



Metropolitan District Board of Directors Regular Meeting Agenda
Tuesday, March 28, 2023 – 6:00 PM
Ranch House, Bradford Room, 7676 S. Continental Divide Rd, Littleton, CO 80127

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/84631421266>

+1 408 638 0968

Webinar ID: 846 3142 1266

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Approval of Agenda**
- IV. Conflict of Interest**
- V. Approval of Minutes**
 - a. February 28, 2023 Regular Board Meeting Minutes
- VI. Financial Report and Staff Updates**
 - a. Monthly Financial Update
 - b. Staff and Legislative Updates
 - c. Capital Project Updates
- VII. Communication and Discussion Topics**
 - a. Potential Future Mill Levy Election
 - b. Communication and Outreach Strategies
 - c. Amended & Restated Reorganization Agreement with the Ken-Caryl Ranch Master Association
 - d. North American Development Group Interior Restroom Plans and Specifications Approval
 - e. Agreement for Inclusion of Property; Amendment or Waiver of Requirement for Parcel C Plat
- VIII. Public Comment**

State your full name. You will have a three minute time limit. Raise your hand to participate via Zoom.
- IX. Action Item - Motion(s)**
 - a. Approval of the Amended & Restated Reorganization Agreement with the Ken-Caryl Ranch Master Association
 - b. Approval of the North American Development Group Interior Restroom Plans and Specifications
 - c. Motion on any other matter that arises during the meeting
- X. Board Comments**
- XI. Executive Session pursuant to C.R.S. § 24.6.402(4)(b) to receive advice of legal counsel regarding a land donation agreement with North American Development Group.**
- XII. Possible Action on Items Discussed in Executive Session**
- XIII. Adjourn**

Announcements and Next Meeting

Individuals who require special accommodation to attend and/or participate in the meeting should call 303-979-1876 x136 to advise the ADA Compliance Officer of their specific need(s) prior to the meeting. The next regular Board meeting is scheduled for April 25, 2023.

MINUTES
METROPOLITAN DISTRICT BOARD OF DIRECTORS REGULAR MEETING
KEN-CARYL RANCH METROPOLITAN DISTRICT

A Ken-Caryl Ranch Metropolitan District Board of Directors Regular Meeting was held on Tuesday, February 28, 2023 at the Ranch House, Bradford Room, 7676 S. Continental Divide Rd, Littleton, CO 80127.

ATTENDANCE

Board Members Present:

Jim Conzelman, Secretary

Kayla Kirkpatrick, Director

Joe Levy, President

Lauri Lehan-Milano, Vice President

Mike Miro, Treasurer (via telephone) – present until 5:52 p.m.

Board Members Absent:

None.

Others Present:

Traci Wieland, District Manager

Richard Plack, Parks Director

Victoria DeSair, Administrative Analyst

Lauren Feeney, Finance Director (via telephone)

Amy Lear, Recreation Director (via telephone)

Emily Powell, Attorney (via telephone)

Audience Present (Approximate):

In-Person: 3

Via Telephone/Zoom: 4

I. Call to Order

Chairperson Levy called the meeting to order at 5:33 p.m.

II. Pledge of Allegiance

Chairperson Levy led the Pledge of the Allegiance.

III. Approval of Agenda

Chairperson Levy requested reordering the Financial Report within the Staff Updates section of the agenda to move that item to the beginning of Staff Updates. Director Levy made a motion to approve the agenda with the changes proposed. Director Lehan-Milano seconded the motion, which passed 5-0.

IV. Conflict of Interest

None.

- V. Executive Session pursuant to C.R.S. § 24.6.402(4)(b) to receive advice of legal counsel regarding a possible mill levy election.
Director Levy made a motion at 5:35 p.m. to enter executive session pursuant to C.R.S. § 24.6.402(4)(b) to receive advice of legal counsel regarding a possible mill levy election. Director Lehan-Milano seconded the motion, which passed 5-0. Attorney Powell certified for the record that the executive session constituted attorney client privileged communications and would not be recorded.

Director Levy made a motion to exit executive session at 5:52 p.m. Director Conzelman seconded the motion, which passed 5-0. The Board took a brief recess and Director Miro left the meeting. The public portion of the meeting resumed at 6:00 p.m.

VII. Approval of Minutes

- a. January 10, 2023 Joint Study Session Minutes
Director Levy made a motion to approve the January 10, 2023 Joint Study Session Minutes. Director Lehan-Milano seconded the motion, which passed 4-0.
- b. January 24, 2023 Regular Board Meeting Minutes
Director Levy made a motion to approve the January 24, 2023 Regular Board Meeting Minutes. Director Conzelman seconded the motion, which passed 4-0.

VIII. Financial Report and Staff Updates

- a. Staff Updates
District Manager Wieland updated the Board on the upcoming May 2, 2023 Board election and the status of the Strategic Plan. Parks Director Plack updated the Board on the playground installations for Territory and North Ranch Parks. Recreation Director Lear updated the Board on the high retention rate for summer staff, the new Aquatic Risk Management program through Starguard, a new contracted swimming lesson program, and the upcoming summer camp registration process that provides priority to residents.
- b. Capital Project Updates
District Manager Wieland updated the Board on 2023 capital projects, advising the Board that several pieces of equipment have been acquired; however, most other projects are in progress. A question was posed regarding the Cathy Johnson trail and targeted portions of work on the trail. Directors Lehan-Milano and Conzelman made suggestions to include information for projects planned in future years so that Boards can review that information and have an opportunity to determine if those projects can be completed earlier. These changes will be incorporated into the March update.
- c. Monthly Financial Update
Finance Director Feeney reviewed the January financials, noting the transfer to the Capital Reserve Fund. Interim audit field work was conducted and included a successful high-level review of internal controls.

IX. Communication and Discussion Topics

- a. Response to Resident Concerns Regarding Agreement for Inclusion of Property
Chairperson Levy requested discussion regarding the concerns raised by residents with regard to the Agreement for Inclusion of Property with the North American Development Group (NADG). Staff and legal counsel will work together to tentatively provide responses by mid-March; however, the exact timeline will be based on staff and legal schedules. Director Kirkpatrick provided the Board with a document outlining her questions regarding the Agreement for Inclusion of Property. Director Lehan-Milano suggested a meeting with staff to answer those directly, so staff will coordinate with Director Kirkpatrick and legal counsel.

b. Potential Future Mill Levy Election

District Manager Wieland provided information to the Board about the Board's ongoing contemplation of a potential future mill levy election, possibly in conjunction with the expiring bond mill levy. District Manager Wieland provided information regarding the options the Board has concerning this proposed election and information from similar efforts of neighboring parks and recreation districts. Staff requested the Board's feedback on conducting small group listening sessions through March and April, with feedback presented to the Board at the April Board meeting. Director Conzelman expressed concern about conducting those sessions without more specific financial information; however, the Board felt it would be beneficial to begin the conversation with the community now, with more information becoming known later this spring and into the summer regarding property tax rates in collection year 2024.

c. Resolution for Sale of Surplus Property

Parks Director Plack provided information regarding the new brush chipper that has been acquired. The old chipper is now considered surplus property which may have at least \$5,000 fair market value. The required Resolution for sale of surplus property will be considered by the Board during the Action Items portion of the agenda.

d. Amended & Restated Reorganization Agreement

District Manager Wieland provided an update on the current Amended & Restated Reorganization Agreement between the Metropolitan District and the Master Association. Attorney Powell received feedback from the Master Association insurer, the Master Association legal team, and the Colorado Special Districts Property & Liability Pool and incorporated that feedback into current Agreement. Staff is hopeful the Agreement can be considered for approval at the March meeting.

e. Board Officer Positions and Board/Committee/Workgroup Assignments

Director Kirkpatrick requested a discussion regarding the rotation of Board officer positions and Board/Committee/Workgroup/Task Force assignments, suggesting consistency in the timing of consideration for changes to those positions. Director Lehan-Milano suggested fluidity with regard to changes to the positions based on the needs of the Board at that time. The Board determined a review of the positions will be considered after the election.

X. Public Comment

John Fosholt asked if there was any further information that could be shared from the executive session. Chairperson Levy responded that the purpose of the executive session was to receive legal advice regarding the proposed mill levy election and process. Brad Fosser suggested the Board investigate options for improved online communication with the broader community to engage those that are not traditionally engaged in Board meetings and other Board functions.

XI. Action Items - Resolution(s)

a. Resolution for Sale of Surplus Property

Director Levy made a motion to approve the Resolution for Sale of Surplus Property. Director Lehan-Milano seconded the motion, which passed 4-0.

XIII. Board Comments

Director Conzelman appreciated Mr. Fossier's comments regarding online communication with the community. Staff indicated they are currently investigating a new online communication tool. Director Kirkpatrick inquired about the alternative financing schedule utilized for the NADG land development forecasting. District Manager Wieland responded that those models were created to provide Hogback Metropolitan District and NADG with several scenarios to use for their own financial forecasts and are not a component of the implementation of the Agreement for Inclusion of Property.

XIV. Adjourn

Director Lehan-Milano made a motion to adjourn at 7:33 p.m. Director Levy seconded the motion, which passed 4-0.

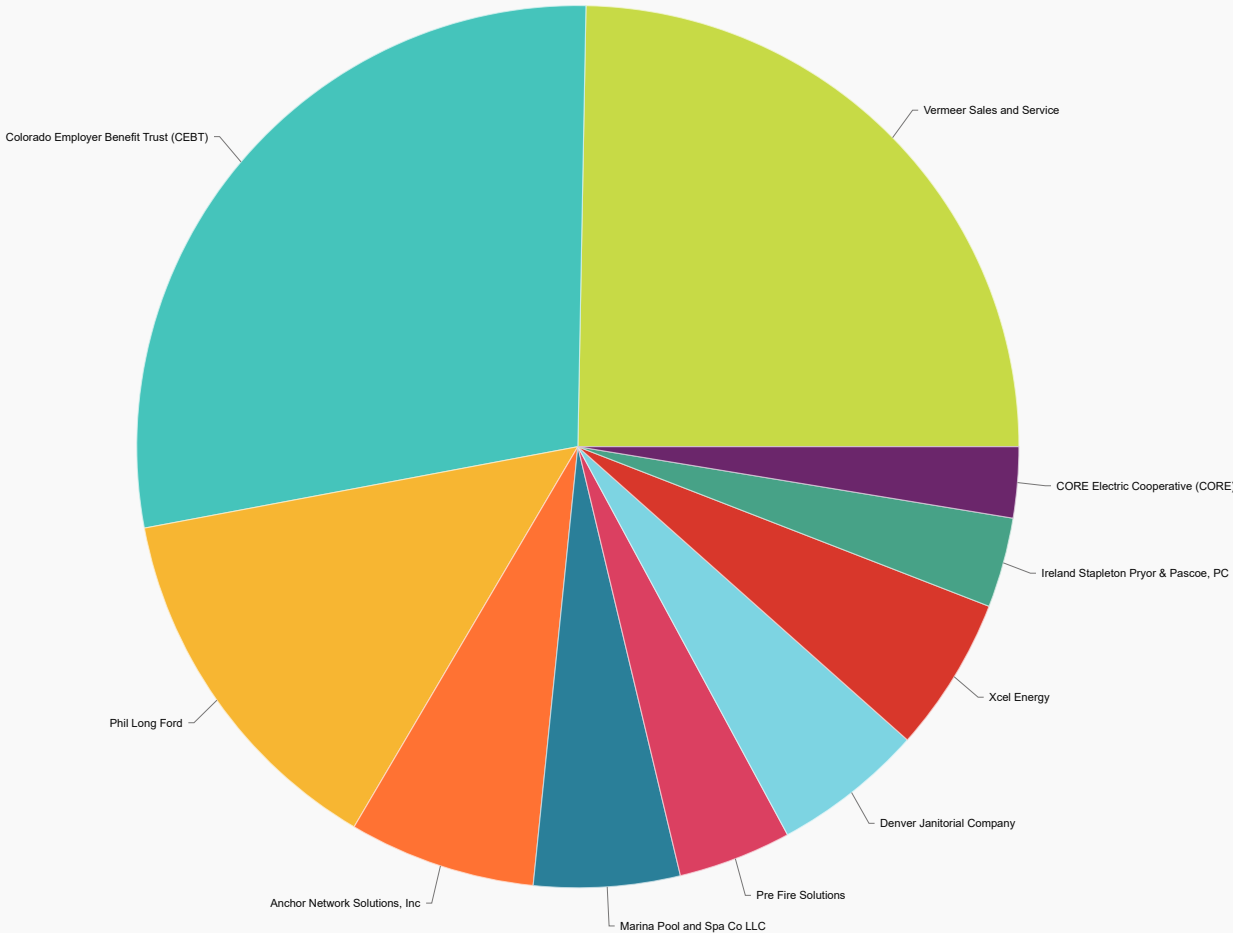
Ken-Caryl Ranch Metropolitan District
 KCRMD Balance Sheet
 As of February 28, 2023

	General Fund Year To Date 02/28/2023	Conservation Trust & Grant Fund Year To Date 02/28/2023	Debt Service Fund Year To Date 02/28/2023	Plains Metropolitan Dist Settlement Fund Year To Date 02/28/2023	Community Garden Fund Year To Date 02/28/2023	Veterans Monument Fund Year To Date 02/28/2023	Capital Reserve Fund Year To Date 02/28/2023	All Locations Year To Date 02/28/2023
Assets								
Cash and cash equivalents- unrestricted	3,727,844	-	-	-	-	-	-	3,727,844
Cash and cash equivalents- restricted	-	168,658	-	161,009	-	-	-	329,667
Accounts and grants receivable	1,519,621	-	-	-	-	-	-	1,519,621
Due from KCRMA	26,803	-	-	-	-	-	-	26,803
Due from other funds	-	-	317,163	-	34,269	7,359	948,904	1,307,695
Prepaid expenditures	108,491	-	-	-	-	-	-	108,491
Property taxes receivable	2,317,747	-	606,416	-	-	-	-	2,924,163
Total Assets	7,700,506	168,658	923,579	161,009	34,269	7,359	948,904	9,944,284
Liabilities, Deferred Inflows, and Fund Balances (Deficits)								
Liabilities								
Accounts payable and accrued liabilities	240,824	-	-	-	-	-	-	240,824
Refunds and deposits payable	10,000	-	-	-	-	-	-	10,000
Due to other funds	1,307,695	-	-	-	-	-	-	1,307,695
Unearned revenue	171,900	-	-	-	-	-	-	171,900
Total Liabilities	1,730,419	-	-	-	-	-	-	1,730,419
Deferred Inflow of Resources								
Deferred property tax revenues	2,317,746	-	606,417	-	-	-	-	2,924,163
Total Deferred Inflow of Resources	2,317,746	-	606,417	-	-	-	-	2,924,163
Total Fund Balances (Deficits)								
Assigned (Operating Reserve)	300,000	-	-	-	-	-	-	300,000
Nonspendable	108,491	-	-	-	-	-	-	108,491
Restricted (TABOR)	188,334	-	-	-	-	-	-	188,334
Restricted (Other Funds)	-	168,658	317,162	161,009	34,269	7,359	948,904	1,637,361
Unassigned	3,055,516	-	-	-	-	-	-	3,055,516
Total Fund Balances (Deficits)	3,652,341	168,658	317,162	161,009	34,269	7,359	948,904	5,289,702
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	7,700,506	168,658	923,579	161,009	34,269	7,359	948,904	9,944,284

Ken-Caryl Ranch Metropolitan District
KCRMD Budget to Actual
As of February 28, 2023

	01/01/2023 Through				Year Ending
	Actual	Budget YTD	Budget Variance	Budget %	12/31/2023
Property Tax Revenue	1,197,506	1,235,670	(38,164)	97%	3,515,253
Specific Ownership Taxes	54,736	50,000	4,736	109%	300,000
General & Administration	48,991	68,370	(19,379)	72%	341,396
Facilities - RH	4,442	8,667	(4,225)	51%	52,000
Facilities - DL	1,070	5,666	(4,596)	19%	34,000
Parks	20,554	2,000	18,554	1028%	60,655
Wellness	21,842	22,259	(417)	98%	139,057
General Recreation Programs	6,560	5,557	1,003	118%	69,970
Aquatics	5,000	4,000	1,000	125%	50,725
Events	350	2,150	(1,800)	16%	36,575
Tennis	139,405	139,020	385	100%	681,070
School Age Youth Programs	67,929	60,968	6,961	111%	674,756
Preschool	37,733	37,074	659	102%	205,203
Total Revenue	1,606,118	1,641,401	(35,283)	98%	6,160,660
General & Administration	199,002	229,053	(30,051)	87%	1,424,873
Facilities - RH	45,773	58,550	(12,777)	78%	324,581
Facilities - DL	6,971	8,915	(1,944)	78%	47,828
Facilities - CC	50,720	57,851	(7,131)	88%	321,499
Parks	205,936	320,929	(114,993)	64%	2,057,399
Recreation Management	28,449	39,293	(10,844)	72%	227,320
Wellness	14,408	16,970	(2,562)	85%	101,822
General Recreation Programs	2,753	1,857	896	148%	39,038
Aquatics	36,540	69,411	(32,871)	53%	403,005
Events	9,523	7,051	2,472	135%	61,480
Tennis	57,994	76,868	(18,874)	75%	454,458
School Age Youth Programs	38,831	80,787	(41,956)	48%	494,414
Preschool	23,116	35,285	(12,169)	66%	210,983
Total Expenditures	720,016	1,002,820	(282,804)	72%	6,168,700
Excess of Revenues Over Expenditures	886,102	638,581	-	-	(8,040)
Other Financing Sources (Uses)	(1,153,350)	-	-	-	-
Net Change in Fund Balance	(267,248)	638,581	-	-	(8,040)
Fund Balance - Beginning of Year	3,919,590				
Fund Balance - End of Period	3,652,341				

KCRMD Accounts Payable Analysis for the year



2023 Capital Fund Projects

Complete - Project complete
In Progress
No Progress
Move to 2024

Project	2023 Budget	2023 YTD	Remaining	GL	Notes
Community Center Building Exterior Door Replacement	7,500	7,968	(468)	2670	Awaiting order.
Community Center Building Fitness Equipment	60,000	59,995	5	2670	Estimated delivery date at beginning Q2.
Community Center Sunshine Room Renovation	15,000	8,913	6,087	2670	Renovation began mid-February.
Community Center Club Drive Crosswalks	6,500		6,500	2670	Secured vendor. Installation Q2.
Community Center Pool ADA Restrooms	40,000	4,391	35,609	2670	Welder secured for gate renovations. Interior renovation began mid-February.
Community Center Parking Lot/Round a bout Crack Fill and Seal Coat	9,100		9,100	2670	Contractor secured. Completion timeline do be determined in March.
Community Center Pool Cover	60,000	-	60,000	2670	New cover is in queue for production. Waiting for snow melt to confirm measurements.
Community Center Pool Deck Chairs	25,000	24,990	10	2670	Ordered on 01/09/2023 with a 15 week lead time.
Community Park Park Master Planning, Design Development, Construction Docs	187,500	14,084	173,416	2670	Final concept to be presented to the community in early April; Board presentation in May.
North Ranch Park -Park Playground Replacement	142,000	142,000	-	2670	Playground to be installed Q2.
Parks Shop Parking Lot Crack Fill and Seal Coat	10,750	-	10,750	2670	Contractor secured. Completion timeline do be determined in March.
Ranch House Tennis Court Fix drainage Between 4 and 5	8,500	-	8,500	2670	Exploring additional options for repair. Waiting until spring tourneys to observe usage.
Z Project Parks Furniture, Fixtures, and Signage	25,000	4,244	20,756	2670	Secured replacement trash cans. Purchasing remaining in Q3.
Z Project Recreation Mini Buses Vehicles	155,000	75,657	79,343	2670	Procured one bus in January. Received notification that procurement of second bus will likely be hindered due to supply chain issues. Waiting until Q3 to determine next steps.
Z Project #27 - 2003 - F350 - 2wd - Utility Body - Irrigation Truck Vehicles	56,000	61,036	(5,036)	2670	Procured in January.
Z Project #25- 2002-F350 - Crew Cab Vehicles	52,000	-	52,000	2670	Still attempting procurement with significant challenges.
Z Project #24 - 2002 -F 350 - 4wd Vehicles	52,000	-	52,000	2670	Still attempting procurement with significant challenges.
Z Project #31 - 2006 - F250 - 4wd with Plow Vehicles	50,000	-	50,000	2670	Still attempting procurement with significant challenges.
Z Project Vermeer BC1400 XL - Tree/Brush Chipper Equipment	89,000	111,075	(22,075)	2670	Delivered in February.
Z Project Genie Man Lift Equipment	15,000	10,576	4,424	2670	Delivered in February.
Total	1,065,850	524,929	540,921		

2023 Conservation Trust Fund Capital Projects

Complete - Project complete

In Progress

No Progress

Move to 2024

Project	2023 Budget	2023 YTD	Remaining	Notes
Community Center Outdoor Area Preschool Playground Convert to Picnic Area	13,000	-	13,000	Concrete work is completed. Shelter posts are installed. Shade material anticipated mid-Q2.
Community Center Pool Shade Structure	15,000	8,857	6,143	Ordered on 01/12/2023. Anticipated delivery and install is Q2.
Community Center & Ranch House Outdoor Tennis Courts Replace shade over benches and bench slats	9,000		9,000	Will order Q2.
North Ranch Park Park Crushed Granite Trail Completion	21,500	-	21,500	Secured contractor and will be installed in Q2.
Ranch House Tennis Court Resurfacing	29,000	28,940	60	Contractor secured. Work scheduled Q2.
Total	87,500		87,500	

Ken-Caryl Ranch Metropolitan District 3-Year Capital Plan

Location 1	Location 2	Project	2024	2025	2026
Community Park	Park	Irrigation Replacement	550,000	550,000	
Community Park	Park	Ballfields, Safety Improvements, Second Shelter, Restroom, Splashpad, Pickleball	500,000	500,000	500,000
Open Space	South Valley Road	Hard-Surface Trail Replacement	445,000		
Community Park	Park	Master Planning, Design Development, Construction Docs	240,000		
Z Project		Vehicles	176,000	223,000	159,000
Community Center	Indoor Tennis Building	Insulation	100,000		
Community Center	Indoor Tennis Building	Exterior Roof - Seal and Recoat	88,500		
Community Center	Building	Lobby Renovation	85,000		
Open Space	South Hogback	Resource Management Plan - SHOS	75,000		
Z Project		Equipment	70,000	150,000	75,500
Community Center	Indoor Tennis Building	Court Resurfacing	50,000		
Community Center	Outdoor Area	Playground Shade	25,000		
Ranch House	Pool	Cabanas	16,000		
Z Project		Water Efficiency Renovations	10,000	15,000	15,000
Z Project		Lighting Audit	7,500		
Community Center	Club Drive	Curb/Gutter, Mill and Repave		500,000	
Ranch House	Tennis Court	Seating and Shade Between Centre and 1		100,000	
Community Center	Building	Fitness Equipment		75,000	
Community Center	Building	Yoga Room Patio Enclosure		55,000	
Z Project		Parks Furniture, Fixtures, and Signage		55,000	
Ranch House	Park	Baseball Field Renovation		50,000	
Community Center	Building	HVAC - Carrier Chiller		45,000	
Z Project		Rental Room FF&E		25,000	
Community Center	Outdoor Tennis Court	Resurfacing		20,000	21,000
Z Project		Fitness Stations		15,000	
Community Center	Indoor Tennis Building	Building Sweeper Machine		12,000	
Community Center	Pool	ADA Lift		10,000	
Community Center	Club Drive	Crack Fill and Seal Coat		9,000	
Community Center	Pool	Splashpad Feature Renovation			175,000
Community Center	Building	Weight/Cardio Room Floor Replacement			28,600
Community Center	Outdoor Tennis Court	Lighting Replacements			25,000
Ranch House	Tennis Court	Resurfacing			20,000
Community Center	Building	Carpet Replacement			15,000
Z Project		Community Survey			12,500
Community Center	Indoor/Outdoor Tennis	Ball Machine Replacement			8,000

Ken-Caryl Ranch Metropolitan District Agenda Item Executive Summary

Agenda Item: Potential Mill Levy Election

Meeting Date: March 28, 2023

Executive Summary:

The Board will continue discussions regarding a potential future mill levy election. If the District's voters were to approve a mill levy continuation ballot issue similar to that approved at Foothills Parks and Recreation, the tax revenue would potentially fund the continuation of the 10-year capital plan, improvements at Community Park, implementation of ongoing Community Survey priorities, and would off-set increased operational costs due to inflation and state mandates. The following is information that will aid in the ongoing discussions.

Forecasting Updates

Staff presents four different forecasting models for the Board to consider, each of which includes a series of assumptions. These assumptions include: (a) the RAR (residential assessment rate), (b) the increase in home values for valuation year 2023, and (c) legislative impacts. These assumptions represent only the District's best educated guesses and should be considered examples of potential outcomes. It is not possible for the District to project with certainty any of assumed figures.

The four scenarios are premised on two legislative bills affecting (or potentially affecting) the RAR: SB22-238 and HB23-1054. Although HB23-1054 was postponed indefinitely by the House Committee on Finance on March 9, other property tax legislation still is anticipated this year, so this is still being used as a model until likely new legislation is introduced and can be built into a model. The forecasts are extremely volatile because the legislative session is only half-way complete and Jefferson County preliminary homeowner valuations are not available until May. Once available in May, the District will utilize the County's preliminary valuation figures to prepare updated forecasting until late August when the District will receive its preliminary 2023 valuation/ 2024 collection certification of assessed value.

As stated above, the forecasting models include a great deal of speculation. However, the District is able to determine a revenue figure that would be generated by the possible continuation of the expiring bond repayment mill levy as an operating mill levy. At the time of the bond expiration in December 2024, the District must aim to retire the bond repayment fund balance with as close to a zero balance as possible. The 2024 principal and interest bond repayment amount is approximately \$916,700 (not including treasurer fees). If the Board contemplates utilizing similar ballot language as neighboring districts, which includes the language "without raising taxes", then the mill levy assessed in 2024 would be the equivalent of the 2024 principal and interest bond repayment of approximately \$916,700. That mill levy, or a portion of it, would be subject to the same assessment process as the existing general operating mill levy, meaning the revenue collected may fluctuate based on home values, the residential assessment rate, and any other legislative impacts.

Community Outreach

Staff has begun community education and feedback efforts regarding a potential mill levy election. In the March 15 issue of Life at Ken-Caryl, the District Manager's regular column provided an educational overview of the potential mill levy continuation ballot issue. Because the Board supported beginning the conversation with the community now, the District Manager asked residents for feedback and asked if any small groups would be interested in engaging in a conversation about the possibility of a mill levy continuance.

Communications around the topic will also be included in the e-News and on social media. Staff hopes to have feedback to the Board at the April Board meeting.

Timeline Regarding Potential Mill Levy Election

- 2023 Board Meetings: Discussion to contemplate potential mill levy election and solicit community feedback.
- March 2023 – Summer 2023: Solicitation of community feedback; small group informal meetings in March and April; formal larger community efforts in May and June
- July 28: Deadline to advise the Jefferson County Clerk and Recorder of the District's possible participation in November 2023 Coordinated Election.
- August 22 Board Meeting: District Board Meeting actions needed if moving forward with mill levy election:
 - Approval of Resolution Calling for Election
 - Approval of IGA with Jefferson County Clerk and Recorder for participation in Coordinated Election
 - Approval of Factual Summary
 - Approval of Resolution of Advocacy
- August 29 (3pm): Deadline to submit Intergovernmental Agreement to Jefferson County Clerk and Recorder for coordinated election.
- September 8: Ballot certification due to Jefferson County.
- November 7: Election Day

Assumptions for Financial Forecasting (3/16/23)	Scenario 1 (HB23-1054)		Scenario 2 (SB22-238)		Scenario 3 (SB22-238)		Scenario 4 (SB22-238)	
	Formula/rates	Notes	Formula/rates	Notes	Formula/rates	Notes	Formula/rates	Notes
RAR (residential assessment rate)	6.765%							
Residential Increase in Values	0%	n/a	10%		7.5%	lower values vs. scenario 2	5%	lower values vs. scenario 3
Non- Residential Increase in Values	0%	n/a	3%		3%		3%	
Valuaton Adjustment	n/a	n/a	\$15K R/\$30K C		\$15K R/\$30K C		\$15K R/\$30K C	
Increase Year-Over-Year	1.25%	no more than 5% increase between 2022-2025	n/a		n/a		n/a	
Estimated Operating 2024 Assessed/2025 Collection	\$ 3,443,376		\$ 3,628,510		\$ 3,564,474		\$ 3,500,439	
2024 Final Bond Repayment Principal and Interest (not including Treasurer Fees)	\$ 916,700		\$ 916,700		\$ 916,700		\$ 916,700	
2023 Operating Property Tax Budget	\$ 3,511,098		\$ 3,511,098		\$ 3,511,098		\$ 3,511,098	
Potential Variance in Operating Property Tax Revenues	\$ (67,722)		\$ 117,412		\$ 53,376		\$ (10,659)	

Property Tax Forecasting Models (3/16/23)

Assumptions: General Fund Property Tax Revenue increase 2% assessed year, 0% otherwise
 POTENTIAL conversion of bond to operating mill levy increase 2% assessed year, 0% otherwise
 General Fund Other Revenue (excludes Property Tax) increase 3% annually
 General Fund Other Expenses increase 3% annually
 Capital average \$1M per year

Estimated Financial Forecast - Scenario 1	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning of Year Fund Balance	1,178,468	805,091	406,911	(106,632)	(650,054)	(1,315,866)	(2,017,014)	(2,848,005)	(3,720,196)
General Fund Property Tax Revenue	3,443,376	3,512,244	3,512,244	3,582,488	3,582,488	3,654,138	3,654,138	3,727,221	3,727,221
General Fund Other Revenue (excludes Property Tax)	2,810,920	2,895,248	2,982,105	3,071,569	3,163,716	3,258,627	3,356,386	3,457,077	3,560,790
General Fund Other Expenses	(6,544,374)	(6,740,705)	(6,942,926)	(7,151,214)	(7,365,750)	(7,586,723)	(7,814,325)	(8,048,754)	(8,290,217)
Capital Fund	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
POTENTIAL conversion of bond to operating mill levy	916,700	935,034	935,034	953,735	953,735	972,809	972,809	992,266	992,266
Excess Revenues Over Expenditures	(373,377)	(398,180)	(513,543)	(543,422)	(665,812)	(701,148)	(830,991)	(872,190)	(1,009,941)
End of Year Fund Balance (projected)	805,091	406,911	(106,632)	(650,054)	(1,315,866)	(2,017,014)	(2,848,005)	(3,720,196)	(4,730,137)

Estimated Financial Forecast - Scenario 2	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning of Year Fund Balance	1,363,602	1,175,358	966,015	641,308	290,498	(182,701)	(687,384)	(1,321,910)	(1,993,706)
General Fund Property Tax Revenue	3,628,510	3,701,080	3,701,080	3,775,101	3,775,101	3,850,603	3,850,603	3,927,615	3,927,615
General Fund Other Revenue (excludes Property Tax)	2,810,920	2,895,248	2,982,105	3,071,569	3,163,716	3,258,627	3,356,386	3,457,077	3,560,790
General Fund Other Expenses	(6,544,374)	(6,740,705)	(6,942,926)	(7,151,214)	(7,365,750)	(7,586,723)	(7,814,325)	(8,048,754)	(8,290,217)
Capital Fund	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
POTENTIAL conversion of bond to operating mill levy	916,700	935,034	935,034	953,735	953,735	972,809	972,809	992,266	992,266
Excess Revenues Over Expenditures	(188,244)	(209,343)	(324,707)	(350,809)	(473,199)	(504,683)	(634,526)	(671,796)	(809,546)
End of Year Fund Balance (projected)	1,175,358	966,015	641,308	290,498	(182,701)	(687,384)	(1,321,910)	(1,993,706)	(2,803,252)

Estimated Financial Forecast - Scenario 3	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning of Year Fund Balance	1,299,567	1,047,287	772,628	382,605	(34,827)	(574,648)	(1,147,286)	(1,849,767)	(2,590,877)
General Fund Property Tax Revenue	3,564,474	3,635,764	3,635,764	3,708,479	3,708,479	3,782,649	3,782,649	3,858,302	3,858,302
General Fund Other Revenue (excludes Property Tax)	2,810,920	2,895,248	2,982,105	3,071,569	3,163,716	3,258,627	3,356,386	3,457,077	3,560,790
General Fund Other Expenses	(6,544,374)	(6,740,705)	(6,942,926)	(7,151,214)	(7,365,750)	(7,586,723)	(7,814,325)	(8,048,754)	(8,290,217)
Capital Fund	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
POTENTIAL conversion of bond to operating mill levy	916,700	935,034	935,034	953,735	953,735	972,809	972,809	992,266	992,266
Excess Revenues Over Expenditures	(252,279)	(274,659)	(390,023)	(417,432)	(539,821)	(572,638)	(702,481)	(741,110)	(878,860)
End of Year Fund Balance (projected)	1,047,287	772,628	382,605	(34,827)	(574,648)	(1,147,286)	(1,849,767)	(2,590,877)	(3,469,737)

Estimated Financial Forecast - Scenario 4	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning of Year Fund Balance	1,235,531	919,216	579,241	123,902	(360,153)	(966,596)	(1,607,189)	(2,377,625)	(3,188,049)
General Fund Property Tax Revenue	3,500,439	3,570,448	3,570,448	3,641,857	3,641,857	3,714,694	3,714,694	3,788,988	3,788,988
General Fund Other Revenue (excludes Property Tax)	2,810,920	2,895,248	2,982,105	3,071,569	3,163,716	3,258,627	3,356,386	3,457,077	3,560,790
General Fund Other Expenses	(6,544,374)	(6,740,705)	(6,942,926)	(7,151,214)	(7,365,750)	(7,586,723)	(7,814,325)	(8,048,754)	(8,290,217)
Capital Fund	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
POTENTIAL conversion of bond to operating mill levy	916,700	935,034	935,034	953,735	953,735	972,809	972,809	992,266	992,266
Excess Revenues Over Expenditures	(316,315)	(339,976)	(455,339)	(484,054)	(606,444)	(640,593)	(770,436)	(810,424)	(948,174)
End of Year Fund Balance (projected)	919,216	579,241	123,902	(360,153)	(966,596)	(1,607,189)	(2,377,625)	(3,188,049)	(4,136,223)

Ken-Caryl Ranch Metropolitan District Agenda Item Executive Summary

Agenda Item: Communication and Outreach Strategies

Meeting Date: March 28, 2023

Executive Summary:

The Master Association and Metropolitan District Boards discussed public comment procedures at the January 4, 2022 Joint Study Session, followed by a District Board discussion at the January 25, 2022 Board meeting. No specific action was taken or directed at either meeting; however, the Board and community members have continued to express a desire to have more effective communication strategies to further engage residents both during and outside of meetings. Staff presents the following options for Board discussion.

- Implement the LiveCast Video feature of the agenda management software system. Use [Snowmass Town Council](#) for an example of how the agenda and video components function.
- Offer a First Friday meeting at a coffee shop or other meeting space for residents to discuss pertinent issues or topics with one or two Board members and District staff.
- Offer a pre-Board meeting gathering for residents to meet with one or two Board members to discuss issues that are on the agenda that evening.
- Expanded Office Hours for Board members to schedule individual engagement with residents.
- Explore fee-based Community Engagement tools such as EngagementHQ offered through the Statewide Internet Portal Authority (SIPA). See the [Town of Buena Vista Case Study](#) from SIPA or <https://my-bv.com/> regarding their use of EngagementHQ.
- Consider other community engagement strategies such as those proposed in the [City of Golden Community Engagement Plan](#).
- Although the Strategic Plan is not finalized, the following communications-related action steps are included in the draft plan and can be considered to further community outreach:
 - Develop urban forest communications and education plan.
 - Conduct annual programming survey for high-level programmatic feedback from the community.
 - Utilize targeted programming feedback tools to analyze community opinion about existing programs and continuous improvement opportunities.
 - Develop annual marketing plan.
 - Develop District Board and community education plan for Budget 101.
 - Targeted communications based on demographics; use all different types of social media.
 - Train non-communications staff to assist with on-site social media presence with posts, videos, and hashtags.
 - Engage and encourage more participation with raffles, prizes, and incentives.
 - Connection with new residents (new resident video, social media live, personal email to new residents, new resident zoom, etc.).
 - Develop partnership with realtors for education, awareness, and promotion of events.
 - Continue education of differences between Metropolitan District and Master Association with regular newspaper section, FAQs, inclusion of page on website, etc.
 - Distribute an annual report to all residents.

The Board is asked to discuss the above options, among others it may wish, and provide staff direction for moving forward.

Ken-Caryl Ranch Metropolitan District Agenda Item Executive Summary

Agenda Item: Amended and Restated Reorganization Agreement

Meeting Date: March 28, 2023

Executive Summary

The Master Association and Metropolitan District Boards and staff have discussed various topics that led to the need for an update to the original and Second Reorganization Agreement. The intent of any future agreement is to provide needed documentation and further clarify and define the responsibilities of each organization.

Timeline of Discussions

- July 7, 2020: Master Association and Metropolitan District responsibility overview
- September 1, 2020: Initial discussion about insurance coverage audit
- November 3, 2020: Insurance coverage audit update
- February 2, 2021: Insurance coverage audit update
- April 6, 2021: Insurance coverage audit update and definitions of boards, committees, and workgroups
- June 1, 2021: Audit of insurance coverage and responsibilities as well as definitions of boards, committees, and workgroups
- September 7, 2021: Asset responsibility discussion
- December 2021: Master Association's legal counsel drafted initial document
- January 4, 2022: Third Amendment to the Reorganization status update
- Spring of 2022: Ongoing review by staff and legal counsel for both entities
- July 5, 2022: Presentation of draft to Boards at Joint Study Session
- July 2022: Discussion at Master Association and Metropolitan District Board meetings
- August 12, 2022: Discussion and review with a small group of Board members
- August 2022: Confirmation from District insurance that an insurable interest in any Master Association owned property via a contractual obligation (i.e. the Third Amendment to the Reorganization Agreement), the District's insurance pool will insure the property. The District could be affected by losses on the Master Association owned property and expend higher contributions for poor loss experience.
- September 6, 2022: Discussion at Joint Study Session
- September 2022: Upon final review of the document, the District's insurance carrier, Colorado Special Districts Property and Liability Pool (CSD), asked for additional information regarding the agreement to more clearly identify the insurable interest component that is at the core of the overall process. This led to changes in the document format, specifically, by restructuring the changes as an "Amended and Restated Reorganization Agreement".
- December 2022: The Amended and Restated Reorganization Agreement was developed by the District's legal team and started with the original 1988 Reorganization Agreement as a "base", incorporated the terms of the First and Second Amendments into the document, and then added the terms of the Third Amendment into the document in order to create a single, cohesive document.
- January 2023: The Colorado Special District Pool legal team and the Master Association legal counsel reviewed the Agreement. Discussed at the January 10, 2023 Joint Study Session.
- February 2023: Comments from Master Association insurer, Master Association legal, and District insurer incorporated into current draft that follows this agenda item. Discussion at District Board meeting.
- March 2023: Discussion at Master Association Board meeting. Discussion at District Board meeting.

If discussions at the March 21 Master Association Board meeting did not suggest or request any changes to the agreement, staff is recommending District Board approval at the March 28 meeting. If additional discussion is required due to the March 21 Master Association Board meeting, the approval will be tabled and general discussions will occur instead.

AMENDED AND RESTATED REORGANIZATION AGREEMENT

This Amended and Restated Reorganization Agreement ("**Agreement**") is entered into by and between the Ken-Caryl Ranch Metropolitan District, a political subdivision of the State of Colorado organized pursuant to C.R.S. § 32-1-101, *et seq.* ("**District**"), and the Ken-Caryl Ranch Master Association, a not-for-profit corporation organized to provide park and recreation, cable television, covenant control, and other services to the residents of Ken-Caryl Ranch ("**Master Association**"). The District and Master Association are referred to collectively herein as the "**Parties**" or individually as a "**Party**".

RECITALS

WHEREAS, on December 20, 1988, the Parties entered into a Reorganization Agreement ("**Original Agreement**"), pursuant to which the District assumed responsibility for the operation, maintenance, and associated costs and expenses, of certain Master Association parks and recreation services, and the Master Association granted the District authority to use the Master Association's Property, as set forth and defined in the Reorganization Agreement, to accomplish the parks and recreation services;

WHEREAS, since December 20, 1988, the Parties have amended the Original Agreement two times for the purposes of (i) allowing and providing for capital improvements to the Property to be financed through a portion of the \$7,900,000 in general obligation bonds approved by the District's voters on May 6, 2014, and (ii) terminating the District's assumption of responsibility to provide and pay for irrigation water for certain portions of the Property. Additionally, the Parties have identified the need for further amendments to the Original Agreement in order to (iii) reduce ambiguity in terms, (iv) modernize the contractual language, (v) provide for the formal leasing of the Property to the District, and (vi) clarify the Parties' respective property and liability insurance obligations; and

WHEREAS, the Parties desire to enter into this Agreement to set forth in one document the scope and nature of the District's assumed responsibility for the operation, maintenance, lease rights, and associated costs and expenses related to the Property and the parks and recreation services.

NOW, THEREFORE, in consideration of the mutual covenants and agreements stated herein, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

In addition to the terms defined elsewhere in this Agreement, the following definitions shall apply:

1. **Board.** The Board of Directors of the District or Master Association, as applicable.
2. **Property.** Real property, improvements thereon, and personal property owned by the Master Association that is necessary for implementation of the Service Programs pursuant to this Agreement, as more specifically identified on attached **Exhibit A**.
3. **Service Program(s).** A separate and distinct grouping of tangible and intangible resources and activities which results in a defined type and level of parks and recreation services provided to or for the benefit of the Ken-Caryl Ranch community, as more specifically identified on the attached **Exhibit A**.

ARTICLE 2 DISTRICT ASSUMPTION OF SERVICE PROGRAMS

Section 1. Service Programs Assumed by the District. The District has assumed, and will continue, all responsibility for the operation, routine maintenance, and associated costs and expense of those Service Programs listed on the attached Exhibit A during the term of this Agreement. The District shall operate and provide routine maintenance of the Service Programs in accordance with a standard not less than the standard of operation and routine maintenance that it provides for its other District parks and recreation services. The Parties may at any time, and from time to time, amend the attached Exhibit A to add to, remove from, or otherwise revise the Service Programs included as part of this Agreement by preparing and mutually executing a new Exhibit A, which shall then be attached to this Agreement. Such new Exhibit A shall be effective as of the date the last Party signs the new Exhibit A, unless a different effective date is stated thereon. The Master Association shall have no responsibility for costs or liability with respect to the operation or routine maintenance of the Service Programs described on the attached Exhibit A, except for such costs or liability that: (a) are provided in this Agreement; (b) are required or imposed by law; or (c) result from the negligent or intentional conduct of the Master Association, or its directors, officers, employees, volunteers, or representatives.

ARTICLE 3 LEASE OF PROPERTY TO THE DISTRICT

Section 1. Property Lease. In connection with the assumption of the Service Programs under this Agreement, the Master Association hereby grants to the District an exclusive lease and right to occupy and use the Property described on Exhibit A, subject to the terms and conditions provided in this Agreement, except that such exclusive lease and right to occupy and use shall not prohibit the Master Association from also co-occupying and using the Property to facilitate the provision of the Master Association's services. The Master Association shall not charge the District rent for its lease of the Property. The Master Association represents that it is in the possession of and has title to all Property described on Exhibit A. The District hereby acknowledges the title of the Master Association to the Property, and agrees never to assail, resist or deny such title.

Section 2. Use of Leased Property. The District may occupy and use the Property for the purpose of discharging its duties in operating and providing routine maintenance of the Service Programs as provided by this Agreement. The District shall at all times operate and routinely maintain the Property in a safe, sanitary, and neat condition, and in a good working condition and state of repair, appropriate to the Service Programs. The District shall not use, or permit the Property to be used, for any purpose other than the purpose for which the Property is hereby leased, or in violation of any applicable federal, state, or local law, rule, or regulation ("***Applicable Law***"), or in a way that would cause a cancellation of any insurance policy covering the Property. The District shall keep the Property free and clear of mechanic's or materialmen's liens for labor performed or material furnished at the request of the District or anyone claiming under the District. The Master Association's occupancy and use of the Property for its own purposes may not unreasonably hinder or disrupt the District in the performance of its obligations under this Agreement.

Section 3. Property Maintenance and Repair. Except as provided pursuant to Article 2, Section 1 above, Article 3, Section 5(b) below, or as otherwise agreed by the Parties, the Master Association shall be solely responsible for major (non-routine) maintenance, capital improvements, and replacements, restorations, or upgrades of the Property, and for any and all costs or expenses thereof. The District shall

be responsible for all routine maintenance and for obtaining and paying the cost of regular cleaning of the Property, including the cost of regular or special janitorial or cleaning services as required to maintain the Property in a sanitary and neat condition.

Section 4. Utilities. The District shall be responsible to obtain all public utilities at the Property, including without limitation all water, sewer, electric, gas, telecommunications services, and trash removal. The cost of all public utility charges shall be paid by the District, and the Master Association shall reimburse the District in an amount(s) to be agreed upon annually by the District and the Master Association. The Master Association shall remit payment of its amount(s) due to the District within 30 days of the District submitting to the Master Association an invoice or statement of amount(s) due. In the event the District and Master Association have not agreed upon the amount(s) to be reimbursed in any year, the Master Association shall continue to reimburse the District in the amount(s) agreed upon for the prior year, plus 4% of each reimbursement amount due. Nothing in this Article 3, Section 4 shall be interpreted to impose on the District any financial obligation that would violate Article 7, Section 5 of this Agreement as a result of the District Board not appropriating funds for such financial obligation.

Section 5. Alterations.

a. **In General.** During the term of this Agreement, the District shall have the right to install on the Property equipment, fixtures, and other personal property necessary for its use of the Property in providing the Service Programs. All equipment, fixtures, and other personal property placed on the Property by the District at its own expense, including fixture temporarily affixed to the realty but which may be removed without damage, shall remain the property of the District, and the District shall have the right to remove all such equipment, fixtures, and personal property at any time. The District covenants and agrees that any such installations shall be performed in a workmanlike manner, and in compliance with Applicable Law.

b. **MA Property Improvements.** The Parties have developed and attached as **Exhibit B** a list that contains capital improvements previously made to certain Master Association-owned Property and that were funded in whole or in part with proceeds from the District's Bonds ("**MA Property Improvement**"). For purposes of this Agreement, "**District's Bonds**" means the general obligation bonds authorized by the District's eligible electors at the May 6, 2014 election, in an amount up to \$7,900,000, for the purpose of designing, improving, constructing, relocating, installing, completing, and otherwise providing improvements to community parks and recreation amenities and facilities within the District's boundaries. The list attached as Exhibit B also contains (i) the actual cost of each such improvement at the time it was completed, and (ii) the period of time over which the cost basis of an MA Property Improvement, less depreciation, equals zero (*i.e.*, the useful life of each such improvement).

Section 6. Redelivery. Upon termination of this Agreement, the District shall peaceably and quietly quit and surrender the Property to the Master Association, in good order and condition, subject to the provisions of this Agreement. If the District fails to vacate the Property upon the termination of this Agreement, the District shall be a month-to-month lessee and subject to all of the laws of the State of Colorado subject to such tenancy. Upon termination of this Agreement and the District's redelivery of the Property to the Master Association, the District shall be authorized for a period of six months to remove any equipment, fixtures, and other personal property of the District installed thereon and that can be removed without damage to the realty. In the event that any such equipment, fixtures, or other personal property is not removed within the six month period, they shall be deemed to be abandoned, and the Master Association is authorized to thereafter take possession of said items.

Section 7. No Sublease. The District's privileges hereunder are personal in nature and the District shall not sublet its lease rights in the Property or any portion of thereof without first obtaining the prior written consent of the Master Association. The Master Association's consent to one sublease shall not be consent to any subsequent sublease. Any unauthorized sublease shall be void *ab initio*. However, nothing contained herein shall be deemed to prohibit the use of the Property by the District's independent contractors, vendors, concessionaires, private renters, or other agents or representatives for the purpose of providing services that assist and further the District's provision of the Service Programs.

ARTICLE 4 INSURANCE OBLIGATIONS OF THE PARTIES

Each of the Parties shall, during the term of this Agreement, and any renewals or extensions hereof, maintain, at their sole cost and expense, the following types of insurance coverage from financially reputable insurers rated not less than "A-VII" by AM Best or an equivalent rating agency and licensed to do business in the State of Colorado. Upon request, either Party shall provide to the other a certificate or other evidence of insurance coverage as described herein, which shall clearly evidence all insurance coverages including endorsements as required by this Article 4. With respect to any coverage written on a "claims-made" policy form, (i) coverage shall be maintained for three (3) years following the term of this agreement, and (ii) the retroactive date must precede the commencement of this Agreement.

Section 1. Public Officials Liability and Directors and Officers Liability Insurance. The District shall maintain public officials liability insurance, and the Master Association shall maintain directors and officers liability insurance, each in the minimum amount of \$500,000 each claim and in the aggregate, protecting the District and the Master Association, respectively, and their directors and officers, against losses, liabilities, or expenses arising out of the actions or inactions of the applicable Party and its directors and officers in the performance of their duties.

Section 2. Workers' Compensation and Employer's Liability Insurance. Each Party shall maintain workers' compensation insurance in accordance with and in such amounts as is required by Colorado law. Each Party also shall maintain employer's liability insurance with limits of not less than \$500,000 bodily injury by accident, \$500,000 each employee for disease and \$500,000 aggregate for disease.

Section 3. Automobile Liability Insurance. Each Party shall maintain automobile liability insurance covering all owned, non-owned, and/or hired vehicles used by such Party. Such insurance shall be in an amount not less than \$1,000,000 combined single limit bodily injury and property damage, and shall name the other Party, and its directors, officers, and employees, as additional insureds.

Section 4. General Liability Insurance.

a. **District Liability Insurance.** The District shall maintain general liability insurance insuring against liability for premises and operations, personal injury, bodily injury, death, or broad form property damage arising from its activities in operating and providing routine maintenance for the Service Programs and in occupying the Property, and performing its other duties and obligations under this Agreement. Such general liability insurance shall be in an amount not less than the monetary limits of liability established by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.* ("**Colorado Governmental Immunity Act**"), and shall name the Master Association, and its directors, officers, and employees as additional insureds.

b. Master Association Liability Insurance. The Master Association shall maintain general liability insurance insuring against any liability for premises and operations, personal injury, bodily injury, death, or broad form property damage arising from the performance of its duties and obligations under this Agreement. Such insurance shall be in an amount not less than \$5,000,000 each occurrence for bodily injury and property damage, \$5,000,000 per occurrence for personal injury and \$5,000,000 general aggregate, and shall name the District, and its directors, officers, and employees, as additional insureds. The Master Association may satisfy the insurance limits requirements through any combination of primary and excess or umbrella liability insurance. The Master Association also shall obtain excess liability insurance for any liability that may result from the District's operation and routine maintenance of the Service Programs and occupancy of the Property, in such amounts as the Master Association deems appropriate for its business purposes and protection.

Section 5. Property Insurance.

a. District Property Insurance. The District shall maintain property insurance protecting against risks of direct physical loss covering such Property described on **Exhibit C** as "MD" under the column heading "Property Insurance" ("***District Insured Property(ies)***"), which shall be in an amount not less than the full replacement cost value of the property insured, without coinsurance, and shall name the Master Association as loss payee. The full replacement cost value of the property insured shall be reviewed at each policy renewal. The District also shall maintain property insurance protecting against risks of direct physical loss covering the District-owned contents of the District Insured Properties described on Exhibit C as "MD" under the column heading "District Contents Insurance" ("***District Insured Contents***"). Such contents insurance shall be in such amounts as the District deems appropriate for its business purposes and protection. The District also shall maintain equipment breakdown insurance covering any mechanical and electrical equipment located within the District Insured Properties and District Insured Contents.

The premiums for the property insurance carried on the District Insured Properties shall be paid by the District, and the Master Association shall reimburse the District 50% of all premiums so paid. Any deductible payable in connection with a claim against such property insurance also shall be paid by the District, with a reimbursement of 50% of such deductible amount by the Master Association. The Master Association shall remit payment of its 50% portion of any premium or deductible to the District within 30 days of the District submitting to the Master Association an invoice or statement of amounts due. Nothing in this Article 4, Section 5(a) shall be interpreted to impose on the District any financial obligation that would violate Article 7, Section 5 of this Agreement as a result of the District Board not appropriating funds for such financial obligation.

b. Master Association Property Insurance. The Master Association shall maintain property insurance covering the Master Association-owned contents of the District Insured Properties described on Exhibit C as "MA" under the column heading "Master Association Contents Insurance" ("***MA Insured Contents***"). Such contents insurance shall be in such amounts as the Master Association deems appropriate for its business purposes and protection. The MA also shall maintain equipment breakdown insurance covering any mechanical and electrical equipment located within the MA Insured Contents.

Section 6. Claims Administration and Priorities. Exhibit D hereto sets forth the insurance claims process the Parties desire to follow in the event of an insurable claim for any type of insurance carried by the Master Association or the District with respect to the Property or any contents, and the insurance claims process the Parties desire to follow in the event that one Party authorizes personnel of the other Party to operate a vehicle owned and insured by the authorizing Party, and such vehicle is damaged during such operation due to causes other than the authorizing Party's own negligence or intentional conduct

(collectively, "**Claims Process**"). To the extent the Claims Process, or any portion thereof, conflicts directly or indirectly with any term of the contracts with the Parties' insurers and/or claims administrators, the Parties shall work together in good faith to revise the Claims Process as necessary to conform to the required insurer and/or claims administration process, while maintaining the spirit and intent of this Article 4, Section 6 to the extent practicable. The Parties agree to cooperate in good faith to submit claims to their respective insurers, as applicable.

ARTICLE 5 COOPERATION BETWEEN THE PARTIES

Section 1. Staffing, Employment, and Cost-Sharing.

a. **Staffing and Employment.** Either Party may hire employees who are able to provide services to the non-employing Party, and to include as part of such employees' job duties the provision of services to the non-employing Party. To preserve and encourage these efficiencies, the Parties agree to negotiate specific reimbursement obligations or offsets related to the salary and benefits provided by the employing Party and payable by the non-employing Party. Such reimbursement or offset shall occur on a monthly basis or as otherwise agreed to by the Parties in writing. Each Party shall ensure that its employees who provide services to the non-employing Party comply with each Party's operational rules, policies, and procedures governing the provision of such services (collectively, the "**Operational Policies**"), provided that the Parties' Operational Policies are not in conflict. In the event of a conflict between the Parties' Operational Policies, an employee shall comply with the Operational Policies of the employing Party.

b. **Employment Status.** Each Party expressly agrees that each of its employees who provide services to the non-employing Party pursuant to Article 5, Section 1(a) above shall at all times remain the employing Party's employee and shall not be considered an employee of the non-employing Party, notwithstanding any provision of this Agreement or the terms of any negotiated reimbursement or offset related to salary and benefits provided by the employing Party. The employing Party shall retain the same authority and responsibility over such employees as it has with respect to its other employees, including, but not limited to: i) hiring, termination, and disciplinary actions; ii) compensation, benefits and other terms and conditions of employment; and iii) payment of all state and federal taxes that are incidental to employing such employees.

c. **Other Cost-Sharing.** The Parties are hereby authorized and encouraged to cooperate in seeking other cost-sharing opportunities intended to increase efficiencies and decrease duplication of efforts in the course of the work contemplated by this Agreement. Nothing in this Article 5, Section 1(a) through (c) shall be interpreted to impose on the District any financial obligation that would violate Article 7, Section 5 of this Agreement as a result of the District Board not appropriating funds for such financial obligation.

Section 2. Committees, Workgroups, and Task Forces. Each Party is empowered by Colorado law and its governing documents to create committees, workgroups, and task forces, to appoint liaisons or representatives thereto, and to appoint liaisons to the other Party's Board. The Parties are hereby authorized and encouraged to cooperate in creating joint committees, workgroups, and task forces where appropriate, and in appointing members to those committees, workgroups, and task forces, with the shared goals of efficiency, collaborative effort, and performing actions in the best interests of the residents of the Ken-Caryl Ranch community. The Parties agree to the definitions and terms set forth in **Exhibit E** hereto with respect to committees, workgroups, task forces, liaisons, and representatives.

ARTICLE 5 WARRANTIES AND INDEMNIFICATION

Section 1. Warranties.

a. Compliance with Laws. The Parties agree for themselves, their agents, and their employees, to comply with all Applicable Laws including the Ken-Caryl Ranch Master Declaration of Covenants, Conditions and Restrictions, as amended from time to time, in performing the terms and obligations of this Agreement. Further, the District shall comply with the federal, state, and local laws, rules, and regulations governing tax-exempt municipal bonds, including without limitation, the Internal Revenue Code of 1986, as amended, and related regulations ("***Applicable Tax Laws***"), and all other rules and regulations governing the District's Bonds, including without limitation the Ken-Caryl Ranch Metropolitan District Ballot Issue 5A, the District Board Bond Resolution, the Official Statement, and all such other rules and regulations, in making the MA Property Improvements.

b. Further Assurances. Each of the Parties shall use its best efforts and act in good faith and in a spirit of cooperation in discharging its responsibilities and carrying out the terms and purposes of this Agreement. Each of the Parties therefore agrees to execute and deliver additional instruments, and to take such other actions, as may reasonably be necessary to discharge its responsibilities and carry out the terms and purposes of this Agreement.

c. Authority of Parties. Each of the Parties hereto represents it has full power and authority to execute, deliver, and perform this Agreement and that this Agreement constitutes valid and legally binding obligation of such Party enforceable against the other Party in accordance with its terms.

d. Use of Property, Facilities, and Personal Property. The Parties expressly understand and agree that throughout the term of this Agreement, any Property used, operated, maintained, improved, or otherwise managed by the District shall be considered public amenities open to use by the public at large, without regard to residency or property ownership within the District or Ken-Caryl Ranch, and subject to the policies and procedures, if any, established by the District Board from time to time in accordance with Applicable Law. The District warrants that it shall use, operate, routinely maintain, and otherwise manage the Property as provided under this Agreement in a prudent manner, in compliance with Applicable Law and in good condition and repair, and shall return the Property to the Master Association at the termination of this Agreement, or at such other time as the Parties may agree, in the same or better condition as received, normal wear and tear excepted.

If this Agreement is terminated for any reason, the Master Association shall continue to operate and maintain each MA Property Improvement as a public amenity until the end of the MA Property Improvement's Useful Life. Similarly, if this Agreement is not terminated, but the District's use, operation, and management of any part of an MA Property Improvement is terminated, the Master Association shall continue to operate and maintain that MA Property Improvement as a public amenity until the end of that MA Property Improvement's Useful Life. This Article 5, Section 1(d) shall survive termination of this Agreement.

Section 2. Indemnification. To the extent permitted by law, each Party shall indemnify, defend, and hold harmless the other Party, and its Directors, officers, employees, volunteers, and agents, from and against all claims, damages, losses, expenses, and causes of action of any kind or character, including attorneys' fees and costs, arising out of or resulting from the indemnifying Party's performance of this

Agreement, or any breach of warranty or misrepresentation of a Party contained herein, except for injuries and damages caused by the negligence or intentional conduct of the other Party. Notwithstanding the foregoing, nothing in this Article 5, Section 2 is intended to abrogate, waive, or limit (i) the District's rights, immunities, and protections provided by governmental immunity pursuant to Article 7, Section 4 below, or (ii) the District's rights of non-appropriation pursuant to Article 7, Section 5 below.

ARTICLE 6 TERM AND TERMINATION; DISPUTE RESOLUTION

Section 1. Term of the Agreement. This Agreement shall be effective as of the date the last Party signs this Agreement ("*Effective Date*") and shall continue until terminated as provided herein.

Section 2. Termination of the Agreement.

a. Incidents of Termination. This Agreement may be terminated:

i. At any time upon the mutual written Agreement of the Parties;

ii. Automatically upon the dissolution of the District;

iii. Upon written notice of termination given by either Party to the other no later than July 1 of any calendar year. Such notice of termination shall be effective at 11:59 pm on December 31 of the second calendar year following the year in which the notice is given, unless the Parties mutually agree to a different termination date;

iv. By either Party upon the material default of the other Party in its performance of this Agreement; provided that the non-defaulting Party shall notify the defaulting Party of the default, and the defaulting Party shall have the right to cure, or to make substantial efforts to cure, the default within 30 calendar days after notice of default is given. If the defaulting Party fails to cure, or to make substantial efforts to cure, the default within the 30 calendar day period, then non-defaulting Party, at its option, may terminate this Agreement or may elect to treat this Agreement as being in full force and effect. If the non-defaulting Party elects to terminate this Agreement, such termination shall be effective 180 calendar days after such election, unless the Parties mutually agree to a different termination date. If the non-defaulting Party elects to treat this Agreement as being in full force and effect, the non-defaulting Party shall have the right to bring an action for specific performance, to the extent permitted by law, or for damages, or both.

b. Effect of Termination. In the event of termination of this Agreement for any reason, authorized representatives from the District's and Master Association's Boards shall promptly meet and discuss, in good faith, transition of the operation, maintenance, and associated costs and expenses related to the Property back to the Master Association and/or to another service provider. The powers of the District to provide the services set forth in its Service Plan and pursuant to Applicable Law, shall not be affected by the termination of this Agreement.

Section 3. Dispute Resolution.

a. Mediation. Any dispute arising from or relating to this Agreement or the performance thereof shall be submitted to non-binding mediation, which is a condition precedent to either Party commencing a civil action on any dispute arising from or relating to this Agreement or the performance

thereof. Either Party may submit a written request for mediation. The Parties shall share the mediator's fee and any mediation costs equally; provided, that each Party shall pay its own attorneys' fees, costs, and expenses. Unless the Parties otherwise mutually agree in writing, the mediation shall be completed within 45 calendar days of a Party requesting mediation. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

b. Civil Action. If the Parties are unable to resolve a dispute through mediation, either Party may commence a civil action. Jurisdiction and venue for a civil action shall lie exclusively in the District Court for Jefferson County, Colorado. In any civil action, the prevailing Party shall be awarded its reasonable attorneys' fees, costs, and expenses, including the reasonable attorneys' fees, costs, and expenses incurred in collecting or executing upon any judgment, order, or award.

ARTICLE 7 ADDITIONAL TERMS

Section 1. 1996 Letter of Understanding. On August 22, 1996, the Parties entered into a Letter of Understanding on the Working Relationship between the Master Association and District for the purpose of further clarifying and defining their relationship and the services provided by each of them under the Original Agreement ("**1996 LOU**"). The Parties do not expressly intend to amend the 1996 LOU by this Agreement and desire that this Agreement and the 1996 LOU be read in harmony to the extent practicable; however, to the extent that any term or provision of this Agreement conflicts, directly or indirectly, with any term or provision of the 1996 LOU, and it is not practicable to read them together, then the term or provision of this Agreement shall control.

Section 2. Severability. Invalidation of any of the provisions of this Agreement or any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of the remainder of this Agreement. Moreover, the Parties intend that use of Bond funds pursuant to this Agreement shall at all times comply with the Applicable Tax Laws. If any portion of this Agreement shall at any time be determined by a Court of competent jurisdiction to be invalid or to subject the Bonds to taxation, all other portions shall remain valid and in force to the fullest extent possible, and the Court shall modify the flawed provisions to the minimum extent necessary to correct the legal deficiency and ensure the Bonds remain qualified as tax-exempt municipal bonds.

Section 3. Notice. Any notice permitted or required by this Agreement shall be in writing and shall be given by hand delivery or certified or registered mail, postage prepaid, return receipt requested, to the receiving Party at the following address, or at such other address as a Party may designate by written notice given in accordance with this Article 7, Section 3:

District

Ken-Caryl Ranch Metropolitan District
Attn: District Manager
7676 South Continental Divide Road
Littleton, Colorado 80127

Master Association

Ken-Caryl Ranch Master Association
Attn: Association Manager
7676 South Continental Divide Road
Littleton, Colorado 80127

If given by hand delivery, the notice shall be deemed given upon receipt. If sent by certified or registered mail, the notice shall be deemed given when deposited in the United States mail and shall be deemed effective 72 hours after having been given:

Section 4. Governmental Immunity. This Agreement is not intended, and shall not be construed, as a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the District, and its current and former directors, officers, employees, volunteers, representatives, and agents, under federal or state law, including but not limited to the Colorado Governmental Immunity Act.

Section 5. Non-Appropriation. All direct and indirect financial obligations of the District under this Agreement are subject to annual appropriation of the funds necessary to meet such obligations. If the District's Board fails to appropriate funds necessary to meet the District's obligations under this Agreement for the ensuing fiscal year, this Agreement shall terminate at the end of the year in which the non-appropriation occurred, and neither Party shall have liability to the other Party.

Section 6. No Third Party Beneficiaries. This Agreement is not intended to, and shall not, confer rights on any person or entity not named as a party to this Agreement, expressly including enforcement of any of the terms and conditions of this Agreement; all rights of action relating to such enforcement shall be strictly reserved to the Parties.

Section 7. Force Majeure. The Parties shall not be responsible for default of this agreement due to a failure or delay in the performance of any obligations hereunder caused by acts of God, flood, fire, pandemic or epidemic, war, riot, insurrection, or public enemy.

Section 8. Additional Provisions. Colorado law governs this Agreement. Except for the 1996 LOU, which shall continue in full force and effect as provided in Article 7, Section 1 above, this Agreement is the entire agreement between the Parties related to the matters contained herein, and there are no oral or collateral agreements or understandings. This Agreement may only be amended by a written document signed by the Parties. Course of performance, no matter how long, shall not constitute an amendment to this Agreement. The headings, captions, and titles contained herein are intended for convenience and reference only and are not intended to define or limit the scope of any of the provisions of this Agreement. Waiver of a breach of this Agreement shall not operate or be construed as a waiver of any subsequent breach of the same or another provision of this Agreement. This Agreement shall be binding and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither this Agreement, nor any of the duties hereunder or obligations or authority may be assigned in whole or in part by the District or the Master Association without the prior written consent of the other Party. This Agreement may be executed in several counterparts and by PDF or facsimile, each of which shall be deemed an original and all of which shall constitute one and the same binding instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

DISTRICT:

KEN-CARYL RANCH METROPOLITAN
DISTRICT, a political subdivision of the State of
Colorado

By: _____
_____, President

ATTEST:

_____, Secretary

MASTER ASSOCIATION:

KEN-CARYL RANCH MASTER
ASSOCIATION, a Colorado not-for-profit
corporation

By: _____
_____, President

ATTEST:

_____, Secretary

EXHIBIT A
SERVICE PROGRAMS AND RELATED PROPERTY ASSUMED BY THE DISTRICT

1. **Bradford Recreation Center**, located at 6 Kildeer Lane, including, but not limited to, all tangible and intangible resources needed to operate and maintain the following programs and activities at the Bradford Recreation Center:

- Swimming Pool
- Pool Building
- Tennis Courts
- Park and Playground

2. **Dakota Lodge**, located at 14222 W. Ken-Caryl Avenue, including, but not limited to, all tangible and intangible resources needed to operate and maintain the following programs and activities at the Dakota Lodge:

- Recreational Programs and Rentals
- Pond, Lodge, and Conference Rooms
- Park and Playground

3. **Ranch House**, located at 7676 S. Continental Divide Rd, including, but not limited to, all tangible and intangible resources needed to operate and maintain the following programs and activities at the Ranch House:

- Swimming Pool
- Swimming Pool Check-in Building
- Tennis Courts
- Recreational Programs and Rentals
- Park and Playground

4. **Other Playgrounds**, including, but not limited to, all tangible and intangible resources needed to operate and maintain the following:

- Brannon Gearhart Park Playground, located east of Valley Parkway between Mahonia and Buckthorn
- Heirloom Park Playground, located at 1 Mountain Oak
- Saddlewood Park Playground, located at 12177 Rabbit Ears Pass
- Settlement Pond Park Playground, located at 7900 S. Rampart Range Road
- Territory Park Playground, located at 7370 Gore Range Road

5. **Recreation Supervision**, including, but not limited to, all tangible and intangible resources needed to operate and maintain the following programs and activities:

- Independent Contractor and Field Use Independent Contractor Programs
- Youth Programs
- Fitness and Wellness Programs
- Enrichment Programs
- Special Events

6. **Grounds and Maintenance**, including, but not limited to, all tangible and intangible resources needed to operate and maintain the following programs and activities:

- Maintenance Shop, located at 8391 S. Continental Divide Road

Maintenance Storage and Covered Parking
 Landscaping
 Snow Removal
 Irrigation, subject to the below terms and limitations:

The Master Association is solely responsible for all costs arising from the following water taps ("**MA Taps**"):

Tap ID#	Size	Location	Area Served
3545	1"	# 6 Killdeer	Bradford Park
3903	1"	Bldg. # 7/Fun Barn	Dakota Lodge/Shop
3904	1"	Bldg. # 14/North House	Manager's House
3916	1 1/2"	#1 Mountain Oak	Heirloom Park
3917	1 1/2"	6813 Blue Grouse	North Ranch Entrance
3920	2"	7536 S. Continental	North Entrance
3921	1 1/2"	7676 S. Continental	Ranch House
3932	3/4"	12902 Ken Caryl Ave	C-470 South Wing
3937	2"	10715 Devil's Head	Continental Divide @ Devil's Head
3938	2"	10442 Dakan	East end of Dakan — Greenbelt H
3960	2"	11989 W. Chatfield	West end of greenbelt E
3962	2"	10514 Noddle Mtn.	East end of Noddle — Greenbelt H
3983	3/4"	15 Holly Oak	Abandoned
3986	2"	7980 Rampart Range	Continental Divide @ Rampart
4004	1 1/4"	7370 Gore Range Rd.	Territory Park
4009	2"	8010 Sawatch	Greenbelt W
4010	1"	12177 Rabbit Ears	Saddlewood Park
4648	3/4"	8391 Continental Divide	Parks Shop
5721	2"	11531 Cochetopa	Cochetopa & Chatfield

Costs for water billed to the following water taps ("**Shared Taps**") are shared between the Master Association and District on a 50/50 basis. The Shared Taps are held in the name of the District, and the Master Association shall reimburse the District for its applicable share of the costs arising from the Shared Taps within thirty (30) days of the receipt of an invoice therefor from the District:

Tap ID#	Size	Location	Area Served
3910	1 1/2"	7200 S. Valley Parkway	Bridlegate Lane
3911	1 1/2"	7530 S. Valley Parkway	Mahonia
3912	1 1/2"	7700 Valley Loop Rd.	White Oak
3914	3/4"	13301 Ken-Caryl Ave.	Hogback Intersection
3926	2"	8245 S. Continental Divide	Vision
3933	3/4"	12903 Ken Caryl Ave.	C-470 island and North wing
3947	1"	117 Mtn. Willow	Mtn Willow @ Barrington
3948	3/4"	121 Mtn Willow	Mtn Willow @ Deerwood

The District is solely responsible for all costs arising from the following water taps ("**District Taps**"):

Tap ID#	Size	Location	Area Served
313	2"	7940 Sangre de Cristo	Community Park
314	2"	7950 Sangre de Cristo	Community Park
3460	1 1/2"	27 Mule Deer Trail	North Ranch Park
3915	1 1/2"	1 Club Drive	Community Center

EXHIBIT B
MA PROPERTY IMPROVEMENTS

Bond Projects Overview

The Bond-funded capital improvement projects at the Community Center, Ranch House, Dakota Lodge, and parks totaled \$8.65 million with nearly \$5.1 million spent on Master Association Property. Below is a breakdown of how the money was spent and what improvements were made on Master Association Property.

Ranch House

The administrative side of the Ranch House was remodeled to maximize community use space. The Shaffer and Bradford Rooms were remodeled and office space was consolidated to provide a more useful front desk and lobby area. The Recreation side of the building was renovated to provide new space for youth programs, multi-use recreation programs, consolidated offices and a new lobby. A new pool entrance created better traffic flow in the summer, and bathrooms accessible from the outside of the building provide a much-needed amenity for all park users.

Dakota Lodge

Addition of the Lodge Room at Dakota Lodge to accommodate the heavy demand for community use and programming. There is now a dedicated classroom for the thriving Environmental Education programs as well as the new space that is used for private events, community gatherings and programming. Renovated office space for some of the Ranger Staff allowed for the creation of a conference room that is available for community use as well. The park and playground were renovated to create an outdoor experience that matches the site, creates more learning opportunities and addressed accessibility challenges.

Parks and Signs

New signs were installed at the facilities and entrances to the community. The biggest park improvements came to Heirloom and Saddlewood Park where new playgrounds and landscaping were installed to provide much-needed updates to well-used parks.

<u>MA Property Improved</u>		<u>Value of Improvement</u>	<u>Useful Life in Years</u>
Ranch House	\$	2,404,337	
Legal, Permits, Inspections	\$	115,695	40
Owner's Rep	\$	85,415	40
Architectural/Engineering	\$	125,280	40
General Construction	\$	1,974,217	40
Furniture & Fixtures	\$	62,959	15
Park & Landscape	\$	40,771	15

<u>MA Property Improved</u>		<u>Value of Improvement</u>	<u>Useful Life in Years</u>
Dakota Lodge, Park & Equestrian Center	\$	1,670,037	
Legal, Permits, Inspections	\$	50,584	40
Owner's Rep	\$	57,956	40
Architectural/Engineering	\$	66,870	40
General Construction	\$	1,291,104	40
Park & Landscape	\$	203,523	15

Bradford Park/Pool	\$	30,303	15
Saddlewood Park	\$	229,804	15
Heirloom Park	\$	476,382	15
Territory Park	\$	18,020	15
Entrance Signage	\$	193,551	15
Total Bond Expenditures on MA Property	\$	<u>5,022,433</u>	

**EXHIBIT C
PROPERTY INSURANCE**

	Property Insurance	District Contents Insurance	Master Association Contents Insurance
Bradford Park Playground	MD	-	-
Bradford Park Pool, Decking, and Wading Pool	MD	-	MA
Bradford Park Pool Building, Pump Room, Lighting, and Paving	MD	MD	-
Bradford Park Tennis Courts, Retaining Wall, and Fencing	MD	-	-
Brannon Gearhart Park Playground	MD	-	-
Dakota Lodge and Paving	MD	MD	MA
Dakota Lodge Playground	MD	-	-
Heirloom Park Playground	MD	-	-
Parks Dept Maintenance Building (site improvements include fencing, lighting, fuel tank, and paving)	MD	MD	-
Parks Department Maintenance Storage and Covered Parking	MD	MD	-
Ranch House (Includes: offices, tower, lift, event space, daycare, and pool pump room)	MD	MD	MA
Ranch House Park Playground	MD	-	-
Ranch House Park Tennis Courts, Lighting, Paving, and Fencing	MD	-	-
Ranch House Pool Check in Building	MD	MD	MA
Ranch House Pool, Diving Board, Decking, and Lighting	MD	-	MA
Saddlewood Park Playground	MD	-	-
Settlement Pond Park Playground	MD	-	-
Territory Park Playground	MD	-	-

EXHIBIT D
INSURANCE CLAIMS PROCESSES

[TO BE COMPLETED UPON FINALIZATION OF AGREEMENT LANGUAGE]

EXHIBIT E
 WORKGROUP, COMMITTEE, TASK FORCE, LIAISON, AND REPRESENTATIVE DEFINITIONS

Board:	Elected body of officials. Sets policy and budget and may commit the Party to an action or obligation by majority vote. Solicits recommendations from respective committees and workgroups. Continues in perpetuity.
Joint Committee:	A formal committee recognized by both Parties. Brings policy, budget, and program recommendations to the Boards for consideration. Cannot take formal action. Continues until terminated by both Parties, or one Party withdraws.
Joint Task Force:	A formal task force recognized by both Parties to study, analyze, and/or recommend programs, actions, or policies for Board consideration. Cannot take formal action. Continues until terminated by both Parties, until one Party withdraws, or until the program, action, or policy has been fully considered.
Joint Workgroup:	An informal group recognized by both Parties. Conducts high-level discussions pertaining to a multitude of topics. May provide ideas or suggestions to the Boards or a joint committee or joint task force for further consideration. Cannot take formal action. Continues until terminated by both Parties, until one Party withdraws, or until the topic under discussion has been fully considered.
Committee:	A formal committee recognized only by the Board that established it. District committees may bring policy, budget, and program recommendations to the District Board for consideration, but cannot take formal action. Master Association committees may exercise the authority granted to them by the Master Association. Continues until terminated by the establishing Party.
Liaison:	An individual appointed by a Board to serve a non-participatory, strictly observation function at the meeting of the other Party's Board or committee, and to report back to the appointing Board. May provide information or comment as requested by the Board being observed. Continues participation until the appointing Party withdraws the liaison, or a replacement liaison is designated.
Representative:	An individual appointed by a Board to participate in the process and function of a committee, joint committee, joint task force, or joint workgroup. Also responsible for reporting back to the appointing Board. Continues participation until the appointing Party withdraws the representative, or a replacement representative is designated.

Ken-Caryl Ranch Metropolitan District
Agenda Item Executive Summary

Agenda Item: North American Development Group Interior Restroom Plans and Specifications Approval

Meeting Date: March 28, 2023

Executive Summary:

Pursuant to Section 7.3 of the Agreement for Inclusion of Property (Inclusion Agreement) entered into between the North American Development Group (NADG) and the District, on March 13, 2023, NADG submitted to the District draft Plans & Specifications for the interior restrooms on Parcels A and B of NADG's planned development within the Hogback Metropolitan District. Staff has reviewed the interior restroom Plans & Specifications for compatibility with anticipated and existing maintenance practices. Staff finds the proposed Plans & Specifications to be maintenance and user-friendly and will be a welcome addition to existing public amenities.

Parks staff will continue revisions of the Plans & Specifications with anticipated final plans being ready by March 27, 2023. Those plans will be loaded to the [new housing development webpage](#) on the Ken-Caryl Ranch website and emailed to the Board in advance of the meeting.

Pursuant to Section 7.3 of the Inclusion Agreement, the District has 45 days from March 27, 2023 (the proposed date final plans are received) to provide its approval or any comments, questions, or objections for the interior restroom Plans & Specifications; however, staff recommends approval of the interior restroom Plans & Specifications as presented at the March 28, 2023 meeting.

The interior restroom Plans & Specifications are the final Plans & Specifications to be approved by the Board pursuant to the Inclusion Agreement. If the Board approves the interior restroom Plans & Specifications at its meeting on March 28, 2023, then all Plans & Specifications will be complete.

Ken-Caryl Ranch Metropolitan District Agenda Item Executive Summary

Agenda Item: Agreement for Inclusion of Property; Amendment or Waiver of Requirement for Parcel C Plat

Meeting Date: March 28, 2023

Executive Summary:

In accordance with the Agreement for Inclusion of Property (Inclusion Agreement) entered into between the North American Development Group (NADG) and the District, the Jefferson County District Court issued an Order on January 5, 2022 to include the property within the Hogback Metropolitan District into the District's jurisdiction. Pursuant to C.R.S. § 32-1-105, the Order is not effective until it is recorded with the Jefferson County Clerk and Recorder. At the time of receiving the Court Order, the Court was advised that the District would hold the Order in abeyance until all terms and conditions for inclusion set forth in the Inclusion Agreement are satisfied, and then the Order would be recorded in accordance with the requirements of the Agreement.

Section 2.1.3 of the Inclusion Agreement provides that one of the terms and conditions for inclusion is that the final plats for Parcels A, B, and C are approved by the County and recorded. However, because Parcel C will not have any subdivided lots, there will be no plat for Parcel C. Instead, Parcel C will have a site plan that is approved by the County and recorded. At this time, County approval and recordation of the Parcel C site plan is anticipated for late July.

Because Section 2.1.3 specifically references a "plat" for Parcel C, which will not exist, the Board must decide whether it would rather seek to amend the Inclusion Agreement to change Section 2.1.3 to require County-approved and recorded plats for Parcels A and B, and a County-approved and recorded site plan for Parcel C prior to the District recording the Order, or whether the Board would rather waive the requirement that Parcel C have a County-approved and recorded plat prior to recording the Order, since that requirement is not operative and cannot be complied with.

Under the first option, the District would be expected to record the Order sometime in August or this fall. Pursuant to State law, property that is included into a special district after May 1 of any year is not moved on the County's tax rolls until January 1 of the following year. Accordingly, under this option, the HMD-area property would be moved onto the District's tax rolls for assessment in tax year 2024, with collections beginning in 2025.

Under the second option, the District would be expected to record the Order sometime in April, provided that the remaining requirements for inclusion also have been satisfied. In that case, the recording would be prior to the statutory May 1 deadline and would be moved on the County's tax rolls effective January 1 of this year. Accordingly, under this option, the HMD-area property would be assessed District taxes in 2023, with collections to begin in 2024.

Financial Impacts:

Staff is utilizing assumptions similar to the potential mill levy election discussion for tax revenue forecasting for the Board to consider. These assumptions include: (a) the RAR (residential assessment rate), (b) the potential new home values for valuation year 2023, (c) the land valuation for undeveloped land, and (d) legislative impacts. These assumptions represent only the District's best educated guesses and should be considered examples of potential outcomes. It is not possible for the District to project with certainty any of assumed figures.

NADG Land Development Financial Modeling

Residential Assessment Rate 0.06765
 Multi-family Assessment Rate 0.06765
 Land Assessment Rate 0.29
 KC Ranch Operating Mill 15.209

	Estimated Actual Value	2023 Units	Assessed Value	Estimated 2024 Property Tax Revenue	Estimated Actual Value	2024 Units	Assessed Value	Estimated 2025 Property Tax Revenue	Estimated Actual Value	2025 Units	Assessed Value	Estimated 2026 Property Tax Revenue
1 - SFD 45'	760,429	0	51,443	-	760,429	8	51,443	6,259	775,638	56	52,472	44,691
2 - SFD 50'	791,731	0	53,561	-	791,731	8	53,561	6,517	807,565	48	54,632	39,883
3 - SFD 60'	887,751	0	60,056	-	887,751	6	60,056	5,480	905,507	38	61,258	35,403
TH 300 Series	480,561	0	32,510	-	480,561	0	32,510	-	490,172	36	33,160	18,156
TH 500 Series	558,071	0	37,754	-	558,071	0	37,754	-	569,232	41	38,509	24,013
TH - Front Load	632,641	0	42,798	-	632,641	0	42,798	-	645,294	33	43,654	21,910
Apts	351,156	0	23,756	-	351,156	0	23,756	-	358,179	301	24,231	110,926
Totals	4,462,340	-	301,877	-	4,462,340	22	301,877	18,256	4,551,587	553	307,915	294,982

	Estimated Actual Value	Units	Assessed Value	Estimated 2024 Property Tax Revenue	Estimated Actual Value	Units	Assessed Value	Estimated 2025 Property Tax Revenue	Estimated Actual Value	Units	Assessed Value	Estimated 2026 Property Tax Revenue
Total Vacant Land Assessed Value	27,225,277	1	7,895,330	120,080	49,784,932	1	14,437,630	219,582	19,925,440	1	5,778,378	87,883