracted to be done, any person that has furnished labor, materials, sustenance, or supplies used or consumed by a contractor or subcontractor, whose claim has not been paid, may file with the District

a verified statement of the amount due on account of the claim. Upon the filing of any such claim, the District shall withhold from all payments to said contractor sufficient funds to insure payment of said claim until the claim is withdrawn, paid, or 90 days have passed. [§38-26-107\(2\), C.R.S.](#)

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

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

B. Other Contracts:

1. Publication/Bid Process:

No contract for work or material including a contract for services, regardless of the amount, shall be entered into between the District and a Board member or between the District and the owner of 25% or more of the territory within the District unless an invitation to bid is published and such Board member or owner submits the lowest responsible and responsive bid. [§32-1-1001\(1\)\(d\)\(II\), C.R.S.](#)

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

2. Service Contracts/Illegal Aliens:

All contracts and contract renewals for the procurement of services must include certain certifications from the contractor set forth at §8-17.5-102, C.R.S., regarding employing illegal aliens.

3. Contract Drafting or Review:

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

C. Intergovernmental Agreements:

Districts may enter into agreements with other special districts or other governmental entities for almost any lawful purpose. Such arrangements are becoming much more prevalent as the benefits and economies of scale have fostered a new era of intergovernmental cooperation.

1. General Intergovernmental Cooperation:

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

2. Creating a Separate Legal Entity:

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

3. Mutual Aid Agreements:

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

4. IGA Reporting Requirements:

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

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

Chapter XIII

Liability Issues

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

A. Potential Sources of Liability:

1. State Tort Actions:

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

2. Federal Actions:

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

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

3. Contract:

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

4. Criminal:

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

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

You may want to consider purchasing crime coverage from the Colorado Special Districts Property and Liability Pool, which covers certain damages and defense costs resulting from a lawsuit for a Director’s alleged wrongful acts while acting in his or her official capacity.

B. Colorado Governmental Immunity Act (“CGIA”):

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

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

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

Even for those actions where liability may attach, liability is limited by the CGIA to a maximum of \$350,000 for injury to one person in any single occurrence, and \$990,000 for injury to multiple persons in a single occurrence, except that no one person shall recover in excess of \$350,000. Such amounts will be adjusted every four years, beginning in 2018, by an amount reflecting the percentage change over a four-year period in the Consumer Price Index. [§24-10-114, C.R.S.](#)

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

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

C. Indemnification Resolution:

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

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

D. Releases and Waivers:

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

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

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

E. Insurance:

Insurance is a primary and essential means of protecting the District, its Directors, and employees. The primary types of insurance are liability, property, workers' compensation, crime coverage, and errors and omissions.

The following methods of insurance could be considered:

- 1. Standard Insurance Company:**

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

- 2. Self-Insurance:**

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

- 3. Insurance Pool:**

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

F. Constitutional Issues:

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

Chapter XIV

Personnel Matters

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

A. Federal and State Employment Laws:

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

1. **The Federal Fair Labor Standards Act** (“FLSA”) regulates minimum wage, overtime pay, equal pay, record keeping, and child labor standards.
2. **The Federal Occupational Safety and Health Act** (“OSHA”) regulates dangerous conditions in the workplace.
3. **The Federal Americans with Disabilities Act** (“ADA”) prohibits discrimination in employment and in the provision of public services and accommodations based on a person’s disability.
4. **The Federal Age Discrimination in Employment Act** (“ADEA”) prohibits discrimination based on age in employment practices against persons over age 40.
5. **Title VII of the Federal Civil Rights Act** prohibits discrimination in employment based on race or color, religion, sex, pregnancy, national origin, or opposition to discriminatory practices.
6. **Section 1981 of the Federal Civil Rights Act** prohibits discrimination based on race or lineage.
7. **Section 1983 of the Federal Civil Rights Act** prohibits any person, under the color of statute, ordinance, or regulation from depriving another person of the privileges and immunities of the United States Constitution and laws.
8. **The Federal Equal Pay Act** prohibits wage discrimination on the basis of sex for jobs performed under similar working conditions.
9. **The Consolidated Omnibus Budget Reconciliation Act** (“COBRA”) generally requires employers to give departing employees the opportunity to continue their health insurance coverage for 18 months at the employee’s cost.
10. **The Federal Family and Medical Leave Act of 1993** (“FMLA”) imposes certain affirmative acts regarding employee leave on all employers, including public entities employing 50 or more persons.
11. **The Colorado Family and Medical Leave Act** (Title 8, Article 13.3, Part 2, C.R.S.) adds civil unions and committed relationships to those family relationships that are entitled to family leave under the Colorado Act.
12. **The Uniformed Services Employment and Reemployment Rights Act** (“USERRA”) provides employees who are called up for, or volunteer for, active military service with special employee benefits.
13. **The USA PATRIOT Act of 2001** removed previous legal barriers to the federal government conducting wiretapping surveillance of telephone lines and accessing stored voice and email messages.
14. **The Colorado Health Care Coverage Act** (Title 10, Article 16, C.R.S.), which is the state counterpart to COBRA, gives extended health insurance coverage of 180 days to terminated employees.
15. **The Colorado Anti-Discrimination Act** (CADA) (Title 24, Article 34, Parts 3 through 8, C.R.S.) prohibits discrimination based on disability, race, creed, color, sex, age, marital status, national origin, sexual orientation, or ancestry in employment, housing, public accommodations, and advertising.
16. **The Colorado Youth Employment Opportunity Act of 1971** (Title 8, Article 12, C.R.S.) provides child labor standards.
17. **Colorado laws regarding wages and hours** (Title 8, Articles 4 through 6, and 13, C.R.S.).
18. **The Workers’ Compensation Act of Colorado** (Title 8, Articles 40 to 47, C.R.S.) regulates disability and medical benefits of injured workers.
19. **The Colorado Employment Security Act** (Title 8, Articles 70 to 82, C.R.S.) provides for unemployment benefits.
20. **The Colorado Employment Opportunity Act** (Title 8, Section 8-2-126, C.R.S.) prohibits use of consumer credit information for employment purposes unless the information is substantially related to the employee’s current or potential job.

21. The Colorado Law on Effect of Criminal Conviction on Employment Rights (Title 24, Section 24-5-101, C.R.S.) regulates the use of criminal background history in public employment.

B. Personnel Policy Manuals:

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

Typical personnel policy manuals include the following subjects:

1. Working conditions, including work week and hours, attendance, safety, and work environment.
2. Compensation and benefits.
3. Leave policies.
4. Employment, promotion, and evaluation practices.
5. Layoffs.
6. Rules of conduct.
7. Discipline.
8. Grievances.
9. Employee records.
10. Separation from employment.
11. Specific policies of concern to the District, including drug testing.

C. Drug and Alcohol Testing:

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

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

D. Federal and State Posting Requirements:

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

1. Federal Equal Employment Opportunity Commission (EEOC);
2. Federal Minimum Wage (Dept. of Labor);

3. Family and Medical Leave Act (Dept. of Labor);
4. State Fair Employment (Dept. of Labor); and
5. State Minimum Wage (Dept. of Labor).

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

E. Volunteers:

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

F. TABOR:

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

G. Collective Bargaining for Firefighters:

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

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

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

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

An employer may not suggest, request, or require an employee or applicant to disclose, or cause an employee or applicant to

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

I. Health Insurance:

The Patient Protection and Affordable Care Act requires large employers to provide health coverage for its employees. Large employers are those who have 50 or more full-time equivalent employees. The requirements of the Act and the dates for compliance are varied. Your attorney or a knowledgeable health care broker can help the District navigate the requirements. [Public Law 111-148, 111th United States Congress.](#)

J. Searches for CEO-Level Employees:

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

1. A search committee may be established to conduct the CEO search, but the search committee is still subject to certain transparency requirements. [§24-6-402\(3.5\), C.R.S.](#)
2. Fourteen days prior to appointing, employing, or offering the position to a finalist, the list of all finalists must be made public. When there are three or fewer candidates, they are automatically defined as "finalists." [§24-6-402\(3.5\), C.R.S.](#)
3. The Board must select the top candidate and make an offer of employment in the open session of a public meeting, not in an executive session.
4. Specific contract negotiations about pay, benefits, etc., may occur in an executive session pursuant to [§24-6-402\(4\)\(e\), C.R.S.](#), but the Board must approve the contract in a public meeting.
5. Records of finalists are generally public records, except for these documents:
 - a. Records of applicants who are not finalists; and
 - b. The following records of finalists:
 - i. Letters of reference;
 - ii. Medical, psychological, or sociological data; and
 - iii. Financial records (e.g. credit checks).

[§24-72-204\(3\)\(a\)\(XI\)\(A\), C.R.S.](#)

Chapter XV

Elections

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

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

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

A. Coordinated Elections:

1. Applicability:

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

Regular elections, special elections, and Court-ordered elections conducted other than in November may be conducted as coordinated elections if (i) there is an overlap of electors or boundaries; (ii) the County Clerk and Recorder is the Coordinated Election Official; and (iii) the county, District, and other jurisdictions agree. [§§1-1-104\(6.5\), 1-1-111\(3\), 1-7-116, C.R.S.](#)

2. Intergovernmental Agreement:

At least 70 days prior to the November coordinated election, the District must enter into an intergovernmental agreement with the County Clerk and Recorder for the

conduct of the election and/or mailing of the notice required by Article X, Section 20 of the Colorado Constitution (“TABOR Notice”).

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

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

B. Regular Elections:

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

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

C. Special Elections:

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

D. TABOR Elections:

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

E. Independent Mail Ballot Elections:

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

F. Designated and Coordinated Election Officials:

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

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

G. Election Notices:

1. TABOR Notices:

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

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

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

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

2. Notice by Publication and Posting:

Notice of the specific election information, including the date and time of election; hours during which the polls

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

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

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

H. Conduct of Elections and Procedures:

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

1. Election Resolution:

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

2. Call for Nominations:

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

3. Candidates:

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

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

The Designated Election Official shall provide copies of the self-nomination and acceptance forms and any affidavits of intent to be a write-in candidate to the Colorado Secretary

of State no later than 60 days before the special district election. This does not apply if the District cancels its election. *Rule 16.1, Secretary of State Rules Concerning Campaign and Political Finance.*

4. Polling Places:

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

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

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

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

5. Judges:

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

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

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

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

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

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

6. Property Owner and Voter Lists:

The Designated Election Official shall order the voter registration and property owners lists no later than 40 days prior to the day of election. The Designated Election Official

may order initial voter registration and property owners lists to be received 30 days prior to the day of election, with a supplementary list provided 20 days prior, or complete lists provided six days prior to the day of election. *§§ 1-13.5-203 and 204, 1-13.5-1105(2)(a) and (2)(b), C.R.S.*

7. Absentee Voters:

Any eligible elector may cast an absentee voter’s ballot in the manner provided in Part 10 of Article 13.5 of Title 1, C.R.S. Requests for an application for an absentee voter’s ballot can be made orally or in writing. The application may be in the form of a letter, and must be filed with the Designated Election Official not later than the close of business on the Tuesday preceding the election. Applications for absentee voters’ ballots shall be filed in writing and personally signed by the applicant or a family member and include the applicant’s printed name, residence, address, date of birth, and whether the applicant wishes to be designated as a permanent absentee voter. The Designated Election Official shall examine the application to verify the eligibility of the applicant to vote, and if the applicant is eligible, the Designated Election Official shall deliver as soon as practicable but not more than 72 hours after the blank ballots have been received, an absentee voter’s ballot and packet. *§1-13.5-1002, C.R.S.*

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

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

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

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

9. Watchers:

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

Neither a current candidate for Director nor any immediate family member, to the second degree, of such candidate is eligible to serve as a Watcher for that candidate.

[§1-13.5-602\(1\)\(a\)\(I\), C.R.S.](#)

10. Ballots and Voting Machines:

The Board may authorize the use of voting machines.

[§1-13.5-701, C.R.S.](#)

The Designated Election Official must have available the printed ballots at least 30 days prior to the election.

[§1-13.5-902\(1\)\(a\), C.R.S.](#)

The Designated Election Official shall prepare and deliver to the polling places sufficient equipment and ballots no later than the day before the election.

[§§1-13.5-807 and 1-13.5-904, C.R.S.](#)

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

Absentee ballots, sealed in return envelopes, shall be returned to the Designated Election Official or an Election Judge no later than 7:00 p.m. on the day of election.

[§1-13.5-1006\(1\), C.R.S.](#)

11. Eligible Electors:

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

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

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

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

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

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

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

- a. A vacancy exists on the Board and no eligible elector files a letter of interest in filling such position within ten days after publication of a notice of such vacancy; or
- b. There are more than ten eligible electors in a special district organizational election and, on or after the second day before the deadline for filing the self-nomination and acceptance forms, there are less candidates than the number of Director offices to be voted upon at such election; or
- c. There are fewer than eleven eligible electors as of any date before a special district organizational election; or
- d. In a regular special district election, on or after the day after the deadline for filing self-nomination and acceptance forms, there are fewer candidates than the number of Director offices to be voted upon at such regular election. [§32-1-808\(2\)\(a\), C.R.S.](#)

13. Ballot Certification:

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

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

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

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

14. Election Returns and Canvass Board:

For polling place elections, upon the close of the polls on Election Day (unless Counting Judges have been

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

At least 15 days prior to an election that is not a coordinated election, the Designated Election Official shall appoint at least one Board member and at least one eligible elector who is not a Board member to assist the Designated Election Official in canvassing the votes. To the fullest extent possible, no member of the Canvass Board nor the member's spouse or civil union partner shall have a direct interest in the election. [§1-13.5-1301\(1\) and \(2\), C.R.S.](#) For coordinated elections, the Canvass Board shall be appointed in accordance with the intergovernmental agreement between the governing bodies holding the election. Within 14 days after the election, the Canvass Board must meet to canvass the votes and issue the Official Abstract of Votes Cast. [§§ 1-13.5-1305\(1\) and \(2\), 32-1-104\(1\), C.R.S.](#) Each member of the Canvass Board, except District Board members, shall receive a minimum fee of \$15 for each day that person is acting in the capacity of a member of the Canvass Board. [§1-13.5-1301\(4\), C.R.S.](#)

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

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

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

15. Cancellation:

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

office of the Designated Election Official. A copy of the notice shall be filed with the Division of Local Government. The candidates must be notified that the election was cancelled, that they were elected by acclamation, and that they take office after the election day. [§1-13.5-513\(6\), C.R.S.](#)

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

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

16. Directors Take Office:

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

The term of office of each newly elected person shall commence at the next meeting of the Board after the date of the election, but not later than 30 days after the date that the election results are certified pursuant to [§1-13.5-1305](#); upon the signing of an oath or affirmation; filing such oath or affirmation with the County Clerk and Recorder of each County in which the District is located; and posting of a bond or policy of crime insurance. [§§24-12-101 and 24-14-102\(2\), C.R.S.](#) If the election was cancelled, the term of office of the persons declared elected shall commence at the next meeting of the Board following the date of the election, but no later than 30 days following the date of the election; upon the signing of an oath or affirmation; filing such oath or affirmation with the County Clerk and Recorder of each County in which the District is located; and posting of a bond or policy of crime insurance. [§§1-13.5-112, 24-12-101, and 24-14-102\(2\), C.R.S.](#)

I. Campaigning:

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

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

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

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

The statutes do not prohibit a public employee or Board member from working on a campaign or speaking out on an issue on his or her own time, or spending his or her own funds to urge electors to vote in favor of or against any issue before the electorate.

The statutes also restrict the activities of campaign committees and require the filing of certain reports.

J. Election Calendar:

Date	Summary
To initiate election process	Adopt Election Resolution.
100 days prior	Notify County Clerk and Recorder (“CCR”) of participation in November coordinated election.
100-75 days prior to regular special district election	Publish Call for Nominations one time.
70 days prior	Enter into intergovernmental agreement with CCR for November coordinated election.
67 days prior to regular special district election	File self-nomination and acceptance forms with Designated Election Official (“DEO”).
64 days prior to regular special district election	File affidavit of intent to be a write-in candidate with DEO.
63 days prior, after close of business	Regular special district election may be cancelled if there are no more candidates than positions to be filled, and there are no ballot issues or ballot questions.
60 days prior	Certify ballot content. Such certification shall be filed with the CCR for November coordinated elections.
55 days prior	Mail ballot plan for an independent mail ballot election must be on file at the office of the DEO and available to the public.
Friday before 45 th day prior	Deadline for acceptance of written comments for or against a TABOR ballot issue.
45 days prior	Earliest date to conduct Election Judge training. Mail absentee ballots to those eligible electors of the District and who have applied and are designated as a “covered voter” under the Uniform and Overseas Citizens Absentee Voting Act (“UOCAVA”).
43 days prior	For November coordinated election, the DEO shall deliver the District’s TABOR Notice to the CCR.
40 days prior	For elections not conducted in November, overlapping special districts conducting a ballot issue election shall confer regarding the preparation of the TABOR Notice and enter into an agreement for the preparation and mailing of the TABOR Notice to the addresses of all active registered electors in the overlapping area. The DEO shall order the voter registration and property owners lists.
30 days prior	Mail TABOR Notice to address of each active registered elector of District. If so requested, CCR shall certify and deliver an initial voter registration list. If so requested, County Assessor shall certify and deliver an initial list of all recorded owners of taxable real and personal property within the District. The DEO shall have printed ballots available.
Not sooner than 22 days prior	Begin mailing to each active eligible elector a mail ballot package. Mail ballots shall also be made available at the DEO’s office for eligible electors.

Date	Summary
20 days prior	<p>Publish Notice of Election one time. Also post a copy of the notice in a conspicuous place in the DEO's office until after the election. Mail or email a copy of Notice of Election to the CCR of each county in which the District is located.</p> <p>If so requested, CCR shall certify supplemental or complete voter registration list.</p> <p>If so requested, County Assessor shall certify supplemental or complete property owners list.</p> <p>For debt obligation elections, post notice of additional financial information on District's website or in chief administrative office of the District if the District has no website.</p> <p>Post sign at each polling location.</p>
15 days prior	<p>Last day to mail a ballot package to each active eligible elector.</p> <p>Appoint Canvass Board.</p> <p>Last day to appoint Election Judges, certify list of Election Judges, and mail acceptance form to each person appointed.</p> <p>Counting of mail ballots may begin.</p>
6 days prior	<p>If so requested, CCR shall certify complete voter registration list.</p> <p>If so requested, County Assessor shall certify complete property owners list.</p>
Tuesday preceding the election	<p>Deadline for filing applications for absentee voter ballot.</p>
Election Day	<p>Counting Judges may begin counting anytime during the day. If there are no Counting Judges, as soon as the polls close, the Election Judges may proceed to count the ballots.</p>
No later than 8 days after election	<p>Last day to receive voted absentee ballot from UOCAVA eligible electors.</p>
No later than 14 days after election	<p>For elections not coordinated by the CCR, the Canvass Board shall meet, survey the returns, and certify the final election results. For regular special district elections, transmit a copy of the certified election results to each person declared elected. File the certification of election results with the Division of Local Government ("DLG").</p>
No later than 22 days after election	<p>For November coordinated elections, County Canvass Board shall finalize election results. File the certification of election results with DLG.</p>
No later than 30 days after certification election, or 30 days after date of election if election is cancelled	<p>Newly elected Directors take oath of office or affirmation.</p>
No later than 45 days after election	<p>If a debt authorization election was conducted, file election results with the Board of County Commissioners or the municipality that approved the Service Plan and with the Division of Securities.</p>

Chapter XVI

Dissolution of a District

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

A. Dissolution Initiated by the Board of Directors:

A majority of all members of the Board of Directors may initiate dissolution by filing a Petition for Dissolution with the District Court having jurisdiction over the special district. [§32-1-701\(1\)\(a\), C.R.S.](#) The Board of Directors must hold a public hearing for residents in any unincorporated area of the District if any portion of the District is located within the boundaries of a municipality. This hearing must occur before the negotiation of any agreement for the continuation of such services. [§32-1-702\(4\)\(b\)\(III\), C.R.S.](#)

B. Dissolution Initiated by Electors:

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

C. Dissolution Initiated by Municipality or Regional Service Authority:

If 85% of the special district lies wholly within a municipality, the municipality's governing body may file an application with the Board of Directors to dissolve the special district.

If the special district lies wholly within a regional service authority and such service authority provides the same service provided by the special district, the service authority may file an application with the Board of Directors to dissolve the special district. When the special district lies wholly within more than one regional service authority, two or more service authorities may jointly file the dissolution application with the Board of Directors. [§32-1-701\(5\), C.R.S.](#)

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

D. Requirements for Petition for Dissolution:

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

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

[§32-1-702, C.R.S.](#)

E. District Court Hearing:

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

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

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

F. Dissolution Election:

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

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

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

G. Dissolution by Division of Local Government:

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

H. Recording and Filing of Order of Dissolution:

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

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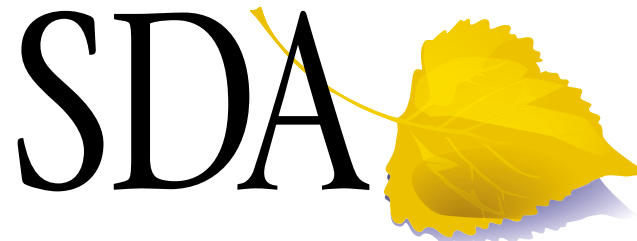
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Supporting Community-Based Government



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