



DOUGLAS COUNTY
Department of Community Development
Planning Services
100 Third Street, Castle Rock, CO 80104
(303.660.7460, FAX: 303.379.4198)
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RECEIVED

JUL 17 2014

SPECIAL DISTRICT
SERVICE PLAN APPLICATION

Douglas County Planning

PLEASE FILL OUT THIS APPLICATION FORM COMPLETELY

DISTRICT NAME: Bald Mountain Metropolitan District

LOCATION: Approx. at E. Palmer Divide Ave. &

LEGAL DESCRIPTION: (attach) S. Furrow Road

PLANNED DEVELOPMENT
SUBDIVISION NAME(S): N/A

FILING#: N/A

SECTION#: 25 & 36

TOWNSHIP: 10 South

RANGE: 67 West

PROPERTY TAX PARCEL #(s): 2771-254-00-002 PRESENT ZONING: *
GROSS ACREAGE: approx. 658
2771-250-00-011 acres

* Agricultural One &
Estate Residential

APPLICANT (Petitioner not Consultant)

NAME: Colorado Baptist General Convention
d/b/a Ponderosa Retreat & Conference
Center

ADDRESS: 15235 Furrow Road
Larkspur, CO 80118

PHONE: 719-481-2482 FAX: 719-481-6402

AUTHORIZED REPRESENTATIVE

NAME: Marcus Rawls, Executive Director

ADDRESS: 15235 Furrow Road
Larkspur, CO 80118

PHONE: 719-481-2482 FAX: 719-481-6402

LEGAL CONSULTANT

NAME: Seter & Vander Wall, P.C.
Barbara T. Vander Wall
Jeffrey E. Erb

ADDRESS: 7400 E. Orchard Road, Suite 3300
Greenwood Village, CO 80111

PHONE: 303-770-2700 FAX: 303-770-2701

PLANNING OFFICE USE ONLY

☐ NEW DISTRICT/PRESUBMITTAL ☐ MAJOR MODIFICATION
☒ NEW DISTRICT ☐ CONSOLIDATION

COMPLETE

This SERVICE PLAN has been reviewed by the Douglas County Community Development Department and is considered complete for purposes of subsequent public hearings. This completeness finding is not an endorsement or approval of the service plan or special district.

PLANNER SIGNATURE

DATE

FEE (if required) \$500.00 PROJECT NO SV2014-004

FINANCIAL CONSULTANT

NAME: Clifton Larson Allen, LLP
Carrie Bartow

ADDRESS: 102 S. Tejon Street, Suite 350
Colorado Springs, CO 80903

PHONE: 719-635-0330 FAX: 719-473-3630

ENGINEERING CONSULTANT

NAME: JDS-Hydro Consultants, Inc.
Douglas E. Schwenke, P.E.

ADDRESS: 545 E. Pikes Peak Ave.
Colorado Springs, CO 80903

PHONE: 719-227-0072 FAX: 719-471-3401

PROPERTY OWNER (Provide separate list if more than one owner)

NAME: Same as Applicant

ADDRESS:

PHONE:

FAX:

To the best of my knowledge, the information contained on this application is true and accurate.

APPLICANT SIGNATURE

Attorney-in-fact
for Applicant

DATE

July 17 2014



100



DATE	06-03-14	POLARIS SURVEYING, INC.	BALD MOUNTAIN METRO DISTRICT
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Journal of Management Inquiry

[illegible][illegible]

INDICATION SHOW NUMBER

SERVICE PLAN
FOR
BALD MOUNTAIN METROPOLITAN DISTRICT
DOUGLAS COUNTY, COLORADO

Prepared

by

Seter & Vander Wall, P.C.
7400 E. Orchard Rd., Suite 3300
Greenwood Village, CO 80111

2014

[APPROVAL DATE (ON FINAL SERVICE PLAN)]

APPROVAL SUMMARY

This Service Plan for the Bald Mountain Metropolitan District was approved by the Douglas County Board of County Commissioners on (date). Resolution No. _____, approving this Service Plan, has been recorded at Reception No. _____ on (date). The organizational and TABOR election took place on November 4, 2014. The court decree organizing the District was recorded with the Douglas County Clerk and Recorder on (date) at Reception No. _____.

ORGANIZERS AND CONSULTANTS

This Service Plan has been prepared by the Organizers and the following participating consultants:

<u>Organizer</u> Colorado Baptist General Convention d/b/a Ponderosa Retreat & Conference Center Attn: Mr. Marcus Rawls, Executive Director 15235 Furrow Road Larkspur, CO 80118 Phone: (719) 481-2482 Fax: (719) 481-6402 Email: mrawls@visitponderosa.com	<u>District Counsel</u> Seter & Vander Wall, P.C. Attn: Barbara T. Vander Wall, Esq. Jeffrey E. Erb, Esq. 7400 E. Orchard Rd., Suite 3300 Greenwood Village, CO 80111 Phone: (303) 770-2700 Fax: (303) 770-2701 Email: bvanderwall@svwpc.com jerb@svwpc.com
<u>Financial Advisor</u> Clifton Larson Allen, LLP Attn: Carrie Bartow, CPA 102 S. Tejon Street, Suite 350 Colorado Springs, CO 80903 Phone: (719) 635-0330 Fax: (719) 473-3630 Email: Carrie.Bartow@claconnect.com	<u>Engineer</u> JDS-Hydro Consultants, Inc. Attn: Douglas E. Schwenke, P.E. 545 E. Pikes Peak Ave. Colorado Springs, CO 80903 Phone: (719) 227-0072 Fax: (719) 471-3401 Email: dschwenke@jdshydro.com
<u>Water Counsel</u> White & Jankowski, LLP Attn: Sarah Klahn, Esq. 511 Sixteenth Street, Suite 500 Denver, CO 80202 Phone: (303) 595-9441 Fax: (303) 825-5632 E-mail: SarahK@white-jankowski.com	

EXECUTIVE SUMMARY

This service plan is for the Bald Mountain Metropolitan District (the “**District**”). The District was formed to provide public services to the Ponderosa Retreat & Conference Center and the Bald Mountain Estates, including water service. The District is generally located at East Palmer Divide Ave. and South Furrow Road and contains approximately 658 acres, 577 of which are subject to a conservation easement.

The Ponderosa Retreat & Conference Center (“**Ponderosa**”) is an existing 658-acre mountain retreat with a conference center, lodging, outdoor recreation and other facilities. Bald Mountain Estates (“**Bald Mountain**”) is an existing residential development consisting of single-family homes in a rural, mountainous setting.

Since the inception of Bald Mountain in the mid-1960s, Ponderosa has provided water service to the residences in Bald Mountain through a series of privately owned wells, treatment facility, and delivery system. Due to its age, this water system is subject to regular line breaks and is rapidly losing its ability to reliably provide water to Bald Mountain and Ponderosa. This water system also lacks sufficient water flows to provide adequate fire protection to Ponderosa and Bald Mountain. The primary purpose of the District is to finance, construct and operate a replacement water system that can reliably provide water service to Bald Mountain and Ponderosa. This system will be more robust than the existing system and will have the ability to provide sufficient water for use during a fire. The District will also own and operate a small wastewater treatment facility, settling lagoon and irrigation field that serves Ponderosa, and provide other public services as needed to Ponderosa and Bald Mountain Estates.

The District shall be authorized to provide the following services as permitted by Colorado statute: mosquito control; parks and recreation; sanitation; street improvements; storm-water; transportation; and water. While the District does not anticipate providing all of these services immediately upon formation, as the District matures and potentially expands, the need for the District to provide these services may arise.

The total authorized debt limit for the District shall be eight million dollars (\$8,000,000). The District anticipates the issuance of an initial series of bonds in the approximate amount of Two Million Nine Hundred Thousand Dollars (\$2,900,000) on or about June 2015 (the “**Bonds**”). The initial series of bonds will be used to fund the construction of capital improvements, including a new water distribution system, water storage tank, Denver basin well, and relocation of the existing wastewater lagoon. The District will also receive ownership of capital improvements through a donation from Ponderosa. The donated improvements include two water wells, water treatment facility, and a wastewater treatment facility. The value of the donated improvements exceeds Eight Hundred Ninety Thousand Dollars (\$890,000) in 2014 depreciated value, which will significantly reduce the District’s debt.

The Bonds are anticipated to be repaid with revenue generated from the District’s fees, rates, tolls and charges for services and funds advanced by the Organizer pursuant to

an agreement. At the time of initial formation, the District does not anticipate receipt of property tax revenues because almost all of the property in the District is tax-exempt; however, in the event of expansion of the District's boundaries in the future, it may receive *ad valorem* property tax revenues at that time, up to a maximum mill levy of 60 mills, to be distributed between operations and maintenance and debt service as determined by the District's Board of Directors and as set forth in the Service Plan.

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Exhibit C-1	District Boundary Map
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Exhibit D	Cost of Improvements
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I. INTRODUCTION

This service plan (the “**Service Plan**”) for the Bald Mountain Metropolitan District (the “**District**”) is for a special district organized under Title 32 of the Colorado Revised Statutes to serve the water and other public needs of the Ponderosa Retreat and Conference Center (“**Ponderosa**”) and Bald Mountain Estates (“**Bald Mountain**”) (together, the “**Project**”). Ponderosa is an existing 658-acre retreat site with a conference center, lodging, outdoor recreation and other amenities. Bald Mountain is an existing residential development consisting of single-family homes in a rural, mountainous setting. The District is generally located at East Palmer Divide Ave. and South Furrow Road (see **Exhibit A**, Vicinity Map) and contains approximately 658 acres (see **Exhibits B & C**, Legal Description and District Boundary Map), including over 577 acres subject to a conservation easement.

Pursuant to the requirements of the Special District Control Act, C.R.S. §§ 32-1-201, *et seq.*, as amended, and the Special District Service Plan Review Procedures for Douglas County (the “**County**”), the following items are included in this Service Plan:

1. A description of the powers granted to and services to be provided by the District;
2. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the District are compatible with facility and service standards of the County and of any municipalities and special districts which are interested parties;
3. A general written description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial indebtedness and estimated maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District;
4. A summary of general conditions regarding oversight of the District by the County;
5. A legal description and map of the District’s boundaries and an estimate of the population and valuation for assessment of the District;
6. A summary of estimated costs for improvements to be financed and constructed by the District;
7. A preliminary engineering and architectural survey showing how the improvements and services are to be provided;
8. A financial plan showing how District improvements and services are to be financed, including the operating revenue for the first budget year of the District;
9. The resolution of approval adopted by the Board of County Commissioners;

10. Information demonstrating compliance with Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended, and compliance with the Denver Regional Council of Governments’ Clean Water Plan;

11. A description of any advance and reimbursement agreements;

12. A description of any arrangement or agreement with any political subdivision for the performance of any services between the District and such other political subdivision; and

13. The recorded court decree organizing the District.

Exhibits A through M, attached hereto, are hereby incorporated into the Service Plan.

II. PURPOSE OF THE DISTRICT

The purpose of the District is to provide public improvements and services for the benefit of all anticipated inhabitants, customers and taxpayers of the District either within or without its boundaries. The District anticipates providing extraterritorial water service to Bald Mountain and to other customers as requested and as feasible.

III. DISTRICT FRAMEWORK

The District will be a single district and will be responsible for all aspects of financing and services authorized under this Service Plan.

IV. NEED FOR DISTRICT

There are currently no other governmental entities, including the County, located in the immediate vicinity of the District that consider it desirable, feasible, or practicable to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and ongoing operations of the public improvements needed for the Project. Formation of the District is therefore necessary in order for the public improvements and services required for the Project to be provided in the most economical manner possible.

V. LOCATION AND BOUNDARIES

The District is located near the intersection of East Palmer Divide Ave. and South Furrow Road. A vicinity map is attached hereto as **Exhibit A**. The area of the initial District’s boundary encompasses approximately 658 acres. A legal description of the District’s boundaries is attached hereto as **Exhibit B**. A map of the initial District’s boundaries is attached hereto as **Exhibit C-1**. A map of the District’s Contractual Service Area is attached hereto as **Exhibit C-2**. A map of the District’s Potential Future Inclusion Areas is attached hereto as **Exhibit C-3**. The District has not identified any future exclusion areas.

It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to C.R.S. §§ 32-1-401, *et seq.*, and C.R.S. §§ 32-1-501, *et seq.*, as amended. Future inclusion and exclusion areas are identified in Exhibit C-3. Prior to any inclusions or exclusions that are not identified in Exhibit C-3, the District shall provide forty-five (45) days published notice and written notice to the Board of County Commissioners pursuant to C.R.S. § 32-1-207(3)(b). If, within such forty-five (45) day period, the Board of County Commissioners objects to the inclusion or exclusion, then the inclusion or exclusion shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

VI. ASSESSED VALUATION/PROJECTIONS/LAND USE/POPULATION

As of May 2014, the property within the District is zoned as Agriculture One or Estate Residential. The current assessed value of property within the initial boundaries of the District is One Million Four Hundred Twenty-Three Thousand One Hundred Ten Dollars (\$1,423,110) of which Two Thousand Six Hundred Twenty Dollars (\$2,620) is taxable as of 2014. At the time of initial formation, the District does not anticipate receipt of property tax revenues because almost all of the property in the District is tax-exempt; however, in the event of expansion of the District's boundaries in the future, it may receive *ad valorem* property tax revenues at that time, up to a maximum mill levy of 60 mills, to be distributed between operations and maintenance, and debt service as determined by the District's Board of Directors and as set forth in the Service Plan.

As of May 2014, the District includes four single-family residences owned by Ponderosa and no commercial development. The buildings within the District are primarily those related to the operation of the Ponderosa as a retreat site, including a conference center, administrative office, kitchen/dining hall, dorms, gymnasium, chapel, and pavilion.

Approval of this Service Plan by the County does not constitute nor imply approval of the development of a specific area within the District, nor does it constitute or imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached hereto, unless such land use plans have been approved by the Board of County Commissioners as part of a separate development review process.

VII. POWERS AND RESPONSIBILITIES

The District shall have the power and authority to provide the public improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is permitted by this Service Plan and described in the Special District Act, C.R.S. Title 32, and other applicable statutes, common law, and the Colorado Constitution, subject to the limitations set forth herein.

A. General Powers

The District shall have the authority to construct, operate, and maintain the services and facilities as described in Section VIII.A of this Service Plan.

B. Miscellaneous Powers

In addition to the powers enumerated above, the District's Board shall have the power and authority:

1. To amend this Service Plan as provided for in Section XV, Modification of Service Plan;

2. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities in order to better accommodate the pace of growth, resource availability, and potential inclusions and exclusions of property within the District; and

3. To have and exercise all rights and powers necessary or incidental to, or implied from, the specific powers granted to the District in this Service Plan.

4. To have and exercise the power of eminent domain for the purposes set forth in C.R.S. § 32-1-1004, as amended.

VIII. DISTRICT SERVICES, FACILITIES, AND IMPROVEMENTS

A. Services and Facilities

The District shall have the authority pursuant to the Special District Act, §§ 32-1-101 to -1807, C.R.S., as amended, to provide the following services and public improvements described in this section.

1. Water

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for potable water and irrigation water facilities and systems, including, but not limited to, water rights, water supply, treatment, storage, transmission, and distribution systems for domestic, irrigation, fire control, and other public purposes, together with all necessary and proper reservoirs, treatment facilities, wells, equipment, and appurtenances incident thereto, which may include, but shall not be limited to, transmission lines, pipes, distribution mains and laterals, storage facilities, and ditches, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. The District shall have the power and authority to contract with other private or governmental entities to provide any or all of the services the District is authorized or empowered to provide.

2. Storm Sewer

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for flood and surface drainage improvements, including, but not limited to, culverts, dams, retaining walls, access way inlets, detention and retention ponds, paving, roadside swales, curbs and gutters, disposal works and facilities, water quality facilities, and all necessary and proper equipment, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

Stormwater improvements subject to Colorado Discharge Permit System Regulations, if applicable, shall be owned and maintained by the District or such other governmental entity that may accept dedication. Dedication to another governmental entity of stormwater improvements subject to such regulations shall be subject to approval by the County. In no event will the District dedicate such detention ponds or facilities to a private homeowner's association, or other property owner's association, for operations or maintenance.

3. Sanitation and Wastewater Treatment

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, assess tap or other facility fees, and provide for sanitary sewers and to transport wastewater to an appropriate wastewater treatment facility, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

4. Street Improvements

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for arterial and collector streets and roadway improvements including, but not limited to, bridges, curbs, gutters, culverts, storm sewers and drainage facilities, detention and retention ponds, retaining walls and appurtenances, sidewalks, paving, lighting, grading, landscaping, streetscaping, placement of underground utilities, snow removal, tunnels, and other street improvements, and architectural enhancements to any or all of the above, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

5. Traffic Safety Protection

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for safety protection through traffic control devices and safety controls on streets, as well as such other facilities and improvements as are necessary or prudent, including, but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance and driver information signs, with all necessary and incidental and appurtenant facilities, and land

and easements, together with extensions and improvements thereto. All traffic and safety control devices will be consistent with and in compliance with County rules and regulations.

6. Parks and Recreation

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for public park and public recreation centers and other recreation facilities, services, or programs including, but not limited to, grading, soil preparation, sprinkler systems, fencing, pavilions, playgrounds, playing fields, open space, bike trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping, streetscaping, storage buildings and facilities, weed control, paving, decorative paving, outdoor functional and decorative lighting, community events, and other services, programs and facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

7. Mosquito Control

The District shall have the power and authority to finance, design, construct, acquire, install, operate, maintain, and provide for systems and methods for elimination and control of mosquitoes.

B. Estimated Costs and Phasing of Improvements

An estimate of the costs of the public improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained, or financed was prepared based upon a preliminary engineering survey on the property and is approximately Three Million Twenty Thousand Dollars (\$3,020,000) as shown in **Exhibit D**. **Exhibit D** includes an engineer's opinion of costs in current dollars of each public improvement, together with an explanation of methods, basis, and/or assumptions used. All descriptions of the public improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the County's requirements, and construction scheduling may require. The District will continue to develop and refine cost estimates contained herein and prepare for issuance of debt. All construction cost estimates assume construction to applicable local, state, or federal requirements.

Maps showing the preliminary location of the public improvements that the District plans to construct are attached hereto as **Exhibit E**. Phasing of construction shall be determined by the District. The District shall own, maintain, and replace public improvements constructed, installed, or acquired by the District or shall dedicate such public improvements to such other entity as shall accept dedication, subject to any limitations specified in this Service Plan.

In all instances, the District shall ensure that the public improvements are designed and constructed in accordance with the standards and specifications of the

County or other such entity that may have authority over such design and construction. The District shall obtain approval of civil engineering and other plans and any applicable permits for the construction and installation of public improvements from the County and/or other appropriate regulatory agencies.

C. Services to be Provided by Other Governmental Entities

Fire protection is provided by the Larkspur Fire Protection District.

D. Compliance with Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended

The District shall provide water supply services to the Project. The District has met the requirements of Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended, as described in the Water Supply Plan in **Exhibit H**.

E. Compliance with Clean Water Plan

The District has asserted its compliance with the Clean Water Plan as demonstrated in **Exhibit I**.

IX. EXISTING AND PROPOSED AGREEMENTS

The District anticipates entering into an agreement with the Colorado Special Districts Property and Liability Pool for property and liability insurance coverage.

X. FINANCIAL INFORMATION

A. General

This section describes the nature, basis, and method of funding and debt and mill levy limitations associated with the District's public improvements. A detailed Financial Plan and statement of assumptions is contained in **Exhibit F**.

B. Assumptions

The maximum debt limitation contained herein is based on the assumption that there is little to no assessed valuation within the District at the time of formation and that funding will be accomplished primarily with fees, rates, tolls, and charges received by the District for the provision of water to its customers and by revenue advanced by Ponderosa pursuant to contract. There is no commercial development currently planned or zoned within the District. The Financial Plan demonstrates that the District has the ability to finance the public improvements identified herein, will be capable of discharging the indebtedness on a reasonable basis, and will operate on a sound fiscal basis.

C. Identification of District Revenue

The District's primary source of revenue will be fees, rates, tolls and charges for water services to Ponderosa and Bald Mountain Estates. The District will also receive revenue for operations and debt service through a contractual agreement with Ponderosa. At the time of formation, the District does not anticipate the collection of property tax revenues because almost all of the property within the District's boundaries is tax-exempt. However, in the event of a change in the property's classification or the expansion of the District's boundaries to include taxable property, the District may determine to generate additional revenue through the imposition of an *ad valorem* property tax mill levy on taxable property within its boundaries as an independent source of revenue for funding debt obligations and operations and maintenance expenses. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided for in C.R.S. § 32-1-1001(1), as amended.

A Maximum Total Mill Levy of 60 mills is authorized to support debt service and operations and maintenance of the District.

In the event of legislation implementing changes in the ratio of actual valuation to assessed valuation for residential real property, pursuant to Article X, section 3(1)(b) of the Colorado Constitution, the mill levy limitations provided herein will be increased or decreased as to all taxable property in the District to reflect such changes so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes ("Gallagher Adjustment"). If there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement, the mill levy limitation applicable to such operating and maintenance expenses may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenue generated by the mill levy are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

D. Debt Service Mill Levy

A maximum mill levy of 50 mills is authorized by this Service Plan to support the debt service of the District, subject to the limitation of the Maximum Total Mill Levy. No initial debt service mill levy is anticipated. (see **Exhibit F**, Financial Plan).

E. Operations and Maintenance Mill Levy

A maximum mill levy of 60 mills is authorized by this Service Plan to support the operations and maintenance of District services and public improvements, subject to the

limitation of the Maximum Total Mill Levy. No initial operations and maintenance mill levy is anticipated (see **Exhibit F**, Financial Plan).

F. District Expenditures

The estimated cost of public improvements for the District is Three Million Twenty Thousand Dollars (\$3,020,000). **Exhibit D** includes, in current dollars, the estimated cost of each public improvement, together with an explanation of the methods, basis, and/or assumptions used to establish such costs. This amount does not include the value of cash contributions or capital improvements donated to the District from Ponderosa.

The District will require operating funds to plan and cause the public improvements contemplated herein to be constructed, operated, and maintained as permitted herein. Such costs are expected to include reimbursement of organizational costs, legal, engineering, accounting, bond issuance costs, and compliance with State budgeting, audit, and reporting, and other administrative and legal requirements. The organizational costs for the District for legal, engineering, surveying, and accounting services are estimated to be One Hundred and Fifty Thousand Dollars (\$150,000). The first year's operating budget is estimated to be Two Hundred Thirty-Seven Thousand Dollars (\$237,000).

G. Debt

1. Debt Limitation

The total debt limit for the District is eight million dollars (\$8,000,000), inclusive of costs of issuance, inflation, and other similar costs. For purposes of this Service Plan, debt shall be considered any outstanding bonds, notes, contracts or other multiple fiscal year financial obligations of the District payable in whole or in part from *ad valorem* taxes or other revenues of the District for the purposes of financing, acquiring, constructing, or improving any of the public improvements contemplated herein. The debt limit shall not be increased unless approved by the County and as permitted by statute and the Colorado Constitution. Any change in debt limit shall be considered a material modification of the Service Plan, subject to the provisions of Section XIII of this Service Plan. The maximum term of any bond issue, including refunding and refinancing, shall be thirty (30) years from the original date of issuance.

2. Maximum Voted Interest Rate and Maximum Underwriting Discount

The interest rate on any debt is limited to the market rate at the time debt is issued. In the event of a default, the maximum voted interest rate on any debt shall not exceed twelve percent (12%). The maximum underwriting discount shall be five percent (5%). Debt, when issued, shall comply with all relevant requirements of this Service Plan, State law, and Federal law as is then applicable to the issuance of public securities.

XI. ADVANCES, REIMBURSEMENTS AND CONTRIBUTIONS

A. Advances and Reimbursements

The Colorado Baptist General Convention d/b/a Ponderosa Retreat & Conference Center (“**Ponderosa**”) provided the initial funding for the organization of the District. Ponderosa anticipates being reimbursed the full organizational costs from the District at some point in the future. The interest rate on such reimbursement, if any, will be negotiated between the District and Ponderosa, but in no event shall exceed the Bond Buyer 20-Bond GO Index plus 4% in effect at the time an agreement between the two parties is created.

The District also expects to receive advances from Ponderosa for the ongoing operation and maintenance of the District, in an amount to be determined in the future. These advances may also be subject to repayment.

Any advances shall be subordinate to the District’s general obligation bonds and refinancing of the same shall not require County approval. Any advances for which the District has discretion to repay shall not constitute “debt” and shall not count toward the District’s total debt limit. The total advances for organizational costs are anticipated to be One Hundred Fifty Thousand Dollars (\$150,000). Other future advances for District expenses, including operations and maintenance, are not currently known. Contributions, which will not be repaid by the District, are anticipated to be Two Hundred Seventy-Five Thousand Dollars (\$275,000) in cash donation, plus donated improvements in value of approximately Eight Hundred Ninety Thousand Dollars (\$890,000) in 2014 depreciated value.

B. Contributions

Ponderosa intends to donate to the District the existing capital infrastructure currently owned by the Ponderosa used to provide water to the Ponderosa Retreat & Conference Center and the Bald Mountain Estates. This infrastructure includes two water wells, pumps and motors, treatment facility, and all of the distribution pipelines. The estimated value of this intended donation is approximately Fifty Thousand Dollars (\$50,000) in 2014 depreciated value for the existing capital infrastructure, an expense which would otherwise be borne by the District’s rate payers.

Ponderosa will also donate to the District the existing wastewater treatment plant, collection system, and appurtenant facilities used to treat wastewater generated by the Ponderosa Retreat & Conference Center, with an estimated value of Eight Hundred Forty-Eight Thousand Dollars (\$848,000).

Ponderosa also anticipates making a cash donation to the formation and operation of the District and construction costs of approximately Two Hundred Seventy-Five Thousand Dollars (\$275,000).

In sum, the total amount of donated capital and cash contributions is approximately One Million One Hundred Seventy-Three Thousand Dollars (\$1,173,000).

XII. ANNUAL REPORT

The District shall be responsible for submitting an annual report to the County no later than March 31 of each year in accordance with the procedures set forth in C.R.S. § 32-1-207(3)(c) and (d), as amended. The annual report shall conform to the format attached hereto as **Exhibit L**, or in a format agreed to by the County.

XIII. MODIFICATION OF SERVICE PLAN

Pursuant to C.R.S. § 32-1-207, as amended, the District shall obtain prior written approval of the County before making any material modification to this Service Plan. Material modifications require a Service Plan amendment and include modifications of a basic or essential nature, including, but not limited to, the following: any addition to the types of services provided by the District; a decrease in the level of services; a decrease in the financial ability of the District to discharge the existing or proposed indebtedness; or a decrease in the existing or projected need for organized service in the area. Inclusion of property that is located in a county or municipality with no other territory within the District may constitute a material modification of the Service Plan.

In the event the District plans to undertake an action that may constitute a change of a basic or essential nature to this Service Plan, it shall be the District's responsibility to contact County staff to seek an administrative determination as to whether the proposed action constitutes a change of a basic or essential nature to this Service Plan. If County staff determines that the action constitutes a change of a basic or essential nature, the District shall submit a proposal for action to the Board of County Commissioners. Thereafter, the Board of County Commissioners will determine whether the proposed action constitutes a material modification. If the Board of County Commissioners determines that the proposed action constitutes a material modification, then the action shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

XIV. DISCLOSURE STATEMENT

The District shall record a public disclosure document and map as required by C.R.S. § 32-1-104.8, as amended. In addition to the statutory requirements, such disclosure statement shall also provide information concerning the structure of the Board and summarize how purchasers may participate in the affairs of the Board. The disclosure statement shall be recorded as required by statute.

XV. DISSOLUTION

It shall be mandatory for the District to initiate dissolution proceedings when the District has neither any financial obligations nor operations and maintenance obligations.

The District may file a petition in the district court for dissolution when there are no financial obligations or outstanding bonds, or any such financial obligations or outstanding bonds are adequately secured by escrow funds or securities meeting the investment requirements in C.R.S. §§ 24-75-601, *et seq.*, as amended. The District's dissolution shall be subject to approval of a plan of dissolution in the district court of the County, pursuant to C.R.S. § 32-1-704, as amended.

XVI. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Board: the Board of Directors of the District

Board of County Commissioners: the Board of County Commissioners of Douglas County, Colorado

Control Act: Part 2 of Title 32 (Special Districts) of the Colorado Revised Statutes (C.R.S.), which outlines review procedures for service plans for a special district

County: Douglas County, Colorado

Debt: any bond, note, debenture, contract, or other multiple-year financial obligation of the District

Developer: There is no "developer" for Ponderosa or Bald Mountain; any reference to a "developer" in this Service Plan has been replaced with the "Organizer" of the District.

District: the Bald Mountain Metropolitan District

District Boundaries: the boundaries of the area described in the legal description attached hereto as **Exhibit B**

District Boundary Map: the map attached hereto as **Exhibit C**, showing the District's boundaries

Financial Plan: the Financial Plan described in Section X and attached as **Exhibit F**, which describes: (a) how the public improvements are to be financed; (b) how the debt is expected to be incurred; and (c) the estimated operating revenue derived from property taxes for the first budget year.

General Obligation Bond: bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy

Maximum Debt Service Mill Levy: the maximum mill levy the District is permitted to impose for payment of debt as set forth in Section X.D

Maximum Operations and Maintenance Mill Levy: the maximum mill levy the District is permitted to impose for the payment of operating and maintenance expenses as set forth in Section X.E

Maximum Total Mill Levy: the maximum mill levy the District is permitted to impose for the payment of debt as set forth in Section X.D. and operating and maintenance expenses as set forth in Section X.E.

Organizer: The Organizer of the District is Ponderosa, which is the owner of the majority of the real property within the District.

Project: the area including the Ponderosa Retreat & Conference Center and the Bald Mountain Estates

Public Improvements: the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, and financed as generally described in the Special District Act to serve the future taxpayers and inhabitants of the District as determined by the Board of the District

Revenue Bond: bonds issued by the District to finance a specific project, the income from which will be used for repaying District bonds.

Service Plan: the service plan for the District approved by the Board of County Commissioners

Special District Act: C.R.S. §§ 32-1-101, *et seq.*, as amended

State: the State of Colorado

XVII. RESOLUTION OF APPROVAL

The District incorporates the Board of County Commissioner's resolution approving this Service Plan into this Service Plan to be presented to the district court attached hereto as **Exhibit G**.

XVIII. STATUTORY FINDINGS AND CONCLUSIONS

It is submitted that this Service Plan for the District, as required by C.R.S. § 32-1-203, as amended, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be served by the District;

The existing water service in the area to be served by the District is currently provided by an aging private water system owned and operated by Ponderosa. This water

system provides water to Ponderosa and also to approximately 40 single-family homes in Bald Mountain Estates. Both Ponderosa and the single-family homes in Bald Mountain Estates will require immediate water service from the District.

The District projects additional water service to the approximately 12 vacant and buildable lots in Bald Mountain Estates that are expected to have single-family homes at some point in the future, and also to Ponderosa as it may expand its facilities in the future.

The wastewater system currently serves Ponderosa and is in need of repairs to ensure compliance with State and Federal law. It is not currently anticipated that this plant will be expanded to provide service to customers other than Ponderosa, although this could be possible in the future.

2. The existing service in the area to be served by the District is inadequate for present and projected needs;

The existing service in the area to be served by the District is currently provided by an aging and inadequate privately owned water system. The water system suffers regular water line breaks, lacks adequate water flow for fire protection, and lacks proper metering to track domestic water use. The existing water service is inadequate to support the existing and future water requirements of the current or future residences in Bald Mountain Estates and Ponderosa.

The sewer treatment plant's settling lagoon suffers from groundwater issues affecting its liner and thus impacting its ability to properly settle and discharge treated water. The service provided by the plant is unsatisfactory for current needs and for any future increase in effluent.

3. The District is capable of providing economical and sufficient service to the area within its boundaries;

The District is capable of providing economical and sufficient service to the area within its boundaries. The new water system will be able to serve all of the existing and future customers located within the District as well as providing increased fire protection. As a modern system, the operational costs should be reduced and the system is expected to last a minimum of 30 years, if not more.

The projected costs of water service is comparable to neighboring water providers of similar size and the property tax increase, if necessary, is in line with what is required to build the needed capital improvements and to operate the District.

The repaired sewer treatment plant will be able to provide economical and sufficient service to the Ponderosa. There are no other sewer treatment options in the area.

4. The area to be included in the District has, or will have, the financial ability to discharge the indebtedness on a reasonable basis.

The area to be included in the District is composed largely of real property owned by Ponderosa, a not-for-profit entity, and is thus property tax exempt. The District will generate revenue from water service fees, rates, tolls and charges imposed on its customers, through the imposition of an *ad valorem* mill levy as needed, and through a contractual agreement with Ponderosa.

The contractual agreement with Ponderosa will generally consist of an agreement between the District and Ponderosa for the funding by Ponderosa of any shortfalls in the District's operation and maintenance or debt service revenue requirements. This agreement will contemplate repayment to Ponderosa at some point in the future if and when the District has adequate revenue generated from other sources to repay these advances, plus interest.

5. Adequate service is not, or will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

There is no other water supplier or wastewater treatment facility in the area willing and able to provide water service to Ponderosa and Bald Mountain Estates at a cost equal to or less than the costs expected to be borne by the District.

6. The facility and service standards of the District are compatible with the facility and service standards of each county within which the District is to be located and each municipality which is an interested party under C.R.S. § 32-1-204(1), as amended.

The facilities to be owned and constructed by the District will be compatible with and comparable to the facilities and service standards of Douglas County.

7. The proposal is in substantial compliance with the Douglas County Comprehensive Master Plan, as amended, adopted pursuant to C.R.S. § 30-28-106, as amended.

The proposal for the District is in substantial compliance with the Douglas County Comprehensive Master Plan.

The property within the District is not Urban Land Use (Section 2); or a Rural Community (as listed in Section 4). The property within the District is general "nonurban". Nonurban uses are intended to help protect and preserve the rural character, heritage, and wildlife habitat. Nonurban land uses are generally low-intensity activities including farming, ranching, large lot residential, limited-service commercial, parks and open space.

The property within the District is nonurban in character. The Ponderosa is a large acreage conference facility with 577 acres protected by a conservation easement that is purposefully intended to provide its visitors with a mountain and nonurban experience. The District and the services it will provide will not change or modify the lands existing

nonurban character.

The District does not intend to provide any transportation or other types of community services.

Water Supply (Section 8) is provided by Denver Basin groundwater located within the Central Basin. The District's water supply meets and exceeds all Douglas County water supply requirements for the number of current and future customers.

The District does not expect to have any new impact on Environmental Quality (Section 9) other than the installation of a below ground water storage tank, which will cause minimal impact to a localized area.

The District does not expect to have any new impact on Wildlife (Section 10). The creation of the District and the installation of the capital improvements will only have a temporary impact on wildlife that may be disrupted during construction, but should fully recover following construction completion. Further, as noted above, 577 acres of the property within the District is subject to a conservation easement to provide wildlife protection and habitat.

8. The proposal is in compliance with the regional Clean Water Plan, as amended; and

The District's water service is consistent with the regional Clean Water Plan. The District does not create any new sources of wastewater or stormwater discharge and the majority of land overlying the District's groundwater sources is subject to a conservation easement.

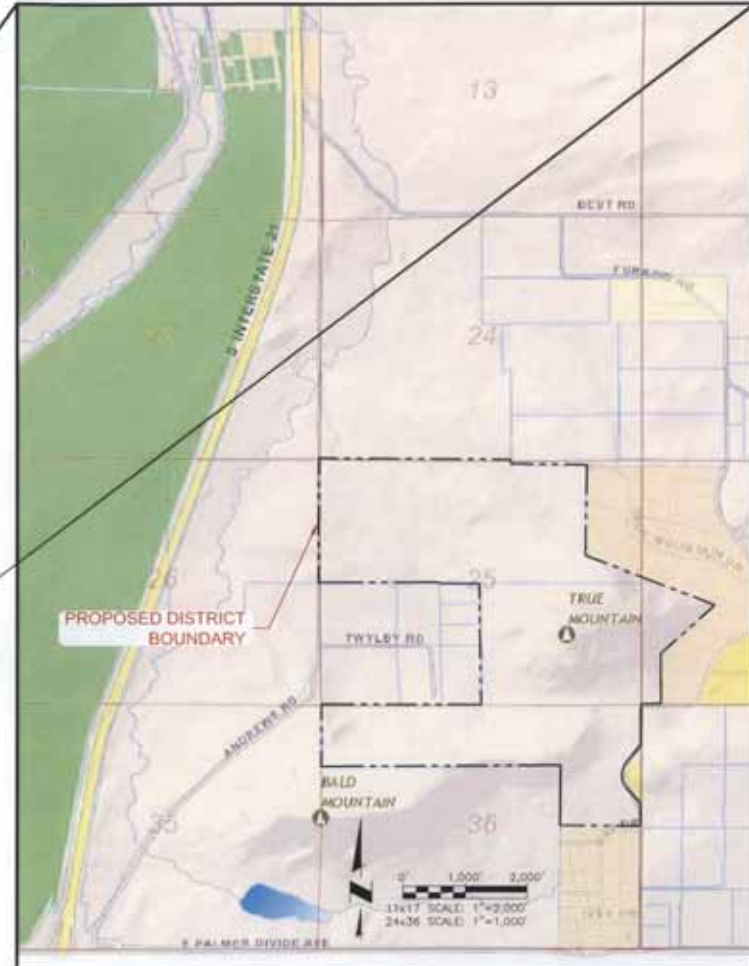
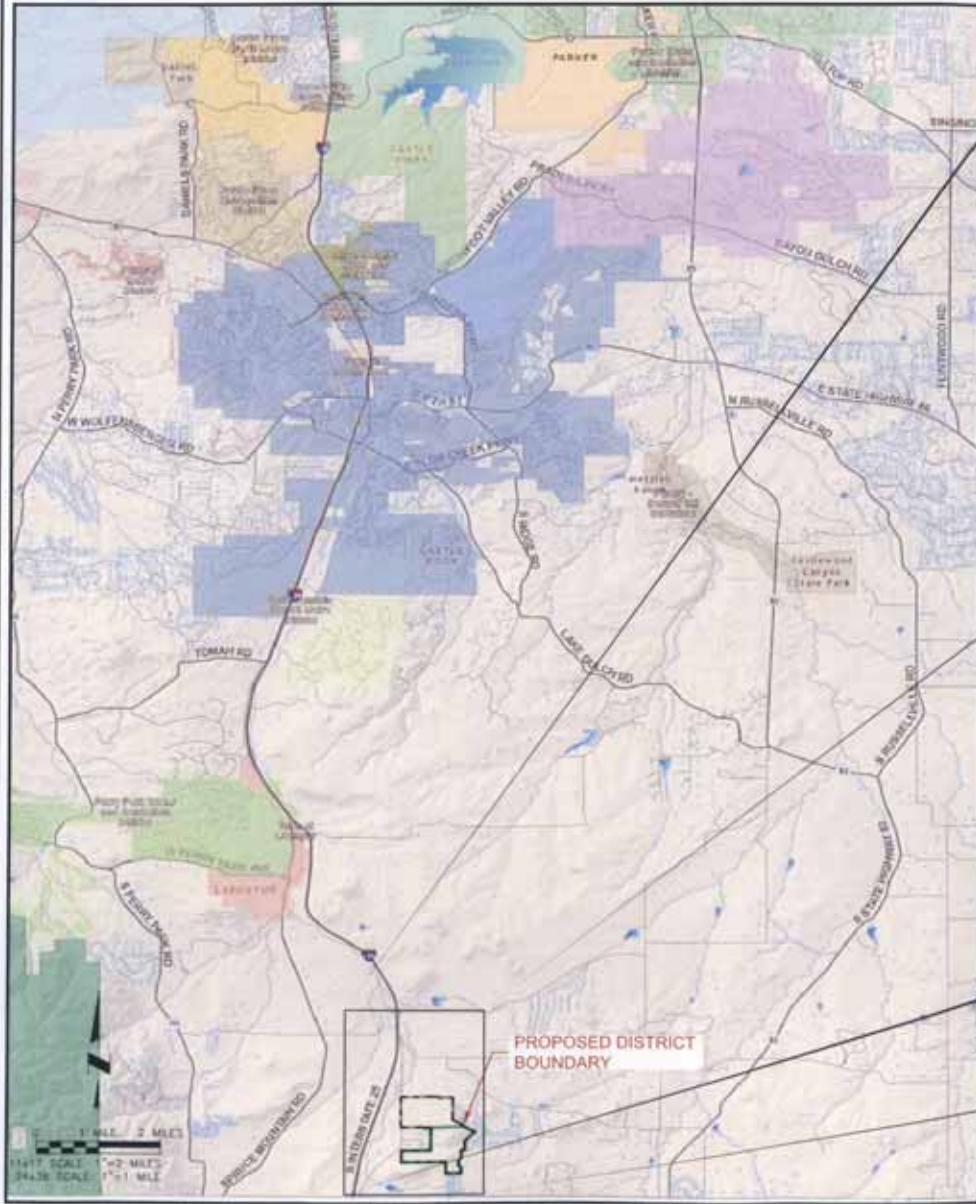
9. The creation of the District will be in the best interests of the area to be served.

There is no other viable alternative to provide the proposed services in this area. The Ponderosa can no longer afford the financial burden associated with the operation of a private water system and wastewater treatment plant. More importantly, the creation of the District will ensure a perpetual governmental entity, rather than a private land owner, is responsible for providing essential services which provides assurance to the District's customers of the availability of these services in the future.

Exhibit A

Vicinity Map

BALD MOUNTAIN METROPOLITAN DISTRICT - VICINITY MAP



BALD MOUNTAIN METROPOLITAN DISTRICT

JDS-HYDRO
CONSULTANTS, INC.
545 EAST PIKES PEAK AVENUE, SUITE 300
COLORADO SPRINGS, COLORADO 80903
(719) 227-0072

VICINITY MAP

Project No: 204-03
Scale: AS NOTED
Date: 07/17/14
Design: RAB
Drawn: RAB
Check: DCS
Reviewed:

Exhibit B

Legal Description

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED WITHIN SECTIONS 25 AND 36, TOWNSHIP 10 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN AND IN SECTION 30, TOWNSHIP 10 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 25 FROM WHICH THE WEST $\frac{1}{4}$ CORNER OF SAID SECTION 25 BEARS S00°17'26"E (BASIS OF BEARING), 2647.52 FEET; THENCE N89°27'51"W, 2647.78 FEET FROM SAID NORTHWEST CORNER OF SAID SECTION 25 ALONG THE NORTH LINE OF THE NORTHWEST $\frac{1}{4}$ OF SAID SECTION 25 TO THE NORTH $\frac{1}{4}$ CORNER OF SAID SECTION 25;

THENCE N89°33'23"E, 512.31 FEET ALONG THE NORTH LINE OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 25 TO A POINT BEING THE NORTHWEST CORNER OF THAT 3.79 ACRE TRACT OF LAND AS DESCRIBED IN QUIT CLAIM DEED RECORDED IN BOOK 849 AT PAGE 919 OF THE RECORDS OF DOUGLAS COUNTY, COLORADO;

THENCE S00°37'23"E, 73.02 FEET ALONG THE WEST LINE OF SAID 3.79 ACRE TRACT OF LAND TO THE SOUTHWEST CORNER THEREOF;

THENCE S89°11'08"E, 1245.54 FEET ALONG THE SOUTH LINE OF SAID 3.79 ACRE TRACT OF LAND TO THE NORTHWEST CORNER OF TRUE MOUNTAIN ESTATES, A SUBDIVISION RECORDED UNDER RECEPTION NUMBER 131414 OF THE RECORDS OF DOUGLAS COUNTY, COLORADO;

THE FOLLOWING FOUR CALLS ARE ALONG THE WEST LINE OF SAID TRUE MOUNTAIN ESTATES;

THENCE S00°47'14"W, 1939.24 FEET;

THENCE S64°02'11"E, 2386.25 FEET;

THENCE S41°26'01"W, 1387.05 FEET;

THENCE S00°05'25"W, 1079.84 FEET, TO THE SOUTHWEST CORNER OF SAID TRUE MOUNTAIN ESTATES AND ON THE SOUTH LINE OF THE SOUTHWEST $\frac{1}{4}$ OF SAID SECTION 30;

THENCE N89°51'38"W, 307.97 FEET ALONG THE SOUTH LINE OF THE SOUTHWEST $\frac{1}{4}$ OF SAID SECTION 30 TO THE SOUTHWEST CORNER THEREOF, THE SOUTHEAST CORNER OF SAID SECTION 25 AND THE NORTHEAST CORNER OF SAID SECTION 36;

THENCE S00°17'46"E, 953.54 FEET ALONG THE EAST LINE OF THE NORTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 36 TO THE NORTH CORNER OF THAT ADDITIONAL TRACT OF LAND AS DESCRIBED IN THAT DEED RECORDED IN BOOK 154 AT PAGE 271 OF THE RECORDS OF DOUGLAS COUNTY, COLORADO, SAID TRACT OF LAND ALSO BEING THE EAST BOUNDARY LINE OF COUNTY ROAD ALSO KNOWN AS FURROW ROAD;

THE FOLLOWING THREE CALLS ARE ALONG THE EAST BOUNDARY LINE OF SAID COUNTY ROAD:

THENCE S29°39'10"W, 320.90 FEET TO A POINT OF CURVE TO THE LEFT;

THENCE SOUTHWESTERLY, SOUTHERLY AND SOUTHEASTERLY, 676.71 FEET ALONG THE ARC OF SAID CURVE TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 611.90 FEET, A CENTRAL ANGLE OF 63°21'52" AND BEING SUBTENDED BY A CHORD THAT BEARS S33°46'43"E, 642.75 FEET;

THENCE S33°46'43"E, 253.20 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 36;

THENCE S00°17'46"E, 601.31 FEET ALONG THE EAST LINE OF THE SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 36 TO THE EAST $\frac{1}{4}$ CORNER OF SAID SECTION 36;

THENCE S89°55'02"W, 1318.51 FEET ALONG THE SOUTH LINE OF THE SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 36 TO THE SOUTHWEST CORNER THEREOF AND ALONG THE NORTH LINE OF BALD MOUNTAIN ESTATES, A SUBDIVISION RECORDED UNDER RECEPTION NUMBER 108871 OF THE RECORDS OF DOUGLAS COUNTY, COLORADO;

THENCE N00°13'08"W, 1328.15 FEET ALONG THE WEST LINE OF THE SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 36 TO THE NORTHWEST CORNER THEREOF;

THENCE S88°14'31"W, 1316.55 FEET ALONG THE SOUTH LINE OF THE NORTHWEST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 36 TO THE SOUTHWEST CORNER THEREOF;

THENCE S88°49'33"W, 2640.87 FEET ALONG THE SOUTH LINE OF THE NORTH $\frac{1}{4}$ OF THE NORTH $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF SAID SECTION 36 TO THE SOUTHWEST CORNER THEREOF;

THENCE N00°13'52"W, 1302.30 FEET ALONG THE WEST LINE OF THE NORTHWEST $\frac{1}{4}$ OF SAID SECTION 36 TO THE NORTHWEST CORNER OF SAID SECTION 36;

THENCE N88°35'39"E, 2643.54 FEET ALONG THE NORTH LINE OF THE NORTHWEST $\frac{1}{4}$ OF SAID SECTION 36 TO THE NORTH $\frac{1}{4}$ CORNER OF SAID SECTION 36 AND THE SOUTH $\frac{1}{4}$ CORNER OF SAID SECTION 25;

THENCE N00°13'48"W, 2627.18 FEET ALONG THE WEST LINE OF THE SOUTHEAST $\frac{1}{4}$ OF SAID SECTION 25 TO THE CENTER OF SAID SECTION 25;

THENCE S89°01'25"W, 2644.84 FEET ALONG THE SOUTH LINE OF THE NORTHWEST $\frac{1}{4}$ OF SAID SECTION 25 TO THE WEST $\frac{1}{4}$ CORNER OF SAID SECTION 25;

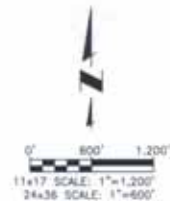
THENCE N00°17'26"W, 2647.52 FEET ALONG THE WEST LINE OF THE NORTHWEST $\frac{1}{4}$ OF SAID SECTION 25 TO THE NORTHWEST CORNER OF SAID SECTION 25 AND THE POINT OF BEGINNING.

AREA - 658.35 ACRES, MORE OR LESS

Exhibit C-1

District Boundary Map

PROPOSED DISTRICT BOUNDARY EXHIBIT



JDS-HYDRO
CONSULTANTS, INC.
545 EAST PIKES PEAK AVENUE, SUITE 300
COLORADO SPRINGS, COLORADO 80903
(719) 227-0072

**BALD MOUNTAIN METROPOLITAN DISTRICT
PROPOSED DISTRICT BOUNDARY
EXHIBIT**

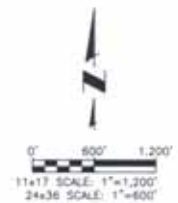
Project No:	204.03
Scale:	AS NOTED
Date:	07/17/14
Design:	MM
Drawn:	MM
Check:	DES
Revised:	

1
of 1

Exhibit C-2

District Water Service Boundary Map

PROPOSED WATER SERVICE BOUNDARY EXHIBIT



JDS-HYDRO
CONSULTANTS, INC.
545 EAST PIKES PEAK AVENUE, SUITE 300
COLORADO SPRINGS, COLORADO 80903
(719) 227-0072

BALD MOUNTAIN METROPOLITAN DISTRICT
PROPOSED WATER SERVICE BOUNDARY

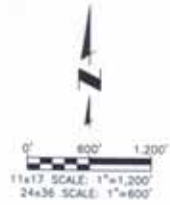
EXHIBIT

Project No.: 204.03
Scale: AS NOTED
Date: 07/17/14
Design: RMM
Drawn: RMM
Check: DES
Revised:

Exhibit C-3

Potential Future Inclusion Area

POTENTIAL FUTURE INCLUSION AREA



JDS-HYDRO
CONSULTANTS, INC.
545 EAST PIKES PEAK AVENUE, SUITE 300
COLORADO SPRINGS, COLORADO 80903
(719) 227-0072

BALD MOUNTAIN METROPOLITAN DISTRICT
POTENTIAL FUTURE INCLUSION AREA

EXHIBIT

Project No:	204.03
Scale:	AS NOTED
Date:	07/31/14
Design:	RAM
Drawn:	RAM
Check:	DES
Revised:	

Exhibit D

Cost of Improvements

PRELIMINARY ENGINEERING PLAN FOR WATER SERVICE TO PROPOSED SPECIAL DISTRICT

A. Background

The proposed special district at this time is intended to provide at least water and sewer service within the proposed district boundaries. In addition, the special district will also continue water service to the adjacent Bald Mountain Estates subdivision under the existing and binding “Protective Covenant” with the Colorado Southern Baptist Assembly Association. The proposed service boundary is shown in the attached Map of Contractual Water Service Boundary. The proposed special district will not provide sewer service to the adjacent Bald Mountain Estates subdivision at this time, and the residential homes in this development will remain on septic wastewater systems (Individual Sewage Disposal Systems – ISDS). The formation of the proposed special district will require improvements to the following facilities in order to provide competent water and wastewater service to its constituents: replacement of the existing distribution system to Bald Mountain Estates; rehabilitation or replacement of existing Southern Well (No. 35247-F) due to elevated radionuclide; and improvements to the existing wastewater treatment plant.

The existing tenants of the Ponderosa Retreat and Conference Center and constituents of the adjacent Bald Mountain Estates development are served by a very rudimentary water distribution system which is limited in many aspects. The current system is served by two groundwater wells. These two wells include the South Well #1 (Permit no. 35247-F) and North Well #2 (Permit no. 018191-F). South Well #1 has a permitted and physical capacity of 30 gpm, while the north well has a permitted and physical capacity of 50 gpm. Both wells are treated at their respective well heads using sodium hypochlorite and then discharged into the distribution system. System pressure and equalizing storage is maintained at the existing 25,000 gallon storage tank above the existing Ponderosa Retreat and Conference Center (PRCC). From there the existing PRCC facilities and Bald Mountain Estates are served potable water out of the “floating” distribution system. Bald Mountain Estates is actually served below the PRCC through a 6” transmission line from the 25,000 gallon storage tank. The 6” transmission line runs through a master meter vault to monitor all water sent from the PRCC wells and tank to the Bald Mountain Estates. From the master meter the transmission line necks down to a series of 2” and 1.5” HDPE distribution lines which serve the roughly 41 existing homes within the Bald Mountain Estates residential community. Only 2 of the existing 41 residents within Bald Mountain Estates are actually equipped with residential meters which can monitor individual residential usage. The existing distribution system is over 50-years old, prone to substantial leaks and service tap failures, cannot provide sufficient fire flow to residents that would meet the requirements of the Larkspur fire department, and cannot monitor individual water usage at each residents. The proposed improvements required to provide adequate water service to the proposed District and adjacent subdivision would address these deficiencies and are described in the next section.

One of the two wells mentioned above (South Well #1) has recently exceeded its average annual maximum contaminant level for combined radium 226/228. In addition, the South Well has also shown elevated levels of Gross Alpha. At the moment, Ponderosa is not using the South Well #1 to serve the Conference Center or the adjacent Bald Mountain Estates development. Providing a

treatment or blending alternative to reduce Gross Alpha and Combined Radium 226/228 discharged from South Well #1 will need to be added to the proposed improvements which will be financed by the proposed special district. In addition, the proposed special district will also need to consider an alternative water source drilled into a deeper Denver Basin Aquifer. The new well would allow the proposed district access to nontributary Denver Basin water (which the District is entitled to per the next section) which would ensure a second reliable long term high quality groundwater source.

The existing wastewater plant currently serves only the existing Ponderosa Retreat and Conference Center (and will serve all constituents within the proposed district boundaries). The existing wastewater treatment plant provides a hydraulic capacity of 21,500 GPD with an organic capacity of 40 lb BOD₅ / day. Treatment is achieved via preliminary organic solids settling using two septic tanks, a recirculating sand filter to provide secondary treatment, sodium hypochlorite injection to achieve pathogen removal in the effluent, an equalizing storage pond, and then land application of all treated effluent to achieve adequate nitrogen and phosphorous removal. However, the existing effluent holding pond has been impacted by extensive groundwater migration beneath the liner. Subsequently, the liner has experienced the historic formation of bubbles and “whalebacks” in the liner. The formation of these subsurface bubbles reduces the holding capacity of the pond while stressing the original liner materials. The proposed special district will need to either rehabilitate the existing pond by providing sub-surface drains to evacuate the entrapped groundwater below the liner or relocate the pond altogether.

B. General Descriptions of the Proposed Facilities

The proposed improvements to the existing distribution system, water sources, and wastewater plant as part of the proposed special district formation are designed to address the deficiencies of the existing facilities as described above. The proposed facilities will be able to provide the following services to the constituents of the proposed special district and Bald Mountain Estates customers at a minimum:

1. Sufficient fire flow - at the “worst case” fire hydrant in the development the improved distribution system will be able to provide 1,500 gpm over 60 minutes at a residual water pressure of 25.4 psi. This is adequate according to the presiding fire protection district, the Larkspur Fire Department.
2. Sufficient service pressures – the proposed improvements will be able to deliver potable water to all constituents at service pressures ranging between 80 psi to 110 psi, depending upon local topography.
3. Ability to monitor and bill each constituent – the proposed improvements will feature a ¾” manually read water meter as part of each individual homeowner’s water service package.
4. Reliable water service – the new distribution system will be constructed of pvc water mains and pex water service piping which are resistant to corrosion. Also, all water lines and services will be buried in excess of 7’ which will help guard against frost development and frozen lines.

5. Ability to isolate line breaks – the proposed water facilities will feature numerous “isolation valves”. These valves will enable the operator to isolate line breaks from the rest of the system so that water service to the majority of the constituent will remain uninterrupted while maintenance is performed on identified breaks or repairs.
6. Operating fire hydrants – the existing fire hydrants are undersized and do not provide enough fire flow to provide adequate fire protection or usage for the local fire department. The proposed improvements will include functional fire hydrants at adequately spaced locations for use by the local fire department within the existing Bald Mountain Estates development.
7. Provision of blending valve and vault – will reduce the discharge of Gross Alpha and Radium 226/228 into the distribution system. The blending vault would blend raw water from the North Well #2 with raw water from the South Well #1 in order to meet CDPHE MCL limits for all radionuclide contaminants before chlorination and entry into the distribution system. The blending valve and vault would allow the proposed special district to meet radionuclide levels at the south well without having to employ an expensive treatment process.
8. Construction of a new Denver Basin Aquifer well – as described in the water resources section of this report the proposed special district will have access to significant Denver Basin water below the proposed district boundary. Drilling a new nontributary well to either the Denver, Arapahoe, or Laramie-Fox Hills aquifer will allow the proposed district a second reliable, long term, high quality groundwater source that can be used to extinction.
9. Rehabilitation or relocation of existing wastewater storage pond – the proposed district could either provide a comprehensive underdrain system with liner replacement to alleviate groundwater migration below the existing pond or relocate the existing pond all together. Either alternative would mitigate the formation of bubbles and “whalebacks” in the liner, subsequently returning the ponds original storage capacity while relieving stress on the new liner.

The proposed facilities which will be constructed as part of the formation of the proposed special district will include the following superstructures (for an aerial view of the proposed improvements please see the Proposed Infrastructure Drawing in the Appendices):

Table 1 – Proposed Water District Distribution System Facilities

Facilities within the existing Ponderosa Retreat and Conference Center property

1. Well #1 South – Permit #35247-F (Existing – donated by Ponderosa)
2. Well #2 North – Permit #1819-F (Existing – donated by Ponderosa)
3. Cast-In-Place 110,000 gallon equalizing storage tank
4. 200 LF of 12” PVC water main (transmission line from tank to Ponderosa Grounds)
5. 1,400 LF of 8” PVC water main (western transmission line from Ponderosa to Bald Mountain Estates tie-in point)
6. (3) 12” Gate Valves
7. (3) 8” Gate Valves
8. (3) Fire hydrant assemblies
9. (1) 6” connection to existing master meter

10. (10) fittings (tees, bends, etc.)
11. Wastewater effluent storage pond (rehabilitation / relocation)

Facilities within the existing Bald Mountain Estates Development

1. 2,700 LF of 8" PVC water main (distribution piping replacement – trunk line)
2. 6,600 LF of 6" PVC water main (distribution piping replacement – laterals)
3. (10) 8" Gate Valves
4. (14) 6" Gate Valves
5. (15) Fire Hydrant Assemblies
6. (41) Residential meter pits and ¾" meters
7. (41) 1" Service Lines
8. Repaving of existing drives within Bald Mountain Estates

Well Rehabilitation / Replacement Facilities (within the existing PRCC)

1. Blending valve, vault, and manifold piping
2. Deep Denver Basin well

Of the proposed improvements and facilities listed above the repaving of existing drives impacted by the construction of the proposed water mains (i.e. Ray Drive, Landers Drive, Simmons Drive, Cagle Drive, and Ivey Drive). The proposed water main down Furrow Drive is within an existing dirt road ROW and is not anticipated to be repaved. The proposed installation of new fire hydrants could also be considered a local improvement in regards to usage by the Larkspur Fire Department.

C. Construction Standards

The proposed special district infrastructure facilities and regional improvements would be implemented according to the following construction standards:

1. The proposed finished water storage tank will be designed and constructed according to Chapter 7 of the State of Colorado's Design Criteria for Potable Water Systems by the Colorado Department of Public Health and Environment – September 1, 2013
2. The proposed distribution system will be designed and constructed according to Chapter 8 of the State of Colorado's Design Criteria for Potable Water Systems by the Colorado Department of Public Health and Environment – September 1, 2013
3. The proposed blending vault will be designed and constructed according to Section 4.11 of the State of Colorado's Design Criteria for Potable Water Systems by the Colorado Department of Public Health and Environment – September 1, 2013
4. The proposed deep Denver Basin well will be designed and constructed according to Chapter 3 of the State of Colorado's Design Criteria for Potable Water Systems by the Colorado Department of Public Health and Environment – September 1, 2013 and the State of Colorado's Division of Water Resources Rules and Regulations for Water Well Construction, Pump Installation, Cistern Installation, and Monitoring and Observation Well Construction.
5. The proposed rehabilitation or relocation of the existing effluent storage pond would be designed and constructed according to Chapter 8 of the State of Colorado's Design

Criteria for Domestic Wastewater Treatment Works by the Colorado Department of Public Health and Environment – September 15, 2012 latest edition

6. The existing wastewater plant has already been reviewed and approved by Douglas County under a wastewater utility plan procedure in 2001. The proposed rehabilitation or relocation of the effluent storage pond will not impinge upon the WWTP's ability to meet all of the requirements of the Denver Regional Council of Government's Clean Water Plan. All design, permitting, and construction activities required for the pond's rehabilitation will meet all the requirements of the DRCOG's latest version of the Clean Water Plan (June 17, 1998 with amendments up to January 2006).
7. Repaving of impacted roads will be designed and constructed according to the Douglas County Roadway Design and Construction Standards by the Douglas County Department of Public Works – Updated June 21, 2013
8. All trenching and backfilling of proposed distribution lines within Douglas County right-of-ways will be specified, designed, and constructed according to the Douglas County Roadway Design and Construction Standards by the Douglas County Department of Public Works – Updated June 21, 2013
9. All fire hydrants provided as part of the distribution system upgrades shall meet all the requirements of the Larkspur Fire Protection District.

D. Compatibility of Facilities and Services with the County.

The proposed special district infrastructure facilities are located in an area where there are not many consolidated water or sewer services. In addition, the existing development and PPRC campgrounds are in a rather rural area of the county, just north of the El Paso County boundary. Other than the adjacent True Mountain and Assembly Court developments (which are served by individual septic and residential wells) there are no other county or local government water facilities within a reasonable distance of the proposed special district. At this time there are no plans to incorporate or serve the adjacent developments with the proposed infrastructure improvements. However, the proposed special district is located within a quarter of a mile to the north and east of the Woodmoor Water and Sanitation District (located in adjacent El Paso County). The proposed water distribution system will include a stub which can be used as an emergency interconnect to the Woodmoor Water and Sanitation District across County Line Road if both District's develop an IGA for emergency water sharing in the future.

E. List of Total Costs of Proposed Improvements and Assumptions

The proposed improvements estimated construction costs and associated permitting, engineering, and contingency expenses are provided below in Table 2.

Table 2 – Construction, Permitting, Engineering, and Contingency Costs for Proposed Water Distribution Infrastructure Improvements (See Table 1 for quantities)

Facilities within the existing Ponderosa Retreat and Conference Center property

Item	Quantity	Unit Cost	Total Cost
1. Well #1 South	1 EA	\$ 0.00	\$ 0.00
2. Well #2 North	1 EA	\$ 0.00	\$ 0.00
3. 110,000 gallon storage tank	1 EA	\$ 450,000.00	\$ 450,000.00
4. 12" PVC transmission line	600 LF	\$ 100.00	\$ 60,000.00
5. 12" PVC water main	200 LF	\$ 40.00	\$ 8,000.00
6. 8" PVC water main	1,400 LF	\$ 35.00	\$ 49,000.00
7. 12" gate valves	3 EA	\$ 3,500.00	\$ 10,500.00
8. 8" gate valves	3 EA	\$ 2,750.00	\$ 8,250.00
9. Fire Hydrant Assemblies	3 EA	\$ 2,500.00	\$ 7,500.00
10. 6" Connection to master meter	1 LS	\$ 10,000.00	\$ 10,000.00
11. Fittings (tees, bends, etc.)	10 EA	\$ 250.00	\$ 2,500.00
TOTAL			\$ 605,750.00

Facilities within the existing Bald Mountain Estates Development

Item	Quantity	Unit Cost	Total Cost
1. 8" PVC water main	2,700 LF	\$ 35.00	\$ 94,500.00
2. 6" PVC water main	6,600 LF	\$ 25.00	\$ 165,000.00
3. 8" gate valves	10 EA	\$ 2,750.00	\$ 27,500.00
4. 6" gate valves	14 EA	\$ 2,000.00	\$ 28,000.00
5. Fire Hydrant Assemblies	15 EA	\$ 4,000.00	\$ 60,000.00
6. Meter pits and meters	41 EA	\$ 2,200.00	\$ 90,200.00
7. 1" PE Service Lines	41 EA	\$ 2,000.00	\$ 82,000.00
8. Radio Meter Read Sys.	1 LS	\$ 40,000.00	\$ 40,000.00
9. Fittings (tees, bends, etc.)	15 EA	\$ 200.00	\$ 3,000.00
10. Repaving	1 LS	\$ 150,000.00	\$ 150,000.00
11. Permitting (Douglas County)	1 LS	\$ 125,000.00	\$ 125,000.00
TOTAL			\$ 865,200.00

CONSTRUCTION SUBTOTAL **\$ 1,470,950.00**

Engineering (7%) **\$ 102,967.00**

Contingencies (10%) **\$ 147,095.00**

WATER DISTRIBUTION PROJECT TOTAL **\$ 1,721,012.00**

South Well Improvements / Replacements (within the PRCC property)

Item	Quantity	Unit Cost	Total Cost
1. Blending valve / vault / piping	1 EA	\$ 90,000.00	\$ 90,000.00
2. Denver Basin well	1 EA	\$422,000.00	\$ 422,000.00
TOTAL			\$ 512,000.00
CONSTRUCTION SUBTOTAL			\$ 512,000.00
Engineering / Permitting (7%)			\$ 35,840.00
Contingencies (10%)			\$ 51,200.00
SOUTH WELL PROJECT TOTAL			\$ 599,040.00

Table 3 – Construction, Permitting, Engineering, and Contingency Costs for Proposed Wastewater Infrastructure Improvements (See Table 1 for quantities)

Item	Quantity	Unit Cost	Total Cost
1. Pond Dirt work	1 LS	\$ 206,000.00	\$ 206,000.00
2. Underdrain System	1 LS	\$ 32,600.00	\$ 32,600.00
3. New Pond Liner	57,500 SF	\$ 1.20	\$ 69,000.00
4. Irrigation Pump Station	1 LS	\$ 37,000.00	\$ 37,000.00
5. Lower 4" Effluent Line	3,000 LF	\$ 50.00	\$ 150,000.00
6. General Requirements	1 LS	\$ 62,500.00	\$ 62,500.00
7. Miscellaneous	1 LS	\$ 44,000.00	\$ 44,000.00
TOTAL			\$ 601,000.00
Engineering / Permitting / Administration / Testing			\$ 39,000.00
Construction Contingencies (10% of Construction Cost)			\$ 60,000.00
SEWER PROJECT TOTAL			\$ 700,000.00

F. Donated Facilities

It should be noted that the Ponderosa Retreat and Conference Center will be donating all existing wet utility infrastructure to the proposed District. This infrastructure generally includes the following facilities:

- Wastewater Treatment Facility – including recirculating sand filter for secondary treatment, liquid disinfection facility, effluent storage pond, effluent line, electrical components, and irrigation system for additional nutrient treatment. Of note, the existing effluent pond and a portion of the effluent line needs to be replaced as described above in Table 3.
- Wastewater Collections System – including septic tanks, lift station with biofilter, force main, collection line, and associated services
- South Well #1 – including well, pump, and chlorination system. Of note, the existing South Well #1 structure needs to be supplemented with additional blending treatment to reduce elevated radionuclide issues.

- North Well #2 – including well, pump, and chlorination system
- 25,000 gallon storage tank – though the proposed District intends to construct a second 110,000 gallon storage tank the existing storage tank can be kept online for supplemental fire suppression storage.
- Master meter – including vault and new master meter
- The existing distribution system is not included for consideration as it will need to be replaced in it's entirety.

The proposed donated facilities do hold some current depreciated value in relation to their original depreciated investment value. These values are shown below in Table 4. In addition, a more detailed breakdown of each facility's year of construction, estimated life span of useful life, original depreciated component costs, estimated depreciation, and final depreciated value are shown in Appendix 1 to this Exhibit.

Table 4 – Depreciated Value of Wet Utility Infrastructure to be donated to the proposed District from the PRCC

<u>Item</u>	<u>2014 Depreciated Value</u>
South Well #1	\$ 21,000
North Well #2	\$ 20,475
25,000 gallon storage tank	\$ 3,165
Master Meter to Bald Mountain Estates	\$ 4,987
Wastewater Treatment Plant	\$ 442,761
Wastewater Collections System	\$ 405,292
TOTAL 2014 DEPRECIATED VALUE OF ASSETS	\$ 897,680

Table 4
Depreciated Value of System Components

Item	Year Installed	Effective Year	Quantity	Unit Cost	Replacement Value	Useful Life	Years of Depreciation	Depreciation	Depreciated Value
Water Facilities									
Source of Supply									
South Well #1 - Well & Casing	1967	1967	1	\$27,778.00	\$27,778	40	47	\$32,639	\$0
South Well #1 - Equipment	2014	2014	1	\$10,000.00	\$10,000	15	0	\$0	\$10,000
South Well #1 - Treatment Facility	2011	2011	1	\$12,500.00	\$12,500	25	3	\$1,500	\$11,000
Total Depreciated Value of Facility									\$21,000
North Well #2 - Well and Casing	1975	1975	1	\$59,017.20	\$59,017	40	39	\$57,542	\$1,475
North Well #2 - Equipment	2011	2011	1	\$10,000.00	\$10,000	15	3	\$2,000	\$8,000
North Well #2 - Treatment Facility	2011	2011	1	\$12,500.00	\$12,500	25	3	\$1,500	\$11,000
Total Depreciated Value of Facility									\$20,475
Storage									
25,000 gallon buried Tank	1967	1967	1	\$52,750.00	\$52,750	50	47	\$49,585	\$3,165
Total Depreciated Value of Facility									\$3,165
Instrumentation and Control									
Master Meter to Bald Mountain (Vault)	1967	1967	1	\$7,500.00	\$7,500	40	47	\$8,813	\$0
Master Meter to Bald Mountain (Meter)	2010	2010	1	\$6,800.00	\$6,800	15	4	\$1,813	\$4,987
Total Depreciated Value of Facility									\$4,987
Wastewater Facilities									
Wastewater Plant									
Recirculating Sand Filter	2005	2005	1	\$227,453.00	\$227,453	25	9	\$81,883	\$145,570
Effluent Pond ¹	2005	2005	1	\$141,885.00	\$141,885	25	9	\$51,079	\$0
Disinfection Facility	2005	2005	1	\$12,632.00	\$12,632	25	9	\$4,548	\$8,084
Electrical - I/C	2005	2005	1	\$109,152.00	\$109,152	25	9	\$39,295	\$69,857
Effluent Line (LF) ²	2005	2005	1655	\$21.64	\$35,806	40	9	\$8,056	\$27,750
Sprinkler System	2005	2005	1	\$50,000.00	\$50,000	20	9	\$22,500	\$27,500
Irrigation Field	2005	2005	1	\$200,000.00	\$200,000	50	9	\$36,000	\$164,000
Total Depreciated Value of Facility									\$442,761
Wastewater Collections System									
Lift Station	2005	2005	1	\$76,793.13	\$76,793	25	9	\$27,646	\$49,148
Biofilter Equipment for Lift Station	2005	2005	1	\$23,415.01	\$23,415	15	9	\$14,049	\$9,366
Septic Tanks	2005	2005	1	\$179,098.71	\$179,099	30	9	\$53,730	\$125,369
Cleanouts (EA)	2005	2005	44	\$692.46	\$30,468	40	9	\$6,855	\$23,613
Tie-ins (EA)	2005	2005	15	\$1,956.87	\$29,353	40	9	\$6,604	\$22,749
Bio-Filter Water Service	2005	2005	1	\$4,021.27	\$4,021	40	9	\$905	\$3,116
4" PVC Service / Collection line (LF)	2005	2005	3462	\$30.81	\$106,665	40	9	\$24,000	\$82,665
4" PVC Gravity Main (LF)	2005	2005	1355	\$32.77	\$44,398	40	9	\$9,990	\$34,409
4" Fittings (EA)	2005	2005	130	\$53.70	\$6,981	40	9	\$1,571	\$5,411
4' Diameter Manhole (EA)	2005	2005	11	\$2,469.24	\$27,162	25	9	\$9,778	\$17,383
18" PVC (LF)	2005	2005	41	\$60.08	\$2,463	40	9	\$554	\$1,909
4" Irrigation Line (LF)	2005	2005	285	\$27.78	\$7,916	40	9	\$1,781	\$6,135
3" PVC Force Main (LF)	2005	2005	881	\$26.87	\$23,672	40	9	\$5,326	\$18,346
3" Fittings (EA)	2005	2005	10	\$110.52	\$1,105	40	9	\$249	\$857
3" Mag Meter (EA)	2005	2005	1	\$6,216.71	\$6,217	15	9	\$3,730	\$2,487
4" Mag Meter (EA)	2005	2005	1	\$5,826.10	\$5,826	15	9	\$3,496	\$2,330
Total Depreciated Value of Facility									\$405,292
TOTAL 2014 DEPRECIATED VALUE OF ALL ASSETS									\$897,680

Notes: 1 - Depreciated value of the effluent pond is \$0 since it has failed and needs to be replaced.

2 - Approximately 2,967 LF of the effluent line needs to be lowered. The depreciated value of the remaining 1,655 LF which will remain has been presented.

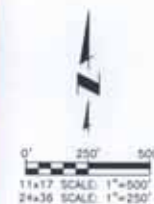
Exhibit E

Map of Improvements

PROPOSED DISTRICT BOUNDARY AND IMPROVEMENTS



- LEGEND:**
- PROPOSED DISTRICT BOUNDARY:
 - PROPOSED WATER LINES:
 - PROPOSED FIRE HYDRANT: ⦿
 - PROPOSED VALVE: ⊗
 - EXISTING WATER LINES:



JDS-HYDRO
 CONSULTANTS, INC.
 545 EAST PIKES PEAK AVENUE, SUITE 300
 COLORADO SPRINGS, COLORADO 80903
 (719) 227-0072

BALD MOUNTAIN METROPOLITAN DISTRICT
 PROPOSED DISTRICT BOUNDARY
 AND IMPROVEMENTS
 EXHIBIT

Project No.: 2004.03
 Scale: AS NOTED
 Date: 07/17/14
 Design: RMM
 Drawn: RMM
 Check: JCS
 Revised:

Exhibit F

Financial Plan

BALD MOUNTAIN METROPOLITAN DISTRICT

FORECASTED SURPLUS CASH BALANCES
AND
CASH RECEIPTS AND DISBURSEMENTS

JULY 10, 2014

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Accountant's Report

The Petitioners for Formation of
Bald Mountain Metropolitan District
Douglas County, Colorado

We have compiled the accompanying forecasted surplus cash balances and cash receipts and disbursements of Bald Mountain Metropolitan District (the "District") (in the Formation Stage of Development) for the Enterprise Fund and Debt Service Fund as of the date of formation and for the 21 subsequent calendar years ending through 2035 (the "forecast") in accordance with attestation standards established by the American Institute of Certified Public Accountants (the "AICPA").

A compilation is limited to presenting in the form of a forecast; information that is the representation of the District's Board of Directors and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying schedules or assumptions. However, we did become aware of a departure from the guidelines for presentation of a forecast established by the AICPA, which is described in the following paragraph. Furthermore, because events and circumstances frequently do not occur as expected, there will usually be differences between the forecasted and actual results, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

As discussed in Note 3, the forecast is presented on the cash basis of accounting, whereas the historical financial statements for the forecast period are expected to be presented in conformity with generally accepted accounting principles on the accrual basis for government wide statements and the modified accrual basis for individual fund financial statements for all funds of the District by fund type. Guidelines for presentation of a forecast established by the AICPA require disclosure of the differences resulting from the use of a different basis of accounting in the forecast than that expected to be used in the historical financial statements for the period. Accordingly, if the AICPA presentation guidelines were followed, the titles in the forecast would indicate that the presentation reflects the following: surplus cash balances and the cash received and disbursed rather than net assets or fund balances and the revenue and expenses or expenditures that would be recognized under generally accepted accounting principles based on the accrual basis and the modified accrual basis of accounting.

Colorado Springs, Colorado
XXXXXX xx, 2014

Preliminary Draft - Subject to Revision

BALD MOUNTAIN METROPOLITAN DISTRICT (In the Formation Stage of Development)

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

ENTERPRISE AND DEBT SERVICE FUNDS ONLY

SUMMARY

ENTERPRISE FUND

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2035

Year	Cash Disbursements										Cash Balances				
	Advances from Ponderosa	Advances from Ponderosa for Sewer Operations	Water Service Fees (See page 3)	Water Standby Fees (See page 3)	Total Cash Receipts	Water Operations Costs 1.00% (See page 4)	Water Purchase from Ponderosa (See page 4)	Sewer Operations Costs 1.00%	Administrative Costs 1.00%	Transfer to Debt Service Fund (See page 2)	Total Cash Disbursements	Annual Excess Cash (Deficit)	Cumulative Excess Cash Balances	Required Cash Balance (1)	Year
2015	124,108	55,000	100,752	4,608	284,468	60,000	22,250	55,000	50,000	50,406	237,656	46,812	46,812	46,813	2015
2016	121,648	55,550	101,753	4,654	283,605	60,600	22,473	55,550	50,500	94,014	283,136	468	47,280	47,281	2016
2017	126,112	56,106	102,771	4,700	289,689	61,206	22,697	56,106	51,005	98,202	289,216	473	47,753	47,754	2017
2018	130,473	56,667	103,794	4,748	295,682	61,818	22,924	56,667	51,515	102,280	295,204	478	48,231	48,231	2018
2019	134,714	57,234	104,841	4,795	301,584	62,436	23,153	57,234	52,030	106,248	301,101	482	48,714	48,713	2019
2020	138,865	57,806	105,880	4,843	307,394	63,060	23,385	57,806	52,550	110,106	306,907	487	49,201	49,200	2020
2021	142,891	58,384	106,949	4,892	313,116	63,691	23,619	58,384	53,076	113,854	312,624	492	49,693	49,692	2021
2022	146,827	58,968	108,011	4,941	318,747	64,328	23,855	58,968	53,607	117,492	318,250	497	50,189	50,190	2022
2023	145,144	59,558	109,096	4,990	318,788	64,971	24,094	59,558	54,143	115,520	318,286	502	50,691	50,691	2023
2024	148,968	60,154	110,186	5,040	324,348	65,621	24,334	60,154	54,684	119,048	323,841	507	51,198	51,198	2024
2025	152,692	60,756	111,282	5,090	329,820	66,277	24,578	60,756	55,231	122,466	329,308	512	51,711	51,710	2025
2026	150,797	61,364	112,400	5,141	329,702	66,940	24,823	61,364	55,783	120,274	329,184	517	52,228	52,228	2026
2027	154,410	61,978	113,523	5,193	335,104	67,609	25,072	61,978	56,341	123,582	334,582	522	52,750	52,750	2027
2028	152,422	62,598	114,652	5,244	334,917	68,285	25,322	62,598	56,904	121,280	334,389	528	53,278	53,277	2028
2029	155,927	63,224	115,804	5,296	340,251	68,968	25,575	63,224	57,473	124,478	339,718	533	53,811	53,810	2029
2030	175,005	63,856	116,961	5,350	361,171	69,658	25,831	63,856	58,048	143,240	360,633	538	54,349	54,348	2030
2031	183,796	64,495	118,135	5,403	371,829	70,355	26,089	64,495	58,628	151,718	371,285	544	54,893	54,892	2031
2032	181,370	65,140	119,320	5,458	371,288	71,059	26,350	65,140	59,214	148,976	370,739	548	55,441	55,441	2032
2033	189,955	65,791	120,510	5,512	381,769	71,770	26,614	65,791	59,806	157,234	381,215	554	55,995	55,995	2033
2034	187,325	66,449	121,711	5,567	381,052	72,488	26,880	66,449	60,404	154,272	380,493	560	56,555	56,555	2034
2035	197,092	67,113	122,930	5,623	392,758	73,213	27,149	67,113	61,008	163,710	392,193	565	57,120	57,121	2035
	3,240,541	1,278,191	2,341,262	107,087	6,967,081	1,394,353	517,068	1,278,191	1,161,950	2,558,399	6,909,961	57,120			

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BALD MOUNTAIN METROPOLITAN DISTRICT

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

ENTERPRISE AND DEBT SERVICE FUNDS ONLY

SUMMARY

DEBT SERVICE FUND

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2035

Year	Surcharge (See page 5)	Advances from Conference Center for Sewer Debt	Transfers from General Fund (To page 1)	Total Cash Receipts	Cumulative Cash Available for Debt Service	Net Debt Service on 2015 CWRPDA Loan (See page 6)	Debt Coverage Ratio	Total Cash Disburse- ments and Net Transfers	Cash Balances		Year
									Annual Excess Cash (Deficit)	Cumulative Excess Cash Balances	
2015	15,674	40,400	50,406	106,480	106,480	96,800	110.0%	96,800	9,680	9,680	2015
2016	15,674	46,732	94,014	156,420	166,100	142,200	110.0%	142,200	14,220	23,900	2016
2017	15,674	46,064	98,202	159,940	183,840	145,400	110.0%	145,400	14,540	38,440	2017
2018	15,674	45,396	102,280	163,350	201,790	148,500	110.0%	148,500	14,850	53,290	2018
2019	15,674	44,728	106,248	166,650	219,940	151,500	110.0%	151,500	15,150	68,440	2019
2020	15,674	44,060	110,106	169,840	238,280	154,400	110.0%	154,400	15,440	83,880	2020
2021	15,674	43,392	113,854	172,920	256,800	157,200	110.0%	157,200	15,720	99,600	2021
2022	15,674	42,724	117,492	175,890	275,490	159,900	110.0%	159,900	15,990	115,590	2022
2023	15,674	42,056	115,520	173,250	288,840	157,500	110.0%	157,500	15,750	131,340	2023
2024	15,674	41,388	119,048	176,110	307,450	160,100	110.0%	160,100	16,010	147,350	2024
2025	15,674	40,720	122,466	178,860	326,210	162,600	110.0%	162,600	16,260	163,610	2025
2026	15,674	40,052	120,274	176,000	339,610	160,000	110.0%	160,000	16,000	179,610	2026
2027	15,674	39,384	123,582	178,640	358,250	162,400	110.0%	162,400	16,240	195,850	2027
2028	15,674	38,716	121,280	175,670	371,520	159,700	110.0%	159,700	15,970	211,820	2028
2029	15,674	38,048	124,478	178,200	390,020	162,000	110.0%	162,000	16,200	228,020	2029
2030	-	37,380	143,240	180,620	408,640	164,200	110.0%	164,200	16,420	244,440	2030
2031	-	36,712	151,718	188,430	432,870	171,300	110.0%	171,300	17,130	261,570	2031
2032	-	36,044	148,976	185,020	446,590	168,200	110.0%	168,200	16,820	278,390	2032
2033	-	35,376	157,234	192,610	471,000	175,100	110.0%	175,100	17,510	295,900	2033
2034	-	34,708	154,272	188,980	484,880	171,800	110.0%	171,800	17,180	313,080	2034
2035	-	32,640	163,710	196,350	509,430	178,500	110.0%	178,500	17,850	330,930	2035
	235,111	846,720	2,558,399	3,640,230		3,309,300		3,309,300	330,930		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BALD MOUNTAIN METROPOLITAN DISTRICT
(In the Formation Stage of Development)

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
ENTERPRISE AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED TAP FEES, WATER SERVICE FEES AND STANDBY FEES

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2035

Year	Water Service Fees					Standby Fees		Total Standby Fee Revenue (To page 1)	Year
	Cumulative Number of Residential Units	Monthly Water Service Fee \$120	Annual Homeowner Water Service Fees	Monthly Water Service Fee to Conference Center (2)	Annual Conference Center Water Service Fees	Total Water Service Fee Revenue (To page 1)	Cumulative Number of Vacant Lots	Monthly Standby Fee \$32	
2014	(1) 44.5	1.00%		1.00%			12	1.00%	2014
2015	44.5	120.00	64,080	3,056	36,672	100,752	12	32.00	2015
2016	44.5	121.20	64,721	3,086	37,032	101,753	12	32.32	2016
2017	44.5	122.41	65,367	3,117	37,404	102,771	12	32.64	2017
2018	44.5	123.63	66,018	3,148	37,776	103,794	12	32.97	2018
2019	44.5	124.87	66,681	3,180	38,160	104,841	12	33.30	2019
2020	44.5	126.12	67,348	3,211	38,532	105,880	12	33.63	2020
2021	44.5	127.38	68,021	3,244	38,928	106,949	12	33.97	2021
2022	44.5	128.65	68,699	3,276	39,312	108,011	12	34.31	2022
2023	44.5	129.94	69,388	3,309	39,708	109,096	12	34.65	2023
2024	44.5	131.24	70,082	3,342	40,104	110,186	12	35.00	2024
2025	44.5	132.55	70,782	3,375	40,500	111,282	12	35.35	2025
2026	44.5	133.88	71,492	3,409	40,908	112,400	12	35.70	2026
2027	44.5	135.22	72,207	3,443	41,316	113,523	12	36.06	2027
2028	44.5	136.57	72,928	3,477	41,724	114,652	12	36.42	2028
2029	44.5	137.94	73,660	3,512	42,144	115,804	12	36.78	2029
2030	44.5	139.32	74,397	3,547	42,564	116,961	12	37.15	2030
2031	44.5	140.71	75,139	3,583	42,996	118,135	12	37.52	2031
2032	44.5	142.12	75,892	3,619	43,428	119,320	12	37.90	2032
2033	44.5	143.54	76,650	3,655	43,860	120,510	12	38.28	2033
2034	44.5	144.98	77,419	3,691	44,292	121,711	12	38.66	2034
2035	44.5	146.43	78,194	3,728	44,736	122,930	12	39.05	2035
			1,489,166		852,096	2,341,262			107,087

(1) Assumes contiguous lots containing one vacant and one residential lot to be billed at 1.5 times the residential rate.

(2) Assumes Conference Center uses approximately 1/3 of the water distributed by the District and only pays for the cost of operating the water system and administrative fees.

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BALD MOUNTAIN METROPOLITAN DISTRICT
(In the Formation Stage of Development)

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
ENTERPRISE AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED WATER PURCHASE COSTS FROM PONDEROSA

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2035

Year	Cumulative Number of Residential Units	Annual Water Purchase Per Home \$500	Total Water Purchase Fees/Costs (To page 1)
Inflation		1.00%	
2014	44.5		22,250
2015	44.5	500.00	22,473
2016	44.5	505.00	22,697
2017	44.5	510.05	22,924
2018	44.5	515.15	23,153
2019	44.5	520.30	23,385
2020	44.5	525.50	23,619
2021	44.5	530.76	23,855
2022	44.5	536.07	24,094
2023	44.5	541.43	24,334
2024	44.5	546.84	24,578
2025	44.5	552.31	24,823
2026	44.5	557.83	25,072
2027	44.5	563.41	25,322
2028	44.5	569.04	25,575
2029	44.5	574.73	25,831
2030	44.5	580.48	26,089
2031	44.5	586.28	26,350
2032	44.5	592.14	26,614
2033	44.5	598.06	26,880
2034	44.5	604.04	27,149
2035	44.5	610.08	517,068

(1) Assumes contiguous lots containing one vacant and one residential lot to be billed at 1.5 times the residential rate.

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BALD MOUNTAIN METROPOLITAN DISTRICT
(In the Formation Stage of Development)

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

ENTERPRISE AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED SURCHARGES

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2035

Homeowners Portion of Water System Improvements

Meter pits and meter	90,200
1' PE service lines	82,000
	<u>172,200</u>
Engineering (7%)	12,054
Contingencies (10%)	17,220
	<u>201,474</u>

Per homeowner (1)	5,302
Water Resource Fee	-
	<u>5,302</u>

Rounded 5,300

Year	Annual Homeowner Surcharge Payments			Outstanding Balance	Total Annual Surcharges (To page 2)
	Principal	Interest 2.00%	Total		
2015	11,646	4,028	15,674	189,754	15,674
2016	11,879	3,795	15,674	177,875	15,674
2017	12,117	3,557	15,674	165,758	15,674
2018	12,359	3,315	15,674	153,399	15,674
2019	12,606	3,068	15,674	140,793	15,674
2020	12,858	2,816	15,674	127,935	15,674
2021	13,115	2,559	15,674	114,820	15,674
2022	13,378	2,296	15,674	101,442	15,674
2023	13,645	2,029	15,674	87,797	15,674
2024	13,918	1,756	15,674	73,878	15,674
2025	14,196	1,478	15,674	59,682	15,674
2026	14,480	1,194	15,674	45,202	15,674
2027	14,770	904	15,674	30,432	15,674
2028	15,065	609	15,674	15,367	15,674
2029	15,367	307	15,674	-	15,674
	201,400	33,711	235,111		235,111

Annual payments per homeowner 412

(1) 38 homeowners without meters, excluding home owned by Colorado Baptist General Convention

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BALD MOUNTAIN METROPOLITAN DISTRICT
(In the Formation Stage of Development)

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
ENTERPRISE AND DEBT SERVICE FUNDS ONLY

**SCHEDULE of ESTIMATED COLORADO WATER RESOURCES AND POWER
DEVELOPMENT AUTHORITY 2015 LOAN DEBT SERVICE REQUIREMENTS**
AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2035:

2015 CWRPDA Loan						
Dated: June 1, 2015		June 1, 2015		\$2,896,000		
Issued: June 1, 2015				Principal payments due on Dec. 1,		
Interest Rate:				2.00%		
Year	Principal	Coupon	Interest	Total 2015 CWRPDA Loan Debt Service (To page 2)	Loan Principal Remaining	Year
2015	70,000	2.000%	26,800	96,800	2,826,000	2015
2016	90,000	2.000%	52,200	142,200	2,736,000	2016
2017	95,000	2.000%	50,400	145,400	2,641,000	2017
2018	100,000	2.000%	48,500	148,500	2,541,000	2018
2019	105,000	2.000%	46,500	151,500	2,436,000	2019
2020	110,000	2.000%	44,400	154,400	2,326,000	2020
2021	115,000	2.000%	42,200	157,200	2,211,000	2021
2022	120,000	2.000%	39,900	159,900	2,091,000	2022
2023	120,000	2.000%	37,500	157,500	1,971,000	2023
2024	125,000	2.000%	35,100	160,100	1,846,000	2024
2025	130,000	2.000%	32,600	162,600	1,716,000	2025
2026	130,000	2.000%	30,000	160,000	1,586,000	2026
2027	135,000	2.000%	27,400	162,400	1,451,000	2027
2028	135,000	2.000%	24,700	159,700	1,316,000	2028
2029	140,000	2.000%	22,000	162,000	1,176,000	2029
2030	145,000	2.000%	19,200	164,200	1,031,000	2030
2031	155,000	2.000%	16,300	171,300	876,000	2031
2032	155,000	2.000%	13,200	168,200	721,000	2032
2033	165,000	2.000%	10,100	175,100	556,000	2033
2034	165,000	2.000%	6,800	171,800	391,000	2034
2035	175,000	2.000%	3,500	178,500	216,000	2035
2,680,000		629,300		3,309,300		
USE OF PROCEEDS:						
Project fund (Option A)						
Relocate WWTP Effluent Pond						
South well blending						
New Denver Basin well						
Donation						
Organizational costs						
Insurance Costs						
Reimbursement of issuance costs						
Contingency						
				-		
				2,896,000		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

**BALD MOUNTAIN METROPOLITAN DISTRICT
(In the Formation Stage of Development)**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES**

JULY 10, 2014

NOTE 1) NATURE AND LIMITATION OF FORECAST

This forecast of financial information is for the purpose of a financial analysis of the proposed plan of Bald Mountain Metropolitan District (the "District") (in the Formation Stage of Development). It is to display how the proposed facilities and services are to be provided and financed.

This financial forecast presents, to the best knowledge and belief of the Management of the District, the District's expected cash position and results of cash receipts and disbursements for the forecast period for the Enterprise Fund and Debt Service Fund. Accordingly, the forecast reflects Management's judgment, as of July 8, 2014, the date of this forecast, of the expected conditions within the District and the District's expected course of action.

The assumptions disclosed herein are those that Management believes are significant to the forecast; however, they are not all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast is expressed in terms of 2014 dollars, with adjustments for inflation related to the operations costs and administrative disbursements are expected to increase 1% compounded annually.

NOTE 2) ORGANIZATION

The Petitioners for the formation of the District, a quasi-municipal corporation, is in the process of organization. The District will be governed pursuant to provisions of the Colorado Special District Act (Title 32). The Districts will operate under a service plan approved by Douglas County (the "County"). The District's service area is located entirely in the County. The District is being established to finance, construct and operate a replacement water system that can reliably provide water service to Bald Mountain Estates ("Bald Mountain") and the Ponderosa Retreat & Conference Center ("Ponderosa"). The District will also own and operate a small wastewater treatment facility that serves Ponderosa, and provide other public services as appropriate.

**BALD MOUNTAIN METROPOLITAN DISTRICT
(In the Formation Stage of Development)**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES**

JULY 10, 2014

NOTE 2) ORGANIZATION (Continued)

Formation of the District is intended to be timed to allow for the proper legislative, judicial and election process to be completed in order for the District's electors to be able to vote for the authorization of debt and TABOR questions in November 2014. The Petitioners expect the favorable approval at the election since they constitute the majority of the current eligible electors within the proposed District's boundaries.

NOTE 3) PETITIONERS / BOARD OF DIRECTORS

The Petitioner for Formation of the District is the Colorado Baptist General Convention d/b/a Ponderosa Retreat & Conference Center which owns the property included within the boundaries of the District.

NOTE 4) BASIS OF ACCOUNTING

The basis of accounting for this forecast is the cash basis, which is a basis of accounting that is different from that required by the generally accepted accounting principles under which the District will prepare its financial statements.

NOTE 5) WATER AND SEWER OPERATING REVENUE

Water Service Fees

The forecast assumes an annual rate increase in service fees of 1%. Annual service fee revenue is based on the cumulative SFE's expected to be connected to the water system.

Sewer Service Fees

The forecast assumes an annual rate increase in service fees of 1%. Annual service fee revenue is based on the amount of the estimated annual sewer operating costs.

**BALD MOUNTAIN METROPOLITAN DISTRICT
(In the Formation Stage of Development)**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES**

JULY 10, 2014

NOTE 6) STANDBY FEES

The forecast assumes an annual rate increase in standby fees of 1%. Annual standby fees revenue is based on the cumulative number of vacant lots within the Bald Mountain.

NOTE 7) SURCHARGE

It is anticipated that the District will finance and install certain improvements for the benefit of the homeowners in Bald Mountain. These costs are anticipated to be repaid to the District over a fifteen year period at an annual interest rate of 2.00%.

NOTE 8) OPERATING COSTS

Annual operating costs for the water and sewer system are included in the forecast increasing for inflation by 1% per year throughout the term of the forecast.

NOTE 9) ADMINISTRATIVE COSTS

Administrative costs include the services necessary to maintain the District's administrative viability such as legal, management, accounting and audit, general engineering, insurance, banking, meeting expense, and other administrative expenses.

NOTE 10) INFRASTRUCTURE IMPROVEMENTS

The estimated cost of the capital infrastructure improvements to be funded under this Plan is \$3,021,000. The forecast assumes that Ponderosa will advance or contribute \$275,000 toward the total cost of the infrastructure.

**BALD MOUNTAIN METROPOLITAN DISTRICT
(In the Formation Stage of Development)**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES**

JULY 10, 2014

NOTE 11) CONFERENCE CENTER ADVANCES

The forecast assumes that Ponderosa will make certain advances to fund operation and administrative costs as well as the debt service related to certain sewer infrastructure in excess of the amount received from the sale of water to the residents of the Bald Mountain. The estimated amounts and timing of these advances are shown on the Summary pages of the forecast. Any advances made shall be subordinate to the District's bonds and will be repaid subject to the terms and conditions as contained in an Advance and Reimbursement Agreement anticipated to be entered into with Ponderosa. This forecast does not reflect this repayment obligation, only the receipt of the advances.

NOTE 12) DEBT SERVICE

The District anticipates issuing Colorado Water Resources and Power Development Authority ("CWRPDA") Bonds on June 1, 2015, in the amount of \$2,896,000. The proceeds from the sale of the Bonds will be used for the purposes of (i) paying for the costs of capital infrastructure improvements (ii) reimbursing for the costs to organize the District; and (iii) paying costs of issuance of the Bonds.

The Bonds are assumed to bear interest at 2.00%, payable semi-annually on June 1 and December 1, beginning on December 1, 2015. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2015. The Bonds mature on December 1, 2035.

The Bonds are secured by and payable solely from Pledged Revenue, which includes water service fees, contributions from Ponderosa, the residential surcharge, and any other legally available moneys of the District credited to the Bond Fund.

The Bonds are further secured by the cumulative excess cash requirement with the CWRPDA Bonds, which is to be maintained at a debt coverage ratio of 110.0%. The Bonds further require that the District maintain an operating cash balance equal to three months of operating and administrative expenditures.

This information should be read in connection with the accompanying Accountant's
Report and forecast of financial information.

Exhibit G

Resolution of Approval

RESOLUTION NO. R-013- _____

THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO

A RESOLUTION APPROVING THE SERVICE PLAN OF

WHEREAS, on [INSERT DATE], a service plan for the proposed [INSERT NAME OF DISTRICT] ("Service Plan") was filed with the Douglas County Clerk and Recorder ("Clerk"), and the Clerk, on behalf of the Board of County Commissioners ("Board"), mailed a Notice of Filing of Special District Service Plan to the Division of Local Government in the Department of Local Affairs on [INSERT DATE]; and

WHEREAS, on [INSERT DATE], the Douglas County Planning Commission recommended approval of the Service Plan to the Board; and

WHEREAS, on [INSERT DATE], the Board set a public hearing on the Service Plan for [INSERT DATE] ("Public Hearing"), and (1) ratified publication of the notice of the date, time, location and purpose of such Public Hearing, which was published in *The Douglas County News-Press* on [INSERT DATE]; and (2) caused notice of the date, time and location of the Public Hearing to be mailed on [INSERT DATE], to the governing body of the existing municipalities and special districts which have levied an *ad valorem* tax within the next preceding tax year and which have boundaries within a radius of three miles of the proposed boundaries of [INSERT NAME OF DISTRICT] ("District") and, on [INSERT DATE], to the petitioners and to the property owners, pursuant to the provisions of § 32-1-204(1.5), C.R.S.; and

WHEREAS, on [INSERT DATE], a Public Hearing on the Service Plan was opened at which time all interested parties, as defined in § 32-1-204, C.R.S., were afforded an opportunity to be heard, and all testimony and evidence relevant to the Service Plan and the organization of the proposed District was heard, received and considered.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS, STATE OF COLORADO, THAT:

Section 1. The Board does hereby determine that all procedural requirements of §§ 32-1-201, *et seq.*, C.R.S., relating to the Service Plan have been fulfilled and that the Board has jurisdiction in the matter.

Section 2. The Board does hereby find:

(a) that there is sufficient existing and projected need for organized service in the area to be serviced by the proposed District; and

(b) that the existing service in the area to be served by the proposed District is inadequate for present and projected needs; and

(c) that the proposed District is capable of providing economical and sufficient service to the area within the proposed boundaries; and

(d) that the area to be included in the proposed District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis; and

(e) that adequate service is not, or will not be, available to the area through Douglas County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis; and

(f) that the facility and service standards of the proposed District are compatible with the facility and service standards of Douglas County and each municipality which is an interested party under § 32-1-204, C.R.S.; and

(g) that the proposal is in substantial compliance with the Douglas County Comprehensive Master Plan; and

(h) that the proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and

(i) that the creation of the proposed District will be in the best interests of the area proposed to be served; and

(j) that the Service Plan, based upon the statements set forth in the Service Plan and upon all evidence presented at the Public Hearing on the Service Plan, meets all conditions and requirements of §§ 32-1-201, *et seq.*, C.R.S.

Section 3. The Board hereby approves the Service Plan without conditions; provided, however, that such action shall not imply the approval of any land development activity within the proposed District or its service area, or of any specific number of buildable units identified in the Service Plan, unless the Board has approved such development activity as part of a separate development review process.

Section 4. The legal description of the District shall be as provided in **Exhibit A**, attached hereto and incorporated herein by reference.

Section 5. A certified copy of this resolution shall be filed in the records of Douglas County.

PASSED AND ADOPTED this ____ day of _____, 20__, in Castle Rock, Douglas County, Colorado.

THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO

BY: _____
_____, Chair

ATTEST:

Deputy Clerk

EXHIBIT A

(Legal Description)

Exhibit H

Compliance with Section 18A,
Water Supply – Overlay District

PRELIMINARY DEVELOPMENT OF ADEQUATE WATER SERVICE TO PROPOSED WATER DISTRICT – WATER SUPPLY PLAN

A. Introduction

The purpose of this report is to provide an outline of water supply capacity vs. water demand for the proposed special district formation. The proposed special district encompasses approximately 661.5 acres, all contained within the existing boundaries of the Ponderosa Retreat and Conference Center (“Colorado Baptist General Convention”). The adjacent Bald Mountain Estates development will not be contained within the proposed district boundary, but will continue to be served by the proposed special district to fulfill the contractual obligations of the binding “Protective Covenant” of the Ponderosa Retreat and Conference Center (see attached maps). Within the Ponderosa Retreat and Conference Center’s camp the dedicated land includes 577 acres which have been placed into a perpetual conservation easement with Douglas County Open Space and Conservation Fund. The remaining 84.5 acres encompass the remaining land within the PRCC parcel and serves the recreational and lodging activities for the camp. Through the recent Use by Special Review submitted to Douglas County by the PRCC (File No. US2010-021) the camp requested to increase the camp’s current bed capacity from 358 beds to 452 beds. The PRCC site also features four staff residences. The following Water Supply Plan has been prepared according to the Douglas County Water Supply Requirements – Section 1809A Central Basin Water Supply Zone.

B. Projected Special District Water Demand

It is anticipated that the proposed special district will develop the following water demands as presented below. The presumptive water demand criteria was developed from Douglas County Minimum Water Demand Standards (Specifically Section 1804A) which is described below as well:

Residential Demand =	1.0 AF-yr/single family residence
PRCC Camper Demand =	50 gpd/bed
PRCC Staff Housing =	350 gpd/unit

Using the full build-out and full camp site populations listed in Section A and the presumptive water demands listed in Section B the projected maximum annual demands of the proposed special water district are listed below:

Table 3 – Projected Special District Demands

Bald Mountain Estates – Projected Demand

Number of Units at Full Build-Out =	58 homes
Annual Average Water Demand / house =	1.0 af/yr/residence
Annual Average Demand at Full Build-Out =	<u>58 af/yr</u>

Ponderosa Retreat and Conference Center – Projected Demand

Number of beds at Full Build-Out =	452 beds
Annual Average Water Demand / bed =	50 gpd/bed

Number of staff residences = 4 units
 Annual Average Water Demand / unit = 350 gpd/unit
 Annual Average Demand at Full Build-Out = 26.82 af/yr

Total Projected Special District Demand = 84.82 af/yr

C. Projected Water Supply

According to the opinion letter provided by White-Jankowski, LLP the proposed special district will have access to all Denver Basin groundwater underlying the proposed boundaries of the new special district (under lands currently owned by the Colorado Baptist General Convention). The following Denver Basin annual water yields were appropriated to the Colorado Baptist General Convention through Division 1 Water Court Case Nos. 87CW35, -36, -37 (existing Dawson Aquifer wells), 87CW38 (nontributary water in the Denver, Arapahoe, and Laramie-Fox Hills Aquifer) and 87CW39 (not-nontributary water in the Dawson Aquifer). These previously adjudicated annual yields available to the PRCC (and ultimately the special district) are summarized as follows:

<u>Dawson Aquifer Sources from previously drilled and decreed wells –</u>	
<u>Decree Nos. 87CW35, 87CW36, 87CW37</u>	
North Well #1 (Permit No. 035247 – Drilled 1967)	20.0 af/yr
North Well #2 (Permit No. 018191 – Drilled 1975)	43.2 af/yr
TOTAL	63.2 af/yr

<u>Nontributary sources – Decree No. 87CW38</u>	
Denver Aquifer =	631 af/yr
Arapahoe Aquifer =	356 af/yr
Laramie-Fox Hills Aquifer =	202 af/yr
TOTAL	1,189 af/yr

<u>Not-nontributary sources – Decree No. 87CW39 – Contingent upon development of an augmentation plan</u>	
Dawson Aquifer =	467 af/yr

Total available water supply for the proposed special district:

Total Available Now = **1,252.2 af/yr**

Additional Potentially Available Water
 (Contingent upon development of an augmentation plan) = 467 af/yr

According to Section 1809A.04 of the Douglas County Regulations for Water Supply of Overlay and New District's the proposed special district lies within the boundaries of the Central Supply water supply zone. Thus, the proposed special district has access the Denver Basin at the appropriations listed above. According to the referenced section and information provided above the proposed special district has sufficient allotted water supply to meet the projected water demands of the residents and constituents of the proposed special district.

June 23, 2014

Sent via E-mail

Doug Lohrey, CFO
Colorado Baptist General Convention
7393 S. Alton Way
Englewood, CO 80112

Re: Groundwater Opinion for Proposed New Special District

Dear Mr. Lohrey:

This letter reports on White & Jankowski, LLP's investigation into Applicant Colorado Baptist General Convention d/b/a Ponderosa Retreat and Conference Center ("Colorado Baptist General Convention")'s ownership of Denver Basin groundwater¹ beneath the Ponderosa Retreat and Conference Center and proposed new special district area, located in Douglas County, Colorado. White & Jankowski, LLP conducted this groundwater rights investigation at the request of Colorado Baptist General Convention.

Douglas County Zoning Resolution Section 18A (Water Supply - Overlay District), Resolution No. 1809.03.2, requires that a proposed new special district applicant provide an attorney opinion letter "stating ownership by the applicant and/or New Special District of, or an executed contract granting rights to the applicant and/or New Special District for, all Denver Basin aquifers present beneath the subject land and a copy of the court decree adjudicating those water rights, if those water rights have been adjudicated." This letter is provided pursuant to this opinion letter requirement. The attached Map is a part of this opinion letter.

Per your direction, White & Jankowski, LLP's investigation for the Colorado Baptist General Convention's title to groundwater was limited to the following documents:

- (1) Ponderosa's water rights and Use by Special Review water files, which were provided to White & Jankowski, LLP by Ponderosa staff, including multiple decrees (Case Nos. 87CW035, 87CW036, 87CW037, 87CW038, and 87CW039) for Denver Basin groundwater and title opinions authored by Holland & Hart, LLP and Petrock & Fendel, P.C. and dated September 12, 1986 and October 14, 2010, respectively;

¹ Specifically, the Dawson, Denver, Arapahoe, and Laramie-Fox Hills aquifers.

- (2) documents recorded in Douglas County since 2010 in the name of Colorado Baptist General Convention and/or Ponderosa Retreat and Conference Center; and,
- (3) water rights listed in the Colorado Department of Water Resources' CDSS database, which are located within the proposed new special district area.

Colorado Baptist General Convention did not request a full and independent title review by White & Jankowski, LLP. Based on our review of these limited documents, it is White & Jankowski's opinion that the Colorado Baptist General Convention owns all Denver Basin groundwater underlying the proposed new special district as indicated on the attached Map.

Based on a review of property title² conducted by Holland & Hart in 1986, Holland & Hart concluded that the Colorado Southern Baptist Assembly (precursor to the Colorado Baptist General Convention) owned the Denver Basin groundwater beneath the property indicated on the Map at the time the Water Court, Division No. 1 entered decrees in Case Nos. 87CW035 through 08CW039 adjudicating the Colorado Baptist General Convention's rights to Denver Basin groundwater (and wells) in the Denver, Arapahoe, Laramie-Fox Hills and Dawson aquifers. Subsequently, Petrock & Fendell conducted a title review and concluded in October 2010 that Colorado Baptist General Convention continued to have title to the Denver Basin groundwater beneath the area indicated on the Map. Petrock & Fendell also concluded that title to Dawson aquifer groundwater decreed in Case No. 87CW039 could not be severed from title to the land, pursuant to a Deed of Conservation Easement, recorded December 24, 2003 in Douglas County.

White & Jankowski, LLP has reviewed recorded documents from October 14, 2010 forward in the Douglas County Clerk and Records' Office and concluded that the Colorado Baptist General Convention continues to own the Denver Basin groundwater in the areas indicated on the Map. The Douglas County Clerk and Records' Office database contained no conveyances of title to the subject groundwater or land in the time period between October 14, 2010 and May 12, 2014.

Dated this 23rd of June, 2014.

Very truly yours,

Lindsay B. Masters

² Under Colorado law, title to not non-tributary and non-tributary Denver Basin groundwater is presumed to belong to the surface owner.

Exhibit I

Compliance with Clean Water Plan



CONSULTANTS, INC.

August 4, 2014

Doug Lohrey, CFO
Colorado Baptist General Convention
7393 S. Alton Way
Englewood, CO 80112

RE: Compliance with the Denver Regional Council of Government's Clean Water Plan

Dear Mr. Lohrey,

The proposed formation of the Bald Mountain Metropolitan District will involve the design, permitting, and construction of many water and sewer infrastructure projects. One of the projects involves either the rehabilitation or relocation of the existing effluent storage pond at the existing wastewater treatment plant site. This project is intended to alleviate subsurface groundwater uplift pressures that have historically created bubbles and "whalebacks" in the effluent pond liner.

In relation to meeting all of the stipulations and requirements of the Clean Water Plan the existing wastewater plant has already been reviewed and approved by Douglas County through a wastewater utility plan review in September 2001. The existing pond was submitted and reviewed as part of this process. The proposed effluent pond project will be designed, permitted, and constructed according to all stipulations and requirements of the latest edition of the Clean Water Plan (January, 2006). The Colorado Department of Health and Environment has already confirmed that the proposed effluent pond project will only require an In-Kind submittal and review process (According to Regulation 22 Site Location and Design Approval for Domestic Wastewater Treatment Works) after it is initiated by the new District.

Please reply back or call with any questions.

Respectfully,

A handwritten signature in black ink, appearing to read 'D. E. Schwenke', is written over a horizontal line.

Douglas E. Schwenke, P.E.
JDS-Hydro Consultants, Inc.

Exhibit J

Advance and Reimbursement Agreement

**BALD MOUNTAIN METROPOLITAN DISTRICT
and
PONDEROSA RETREAT & CONFERENCE CENTER**

ADVANCE AND REIMBURSEMENT AGREEMENT

This Advance and Reimbursement Agreement (this "Agreement") is made and entered into as of the ____ day of _____, 2014, by and between BALD MOUNTAIN METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District") and Ponderosa Retreat & Conference Center ("Ponderosa"), individually referred to as a "Party" and collectively referred to as the "Parties."

RECITALS

WHEREAS, the District was organized pursuant to the Special District Act, §§ 32-1-101, *et seq.*, C.R.S., for the purpose of financing, constructing and installing certain water, storm sewer, sanitation and wastewater treatment, streets, traffic safety controls, park and recreation, television relay and translation, mosquito control, and other public improvements authorized under the District's Service Plan, for the use and benefit of the District's residents and taxpayers; and

WHEREAS, the Board of Directors of the District (the "Board") is the governing body of the District; and

WHEREAS, § 32-1-1001, C.R.S., delegates powers to the Board to enter into contracts affecting the affairs of the District; to manage, control and supervise the business and affairs of the District; and to appoint, hire, and retain agents, employees, engineers and attorneys; and

WHEREAS, the Parties agree that the advance of funds to the District for its operations, maintenance, and administrative costs associated with the provision of public improvements is necessary and consistent with the purpose of the District; and

WHEREAS, the Board has determined that the best interests of the District, its residents, property owners, customers and the public, will be served by the District's acceptance of advances that will allow it to begin preparation for and work on public improvements before tax and other revenues are available; and

WHEREAS, the Board has determined that the best interests of the District, its residents, property owners, customers and the public will be served by the District's acknowledgement of the advances:

NOW THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree:

COVENANTS AND AGREEMENTS

1. Definitions. Unless the context indicates otherwise, the following capitalized terms shall have the meanings set forth below:

Advances: the advance of funds to the District from Ponderosa for operations, maintenance and administrative costs and expenses, including, but not limited to, legal, accounting, design, engineering, and management costs, consistent with the purposes of the District.

2. Advances. Upon application by the District's Board, Ponderosa may provide Advances to the District at its sole discretion. The District shall provide, at the request of Ponderosa, substantiation of the need for such Advances. All requests for Advances shall be documented by the District as provided herein.

3. Reimbursement of Advances. The District agrees to fully reimburse Ponderosa for Advances together with interest at maximum interest rate of _____ percent (____%) on such Advances. Interest shall accrue on the Advances from the date Ponderosa made payment on behalf of the District or as of the date of this Agreement, whichever date occurred later.

4. Annual Appropriation. The District's obligation to reimburse Ponderosa is subject to the annual appropriation of funds by the District upon a determination by the Board that funds are available. Ponderosa understands and acknowledges that the District's obligation to reimburse Ponderosa under this Agreement is not a multiple fiscal year obligation. The District anticipates that the source of District revenues to be used for reimbursing Ponderosa for the Advances to be proceeds from available District revenue, to the extent such revenues are not needed or pledged for other District obligations, and such proceeds are otherwise available for satisfaction of the reimbursement obligation described herein as determined at the discretion of the District.

5. Accounting for Funds. The District shall direct its accountants to account for any Advances so that the amounts shall be readily ascertainable. Ponderosa may request an inspection of this accounting of the Advances, at any time, from the District's accountants.

6. Term of Agreement. This Agreement shall continue until fully performed, terminated by the mutual agreement of the Parties, or 30 years from the date of execution at which time all obligations shall be deemed satisfied whether or not paid in full.

7. Indemnification. Ponderosa hereby agrees to indemnify, hold harmless and release the District and each of its directors, employees, agents and consultants, from and against any and all claims, demands, losses, liabilities, actions, lawsuits, mechanic's liens and expenses (including

reasonable attorneys' fees), for non-payment to Ponderosa of amounts due under the Agreement by the District.

8. Notices. Any notices, demands or other communications required or permitted to be given, shall be given in writing, delivered personally or sent by U.S. Mail, addressed to the Parties at the addresses set forth below or at such other address as either Party may hereafter or from time to time designate by written notice to the other Party given in accordance herewith.

DISTRICT:

Bald Mountain Metropolitan District
c/o Seter & Vander Wall, P.C.
7400 E. Orchard Rd., Suite 3300
Greenwood Village, Colorado 80111
303-770-2700

Ponderosa:

9. Assignment. This Agreement may be assigned only with the prior written consent of the non-assigning Party.

10. Amendment or Modification. Any amendment or modification to this Agreement shall be made in writing executed by all Parties.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

12. Counterpart Execution. This Agreement may be executed in counterparts, and the authorized signatures of either Party affixed to a counterpart signature shall be deemed to constitute execution of the original Agreement.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement effective the day and year first written above.

BALD MOUNTAIN METROPOLITAN DISTRICT
Advance and Reimbursement Agreement with Ponderosa
[Signature Page]

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

By: _____
_____, President

ATTEST:

By: _____
Secretary

PONDEROSA RETREAT & CONFERENCE
CENTER

By: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before this ____ day of _____, 2014
by _____ as _____ of Ponderosa Retreat & Conference Center.

Witness my hand and official seal.

My commission expires: _____

[S E A L]

Notary Public

Exhibit K

Intergovernmental Agreement

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

As Amended
SEPTEMBER 14, 2011

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

ARTICLE 1. Definitions

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

- 1.1 **BOARD:** Board of Directors of the Pool.
- 1.2 **CLAIM YEAR:** Any twelve consecutive month period established by the Board. The "initial" claim year is the first claim year established for the Pool.
- 1.3 **DIRECTOR:** A person serving on the Board.
- 1.4 **MEMBER:** A Special District which enters into this Pool Agreement. An "initial" member of the Pool is a member which obtains coverage through the Pool during the initial claim year.
- 1.5 **MEMBER REPRESENTATIVE:** That person who has been designated in writing by a Member as its representative to the Pool.
- 1.6 **POOL:** The Colorado Special Districts Property and Liability Pool established pursuant to the Constitution and the statutes of this state by this Pool Agreement.
- 1.7 **POOL AGREEMENT:** This Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool.
- 1.8 **SPECIAL DISTRICT:** A political subdivision of the State of Colorado that is a unit of local government pursuant to Article 13, Title 29, C.R.S., as amended, that is a public entity pursuant to 24-10-103(5), C.R.S., as amended, and that is eligible for membership in the Special District Association of Colorado according to the Association's bylaws as amended and in effect from time to time. "Special District" also includes any separate entity created by intergovernmental agreement authorized by Part 2, Article 1, Title 29, C.R.S., as amended, if at least one of the contracting entities is a special district and if all of the contracting entities are units of a local government pursuant to Article 13, Title 29, C.R.S., as amended, and are public entities pursuant to 24-10-103(5), C.R.S., as amended.
- 1.9 **SDA BOARD:** The Board of Directors of the Special District Association of Colorado.

ARTICLE 2. Creation of Pool

- 2.1 The Colorado Special Districts Property and Liability Pool is hereby formed by this Pool Agreement by Member Special Districts as a separate and independent governmental and legal entity pursuant to the provisions of Article XIV, Section 18(2) of the Colorado Constitution and

Constitution and Sections 29-1-201 et. seq., 8-44-101(1)(C) and (3), 8-44-204, 24-10-115.5, and 29-13-102, C.R.S., as amended.

- 2.2 Each Special District entering into this Pool Agreement has the power under Colorado law to make provision for the property and liability coverages, workers' compensation benefits, and risk management, claims handling, and other functions and services which constitute the specific functions and services jointly provided by means of the Pool.

ARTICLE 3. Purposes

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

ARTICLE 4. Non-Waiver of Governmental or Other Immunity

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

ARTICLE 5. Participation

- 5.1 The Board shall have the authority to limit the Members of the Pool to those Colorado Special Districts which are members of the Special District Association of Colorado and which properly enter into and adopt this Pool Agreement.
- 5.2 New Members, including special districts which have previously withdrawn or been expelled from the Pool, shall be admitted only upon approval by the Board, subject to the payment of such sums and under such conditions as the Board in each case or from time-to-time establishes.

- 5.3 A Member may participate in the Pool for either or both of the following purposes:
1. The property and liability coverages authorized by sections 24-10-115.5 and 29-13-102, C.R.S., as amended, and risk management, claims handling and other functions and services related to such coverages;
 2. The workers' compensation coverages authorized by sections 8-44-101(1)(C) and (3) and 8-44-204, C.R.S., as amended, and risk management, claims handling, and other functions and services related to such coverages.
- 5.4 A Member who is participating in the Pool for one of the purposes set forth in Paragraph 5.3 of this Article may be authorized to participate in the Pool for the other of those purposes upon further compliance, as necessary, with Paragraph 5.1 of this Article and approval of the Board, subject to the payment of such sums and under such conditions as the Board in each case or from time-to-time establishes.

ARTICLE 6. Board of Directors and Officers

- 6.1 The Pool Board of Directors shall be composed of nine persons to be appointed by the SDA Board. Directors shall be appointed from among the Member Representatives, each from a different Member. At least one (1) Pool Director shall be appointed by the SDA Board from among the SDA directors. Pool Directors who are not SDA directors shall be appointed by the SDA Board from nominations received from Members. In no event may more than three Pool Directors be appointed from any one of the following types of special districts: Ambulance, Fire, Metropolitan, Park and Recreation, Sanitation, Water, Water and Sanitation, Hospital, or Library Districts. Nominations from the Members shall be submitted to the SDA Board at such time as the SDA Board may provide, and any nomination must be approved by the Board of Directors of the Member submitting the nomination.
- 6.2 The Executive Director of the SDA shall serve as an ex-officio, non-voting Director on the Board.
- 6.3 Terms of the Directors shall be two-year, overlapping terms or until their successors have been appointed, except as provided herein. The term of office shall begin on a January 1, and end at midnight on a December 31, except that the Directors appointed to the first Board following the formation of the Pool shall begin their term prior to a January 1 if the SDA Board so directs. Directors may serve successive terms. The SDA Board shall appoint to the first Board following formation of the Pool, three Directors to serve one-year terms and four Directors to serve two year terms, with the successors of each appointed for two-year terms. Of the two additional persons to be appointed to the Board upon expansion of the Board from seven to nine persons, one shall be appointed to serve a one-year term and one shall be appointed to serve a two-year term, with the successors of each appointed for two-year terms; the terms of office of the two additional persons initially appointed may begin prior to a January 1 if the SDA Board so directs.

- 6.4 The officers of the Pool shall be: president, one or more vice presidents, secretary, one or more assistant secretaries, and comptroller. The officers shall be elected annually by and from among the Directors at the first meeting of the Board following each December 31.
- 6.5 A vacancy shall occur on the Board when a Director:
1. Submits a written resignation to the Board.
 2. Dies.
 3. Ceases to be a Member Representative.
 4. Fails to attend three consecutive regular meetings of the Board without the Board having entered upon its minutes an approval for an additional absence or absences, except that such additional absence or absences shall be excused for temporary mental or physical disability or illness.
 5. Is convicted of a felony.
- 6.6 Any vacancy on the Board shall be filled by appointment by the SDA Board for the unexpired portion of the term.

ARTICLE 7. Meetings of the Board of Directors

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

ARTICLE 8. Powers and Duties of the Board of Directors

- 8.1 The business and affairs of the Pool shall be managed by the Board which shall exercise all the authority and powers and discharge all the duties of the Pool, except as is otherwise provided in this Pool Agreement.
- 8.2 In addition to all other powers of the Board set out in this Pool Agreement, the Board shall have the power to:
1. Exercise all powers necessary to carry out the purposes of the Pool.
 2. Retain agents, independent contractors and employees necessary to administer and achieve the purposes of the Pool, including, but not limited to, attorneys, accountants, investigators, experts, consultants, and others.
 3. Purchase, sell, encumber, and lease real property, and purchase, sell, encumber or lease equipment, machinery, and personal property.
 4. Invest money as allowed for the Pool by Colorado statutes or by lawful regulations adopted pursuant to Colorado statutes, as from time-to-time amended.
 5. Purchase excess insurance, stop-loss insurance, and reinsurance as the Board deems prudent.
 6. Adopt and adjust the coverages provided through the Pool.
 7. Adopt and adjust contributions to the Pool.
 8. Enter into contracts including, but not limited to, contracts for risk management, claim adjustment, and brokerage services.
 9. Reimburse Directors for reasonable and approved expenses, including expenses incurred in attending Board meetings, and pay compensation to each Director for his or her services in a sum not to exceed the maximum sum which may by statute be paid as compensation for services of directors on Colorado special district boards of directors.
 10. Purchase fidelity bonds from an insurance company approved by the Insurance Commissioner of the State of Colorado to do business in Colorado.
 11. Establish reasonable and necessary loss reduction, prevention and risk management policies and procedures to be followed by the Members.
 12. Appoint committees from time to time as the Board considers desirable.

13. Provide for claims and loss control procedures, and establish conditions to be met prior to the payment or defense of claims.
 14. Establish rules governing its own conduct and procedure, and the authority of its officers, not inconsistent with this Pool Agreement.
 15. Approve attorneys or firms of attorneys to represent Members in claims covered through the Pool.
 16. Delegate in writing fiduciary responsibilities or ministerial powers and duties to individual Directors or committees of the Board or to such agents, employees, and independent contractors as the Board considers desirable.
- 8.3 In addition to all other duties of the Board set out in this Pool Agreement, the Board shall have the duty to:
1. Have an audit of the financial affairs of the Pool be made annually by a certified public accountant in accordance with applicable laws and regulations, and provide a copy thereof to each Member.
 2. Select a qualified actuary to conduct periodic reviews of the Pool's funds and any reviews required by the Insurance Commissioner of Colorado, and make recommendations to the Board based on such reviews.
 3. Designate one or more persons or entities to administer the Pool.
 4. Adopt a budget annually and report the budget to the Members.
 5. Three persons shall be appointed annually to an expulsion committee to serve until January 1 of the year following the appointment. One person, to be appointed by the Board, shall be a director on the board, one person, to be appointed by the Board, shall be a representative of the person(s) or entity(ies) providing general administrative services to the Pool, and one person, to be appointed by the SDA Board, shall be a member of the SDA Board.

ARTICLE 9. Members' Powers and Meetings

- 9.1 The Members shall have the power to:
- a. Amend the Pool Agreement by a two thirds (2/3) vote of the Members present at a meeting. Written notice of any proposed amendment shall be provided to each Member at least forty-five (45) days in advance of any vote on the amendment.
 - b. Dissolve the Pool and disburse its assets by a two thirds (2/3) vote of the Members present at a meeting, pursuant to such notice and in keeping with such procedure as shall be

shall be established by the Board. Notice of the dissolution and plan for disbursement of assets and payment of the remaining obligations of the Pool shall be mailed to the Insurance Commissioner of Colorado at least ninety (90) days prior to the effective date of the dissolution. The plan for disbursement of assets and payment of the remaining obligations of the Pool shall not take effect until approved by the Insurance Commissioner of Colorado. Upon dissolution of the Pool, the assets of the Pool not used or needed for the purposes of the Pool, as determined by the Board and subject to approval by the Insurance Commissioner of Colorado, shall be distributed exclusively to Special Districts which are members of the Pool prior to dissolution to be used for one or more public purposes.

9.2 Meetings of the Members shall be held as follows:

- a. Members shall meet at least once annually at a time and place to be set by the Board, with notice mailed to each Member at least thirty (30) days in advance.
- b. Special meetings may be called by the Board upon its own motion and shall be called by the Board upon written request of thirty (30) percent of the Members, with notice mailed to each Member at least thirty (30) days in advance.
- c. The president of the Pool shall preside at the meetings; a vice president of the Pool shall preside in the absence of the president.
- d. Twenty (20) percent of the Members shall constitute a quorum to do business.
- e. Proxy voting shall be allowed, pursuant to such procedures as the Board may determine.
- f. Each Member shall be entitled to one vote on each issue, to be cast by its Member Representative.
- g. Notwithstanding any other provision of the Pool Agreement, any amendment to the Pool Agreement, except an amendment relating to dissolution of the Pool, may be adopted without a meeting if an approval in writing, setting forth the amendment approved, is signed by the Member Representatives of at least two thirds (2/3) of the Members. The approval may be executed in counterparts.

ARTICLE 10. Obligations of Members

10.1 Each Member shall have the obligation to:

- a. Pay all contributions or other payments to the Pool at such times and in such amounts as shall be established by the Board. Any delinquent payments shall be paid with interest pursuant to a policy established by the Board and uniformly applied.

- b. Designate in writing, a Member Representative and one or more alternates for the Members' meetings. The Representative and any alternate shall be an elected official, employee, or other designee of the Member, and may be changed from time-to-time. Any alternate may exercise all the powers of the Representative during a Member meeting in the absence of the Member Representative.
- c. Allow the Pool and its agents, contractors, employees and officers reasonable access to all facilities and records of the Member as required for the administration of the Pool.
- d. Cooperate fully with the Pool and all agents, contractors, employees and officers thereof in matters relating to the Pool.
- e. Provide information requested by the Pool, and all agents, contractors, employees, and officers thereof, as reasonably required for the administration of the Pool.
- f. Allow the Pool to make decisions regarding, and to designate attorneys to represent the Member in, the investigation, settlement and litigation of any claim within the scope of coverage furnished through the Pool.
- g. Comply with the claims, loss reduction, prevention and risk management policies and procedures established by the Board.
- h. Promptly report to the Pool all incidents or occurrences which could reasonably be expected to result in the Pool being required to consider a claim, in any form required by the Board and in compliance with any applicable excess insurance or reinsurance.
- i. Promptly report to the Pool the addition of new programs and facilities or the significant reduction or expansion of existing programs and facilities or other acts, as directed by the Board and in compliance with any applicable excess insurance or reinsurance.

ARTICLE 11. Contributions

- 11.1 The Board shall establish Member contributions pursuant to guidelines established by the Board from time-to-time. The contributions may include an annual contribution and any additional contributions at such times and in such amounts as the Board deems necessary to insure the solvency and avoid impairment of the Pool or which the Board otherwise deems beneficial to protect the financial condition of the Pool. The Board may provide for disbursement of non-surplus credit balances which are, pursuant to guidelines adopted by the Board from time to time, due a member, and such disbursements shall not be subject to the provisions of paragraphs 11.2 or 15.1.
- 11.2 Any excess funds which the Board determines are not needed for the purposes of the Pool, may be

may be distributed among the Members and former Members, subject to Paragraph 15.1, pursuant to the following:

1. Any such distribution may be in the form of credits against future contributions or in the form of payments, or a combination thereof, as the Board may determine.
2. Money distributed for any claim year shall be distributed only to those Members and former Members which were Members during that claim year and shall be distributed in order of claim year contribution, with Members and former Members of the initial claim year to receive the initial credits.
3. The amount which may be distributed for any claim year shall be established by the Board which shall have discretion as to the amount and timing of any distribution. That amount may not exceed the net sum of (i) the net income of the Pool for that claim year less (ii) the portion of the Pool's net income which equals the amount of the excess loss reserve of the claim year prior to the claim year (which is subject to the distribution) which was taken into income in that claim year plus (iii) the excess loss reserve for the claim year which is subject to the distribution.
4. For the purpose of this paragraph 11.2, the term "excess loss reserves" means the amount by which the amounts credited to loss reserves and charged to operating expenses in any claim year exceed the actual losses (including loss adjustment expenses) for that claim year.
5. The amount established by the Board for a claim year pursuant to paragraph c., above, shall be distributed among each Member and former Member which was a Member during that claim year based on the ratio which each Member's and former Member's contribution (excluding any surplus contribution) for the claim year bears to the total contributions (excluding surplus contributions) for the claim year and less the contributions of former Members which are not eligible for a distribution pursuant to Paragraph 15.1.
6. Excess surplus funds contributed by Members and former Members may be distributed only among such contributing Members or former Members, subject to the five year membership requirement of Paragraph 15.1. The Board has discretion to determine, from time to time, the amount and timing of any distribution of such funds. The amount established by the Board shall be distributed among each Member and eligible former Member based on the ratio which each Member's and former Member's surplus contribution bears to the total amount of surplus funds contributed to the Pool by Members and former Members.
7. No distribution of excess funds, including excess surplus funds contributed by Members, shall be made to any Member or former Member which owes any amount to the Pool until the amount so owed is paid, and any amount so owed may be deducted from the distribution to the Member or former Member.

8. No distribution of excess funds, including excess surplus funds contributed by Members, shall cause the Pool to become impaired or insolvent.
- 11.3 The total amount of surplus shall be determined by the Board from time-to-time, but in no event shall be less than that required by the Insurance Commissioner of Colorado, and the Board may require all Members to make additional contributions to surplus as the Board deem necessary, or the Insurance Commissioner of Colorado may require.
- 11.4 The Pool shall account separately for contributions made for the property and liability coverages authorized by sections 24-10-115.5 and 29-13-102, C.R.S., as amended, and for contributions made for the workers' compensation coverage authorized by sections 8-44-101(1)(C) and (3) and 8-44-204, C.R.S., as amended.
- 11.5 Notwithstanding any provision of this Agreement to the contrary, the Pool Board may establish from any contributions or other assets of the Pool the initial minimum surplus for workers' compensation coverage required by the Insurance Commissioner of Colorado; provided that contributions or other assets derived from coverages other than workers' compensation shall not be used to establish such minimum surplus unless and until the Board first determines that workers' compensation contributions are or will be insufficient to fund such surplus in the amounts and within the time required by the Insurance Commissioner of Colorado; and provided further, that such minimum surplus shall be established from contributions for workers' compensation coverage as soon as the Board determines practicable consistent with ensuring the solvency and avoiding the impairment of the Pool. The Board may issue subordinated debt to establish such minimum surplus consistent with applicable requirements of the Insurance Commissioner of Colorado.
- 11.6 The Pool shall repay the Special District Association of Colorado for its ongoing services to the Pool, provided subsequent to the creation of the Pool, within such time and in such amount as the SDA Board and Pool Board may agree.

ARTICLE 12. Liability of Directors, Officers and Employees

- 12.1 No Director, officer, committee member, or employee of the Pool shall be personally liable for any acts performed or omitted in good faith. The Pool shall indemnify each Director, officer, committee member, and employee of the Pool against any and all expense including attorney fees and liability expenses sustained by them, or any of them in connection with any suit or suits which may be brought against them involving or pertaining to any of their acts or duties performed for this Pool or omitted in good faith. This provision shall not be deemed to prevent compromises of any such litigation where the compromise is deemed advisable in order to prevent greater expense or cost in the defense or prosecution of such litigation.
- 12.2 The Pool shall obtain a fidelity bond or other bond to guarantee the faithful performance of each Director's, officer's and employee's duties hereunder, and shall make reasonable effort to obtain errors and omissions coverage for each Director, officer, committee member, and employee of the

employee of the Pool. The Pool shall obtain bonds for all Directors, officers, committee members, and employees who handle or have access to Pool funds, in an amount which the Board deems appropriate but no less than the minimum amount deemed necessary by the Insurance Commissioner of Colorado.

ARTICLE 13. Withdrawal of Members

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

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

ARTICLE 14. Expulsion of Members

- 14.1 A Member which fails to make a contribution or other payment due to the Pool shall be automatically expelled from the Pool on the sixtieth (60) day following the due date, unless time for payment is extended by the Board and payment is made within any extended period. A notice of failure to make a contribution or other payment due to the Pool shall be mailed to the Member at least thirty (30) days prior to the date of automatic expulsion. If payment is not made within

not made within any extended period, the automatic expulsion shall occur on a date, no later than twenty (20) days after the last day of the extended period, set by the Board. An expulsion under this paragraph 14.1 shall not be subject to the provisions of paragraph 14.2.

14.2 A Member may be expelled by the Board for failure to carry out any other obligation of the Member, or for failure to maintain its membership in the Special District Association of Colorado if such membership was required by the Board at the time the Member was admitted to the Pool, subject to the following:

1. The Member shall receive notice from the Board of the alleged failure and not less than thirty (30) days in which to cure the alleged failure, along with notice that expulsion may result if the failure is not so cured.
2. The Member shall receive at least thirty (30) days prior notice from the Board, of the date, place and time when the Board will consider expelling the Member from the Pool, and the Member shall be entitled to be present at that meeting and to present evidence and reasons why it should not be expelled. The decision of the Board shall be effective as of the date and upon the terms and conditions set forth in the Pool Agreement and applicable excess or reinsurance policies and otherwise specified by the Board, except as provided in paragraph c.
3. The Member may appeal the Board's decision to the expulsion committee, which shall schedule a hearing thereon. The Member and the Board shall be provided at least ten (10) days prior written notice of the date, time and place of the hearing. The appealing Member shall be entitled to be present at that hearing and to present evidence and reasons why it should not be expelled and the Board may present evidence and reasons why expulsion is proper. The decision of the expulsion committee shall be final and any expulsion effective as of the date and upon the terms and conditions set forth in the Pool Agreement and applicable excess or reinsurance policies, and otherwise specified by the Board.

ARTICLE 15. Effect of Withdrawal or Expulsion

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

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

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

ARTICLE 16. Miscellaneous

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

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

Dated: _____

Special District: _____

By: _____
Title: Chairman, Board of Directors and President

Date: _____

Attest:

By: _____
Title: Secretary

Exhibit L

Annual Report Requirements

Annual Report Requirements

The District shall be responsible for submitting an annual report to the County no later than (date) of each year. The annual report shall conform to the following format:

Name of District

Year ANNUAL REPORT

(For Activities Completed in Year, and With Information About Prospective Years)

- I. District Description - General Information
 - a. Board members, officers' titles, and terms
 - b. Changes in board membership in past year
 - c. Name and address for official District contact
 - d. Elections held in the past year and their purpose
- II. Boundary changes for the report year and proposed changes for the coming year
- III. List of intergovernmental agreements (existing or proposed) and a brief description of each detailing the financial and service arrangements
 - a. Contracts for operations, debt, and other contractual obligations with sub- districts or operating and taxing districts
 - b. Reimbursement agreements with organizers and/or builders for advances to fund capital costs and administrative/operational and maintenance costs of the District
- IV. Service Plan
 - a. List and description of services authorized in Service Plan
 - b. List and description of facilities authorized in Service Plan
 - c. List and description of any extraterritorial services, facilities, and agreements
- V. Development Progress
 - a. Indicate the estimated year of build-out, as set forth in the Service Plan
 - b. List the services provided with the date service began compared to the date authorized by the Service Plan

- c. List changes made to the Service Plan, including when the change was authorized, when it was implemented or is expected to be implemented
- d. List facilities to be acquired or constructed or leased back as set forth in the Service Plan and compare the date of completion or operation with the date authorized by the Service Plan
- e. List facilities not completed. Indicate the reason for incompleteness and provide a revised schedule, if any
- f. List facilities currently under construction with the percentage complete and an anticipated date of completion
- g. Indicate the population of the District for the previous five (5) years and provide population projections for the next five (5) years
- h. List the planned number of housing units by type and the number of commercial and industrial properties with respective square footage and anticipated dates of completion/operation. Compare the completed units and completed commercial and industrial properties to the amount planned in the Service Plan.
- i. List any enterprises created by and/or operated by or on behalf of the District, and summarize the purpose of each

VI. Financial Plan and Financial Activities

- a. Provide a copy of the audit or exemption from the audit for the reporting year.
- b. Provide a copy of the budget, showing the reporting and previous years.
- c. Show revenues and expenditures of the District for the previous five (5) years and provide projections for the next five (5) years. Include any non-District or non-governmental financial support. Include and list individually all fees, rates, tolls, etc., with a summary of the purpose of each. Show other miscellaneous tax revenue, such as specific ownership taxes. For the same period, show actual and projected mill levies by purpose (showing mill levies for each individual general obligation, revenue-based obligation, or contractual obligation).
- d. List all debt that has been issued, including all individual issuances with a schedule of service until the debt is retired

- e. List individually all authorized but unissued debt, including the purpose, ballot issue letter designation and election date, and amounts authorized and unissued
- f. List the total amount of debt issued and outstanding as of the date of the annual report and compare to the maximum authorized debt level as set forth in the Service Plan
- g. Enterprises of the District
 - i. Include revenues of the enterprise, showing both direct support from the District and all other sources
 - ii. Include expenses of the enterprise, showing both direct payments to the District and all other obligations
- h. Detail contractual obligations
 - i. Describe the type of obligation, current year dollar amount, and any changes in the payment schedule, e.g. balloon payments.
 - ii. Report any inability of the District to pay current obligations that are due within the current budget year
 - iii. Describe any District financial obligations in default
- i. Actual and Assessed Valuation History
 - i. Report the annual actual and assessed valuation for the current year and for each of seven (7) years prior to current year
 - ii. For each year, compare the certified assessed value with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the certified value.

j. Mill Levy History

- i. Report the annual mill levy for the current year and for each of the seven (7) years prior to current year. Break the mill levies out by purpose (e.g., debt issuance and operations and maintenance)
- ii. For each year, compare the actual mill levy with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the actual mill levies.

k. Miscellaneous Taxes History

- i. Report the annual miscellaneous tax revenue for the current year and for each of the seven (7) years prior to the current year. Break the tax revenue out by purpose (e.g., general operations, revenue-based obligations, debt by issue, contractual obligations, other)
- ii. For each year, compare the actual miscellaneous tax revenue with the Service Plan estimate for that year (if provided in Plan). If the Service Plan estimates are not available, indicate the same and report the actual taxes.

l. Estimated Assessed Valuation of District at 100% Build-Out

- i. Provide an updated estimate and compare this with the Service Plan estimate.

m. Estimated Amount of Additional General Obligation Debt to be Issued by the District between the End of Current Year and 100% Build-Out.

- i. Provide an updated estimate based on current events. Do not include refunding bonds.

Exhibit M

District Court Decree

To be provided upon receipt.