

# NOTICE AND AGENDA FOR SPECIAL MEETING

## MARVELLA METROPOLITAN DISTRICT

### Board of Directors:

### Term:

Tahlia Sayers, President	May 2025
Craig Corliss, Secretary	May 2027
Ian Roth, Treasurer	May 2025
Michael Kark, Assistant Secretary	May 2027
Jacob Beniflah, Assistant Secretary	May 2025

DATE: FRIDAY, JUNE 16, 2023

TIME: 1:00 P.M.

THE MEETING WILL BE HELD VIRTUALLY. PARTICIPATION INFORMATION IS BELOW:

Join Zoom Meeting

<https://us06web.zoom.us/j/87077138595?pwd=UktzUVlWODlHOXNlUzJEbmZlTmIrZz09>

Meeting ID: 870 7713 8595

Passcode: 335209

One tap mobile

+17207072699,,87077138595# US (Denver)

+17193594580,,87077138595# US

- I. CALL TO ORDER AND DECLARATION OF A QUORUM
- II. DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST
- III. APPROVAL OF OR AMENDMENT TO THE AGENDA
- IV. PUBLIC COMMENT FOR NON-AGENDA ITEMS (3-MINUTE LIMIT PER PERSON)
- V. FINANCIAL ITEMS:
  1. Review, Ratify and Approve Payment of Claims (enclosures)
  2. Review and Accept Cash Position Summary Dated June 9, 2023 (enclosure)
  3. Review and Approve the Unaudited Financial Statement for the Period Ended May 31, 2023 (enclosures)
  4. Ratify 2022 Audit Exemption (enclosure)
- VII. MANAGEMENT ITEMS:
  1. Approval of the February 10, 2023, minutes (enclosure)

2. Ratify Payment of Claims (enclosure)
3. Manager's Report (enclosure)
  - Pool Key Report
  - Community Report
  - Report on the Native Tract Maintenance and SEMSWA
  - Newsletter
  - 2024 Budget Schedule
  - Recommendation to Change Bank
4. Confirm Quorum: Next Regular Meeting – August 11, 2023, at 12:00 Noon Via Zoom

VIII. ATTORNEY ITEMS:

1. Discuss SB23-303 and Assessed Value
2. Executive Session pursuant to Sections 24-6-402(4)(b) and 24-6-402(4)(e), C.R.S., for the purposes of receiving legal advice on specific legal questions and determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations, and instructing negotiators all related to disputes with Century Communities and related matters.

XI. ADJOURNMENT:

The next regular meeting of the Board will be held on August 11, 2023, at 12:00 noon.

Marvella Metropolitan District  
CLAIMS REGISTER  
February 1, 2023 -May 31, 2023

Payables for ratification				
Invoice #	Date of Service	Vendor	Description	Amount
20230212026	2022	Adossier INC	Website	545.00
8214932	12.05.22	Brightview	Snow removal	390.00
8237030	12.15.22	Brightview	Snow removal	357.50
5316143	10.09.22	Brightview	Irrigation	376.18
5394578	10.03.22	Brightview	Irrigation	269.54
8226493	01.01.23	Brightview	Jan Lanscape	1,675.00
8226493	01.01.23	Brightview	Landscape contract	1,675.00
8275190	01.30.23	Brightview	Snow removal	970.00
8297354	03.11.23	Brightview	Snow removal	1,278.50
8327942	03.28.23	Brightview	Snow removal	694.00
8310027	03.16.23	Brightview	Landscape	1,675.00
8246521	1/28/2023	Brightview	Snow removal	1,518.00
5488320	4/21/2023	Brightview	Irrigation	581.01
5488309	4/21/2023	Brightview	Irrigation	561.84
8283293	02.28.23	Brightview	Snow removal	6,092.00
12.31.22	12.31.22	Community Resource Services	District Management and accounting	3,386.50
			Elections	37.50
01.31.23	01.31.23	Community Resource Services	District Management and accounting	4,471.50
			Elections	546.00
			Website	50.00
02.28.23	02.28.23	Community Resource Services	District Management and accounting	3,086.00
			Elections	1,122.11
			Website	190.00
6886	01.05.23	FMC Services	Landscape maintenance and repair	21.50
7647	02.02.23	FMC Services	Landscape maintenance and repair	21.50
8019	03.12.23	FMC Services	Landscape maintenance and repair	21.50
9197	04.14.23	FMC Services	Landscape maintenance and repair	21.50
22914	12.31.22	Icenogle Seaver Pogue	Legal	1,913.00
			Elections	208.20
23070	01.31.23	Icenogle Seaver Pogue	Legal	1,262.75
23156	02.28.23	Icenogle Seaver Pogue	Legal	2,042.50
23388	04.30.23	Icenogle Seaver Pogue	Legal	699.00
			Elections	38.00
4752	03.16.23	Perfect Pools	Pool Maintenance	5,150.00
4790	03.30.23	Perfect Pools	Pool Chemicals	1,070.00
2023 Dues	02.16.23	SDA	Dues	564.42
2023	01.23.23	CO Special District P&L Insurance	Insurance	450.00
220697	12.29.22	Merrick	Maintenance improvements	7,551.25
221323	01.19.23	Merrick	Maintenance improvements	11,612.50
222538	2/23/2023	Merrick	Maintenance improvements	4,536.25
223594	3/24/2023	Merrick	Maintenance improvements	2,530.00
11018	02.22.23	The Villageer Legals	Elections	66.46
			<b>Total payments</b>	<b>71,328.51</b>

Autopayments				
	Auto pay date	Vendor	Description	Amount
	02.07.23	Bill.com	Miscellaneous	82.52
	02.08.23	Comcast	Comcast	202.91
	02.17.23	Denver Water	Utilities - Water	63.70
	02.17.23	Denver Water	Utilities - Water	47.30
	02.17.23	Denver Water	Utilities - Water	47.30
	02.22.23	Waste Management	Trash	1,196.70
	02.27.23	Xcel	Utilities - Electric	52.75
	03.07.23	Bill.com	Miscellaneous	75.00
	03.08.23	Comcast	Comcast	202.91
	03.20.23	Denver Water	Utilities - Water	47.30
	03.20.23	Denver Water	Utilities - Water	47.30
	03.20.23	Denver Water	Utilities - Water	28.70
	03.28.23	Xcel	Utilities - Electric	221.97
	03.22.23	Waste Management	Trash	1,164.92
	04.10.23	Comcast	Comcast	202.91
	04.10.23	Bill.com	Miscellaneous	81.54
	04.19.23	Denver Water	Utilities - Water	47.30
	04.19.23	Denver Water	Utilities - Water	47.30
	04.19.23	Denver Water	Utilities - Water	28.70
	04.25.23	Waste Management	Trash	1,154.93

	04.28.23	1st Bank	Miscellaneous	10.00
	04.28.23	Xcel	Utilities - Electric	52.75
	05.01.23	Xcel	Utilities - Electric	55.31
	05.08.23	Comcast	Comcast	202.62
	05.09.23	Bill.com	Miscellaneous	82.03
	05.18.23	Denver Water	Utilities - Water	56.10
	05.18.23	Denver Water	Utilities - Water	51.70
	05.18.23	Denver Water	Utilities - Water	28.70
	05.23.23	Waste Management	Trash	1,159.46
	05.24.23	Xcel	Utilities - Electric	52.68
			<b>Total autopay</b>	<b>6,795.31</b>

<b>Total All Payments</b>	<b>78,123.82</b>
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**MARVELLA METROPOLITAN DISTRICT**  
**CASH POSITION**  
Year to Date (YTD) as of May 31, 2023  
Adjusted as of June 9, 2023

Account Activity Item Description	CHECKING	INVESTMENTS	BONDS			TOTAL ALL ACCOUNTS
	1ST Bank	ColoTrust Plus	ZIONS BANK			
			Pledged Revenue	Surplus Fund	Loan Payment	
<b>Beginning balance per bank</b>	\$ 10,689	\$ 243,494	\$ 2,054	\$ 97,134	\$ -	\$ 353,371
YTD credits - Total deposits, wires and transfers	100,000	308,565	74,000	-	73,825	556,390
YTD debits - Total vouchers, wires and transfers	(95,931)	(174,000)	(73,825)	-	-	(343,756)
<b>YTD bank balance</b>	14,758	378,059	2,229	97,134	73,825	566,005
Less: outstanding checks	-	-	-	-	-	-
<b>Adjusted balance at end of period</b>	<b>14,758</b>	<b>378,059</b>	<b>2,229</b>	<b>97,134</b>	<b>73,825</b>	<b>566,005</b>
Amounts allocated for debt service	-	(143,579)	(2,229)	(97,134)	(73,825)	(316,767)
<b>Unrestricted cash at end of period</b>	<b>14,758</b>	<b>234,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>249,238</b>
<b>Current period activity</b>						
Payables and autopays - prior	(16,620)	-	-	-	-	(16,620)
Payables and autopays - current	(6,533)	-	-	-	-	(6,533)
Transfers	20,000	(20,000)	-	-	-	-
<b>CURRENT ADJUSTED UNRESTRICTED BALANCE</b>	<b>\$ 11,605</b>	<b>\$ 214,480</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 226,085</b>

**MARVELLA METROPOLITAN DISTRICT**  
**Balance Sheet - Governmental Funds**  
**As of May 31, 2023**  
**Unaudited**

	<u>General Fund</u>	<u>Debt Fund</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash - 1st Bank	\$ 14,758	\$ -	\$ 14,758
Cash - ColoTrust - Plus	234,492	143,567	378,059
Zion - Pledged Revenue	-	2,229	2,229
Zion - Surplus Fund	-	97,134	97,134
Zion - Loan Payment	-	73,825	73,825
Property taxes receivable, net of fees	126,163	126,009	252,172
<b>Total assets</b>	<b><u>\$ 375,413</u></b>	<b><u>\$ 442,764</u></b>	<b><u>\$ 818,177</u></b>
<b><u>Liabilities</u></b>			
Accounts payable	\$ 16,620	\$ -	\$ 16,620
Deferred property taxes	126,163	126,009	252,172
Total liabilities	<u>142,783</u>	<u>126,009</u>	<u>268,792</u>
<b><u>Fund balance</u></b>			
Fund balance	172,089	163,832	335,921
Current year net change	60,541	152,923	213,464
Total fund balance	<u>232,630</u>	<u>316,755</u>	<u>549,385</u>
<b>Total liabilities and fund balance</b>	<b><u>\$ 375,413</u></b>	<b><u>\$ 442,764</u></b>	<b><u>\$ 818,177</u></b>

**MARVELLA METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET VS ACTUAL - MODIFIED ACCRUAL (BUDGETARY) BASIS  
For the Five Months Ended May 31, 2023  
Unaudited**

	YTD Actual	Adopted 2023 Budget	Percent of Budget (YTD 42%)
<b>REVENUES</b>			
Property taxes	\$ 145,960	\$ 272,135	54%
Specific ownership taxes	5,907	13,607	43%
Interest	3,358	4,000	84%
<b>Total revenues</b>	<b>155,225</b>	<b>289,742</b>	<b>54%</b>
<b>EXPENDITURES</b>			
<b>General</b>			
Accounting / audit	9,707	6,500	149%
County treasurer fees	2,191	4,082	54%
District management and conveyance	7,057	35,000	20%
Dues and subscriptions	564	-	-
Election	2,720	5,000	54%
Insurance	10,523	11,000	96%
Legal - general	4,004	30,000	13%
Legal - conveyance	-	20,000	0%
Website	785	2,000	39%
Community events	-	500	0%
Conveyance	-	10,000	0%
Landscape maintenance	8,441	35,000	24%
Landscape improvements	-	10,000	0%
Landscape irrigation	1,141	9,000	13%
Snow removal	9,715	25,000	39%
Pool maintenance and chemicals	6,641	16,000	42%
Equipment repairs and maintenance	-	4,000	0%
Trash	5,862	15,000	39%
Utilities - water	2,084	10,000	21%
Utilities - Comcast	910	2,600	35%
Utilities - Xcel	2,432	8,000	30%
Utilities - Sewer	805	-	-
Miscellaneous	423	1,000	42%
Engineering certification	-	7,000	0%
Maintenance reserve	18,679	60,000	31%
Contingency	-	15,000	0%
Reserve study	-	2,500	0%
Emergency reserve	-	9,900	0%
<b>Total expenditures</b>	<b>94,684</b>	<b>354,082</b>	<b>27%</b>
<b>NET CHANGE IN FUND BALANCE</b>	60,541	<u>\$ (64,340)</u>	
<b>BEGINNING FUND BALANCE</b>	<u>172,089</u>		
<b>ENDING FUND BALANCE</b>	<u><b>\$ 232,630</b></u>		

**MARVELLA METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET VS ACTUAL - MODIFIED ACCRUAL (BUDGETARY) BASIS  
For the Five Months Ended May 31, 2023  
Unaudited**

	<u>YTD Actual</u>	<u>Adopted 2023 Budget</u>	<u>Percent of Budget (YTD 42%)</u>
<b>REVENUES</b>			
Property taxes	\$ 145,856	\$ 271,865	54%
Specific ownership taxes	5,898	13,593	43%
Interest Income	3,358	1,200	280%
<b>Total revenues</b>	<u><b>155,112</b></u>	<u><b>286,658</b></u>	<u><b>54%</b></u>
<b>EXPENDITURES</b>			
Bond principal	-	150,000	0%
Bond interest	-	146,028	0%
County treasurer fees	2,189	4,078	54%
Paying agent fees	-	2,000	0%
<b>Total expenditures</b>	<u><b>2,189</b></u>	<u><b>302,106</b></u>	<u><b>1%</b></u>
<b>NET CHANGE IN FUND BALANCE</b>	152,923	<u><u>\$ (15,448)</u></u>	
<b>BEGINNING FUND BALANCE</b>	<u>163,832</u>		
<b>ENDING FUND BALANCE</b>	<u><u>\$ 316,755</u></u>		



## APPLICATION FOR EXEMPTION FROM AUDIT LONG FORM

NAME OF GOVERNMENT  
ADDRESS

<b>Marvella Metropolitan District</b>
<b>7995 E. PRENTICE AVENUE, SUITE 103E</b>
<b>GREENWOOD VILLAGE, CO 80111</b>
<b>PHYLLIS BROWN</b>
<b>303-381-4960</b>
<b>pbrown@crsofcolorado.com</b>

For the Year Ended  
12/31/2022  
or fiscal year ended:

CONTACT PERSON  
PHONE  
EMAIL

### CERTIFICATION OF PREPARER

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

NAME:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE  
DATE PREPARED  
RELATIONSHIP TO ENTITY

<b>Joan Beans</b>
<b>DISTRICT ACCOUNTANT</b>
<b>COMMUNITY RESOURCE SERVICES OF COLORADO</b>
<b>7995 E. PRENTICE AVENUE, SUITE 103E, GREENWOOD VILLAGE, CO 80111</b>
<b>303-381-4960</b>
<b>3/24/23</b>
<b>DISTRICT ACCOUNTANT</b>

**PREPARER** (SIGNATURE REQUIRED)

*Joan Beans*

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

**PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET**

\* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		General	Debt Service		Fund*	Fund*
<b>Assets</b>				<b>Assets</b>		
1-1	Cash & Cash Equivalents	\$ 10,689	\$ 103,523	Cash & Cash Equivalents	\$ -	\$ -
1-2	Investments	\$ 180,145	\$ 59,013	Investments	\$ -	\$ -
1-3	Receivables	\$ 1,297	\$ 1,296	Receivables	\$ -	\$ -
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -
1-5	Property Tax Receivable	\$ 272,135	\$ 271,865	Other Current Assets [specify...]	\$ -	\$ -
	All Other Assets [specify...]				\$ -	\$ -
1-6	Lease Receivable (as Lessor)	\$ -	\$ -		\$ -	\$ -
1-7	Prepays	\$ 11,328	\$ -	<b>Total Current Assets</b>	\$ -	\$ -
1-8		\$ -	\$ -	Capital & Right to Use Assets, net (from Part 6-4)	\$ -	\$ -
1-9		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -
1-10		\$ -	\$ -		\$ -	\$ -
1-11	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	\$ 475,594	\$ 435,697	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	\$ -	\$ -
<b>Deferred Outflows of Resources:</b>				<b>Deferred Outflows of Resources</b>		
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -
1-14	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -
1-15	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ 475,594	\$ 435,697	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ -	\$ -
<b>Liabilities</b>				<b>Liabilities</b>		
1-16	Accounts Payable	\$ 31,370	\$ -	Accounts Payable	\$ -	\$ -
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -
1-18	Unearned Property Tax Revenue	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -
1-19	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -
1-20	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -
1-21	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	\$ 31,370	\$ -	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	\$ -	\$ -
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -
1-23		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -
1-24		\$ -	\$ -		\$ -	\$ -
1-25		\$ -	\$ -		\$ -	\$ -
1-26		\$ -	\$ -		\$ -	\$ -
1-27	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	\$ 31,370	\$ -	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	\$ -	\$ -
<b>Deferred Inflows of Resources:</b>				<b>Deferred Inflows of Resources</b>		
1-28	Deferred Property Taxes	\$ 272,135	\$ 271,865	Pension/OPEB Related	\$ -	\$ -
1-29	Lease related (as lessor)	\$ -	\$ -	Other [specify...]	\$ -	\$ -
1-30	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	\$ 272,135	\$ 271,865	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	\$ -	\$ -
<b>Fund Balance</b>				<b>Net Position</b>		
1-31	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ -	\$ -
1-32	Nonspendable Inventory	\$ -	\$ -			
1-33	Restricted: Tabor/Debt Service	\$ 6,800	\$ 163,832	Emergency Reserves	\$ -	\$ -
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -
1-36	Unassigned:	\$ 165,289	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -
1-37	<b>Add lines 1-31 through 1-36</b> This total should be the same as line 3-33 <b>TOTAL FUND BALANCE</b>	\$ 172,089	\$ 163,832	<b>Add lines 1-31 through 1-36</b> This total should be the same as line 3-33 <b>TOTAL NET POSITION</b>	\$ -	\$ -
1-38	<b>Add lines 1-27, 1-30 and 1-37</b> This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	\$ 475,594	\$ 435,697	<b>Add lines 1-27, 1-30 and 1-37</b> This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	\$ -	\$ -

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## PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

		Governmental Funds				Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
Line #	Description	General	Debt Service	Description	Fund*	Fund*		
<b>Tax Revenue</b>				<b>Tax Revenue</b>				
2-1	Property [include mills levied in Question 10-6]	\$ 278,172	\$ 277,896	Property [include mills levied in Question 10-6]	\$ -	\$ -		
2-2	Specific Ownership	\$ 18,410	\$ 17,546	Specific Ownership	\$ -	\$ -		
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -		
2-4	Other Tax Revenue [specify...]:	\$ -	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -		
2-5		\$ -	\$ -		\$ -	\$ -		
2-6		\$ -	\$ -		\$ -	\$ -		
2-7		\$ -	\$ -		\$ -	\$ -		
2-8	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	<b>\$ 296,582</b>	<b>\$ 295,442</b>	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	<b>\$ -</b>	<b>\$ -</b>		
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -		
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -		
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -		
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -		
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -		
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -		
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -		
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -		
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -		
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -		
2-19	Interest/Investment Income	\$ 4,325	\$ 2,047	Interest/Investment Income	\$ -	\$ -		
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -		
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -		
2-22	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -		
2-23		\$ -	\$ -		\$ -	\$ -		
2-24	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	<b>\$ 300,907</b>	<b>\$ 297,489</b>	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Other Financing Sources</b>				<b>Other Financing Sources</b>				
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -		
2-26	Lease Proceeds	\$ -	\$ -	Lease Proceeds	\$ -	\$ -		
2-27	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -		
2-28	Other [specify...]:	\$ -	\$ -	Other [specify...]:	\$ -	\$ -		
2-29	<b>Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES</b>	<b>\$ -</b>	<b>\$ -</b>		<b>GRAND TOTALS</b>
2-30	<b>Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 300,907</b>	<b>\$ 297,489</b>	<b>Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 598,396</b>	

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

**PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General	Debt Service		Fund*	Fund*	
<b>Expenditures</b>				<b>Expenses</b>			
3-1	General Government	\$ 220,762	\$ 2,000	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ -	\$ -	
3-11	Other: County Treasurer fees	\$ 4,175	\$ 4,170	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other [specify...]	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
<b>Debt Service</b>				<b>Debt Service</b>			
3-15	Principal (should match amount in 4-4)	\$ -	\$ 150,000	Principal (should match amount in 4-4)	\$ -	\$ -	
3-16	Interest	\$ -	\$ 152,360	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	<b>Add lines 3-1 through 3-21</b> <b>TOTAL EXPENDITURES</b>	\$ 224,937	\$ 308,530	<b>Add lines 3-1 through 3-21</b> <b>TOTAL EXPENSES</b>	\$ -	\$ -	<b>GRAND TOTAL</b>
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	Line 3-32 - General Fund - prior year ending fund balance as reported by prior accountant was incorrect. Report was not in balance. Total assets - \$390,538 Total Liabilities 16,247 Total Deferred 278,172 . Fund balance should have been \$96,119.
3-24	Interfund Transfers Out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation/Amortization	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	<b>(Add lines 3-23 through 3-28)</b> <b>TOTAL</b> <b>TRANSFERS AND OTHER EXPENDITURES</b>	\$ -	\$ -	<b>(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS</b>	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ 75,970	\$ (11,041)	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ 99,209	\$ 174,873	Net Position, January 1 from December 31 prior year report	\$ -	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ (3,090)	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ 172,089	\$ 163,832	Net Position, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ -	\$ -	

**IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.**

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES                      NO

Please use this space to provide any explanations or comments:

4-1	Does the entity have outstanding debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-2	Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Loan schedule attached. Developer advances are to be repaid when funds are available.</div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-3	Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 15px; margin-top: 5px;"></div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)			
	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
	General obligation bonds	\$ -	\$ -	\$ -
	Revenue bonds			\$ -
	Notes/Loans	\$ 5,310,000	\$ -	\$ 150,000
	Lease Liabilities	\$ -	\$ -	\$ -
	Developer Advances	\$ 2,297,774	\$ -	\$ 2,297,774
	Other (specify):	\$ -	\$ -	\$ -
	TOTAL	\$ 7,607,774	\$ -	\$ 150,000

\*must agree to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

YES                      NO

4-5	Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
If yes:	How much?	\$ 66,600,000		
If yes:	Date the debt was authorized:	11/3/2015		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	How much?	\$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	What is the amount outstanding?	\$ -		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	What is being leased?			
If yes:	What is the original date of the lease?			
If yes:	Number of years of lease?			
If yes:	Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input type="checkbox"/>	
If yes:	What are the annual lease payments?	\$ -		

## PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

AMOUNT                      TOTAL

Please use this space to provide any explanations or comments:

5-1	YEAR-END Total of ALL Checking and Savings accounts	\$ 114,212		
5-2	Certificates of deposit	\$ -		
TOTAL CASH DEPOSITS			\$ 114,212	
Investments (if investment is a mutual fund, please list underlying investments):				
5-3	ColoTrust	\$ 239,158		
		\$ -		
		\$ -		
TOTAL INVESTMENTS			\$ 239,158	
TOTAL CASH AND INVESTMENTS			\$ 353,370	

Please answer the following question by marking in the appropriate box

YES

5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, MUST explain: <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS**

Please answer the following question by marking in the appropriate box YES NO Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets?  YES  NO
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain:  YES  NO

6-3 Complete the following Capital & Right-To-Use Assets table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year <sup>1</sup>	Additions <sup>2</sup>	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ 4,175,519	\$ -	\$ -	\$ 4,175,519
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other: Landscape improvements	\$ 1,164,163	\$ -	\$ -	\$ 1,164,163
Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 5,339,682</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,339,682</b>

6-4 Complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS:

	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Must agree to prior year-end balance  
 - Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

**PART 7 - PENSION INFORMATION**

\* YES NO Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firefighters' pension plan?  YES  NO
- 7-2 Does the entity have a volunteer firefighters' pension plan?  YES  NO
- If yes: Who administers the plan?  YES  NO

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

### PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box		YES	NO	N/A	Please use this space to provide any explanations or comments:
8-1	Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
If yes: Please indicate the amount appropriated for each fund separately for the year reported					
<b>Governmental/Proprietary Fund Name</b>		<b>Total Appropriations By Fund</b>			
General		\$	372,932		
Debt service		\$	310,441		
		\$	-		

### PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? <small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

### PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
10-1	Is this application for a newly formed governmental entity? If yes: Date of formation: <input style="width: 150px; height: 30px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10-2	Has the entity changed its name in the past or current year? If Yes: NEW name <input style="width: 400px; height: 25px;" type="text"/> PRIOR name <input style="width: 400px; height: 25px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10-4	Please indicate what services the entity provides: <input style="width: 450px; height: 20px;" type="text" value="Streets, traffic control, water, sewer, park and recreation"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10-5	Does the entity have an agreement with another government to provide services? If yes: List the name of the other governmental entity and the services provided: <input style="width: 450px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10-6	Does the entity have a certified mill levy? If yes: Please provide the number of <u>mills</u> levied for the year reported (do not enter \$ amounts):	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Bond Redemption mills	45.335	
		General/Other mills	45.380	
		<b>Total mills</b>	<b>90.715</b>	

Please use this space to provide any additional explanations or comments not previously included:

## OSA USE ONLY

Entity Wide:		General Fund		Governmental Funds		Notes			
Unrestricted Cash & Investments	\$	353,370	Unrestricted Fund Balan	\$	165,289	Total Tax Revenue	\$	592,024	
Current Liabilities	\$	31,370	Total Fund Balance	\$	172,089	Revenue Paying Debt Service	\$	297,489	
Deferred Inflow	\$	544,000	PY Fund Balance	\$	99,209	Total Revenue	\$	598,396	
			Total Revenue	\$	300,907	Total Debt Service Principal	\$	150,000	
			Total Expenditures	\$	224,937	Total Debt Service Interest	\$	152,360	
			Interfund In	\$	-				
<b>Governmental</b>			Interfund Out	\$	-	<b>Enterprise Funds</b>			
Total Cash & Investments	\$	353,370				Net Position	\$	-	
Transfers In	\$	-	<b>Proprietary</b>			- PY Net Position	\$	-	
Transfers Out	\$	-	- Current Assets	\$					
Property Tax	\$	556,068	Deferred Outflow	\$		<b>Government-Wide</b>			
Debt Service Principal	\$	150,000	Current Liabilities	\$		- Total Outstanding Debt	\$	7,457,774	
Total Expenditures	\$	533,467	Deferred Inflow	\$		- Authorized but Unissued	\$	66,600,000	
Total Developer Advances	\$	-	- Cash & Investments	\$		- Year Authorized		11/3/2015	
Total Developer Repayments	\$	-	- Principal Expense	\$					



**PART 12 - GOVERNING BODY APPROVAL**

Please answer the following question by marking in the appropriate box	YES	NO
12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures**

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as Docusign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
  - b. Include electronic signatures obtained through a software program such as Docusign or Echosign in accordance with the requirements noted above.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of <u>ALL</u> members of the governing body below.		A MAJORITY of the members of the governing body must complete and sign in the column below.	
1	Full Name <b>Tahlia Sayers</b>	I, Tahlia Sayers, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Tahlia Sayers</u> Date: <u>3/25/2023</u> My term Expires: <u>May 2025</u>	
2	Full Name <b>Ian Roth</b>	I, Ian Roth, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2025</u>	
3	Full Name <b>Craig Corliss</b>	I, Craig Corliss, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Craig Corliss</u> Date: <u>3/25/2023</u> My term Expires: <u>May 2023</u>	
4	Full Name <b>Michael Kark</b>	I, Michael Kark, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>MICHAEL KARK</u> Date: <u>3/24/2023</u> My term Expires: <u>May 2023</u>	
5	Full Name <b>Jacob Beniffah</b>	I, Jacob Beniffah, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Jacob Beniffah</u> Date: <u>3/24/2023</u> My term Expires: <u>May 2025</u>	
6	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____	
7	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____	

**MARVELLA METROPOLITAN DISTRICT  
2021 \$5,400,000 LOAN  
DEBT SCHEDULE**

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$ 90,000	\$ 181,788	\$ 271,788
2022	150,000	150,273	300,273
2023	150,000	146,028	296,028
2024	160,000	141,783	301,783
2025	165,000	137,255	302,255
2026-2030	930,000	641,736	1,571,736
2031-2035	790,000	865,250	1,655,250
2036-2040	1,100,000	638,000	1,738,000
2041-2045	1,505,000	324,500	1,829,500
2046	360,000	18,000	378,000
	<u>\$ 5,400,000</u>	<u>\$ 3,244,613</u>	<u>\$ 8,644,613</u>

**Certificate Of Completion**

Envelope Id: 4BD3207F89D44F7FB01CAB023DA87C11	Status: Sent
Subject: Complete with DocuSign: 2022_Audit Exemption - Marvella - Final.pdf	
Source Envelope:	
Document Pages: 10	Signatures: 4
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Joan Beans
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	jbeans@crsofcolorado.com
	IP Address: 96.88.70.121

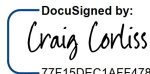
**Record Tracking**

Status: Original	Holder: Joan Beans	Location: DocuSign
3/24/2023 1:19:58 PM	jbeans@crsofcolorado.com	

**Signer Events**

Craig Corliss  
 Craig.corliss@gmail.com  
 Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
 77F15DEC1AFF478...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 98.38.60.123  
 Signed using mobile

**Timestamp**

Sent: 3/24/2023 1:24:54 PM  
 Viewed: 3/25/2023 8:20:09 AM  
 Signed: 3/25/2023 8:21:17 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/25/2023 8:20:09 AM  
 ID: 056059d5-8295-4742-b8ba-dd5f3a3771e9

Ian Roth  
 ian@roth.ca  
 Security Level: Email, Account Authentication (None)

Sent: 3/24/2023 1:24:54 PM

**Electronic Record and Signature Disclosure:**  
 Not Offered via DocuSign


Jacob Beniflah  
 jacob.beniflah@gmail.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 16C31CF0CED5404...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 64.98.76.172

Sent: 3/24/2023 1:24:57 PM  
 Viewed: 3/24/2023 1:48:43 PM  
 Signed: 3/24/2023 1:49:23 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/24/2023 1:48:42 PM  
 ID: b29757fd-236b-4df9-8fd0-1b163c4c27d0

MICHAEL KARK  
 mkark@shakeshack.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 5AB9BB2ACB01497...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 64.98.66.237  
 Signed using mobile

Sent: 3/24/2023 1:24:55 PM  
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 Signed: 3/24/2023 3:24:32 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/24/2023 3:24:22 PM  
 ID: e3f32326-8cac-4915-b1d2-3ae04fbf98ca

Signer Events	Signature	Timestamp
Tahlia Sayers TJNSayers@comcast.net President Security Level: Email, Account Authentication (None)	<p>Signature Adoption: Pre-selected Style Using IP Address: 73.3.148.246</p>	<p>Sent: 3/24/2023 1:24:56 PM Viewed: 3/25/2023 10:19:32 PM Signed: 3/25/2023 10:19:42 PM</p>

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/25/2023 10:19:32 PM  
 ID: 6e2af978-8e63-46a6-afaf-28cb35b755f1

In Person Signer Events	Signature	Timestamp
<b>Editor Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Agent Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Intermediary Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Certified Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Carbon Copy Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/24/2023 1:24:57 PM
Certified Delivered	Security Checked	3/25/2023 10:19:32 PM
Signing Complete	Security Checked	3/25/2023 10:19:42 PM
<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
<b>Electronic Record and Signature Disclosure</b>		

# RECORD OF PROCEEDINGS

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## MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE MARVELLA METROPOLITAN DISTRICT HELD FEBRUARY 10, 2023

A regular meeting of the Board of Directors of the Marvella Metropolitan District, Arapahoe County, Colorado was held at 12:00 PM on Friday, February 10, 2023, via Zoom.

Attendance    In attendance were Directors:

Tahlia Sayers, President  
Craig Corliss, Secretary  
Ian Roth, Treasurer  
Michael Kark, Assistant Secretary  
Jacob Beniflah, Assistant Secretary

Also in attendance were:

Mat Birkeness, Rhonda Bilek, and Sue Blair Community Resource Services of Colorado (CRS)  
Tamara Seaver, District Attorney, Icenogle Seaver Pogue  
Wade Wheatlake, Merrick & Company

Call to  
Order

A quorum of the Board was present, and the meeting was called to order at 12:03 p.m.

Director  
Qualifications  
Conflict of  
Interest

The Board of Directors reviewed the agenda for the meeting, following which each Director confirmed the contents of written disclosures previously made, if any, stating the fact and summary nature of any matters, as required by Colorado law, to permit official action to be taken at the meeting. Additionally, the Board of Directors determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

Agenda

Upon a motion duly made by Director Sayers, seconded by Director Roth, and, upon vote, unanimously carried, the Board approved the agenda as presented.

Public  
Comment

No public comment was received.

Executive  
Session

Director Sayers moved that the Board enter into Executive Session pursuant to Sections 24-6-402(4)(b) and 24-6-402(4)(e), C.R.S., for the purposes of receiving legal advice on specific legal questions and determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations, and

## RECORD OF PROCEEDINGS

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instruction negotiators all related to disputes with Century Communities and related matters. Upon second by Director Kark, vote was taken and the Board entered into Executive Session as 12:06 p.m.

The Board reconvened into regular session at 12:35 PM.

### Action Items

No action was taken by the Board after the Executive Session.

### Management Items

Consider Approval of 2023 Pool Management Agreement with Perfect Pools: Mr. Birkeness reviewed the 2023 agreement with the Board. The concerns from last season have been addressed in the agreement. Mr. Birkeness suggested not including the end of year extension in the agreement due to weather changes and, therefore, not committing to extra charges. The contract was reviewed by District counsel and no changes were recommended. After discussion, Director Roth motioned to approve the agreement as presented. Upon second by Director Sayers, vote was taken, and motion carried unanimously.

Property Update: Mr. Birkeness reported that on his tour of the District there are no violations to report. He related that he is currently reviewing the Brightview Renewal for landscaping and snow removal, and noted he will be inserting ice mitigation. Mr. Birkeness also related that the drainage area maintenance needs to be changed and will include this information in the newsletter. The Board asked for an update on the election and Ms. Blair informed the Board of the current deadlines.

Financial Statements and Cash Position: Ms. Blair reviewed the claims, cash position and financials and answered questions from the Board. Upon motion duly made by Director Roth, seconded by Director Sayer, and upon vote, the Board unanimously approved the claims and financials as presented.

Approval of Minutes - December 9, 2022: Director Roth moved to approve the minutes as presented. Upon second by Director Sayers, vote was taken, and motion carried unanimously.

Adjournment It was noted that a special meeting will most likely be called to address the audit exemption and letter being drafted by the attorney. Upon a motion duly made by Director Sayers, seconded by Director Roth, and upon vote, the meeting was adjourned at 1:00 p.m.

Respectfully submitted,

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Secretary for the Meeting

**MARVELLA METROPOLITAN DISTRICT**

**MANAGER'S REPORT**

**JUNE 2023**

**Landscaping and Snow Removal:** General maintenance is underway and many weeks were delayed due to the record amounts of rain. The fall clean-up was sub par, and Brightview has since apologized and promised better attention to details. Spring cleaning covered the neglect of the fall mishaps.

As noted in the February meeting, the record cold streak left snow for longer periods of time. An extra service was called to address ice dams and areas that do not receive sun to aid the clearing process.

Mat met with Brightview's account manager and production manager in late May to walk the property. A few specific areas were identified for better service.

Trees in the common areas are being reviewed and a proposal is forthcoming. This budget line item has \$10,000 identified in 2023 for landscape improvement. Another proposal for this budget item is forthcoming for the fireplace trellis which is damaged.

Weeds continue to be addressed by the vendor.

**Pool:** Perfect Pools began the start up process without issues or equipment failures. Operations are ongoing as scheduled. There is a concrete "block" at the bottom of the stairs that has begun to crumble. This should be added to the engineer report with the status of the fireplace blocks.

The pool fobs were tested in mid-May and were operational. Since opening, the fobs failed. Physical keys have been mailed to each homeowner in the meantime. Comcast internet was cancelled as the internet is no longer required for operations. ISI, Pro Sec, and Master Security have been contacted to provide feedback and options for consideration of a new electronic entry system. The previous Schlage Engage system was never intended for outdoor use.

After last year's discussion, in April CRS, on behalf of the District, applied for grant funds that could be used for lifeguards at the pool. We heard today (Friday, June 9) that \$10,700 was awarded to the District. Sue had previously contacted Perfect Pools about the possibility of securing lifeguards this season and it is still possible. Discussion will be held at the meeting on this topic. Grant documentation is included in the meeting packet.

**Covenant Violations:** There are none to note. Mat has met with one homeowner about waste bins set out a day early. General conditions and upkeep have been accomplished by residents.

**Other items ongoing:** The east side of S Olive Ct common area fence will have proposals soon. Fence Up and Split Rail have been contacted. Once the length is determined for the scope pricing will be provided. This budget item would fit into the landscape improvements line item of \$10,000. We can discuss options for funding as this project could be substantial.

The fireplace continues to be out of service. Fireplace and Grill Experts can run a diagnostic test at the cost of a site visit (\$179 charge), but if equipment is identified for replacement, the \$179 will include the

equipment and labor fees to address easy fixes. If parts are to be ordered or the scope is significant, the site visit is charged. This will require Board guidance. Budget line item has \$1,000 for miscellaneous to fund a small repair.

Lounge Seating at the fireplace is operational but not in great condition. The reserve study claims a life expectancy of 4 more years. Mat suggests we budget for this replacement in 2024 due to the fireplace being inoperable. The Board can weigh in for guidance.

Landscaping lights throughout the community need to be reviewed. Mat has contacted the CLA vendor that previously reviewed the property to assess lighting. Once a review is provided Mat will provide additional information to the Board. With the internet turned off, maybe the utilities-cable budget line item can address the costs of lighting repairs for this utility.

**Native Tracts and SEMSWA:** We are currently waiting for a SEMSWA response that will be distributed to the Board.

**Newsletter Preparation:** Emails have been used to communicate with the residents on various subjects. CRS is drafting a summer newsletter that will be sent to residents. We hope to have that draft available at the meeting for Board input.

**2024 Budget Schedule:**

- August 15 Preliminary assessed valuation received from Arapahoe County
- October 15 CRS to prepare draft 2024 and distribute to Board  
It is very likely that two budgets will be prepared for Board review – one if HH doesn't pass at the November election and one if HH does pass at the November election.
- November 7 Election Day
- November 10 Conduct Public Hearing on 2024 Budget
- December 10 Deadline for County to provide final Assessed Valuation (if HH doesn't pass)
- December 15 Deadline to Certify Mill Levies (If HH doesn't pass)
- December 30 Deadline for County to provide final Assessed Valuation (if HH does pass)
- January 5 Deadline to Certify Mill Levies (if HH does pass)

**Recommendation to Change Bank Account:**

Currently, using Bill.Com and 1<sup>st</sup> Bank the District is paying just under \$1,000 per year. In addition, using Bill.Com CRS has to enter payables information into it, and re-enter until the GL. CRS recommends that the District move banking from 1stBank to InBank. InBank does not charge for any services, saving the District approximately \$1,000. In addition, there would be reduced accounting fees.


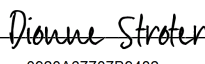


PSI
POGGI NLAA 202300003807

**SUMMARY OF SMALL DOLLAR GRANT AWARD TERMS & CONDITIONS**

<b>State Agency</b> Department of Local Affairs (DOLA)	<b>DLG Portal Number</b> PSI-23002	<b>CMS Number</b> 183986
<b>Grantee</b> Marvella Metropolitan District	<b>Grant Award Amount</b> \$10,700.00	
<b>Project Number and Name</b> PSI-23002 – Marvella Metro District - Lifeguard Training Initiative Summer 2023	<b>Performance Start Date</b> The later of the Effective Date or June 09, 2023	<b>Grant Expiration Date</b> September 30, 2023
<b>Project Description</b> The Project consists of lifeguard certification or recertification and/or lifeguard training certification or recertification for individuals. <b>Expenditure of State funds prior to the contract being fully executed cannot be reimbursed by the State.</b>	<b>Program Name</b> Pools Special Initiative (PSI)	
	<b>Funding Source</b> FEDERAL FUNDS Workforce Innovation and Opportunity Act (WIOA)	
	<b>Catalog of Federal Domestic Assistance (CFDA) Number</b> 17.529	
<b>DOLA Program Manager</b> Angie Cue, (720) 450-0324, ( <a href="mailto:angie.cue@state.co.us">angie.cue@state.co.us</a> )	<b>Funding Account Codes</b>	
<b>DOLA Program Assistant</b> Alejandra Madrigal, (720)795-8410, ( <a href="mailto:alejandra.madrigal@state.co.us">alejandra.madrigal@state.co.us</a> )	<b>VCUST#</b>  476243	<b>Address Code</b> <b>AD001 EFT</b>

**THE SIGNATORIES LISTED BELOW AUTHORIZE THIS GRANT**

<p><b>DEPARTMENT OF LOCAL AFFAIRS</b> PROGRAM REVIEWER</p> <p>DocuSigned by:  45D2B7CF50DE4BD...</p> <p>By: Angie Cue, PSI Program Manager</p> <p>Date: <u>6/9/2023   12:15 PM PDT</u></p>	<p><b>STATE OF COLORADO</b> Jared S. Polis, Governor <b>DEPARTMENT OF LOCAL AFFAIRS</b> Rick M. Garcia, Executive Director</p> <p>DocuSigned by:  0920A67707B9482...</p> <p>By: Rick M. Garcia, Executive Director</p> <p>Date: <u>6/9/2023   2:45 PM MDT</u></p>
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In accordance with Colorado Revised Statutes, this Grant Agreement is not valid until signed and dated below by the State Chief Procurement Officer or an authorized delegate (the “Effective Date”).

<p><b>STATE CHIEF PROCUREMENT OFFICER</b> <b>Sherri Maxwell</b></p> <p>DocuSigned by:  A30294D6FBFF442...</p> <p>By: Brenda Lujan, Contracts and Procurement Manager Department of Local Affairs</p> <p><b>Effective Date:</b> <u>6/9/2023   3:48 PM MDT</u></p>
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## SCOPE OF SERVICES

### 1. PROJECT DESCRIPTION, OBJECTIVES AND REQUIREMENTS

The Project consists of the **Marvella Metropolitan District** (Grantee) providing lifeguard certification or recertification and/or lifeguard training certification or recertification for individuals. Grant funds may be used to reimburse eligible expenses incurred between the Effective Date of this Agreement and September 30, 2023. Grantee costs incurred after September 30, 2023 are not reimbursable from grant funds. **Expenditure of State funds prior to the contract being fully executed cannot be reimbursed by the State.**

Eligible expenses include: costs for lifeguard certification or recertification, and/or costs for lifeguard trainer certification or recertification.

Ineligible expenses include but are not limited to: administrative costs, travel expenses, incidentals, food, advertising, and any other expenses outside of lifeguard training and lifeguard trainer training certification and recertification costs.

No Matching Funds are required for the Project. State shall reimburse Grantee for eligible expenses upon review and approval of the submitted costs and associated supporting documentation, and commensurate progress of the Project.

Copies of any and all contracts entered into by the Grantee in order to accomplish this Project shall be submitted to the Department of Local Affairs upon execution, and any and all contracts entered into by the Grantee or any of its subcontractors shall comply with all applicable federal and state laws and shall be governed by the laws of the State of Colorado.

These grant funds will be from Workforce Innovation and Opportunity Act (WIOA) Statewide Discretionary funds. Entities receiving WIOA funding, and with whom they subcontract, will be considered as sub-recipients of federal funding under the provisions of the Office of Management and Budget (OMB) Uniform Guidance\*, rather than vendors or contractors. All sub-recipients are required to ensure that federal funds are expended on individuals who are eligible for the program at the time of enrollment, and who continue to meet eligibility during participation. The WIOA Discretionary Grant Eligibility\* document provides information on the minimum eligibility requirements. Grantee shall comply with provisions set forth in Exhibit A Federal Provisions, attached to this Agreement. For questions regarding WIOA, contact information can be found on DOLA's website\*.

\* Links to these documents and WIOA contacts are found on DOLA's website at <https://dlg.colorado.gov/pools-special-initiative-psi-lifeguard-training-initiative>

#### Documentation:

- Grantee shall retain documentation on all uses of the funds, including invoices, receipts, data and financial records, and any other documentation that establishes compliance for up to three (3) years after the final report is approved. Such documentation shall be provided to DOLA or its duly authorized representatives upon request.

#### Monitoring:

- DOLA or the State of Colorado reserves the right to initiate detailed monitoring or auditing of any grantee at its sole discretion.
- The review shall provide assurance that the information self-reported by Grantee is accurate and complete, and identify unallowable or questionable expenditures for follow-up. When concerns are noted during the review process, the Grantee shall provide documentation of the expenditures or accounting practices to DOLA for verification.

#### Financial Reporting:

- Grantee must utilize DOLA's Grant Portal to request reimbursement of eligible expenses, and must provide DOLA with a final report detailing how grant funds were spent. Invoices and proof of payment must be provided to support all expenditures. Grantee must redact any Personal Identification Information (PII) from any submitted documentation.
- Grantee must submit their sole reimbursement request and final report upon the completion of the project, but no later than COB October 31, 2023. Final report is on DOLA's website at <https://dlg.colorado.gov/pools-special-initiative-psi-lifeguard-training-initiative>
- In the event of a conflict between the terms and conditions of the Grantee's Application and the terms and conditions of this Small Dollar Grant Award (SDGA), the terms and conditions of this SDGA shall prevail.

PSI-23002 – Marvella Metro District - Lifeguard Training Initiative Summer 2023

**Program Reporting:**

- Final report must include the number of lifeguards trained, number of individuals trained who are eligible to continue working or be re-hired by the grant recipient, dates of training, proof of payment for training, and documentation of the costs incurred.

**2. RESPONSIBLE ADMINISTRATOR**

Contractor's performance hereunder shall be under the direct supervision of **Marcos Pacheco**, ([Mpacheco@crsofcolorado.com](mailto:Mpacheco@crsofcolorado.com)), an employee or agent of Grantee, who is hereby designated as the responsible administrator of this Project.

**3. TIME OF PERFORMANCE**

The Project shall commence upon the issuance of this Small Dollar Grant Award and shall be completed on or before **September 30, 2023**.

**4. BUDGET**

<b>Line #</b>	<b>Budget Line/Project Activities</b>	<b>Total Cost</b>	<b>State Funds</b>
1	Lifeguard Training Initiative Costs	\$10,700.00	\$10,700.00
<b>Total</b>		<b>\$10,700.00</b>	<b>\$10,700.00</b>

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**MARVELLA METROPOLITAN DISTRICT  
LANDSCAPING SERVICES CONTRACT**

This **LANDSCAPING SERVICES CONTRACT** (“Contract”) is entered into as of \_\_\_ May \_\_1, 2023, by and between **MARVELLA METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado organized pursuant to Title 32 of the Colorado Revised Statutes (the “District”), and **BRIGHTVIEW LANDSCAPE SERVICES, INC**, a Colorado corporation (the “Contractor”).

**RECITALS**

**WHEREAS**, the District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its approved service plan; and

**WHEREAS**, pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts affecting its affairs; and

**WHEREAS**, the District has determined that it requires the performance of various landscaping services; and

**WHEREAS**, the District desires to engage the Contractor to render these services; and

**WHEREAS**, the Contractor desires to render said services; and

**WHEREAS**, the parties desire to enter into this Contract to establish the terms and conditions by which the Contractor shall provide the services to the District.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

**TERMS AND CONDITIONS**

**1. SCOPE OF SERVICES.**

The Contractor shall provide the landscaping maintenance and care services, including any and all necessary documentation, materials and equipment, as described in **Exhibit A** attached hereto and incorporated herein by this reference (the “Services”). The Contractor shall be responsible for providing, at its cost and expense, all management, supervision, labor, materials, administrative support, supplies and equipment necessary to perform the Services as required by this Contract. If such a schedule is included, the Services shall be performed in accordance with the schedule set out in **Exhibit A**.

**2. COMPENSATION.**

2.1. Compensation for Services. The District shall compensate the Contractor for all

labor, equipment and material necessary to provide the Services according to the rate schedule attached hereto and incorporated herein in **Exhibit B**, subject to District annual appropriations and in accordance with and subject to all of the conditions in this Contract, the sum of Nineteen Thousand Nine Hundred Eighty Dollars (\$19,980.00), which shall be paid in monthly installments of One Thousand Six Hundred Sixty Five Dollars (\$1,665.00) beginning May 1, 2023 (the “Compensation”). The Compensation is inclusive of all reimbursable expenses and shall not be exceeded without the written authorization of the District.

2.2. Additional Services. If the District provides Contractor with a written request for services in addition to those listed in Exhibit A (“Additional Services”), any Additional Services will be provided on a time and materials basis at the billing rates attached hereto as **Exhibit C** and incorporated herein by this reference (the “Additional Services”). Upon receipt of such a request, the District and the Contractor shall negotiate the scope of the relevant Additional Services, which shall be subject to the mutual written agreement of the District and the Contractor. If the Contractor performs any Additional Services prior to or without receiving such a request from the District, the Contractor shall not be entitled to any compensation for such Additional Services.

2.3. Payments. The Contractor shall submit monthly invoices to the District for Services satisfactorily performed during each month of the term of this Contract. The District’s approval of invoices shall be a condition of payment. All invoices shall be addressed to the District as follows: Marvella Metropolitan District, c/o Community Resource Services of Colorado, LLC, 7995 E. Prentice Avenue, Suite 103E, Greenwood Village, CO 80111, Sue Blair, [sblair@crsofcolorado.com](mailto:sblair@crsofcolorado.com), and Mat Birkeness, [mbirkeness@crsofcolorado.com](mailto:mbirkeness@crsofcolorado.com).

2.3.1. Requirements for Payment.

a. Invoices. The Contractor’s invoices shall be in a format acceptable to the District, shall be supported by cost information in such detail as may be required by the District and shall be sufficient to substantiate all items for a proper audit and post audit thereof.

b. Invoice Documentation. With each invoice, the Contractor shall submit a progress report providing the following: (1) a detailed description of the Services performed; (2) the name of the person who performed the Services; (3) the date and time when the Services were performed; (4) the results achieved; (5) receipts which document direct costs reflected in the invoice; (6) the status of deliverables; and (7) a certification that the Contractor is current in payment of all employees and subcontractors and vendors and, if not current, a description of the non-current items and reasons for such.

2.3.2. Unsatisfactory Invoices or Services. The District may return to the Contractor for revision of unsatisfactory invoices and may withhold payment thereof. The District may withhold payment for Services which are not completed as scheduled, or which are completed unsatisfactorily, until completed satisfactorily and may deny payment for such Services upon termination of this Contract.

2.3.3. Right of Set-off. Without prejudice to any other right or remedy it may have,

the District reserves the right to set off at any time any amount owing to it by the Contractor against any amount payable by the District to the Contractor under this Contract.

2.4. Time of Payments. The District shall render payment to the Contractor within thirty (30) days of receipt of the invoice for all approved invoiced Services not previously invoiced and which were performed no more than forty-five (45) days prior to the District's receipt of the invoice.

2.5. In compliance with Section 24-91-103.6, Colorado Revised Statutes, the following statements are included in this Contract:

2.5.1. The District has appropriated an amount of money equal to or in excess of the contract amount for the Services to be performed under this Contract.

2.5.2. The District is prohibited from issuing any change order or other form of order or directive requiring additional compensable work to be performed by the Contractor, if such directive causes the aggregate amount under the Contract to exceed the amount appropriated for the original Contract, unless the Contractor is given written assurance by the District that lawful appropriations to cover the costs of the additional work have been made or unless such work is covered under a remedy-granting provision in the Contract. "Remedy-granting provision" means any contract clause which permits additional compensation in the event that a specific contingency or event occurs. Such term shall include, but not be limited to change clauses, differing site conditions clauses, variation in quantities clauses, and termination clauses.

2.5.3. Any form of order or directive issued by the District requiring additional compensable work to be performed by the Contractor shall be deemed to include a clause that requires the District to reimburse the Contractor for the Contractor's costs on a periodic basis for all additional directed work performed until such time as a change order is finalized. Provided, however, that in no instance shall the periodic reimbursement be required before the Contractor has submitted an estimate of cost to the District for the additional compensable work to be performed.

### 3. TERM.

The term of this Contract shall be from the date first set forth above and shall expire on April 30, 2024, or by the exercise of the termination provisions specified herein, whichever occurs first.

### 4. GENERAL PROVISIONS/REPRESENTATIONS.

4.1. Inspections/Services. The Contractor has familiarized itself with the nature and extent of the Contract and the proposed Services. To the extent the Contractor deems necessary, the Contractor has inspected the sites and all surrounding locations whereupon it may be called to perform its obligations under this Contract and is familiar with the requirements of the Services and accepts

them for such performance.

4.2. Good Standing. The Contractor is validly organized and exists in good standing under the laws of the State of Colorado and has all requisite power to own its properties and assets and to carry on its business as now conducted or proposed to be conducted and it is duly qualified, registered to do business and in good standing in the State of Colorado.

4.3. Professional Standards. The Contractor will perform all Services in accordance with generally accepted standards of care, skill, diligence and professional competence applicable to contractors engaged in the Denver metropolitan area in providing similar services at the time and place that services are rendered.

4.4. Performance During Term. The Contractor will begin providing the Services on the first day of the term of this Contract and will thereafter continually and diligently perform the Services throughout the term of this Contract.

4.5. Compliance with the Law. The Contractor will, at its own expense, throughout the term of this Contract, comply with all federal, state, and local laws, statutes, ordinances, codes, guidelines, court rulings and orders of all governmental authorities applicable to services performed by the Contractor under this Contract, including but not limited to employee safety.

4.6. Personnel. The Contractor represents that all of its personnel who will perform any Services under this Contract have received the information, instructions and training required to provide such Services, including training to prevent harm to such personnel, residence and members of the public who may be in the vicinity.

4.7. Licenses. The Contractor represents that the Contractor and its personnel have all licenses required by applicable law to perform the Services required by this Contract and will, at Contractor's expense, maintain such licenses throughout the term of this Contract.

4.8. Mechanics' and Materialmen's Liens. The Contractor will (i) make timely payments to Contractor's employees, subcontractors and/or suppliers, and (ii) be responsible for satisfaction of any liens and encumbrances which are filed or asserted against the District and/or its property, which liens result from the Services performed by the Contractor under this Contract. If any lien is filed claiming by, through or under the Contractor or the Services performed by the Contractor, the Contractor will cause such lien to be discharged or bonded within ten (10) days after its filing. If the Contractor fails to cause such lien to be discharged or bonded within such ten (10) day period, the District, in addition to any other available remedy, may bond or discharge the lien and, at the District's discretion, deduct its costs incurred, including attorneys' fees and interest at the rate of twelve (12%) percent per annum from the dates incurred, from any payments due the Contractor or invoice the Contractor for the amounts paid.

4.9. Authorized Execution. The execution, delivery and performance of this Contract and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action and do not and will not require any further consent or approval of the board of

directors or any shareholders of the Contractor or any other person which has not been obtained.

4.10. Damages by Contractor. The Contractor shall promptly repair, and pay in full for, any and all damages caused by the Contractor or by any subcontractor or other person or entity of any nature furnishing materials, equipment, machinery, supplies, labor, skilled services, or instruments for whose actions the Contractor is responsible hereunder. The Contractor agrees to immediately report to the District any and all property damages and/or personal injuries that occur during the course of the Contractor's performance of this Contract.

## **5. INDEMNIFICATION.**

Subject to the provisions of Section 13-50.5-102(8), Colorado Revised Statutes, to the extent applicable to this Contract, the Contractor shall indemnify, defend, and hold harmless the District and each of its directors, employees, agents, and consultants, from and against any and all claims, demands, suits, actions, proceedings, judgments, losses, damages, injuries, penalties, costs, and expenses (including reasonable attorneys' fees), and liabilities, of, by, or with respect to third parties ("Any Claims") to the extent they arise from or may be alleged to arise, directly or indirectly, in whole or in part, from the intentional or negligent acts or omissions of the Contractor or any of its subcontractors, material suppliers, agents, representatives, or employees, or the agents, representatives, or employees of any subcontractors or material suppliers (collectively the "Contractor/Related Parties"), in connection with this Contract and/or the Contractor's Services hereunder, including, without limitation, Any Claims which cause or allow to continue a condition or event which deprives the District or any of its directors or employees of its sovereign immunity under the Colorado Governmental Immunity Act, Sections 24-10-101, et seq., Colorado Revised Statutes. Provided, however, that the Contractor shall not be liable for any claim, loss, damage, injury, or liability arising out of the negligence, willful acts, or intentional torts of the District, its directors, employees, agents, and consultants.

The obligations of the indemnifications extended by the Contractor to the District under this Section shall survive termination or expiration of this Contract.

The Contractor will promptly defend any action or actions filed in connection with Any Claims and will pay all judgments, costs, and expenses, including legal costs and attorneys' fees incurred in connection with Any Claim. The District may protect its interest in defending against Any Claims by selecting its own counsel with legal costs and attorneys' fees paid for by the Contractor. The Contractor's defense, indemnification, and insurance obligations shall be to the fullest extent permitted by law and nothing in this Contract shall be construed as requiring the Contractor to defend in litigation, indemnify, or insure the District against liability for damage arising out of the death or bodily injury to persons or damage to property caused by the negligence or fault of the District or any third party under the control or supervision of the District.

To the extent the terms of Section 13-50.5-102(8), Colorado Revised Statutes, are applicable to this Contract, the Contractor and the District hereby agree for the purposes of this Section that: (i) "the degree or percentage of negligence or fault attributable" to the Contractor/Related Parties as used in Section 13-50.5-102(8)(a), Colorado Revised Statutes, shall be conclusively determined by a trial court at the state level and (ii) the term "adjudication" used in Section 13-50.1-102(8)(c), Colorado



Revised Statutes, shall mean a trial court order at the state level.

Insurance coverage requirements or limitations on damages specified in this Contract in no way lessen or limit the obligations of the Contractor under the terms of this Section. The Contractor shall obtain, at the Contractor's own expense, additional insurance, if any, required to satisfy the terms of this Section.

## **6. INSURANCE.**

6.1. **General Requirements.** The Contractor shall acquire and maintain in full force and effect, during the entire term of the Contract, including any extensions thereof, and at any time thereafter necessary to protect the District, its directors, employees, agents, consultants and the Contractor from claims that arise out of or result from the operations under this Contract by the Contractor or by a subcontractor or a vendor or anyone acting on their behalf or for which they may be liable, the coverages set forth in subsection 6.2. All insurance is to be placed with insurance carriers licensed in the State of Colorado with an A.M. Best and Company rating of no less than A-(X) or as otherwise accepted by the District. The District and its respective directors, officers, employees and agents shall be named as an additional insured as provided in subsection 6.3. The Contractor shall request its insurer to amend or endorse its insurance policy to provide that the insurer will give the District sixty (60) days written notice prior to the cancellation, non-renewal or material modification of any policy of insurance obtained to comply with this Section. In addition, Contractor shall immediately upon receipt provide the District a copy of any notice of cancellation, non-renewal or material modification of any policy of insurance obtained to comply with this Section.

### 6.2. **Minimum Insurance Coverages.**

6.2.1. Workers' compensation insurance in accordance with applicable law, including employers' liability with minimum limits of One Hundred Thousand Dollars (\$100,000.00) each accident, Five Hundred Thousand Dollars (\$500,000.00) Disease-Policy Limit, One Hundred Thousand Dollars (\$100,000.00) Disease each employee.

6.2.2. Commercial general liability insurance in the amount of One Million Dollars (\$1,000,000.00) combined single limit bodily injury and property damage, each occurrence; Two Million Dollars (\$2,000,000.00) general aggregate, and One Million Dollars (\$1,000,000.00) products and completed operations aggregate. Coverage shall be on an ISO 1996 Form (CG 0001 or equivalent), include all major divisions of coverage and be on a comprehensive basis, including:

- a. Premises and operations;
- b. Personal injury liability;
- c. Contractual liability;
- d. Property damage;
- e. Products and completed operations;
- f. Independent contractors coverage;
- g. Explosion, collapse and underground (for contractors only);
- h. Contractors' limited pollution coverage (for contractors only); and

i. Endorsement CG 2-503 or equivalent; general aggregate applies on a per project basis (for contractors only).

6.2.3. Commercial automobile liability insurance in the amount of One Million Dollars (\$1,000,000.00) combined single limit bodily injury and property damage, each accident covering owned, leased, hired, non-owned and employee non-owned vehicles used at the project site.

6.2.4. Professional liability coverage in the amount of One Million Dollars (\$1,000,000.00) each claim and in the aggregate covering the negligent acts or omissions of the Contractor and/or its subcontractors in the performance of the Services.

6.2.5. Excess liability coverage, beyond that of the general liability, automobile liability and employers liability coverages required herein, in the amount of at least Two Million Dollars (\$2,000,000.00) combined single limit bodily injury and property damage, each occurrence, and Four Million Dollars (\$4,000,000.00) in the aggregate. Separate aggregates need to be structured as found in the underlying coverages.

6.2.6. All coverages specified herein shall waive any right of subrogation against the District and its directors, officers and employees.

6.3. Additional Insured Parties. The District and its respective directors, officers, employees and agents shall be named as an additional insured on all policies (with the exception of workers' compensation insurance and professional liability coverage). Professional liability coverage shall be endorsed to include contractual liability coverage, insured contract coverage or similar coverage for the professional services performed under this Contract.

6.4. Certificates of Insurance. Prior to commencing any Services under the Contract, the Contractor shall provide the District with a certificate or certificates evidencing the coverages identified on the face of the certificate with the contract number for this Contract, the name of the project and a copy of the additional insured endorsement. If the Contractor subcontracts any portion(s) of the Services, such subcontractor(s) shall be required to furnish certificates evidencing workers' compensation and employers' liability insurance, commercial general liability insurance coverage and automobile liability insurance in amounts satisfactory to the District and the Contractor and containing the "additional insured," "waiver of subrogation" and "cancellation" conditions found in this Section. If the coverage required expires during the term of this Contract, the Contractor and its subcontractor(s) shall provide replacement certificate(s) evidencing the continuation of the required policies at least fifteen (15) days prior to expiration.

6.5. Additional Provisions. Each liability policy including, where required, umbrella/excess liability policy is to contain, or be endorsed to contain, the following:

6.5.1. The Contractor's insurance coverage shall be primary insurance with respect to the District and its directors, officers and employees. Any insurance maintained by the District or its directors, officers and employees shall be in excess of the Contractor's insurance and shall not contribute to it.

6.5.2. The Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to limits of liability.

6.6. Compliance with Reporting Provisions. The Contractor shall comply with reporting provisions or other conditions of the policies required herein, and a failure to do so constitutes a breach of this Contract. Any failure on the part of the Contractor to comply with reporting provisions or other conditions of the policies shall not affect the obligation of the Contractor to provide the required coverage to the District (and its directors, officers and employees).

6.7. Claims-Made Policies. If any policy is a claims-made policy, the policy shall provide the Contractor the right to purchase, upon cancellation or termination by refusal to renew the policy, an extended reporting period of not less than two (2) years. The Contractor agrees to purchase such an extended reporting period if needed to ensure continuity of coverage. The Contractor's failure to purchase such an extended reporting period as required by this Section shall not relieve it of any liability under this Contract. If the policy is a claims-made policy, the retroactive date of any such policy shall be not later than the date this Contract is executed by the parties hereto. If the Contractor purchases a subsequent claims-made policy in place of any prior claims-made policy, the retroactive date of such subsequent policy shall be no later than the date this Contract is executed by the parties hereto.

6.8. No Limitation on Other Obligations. The procuring of required policies of insurance shall not be construed to limit the Contractor's liability hereunder or to fulfill the indemnification provisions and requirements of this Contract. The Contractor shall be solely responsible for any deductible losses under the policy.

6.9. Additional Risks and Hazards. If the District requests in writing that insurance for risks other than those described herein or for other special hazards be included in property insurance policies, the Contractor shall obtain such insurance, if available, in a form and for a cost approved by the District, and the cost thereof shall be charged to the District.

6.10. Subcontractors. If the Contractor subcontracts any portion(s) of the Services, the Contractor shall require that each subcontractor retained by the Contractor acquire and maintain insurance coverage as set forth in this Section 6. The Contractor shall require each subcontractor to provide to the Contractor insurance certificates and endorsements, including necessary updates to the same, demonstrating compliance with this Section 6. The Contractor shall retain all subcontractor insurance certificates and endorsements for the duration of the Contract. The Contractor shall, upon District request, submit them to the District for review or audit. Failure to acquire and maintain subcontractor insurance certificates is a material breach of this Contract.

## 7. TERMINATION.

### 7.1. Types of Termination.

7.1.1. Events of Default and Termination For Cause. The Contractor shall be immediately in default hereunder (an "Event of Default") upon the occurrence of any of the

events described below:

- a. Any breach of the terms and conditions of this Contract.
- b. Failure to perform the Services under this Contract, or significant delay or discontinuance of performance of the Services.
- c. Lack of financial responsibility (including failure to obtain and maintain insurance) for loss or damage to the District or its property.
- d. Dishonesty, embezzlement or false reporting of any material financial information, including but not limited to invoices.
- e. Insolvency, bankruptcy or commission of any act of bankruptcy or insolvency or assignment for the benefit of creditors.
- f. Any attempt by the Contractor to assign its performance of this Contract without the consent required by this Contract.
- g. Termination of any subcontract for any substantial Services without the prior written consent of the District.

In addition to any other rights provided herein, upon an Event of Default, the District shall have the right in its sole discretion to immediately terminate this Contract and further performance of the Services, in whole or in part, by delivery to the Contractor of written notice of termination specifying the extent of termination and the effective date of termination.

7.1.2. Termination for Convenience. In addition to any other rights provided herein, the District shall have the right in its sole discretion to terminate, upon thirty (30) days advance notice, for convenience, this Contract and further performance of the Services, in whole or in part, by delivery to the Contractor of written notice of termination specifying the extent of termination and the effective date of termination. Contractor may also terminate this Contract for convenience by providing at least ninety (90) days' prior written notice to the District.

7.2. Any Other Remedies Allowed by Law. The District shall be entitled to any other remedies allowed by law in addition to the remedies provided in this Section.

7.3. Payment and Liabilities Upon Termination.

7.3.1. Termination For Cause. If an Event of Default has occurred, the Contractor shall be liable to the District for any actual damages for losses, including, but not limited to, any and all costs and expenses reasonably incurred by the District or any party acting on the District's behalf in completing the Services or having the Services completed (excluding changes in the Services by the District following such Event of Default). The District shall determine the total cost of the Services satisfactorily performed by the Contractor prior to the effective date of termination for cause. All reasonable damages, losses, costs and charges incurred by the District, including attorney's fees and costs, relating to obtaining and mobilizing another contractor, of completing the Services and of retaining another contractor's acceptance of full responsibility for all obligations of the Contractor under this Contract shall be deducted from any monies due or which may become due to the Contractor. The District shall determine the total amount due and shall notify the Contractor in writing of

the amount the Contractor owes the District or the amount the District owes the Contractor.

7.3.2. Termination For Convenience. After termination for convenience, the Contractor shall submit a final termination settlement invoice to the District in a form and with a certification prescribed by the District. The Contractor shall submit the invoice promptly, but no later than thirty (30) days from the effective date of termination, unless extended in writing by the District upon written request of the Contractor within such thirty-day period. If the Contractor fails to submit the invoice within the time allowed, the District's payment obligations under this Contract shall be deemed satisfied and no further payment by the District to the Contractor shall be made.

7.4. Contractor's Obligations Upon Termination. After receipt of notice of termination, for cause or for convenience, and unless otherwise directed by the District, the Contractor shall immediately proceed as follows:

7.4.1. Stop work on the Services as specified in the notice of termination; and

7.4.2. Take any action that may be necessary, or that the District may direct, for the protection and preservation of the Services and property related to this Contract that is in the possession of the Contractor and in which the District has or may acquire an interest.

## **8. OWNERSHIP OF MATERIALS AND RISK OF LOSS.**

All work product of the Contractor prepared pursuant to this Contract, including but not limited to all maps, plans, drawings, specifications, reports, electronic files and other documents, in whatever form, shall be, upon preparation, and remain the property of the District under all circumstances, whether or not the Services are completed. All work product shall be provided to the District at the time of completion of any of the discrete tasks specified herein or at the time of termination of this Contract, whichever event first occurs, and shall be provided to any subsequent owners only with the District's express permission. The Contractor shall maintain reproducible copies on file of any such work product involved in the Services for a period of five (5) years and shall make them available for the District's use and provide such copies to the District, upon request, at commercial printing rates. At any time, the District may obtain reproducible copies of the Contractor's work product by paying printing costs as set forth above.

## **9. CONTRACTOR'S TRADE SECRETS AND OPEN RECORDS REQUESTS.**

9.1. Application of the Act. The Contractor acknowledges and agrees that all documents in the District's possession, including documents submitted by the Contractor, are subject to the provisions of the Colorado Open Records Act, Sections 24-72-200.1 *et seq.*, Colorado Revised Statutes, and the Contractor acknowledges that the District shall abide by the Colorado Open Records Act, including honoring all proper public records requests made thereunder. The Contractor shall be responsible for all costs incurred in connection with any determinations required to be made by a court, pursuant to the Colorado Open Records Act. The Contractor is advised to contact legal counsel concerning such acts in application of the Colorado Open Records Act to the Contractor.

9.2. Confidential or Proprietary Materials. If the Contractor deems any document(s)

which it submits to the District to be confidential, proprietary, or otherwise protected from disclosure under the Colorado Open Records Act, then it shall appropriately label such document(s), and submit such document to the District together with a written statement describing the material which is requested to remain protected from disclosure and the justification for such request. This request will either be approved or denied by the District; however, the District will make a good-faith effort to accommodate all reasonable requests, subject to the provisions of the Colorado Open Records Act.

9.3. Stakeholder. In the event of litigation concerning the disclosure of any document(s) submitted by the Contractor to the District, the District's sole involvement will be as stakeholder retaining the document(s) until otherwise ordered by the court, and the Contractor shall be fully responsible for otherwise prosecuting or defending any actions concerning the document(s) at its sole expense and risk.

## 10. INDEPENDENT CONTRACTOR.

It is the express intention of the parties that the Contractor is not employed by the District but is an independent contractor. An agent or employee of Contractor shall never be or deemed to be an employee or agent of the District. The District is concerned only with the results to be obtained. **AS AN INDEPENDENT CONTRACTOR, THE CONTRACTOR ACKNOWLEDGES AND AGREES, PURSUANT TO SECTION 8-40-202(2)(b)(IV), C.R.S., THAT IT IS NOT ENTITLED TO WORKERS' COMPENSATION BENEFITS AND THAT THE CONTRACTOR, AS AN INDEPENDENT CONTRACTOR, IS OBLIGATED TO PAY FEDERAL AND STATE INCOME TAX ON ANY MONEYS EARNED PURSUANT TO THIS CONTRACT RELATIONSHIP.**

## 11. ASSIGNMENT.

Neither the District nor the Contractor may assign this Contract or parts hereof or its rights hereunder without the express written consent of the other party.

## 12. SUBCONTRACTORS.

To the extent that the Contractor engages subcontractors to perform, or otherwise provide support to assist the Contractor to perform any portion of the Services performed under this Contract (each a "Permitted Subcontractor"), then: (a) the Contractor shall remain responsible for the services, tasks, functions and responsibilities performed by Permitted Subcontractors to the same extent as if such services, tasks, functions and responsibilities were performed directly by the Contractor and, for purposes of this Contract, such Services shall be deemed Services performed by the Contractor; (b) the Contractor shall cause such Permitted Subcontractors to comply with the obligations and restrictions associated with the services, tasks, functions and responsibilities performed by such Permitted Subcontractors that are applicable to the Contractor under this Contract; and (c) the Contractor shall acquit its responsibilities as provided in subsection 6.10 of this Contract.

**13. MISCELLANEOUS.**

13.1. Time is of the Essence. The performance of the Services of the Contractor shall be undertaken and completed in accordance with this Contract and in such sequence as to assure its expeditious completion in light of the purposes of this Contract. It is agreed that time is of the essence in the performance of this Contract.

13.2. Notice. All notices must be in writing and (a) delivered personally, (b) sent by electronic mail, delivery receipt requested, (c) sent by United States certified mail, postage prepaid, return receipt requested (“US Mail”), or (d) placed in the custody of a nationally recognized overnight carrier for next day delivery (“Carrier”), and will be deemed given (i) when received, if delivered personally, (ii) on the day sent if sent during regular business hours (9 a.m. to 5 p.m.), otherwise on the next day at 9 a.m., if sent by electronic mail, (iii) 4 days after deposit, if sent by US Mail, or (iv) the next business day after deposited with a Carrier during business hours on a business day. All notices shall be delivered to the following addresses, or such other address as is provided by one party to the other in accordance with this section:

**Notices to District:**

Marvella Metropolitan District  
c/o Community Resource Services of Colorado, LLC  
7995 E. Prentice Avenue, Suite 103E  
Greenwood Village, CO 80111,  
Attn: Sue Blair  
Mat Birkeness  
Email: [sblair@crsofcolorado.com](mailto:sblair@crsofcolorado.com),  
[mbirkeness@crsofcolorado.com](mailto:mbirkeness@crsofcolorado.com).

**With a copy to:**

Icenogle Seaver Pogue, P.C.  
4725 South Monaco Street, Suite 360  
Denver, CO 80237  
Attn.: Tamara K. Seaver  
Email: [TSeaver@ISP-Law.com](mailto:TSeaver@ISP-Law.com)

**Notices to Contractor:**

BrightView Landscape Services  
2333 West Oxford Avenue  
Sheridan, CO 8011  
Attn: Michael Crespin  
Email: [michael.crespin@brightview.com](mailto:michael.crespin@brightview.com)

**With a copy to:**

BrightView Landscape Services  
980 Jolly Road, Suite 300

Blue Bell, PA 19422  
Attn: Office of the General Counsel

13.3. Governmental Immunity. Nothing in this Contract or in any action taken by the District pursuant to this Contract shall be construed to be a waiver, in whole or in part, of any right, privilege or protection afforded the District or its Board of Directors, officers, employees, servants, agents or authorized volunteers pursuant to the Colorado Governmental Immunity Act, Sections 24-10-101, et seq., C.R.S.

13.4. Annual Appropriations. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The District's payment obligations hereunder are subject to annual appropriation. The District has appropriated sufficient funds for this Contract for the current fiscal year.

13.5. Entire Contract. This Contract constitutes the entire agreement between the parties and sets forth the rights, duties and obligations of each to the other as of this date. Any prior agreements, promises, negotiations or representations not expressly set forth in this Contract are of no force and effect.

13.6. Contract Modification. The Contract may not be amended, altered or otherwise changed except by a written agreement signed by authorized representatives of the parties.

13.7. No Waiver. No waiver of any of the provisions of this Contract shall be deemed to constitute a waiver of any other of the provisions of this Contract, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

13.8. Choice of Law. This Contract and all related documents including all exhibits attached hereto, and all matters arising out of or relating to this Contract, are governed by and construed in accordance with the laws of the State of Colorado.

13.9. Venue. Each party irrevocably and unconditionally agrees that it will not commence any action, litigation, or proceeding of any kind whatsoever against any other party in any way arising from or relating to this Contract in any forum other than the state courts of the State of Colorado.

13.10. Binding Contract. This Contract shall inure to and be binding on the heirs, executors, administrators, successors and assigns of the parties hereto.

13.11. No Third Party Beneficiaries. This Contract is entered into for the sole benefit of the District and Contractor, and no other parties are intended to be direct or incidental beneficiaries of this Contract, and no third party shall have any right in, under or to this Contract.

13.12. Severability. If any term or provision of this Contract is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Contract; provided, however, that if any fundamental term or provision of this Contract is invalid, illegal, or unenforceable, the remainder of this Contract shall be unenforceable.



13.13. Rules of Construction. For purposes of this Contract, except as otherwise expressly provided or unless the context clearly requires otherwise (i) the terms defined herein include the plural as well as the singular and include any words based upon the root of such defined terms; (ii) words importing gender include all genders; (iii) the words “include,” “includes,” and “including” mean inclusion without limitation; (iv) the word “or” is not exclusive; (v) the words “herein,” “hereof,” and “hereunder,” and other words of similar import, refer to this Contract as a whole and not to any particular Section or other subdivision; and (vi) the headings in the Contract are for convenience only and shall not affect the interpretation of this Contract. Unless the context otherwise requires, reference herein to: (A) Sections and Additional Services refer to the Sections of this Contract and Additional Services made pursuant to this Contract, as applicable; (B) an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof; and (C) a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulation promulgated thereunder. This Contract shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

13.14. Electronic Signatures. The parties consent to the use of electronic signatures pursuant to the Uniform Electronic Transactions Act, Sections 24-71.3-101, *et seq.*, Colorado Revised Statutes, as may be amended from time to time. The Contract, and any other documents requiring a signature hereunder, may be signed electronically by the parties in a manner acceptable to the District. The parties agree not to deny the legal effect or enforceability of the Contract solely because it is in electronic form or because an electronic record was used in its formation. The parties agree not to object to the admissibility of the Contract in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

13.15. Counterpart Execution. This Contract may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

**[Remainder of page intentionally left blank.]**

**IN WITNESS WHEREOF**, the parties have hereunto entered this Contract effective as of the date first written above.

**CONTRACTOR:**

BRIGHTVIEW LANDSCAPE SERVICES, INC.

DocuSigned by:

*Aaron Lott*

73D65B97F1174F0...

By: Aaron Lott

Its: Director of Finance

**DISTRICT:**

MARVELLA METROPOLITAN DISTRICT

DocuSigned by:

*Tahlia Sayers*

By: Tahlia Sayers

Its: President

**ATTEST:**

DocuSigned by:

*Craig Corliss*

77E15DEC1AFF478...

By: Craig Corliss

Its: Secretary

## **EXHIBIT A**

### **SCOPE OF SERVICES**

Contractor shall furnish all supervision, labor, material, equipment and transportation required to maintain the landscape throughout the District located at East Orchard and South Olive Court, Centennial, Colorado 80111, as specified herein.

#### **1. Turf Care:**

##### **1.1. Mowing: *Included Frequencies - 26***

Turf areas shall be mowed weekly from May through September, and as needed during other seasons. Frequencies of mowing shall vary in the Spring and Fall due to seasonal weather conditions and turf growth rates. During extended rainy or dry periods mowing will take place as conditions dictate. Mowing height will be based on what is horticulturally correct for the turf variety taking into account the season. Clippings shall be mulched and not caught or removed from turf areas unless they are lying in swaths which may damage the lawn.

##### **1.2. String Trimming: *Included Frequencies - 26***

Vertical obstacles will be trimmed around to assure a neat and attractive appearance at the time of each mowing.

##### **1.3. Edging: *Included Frequencies - 7***

All turf areas adjacent to sidewalks shall be edged so that the entire property is completed every 2 weeks.

##### **1.4. Blowing: *Included Frequencies - 26***

Sidewalk and curb areas adjacent to landscaped areas will be blown and kept clean with the use of power-operated blowers at the time of each mowing. This includes blowing any grass clippings generated by Contractor mowing operations, and any leaves or landscape debris from the curb lines of the clubhouse parking lot.

##### **1.5. Aeration: *Included Frequencies - 2***

Core aeration will be performed with walk behind and/or a tow behind aerator. Aeration plugs shall be left and not caught or removed from the turf areas.

##### **1.6. Fertilization: *Included Frequencies – 1 Season-Release Application***

Turf shall be fertilized as warranted with a commercial fertilizer to promote a healthy appearance.

##### **1.7. Broadleaf Weed Control: *Included Frequencies – 1 Pre-emergent weed control application and 2 post-emergent applications***

Turf shall be kept reasonably free of weeds by the use of chemical herbicide, in accordance with manufacturer's recommendations, to promote a healthy appearance.

#### **2. Shrubs and Bed Areas:**

**2.1. Pruning:**

**2.1.1. Shrub Pruning: *Included Frequencies - 1***

Shrubs shall be pruned to maintain the natural form of the plant and to maintain growth within space limitations. Timing of pruning may vary from plant species. This excludes pruning necessitated by storm damage, disease, neglected overgrowth, or winterkill. Industry standard pruning practices do not include hand pruning or shearing of plants into boxes, squares, balls, etc., unless required by the design.

**2.1.2. Ornamental Grass Pruning: *Included Frequencies - 1***

Ornamental grasses will be cut one time per year, typically in late winter, to approximately 1/4 of the existing height.

**2.1.3. Perennial Pruning: *Included Frequencies - 1***

Perennial cut back will be done one time per year, typically in the late summer or early fall, and will be trimmed as appropriate for each species once flowering has stopped.

**2.2. Weed Control: *Included Frequencies - 26***

Beds, sidewalks and curb/gutter will be kept reasonably free of broadleaf or grassy weeds, preferably with post-emergent/contact herbicides, or by manual removal (hand-pulling).

**3. Tree Care:**

**3.1. Limbing: *Included Frequencies - 1***

Maintenance pruning of all applicable trees to 8-10 feet in height will be accomplished according to industry accepted standards, and as is appropriate for each species in its particular stage of growth and development. Volunteer suckers and shooters on trees will be removed to maintain a clean appearance. Trees in turf areas will be neatly "ringed" at the base of the tree (approximately 3' in diameter) to prevent damage from mowing equipment

**4. Native Areas:**

**4.1. Native Turf Mowing: *Native/Alternative Turf Mowing – Included; Beauty Bands Frequencies – 7 (height of 5" – 8"); Broadleaf Control Frequencies – 2***

Designated and established native areas will be cut at the most appropriate times of the season (typically June and September or as mutually agreed upon by the Client and BrightView). Areas accessible by a mower and perimeter areas that require string trimming will be addressed. Any steeply sloped areas which represent a danger to Contractor's employees, or drainage areas covered by water are not included as part of the scope of work

**5. Irrigation System:**

**5.1. Activation: *Included Frequencies - 1***

Seasonal activation of the irrigation system will be performed in the spring as weather conditions dictate. Contractor will be responsible for determining when to activate the system. At the time of activation, all necessary repairs will be performed to bring the system up to operating condition. Repairs will be performed and billed on a time and material or not to exceed basis as outlined in Exhibit C at the expense of the District.

**5.2. Monitoring: *Included Frequencies – 12 (from activation through winterization as weather conditions dictate)***

Monitoring of the system will occur throughout the growing season. Programing may be periodically adjusted according to weather conditions, seasonal changes, and the needs of the landscape. In the event any malfunctions are found, repairs will be performed and billed on a time and material or not to exceed basis as outlined in Exhibit C at the expense of the District. Damages caused by Contractor during the normal course of operations will be repaired by Contractor in a prompt manner at no expense to the District.

**5.3. Deactivation / Winterization: *Included Frequencies - 1***

Seasonal deactivation and winterization of the irrigation system will be performed in the fall of each year, typically in October or November, depending upon weather conditions. The irrigation system will be drained of water and will have forced air injected into the lateral and pressure lines.

**5.4. Emergency Service Calls:**

Emergency service calls will be made upon request of the District. Emergencies are defined as after-hours calls between the hours of 5:00 P.M. and 8:00 A.M. Monday-Friday, all day Saturday and Sunday, and recognized holidays. Emergency services will be performed upon request and billed on a time and material or not to exceed basis at the expense of the District.

**6. Landscape Debris & Trash Cleanup:**

**6.1. Growing Season: *Included Frequencies - 26***

On a weekly basis, all landscape areas shall be inspected and excess landscape debris and trash removed. Unless otherwise indicated, debris clean-up does not include the cleanup of pet waste or pet waste stations, trash cans, parking lots, or parking structures, nor does it include clean-up of debris and trash caused by vandalism, dumping, improperly contained dumpsters, or acts of God.

**6.2. Dormant Season: *Included Frequencies - 26***

On a weekly basis, all landscape areas shall be inspected each day and excess landscape debris and trash removed. This shall include the changing of neighborhood trash receptacles as they become full. Debris clean-up does not include the cleanup of pet waste or pet stations, parking lots, or parking structures, nor does it include cleanup of debris and trash caused by vandalism, dumping, improperly contained dumpsters, or acts of God.

**7. Spring Cleanup: *Included Frequencies - 1***

Debris shall be picked up and disposed of from maintained turf and rock/mulch bed areas. Debris shall be managed using all means available including blowing, raking, vacuuming, and mowing/mulching to maintain a neat appearance. Weather conditions may shorten or lengthen the process of debris removal. Unless otherwise outlined, debris cleanup does not include the cleanup of pet waste or pet waste stations, trash cans, parking lots, or parking structures, nor does it include clean-up of debris and trash caused by vandalism, dumping, improperly contained dumpsters, or acts of God.

**8. Fall Cleanup: *Included Frequencies - 1***

Typically in November/December, fallen leaves shall be picked up and disposed of from maintained turf and rock/mulch bed areas. Leaves shall be managed using all means available including blowing, raking, vacuuming, and mowing/mulching to maintain a neat appearance. Weather conditions may shorten or lengthen the process of leaf removal. Unless indicated, leaves

that have not fallen from trees or shrubs during contract term are not within the scope of the contract.

**EXHIBIT B**

**SERVICES RATE SCHEDULE**

**Services Billing Schedule:**

<b>2023</b>	
May 1, 2023	\$ 1,665.00
June 1, 2023	\$ 1,665.00
July 1, 2023	\$ 1,665.00
August 1, 2023	\$ 1,665.00
September 1, 2023	\$ 1,665.00
October 1, 2023	\$ 1,665.00
November 1, 2023	\$ 1,665.00
December 1, 2023	\$ 1,665.00
January 1, 2024	\$ 1,665.00
February 1, 2024	\$ 1,665.00
March 1, 2024	\$ 1,665.00
April 1, 2024	\$ 1,665.00
<b><i>Total Service Fee</i></b>	<b>\$ 19,980.00</b>



**EXHIBIT C**

**ADDITIONAL SERVICES RATE SCHEDULE**

**Hourly Rates:**

Irrigation Repairs per hour: \$70.00 + materials\*

Emergency Service per hour: \$150.00 + materials

\* Repairs not to exceed \$500 per cycle visit without prior written authorization by the District



# ICENOGLE SEAVER POGUE

## PRIVILEGED & CONFIDENTIAL ATTORNEY/CLIENT COMMUNICATION ATTORNEY WORK PRODUCT

### MEMORANDUM

TO: Board of Directors, Marvella Metropolitan District

FROM: Tamara K. Seaver

DATE: June 8, 2023

RE: SB23-303 and Impacts Upon Assessed Valuation Generally

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### INTRODUCTION

Colorado General Assembly passed SB23-303 just as the legislature was set to adjourn for the 2023 legislative session. The bill asks voters to approve a 10-year property tax relief plan in the wake of escalating property and home values and, relatedly, to backfill lost revenue for local governments. This memo provides an overview analysis of the bill and its history as well as its impacts on local governments like the District.

### OVERVIEW/ SYNOPSIS OF SB23-303

**A. Bill Overview.** The bill concerns a reduction in property taxes in the state, and, in turn, a limit on increases in annual property taxes for certain local governments. In addition, the bill also temporarily reduces the valuation for assessment of certain residential and nonresidential property taxes for the next ten years. In addition, parts of this bill require approval by voters in Colorado, via “Proposition HH,” which will be on the ballot during the November 7, 2023 election. Subject to voter approval, voters of the state must approve a further reduction in property taxes for the next ten years (from the effective date of the bill). In exchange, the government will increase the amount of revenue that they can retain, by lowering the amount of TABOR refunds that are paid out to taxpayers. This helps to offset the lower property tax revenues that are collected. This is because Colorado’s Taxpayer’s Bill of Rights (“TABOR”) requires the state to refer a ballot issue to the November 2023 election in order to effectuate reduction of property taxes for homes and businesses and to allow the state to retain excess tax revenues to backfill the associated losses in local tax revenues. If Proposition HH fails, then the property tax reductions and local government backfill cash fund set forth in SB23-303, and outlined below, will be repealed and will not go into effect.

HB23-1311, intended to flatten TABOR refunds due to Coloradans next year was introduced in conjunction with SB23-303. HB23-1311 impacts TABOR refunds which would be \$661 per person, with joint filers receiving double that<sup>1</sup>. Colorado's current TABOR refund system has six tiers based on income: Coloradans earning under \$50,000 would be refunded an estimated \$454, those earning \$50,000 - \$100,000 would have an estimated refund of \$606, and the refunds increase from there with those making more than \$279,000 receiving an estimated refund of \$1,434. This has been tied into Proposition HH, with the intention of incentivizing voters to support the TABOR refund flattening and property tax reductions while also approving the retention of revenues for the local government backfill.

**B. Status:** Signed by governor.

**C. Effective Date:** This bill became effective on its signing on May 24, 2023. However, parts of this bill are subject to voter approval via Proposition HH. Per Section 24-27-202, C.R.S., a majority of voters in Colorado need to approve the following ballot issue: Shall the state reduce property taxes for homes and businesses, including expanding property tax relief for seniors, and backfill counties, water districts, fire districts, ambulance and hospital districts, and other local governments and fund school districts by using a portion of the state surplus up to the proposition HH cap as defined in this measure?

### **BACKGROUND TO SB23-303**

The genesis of SB23-303 actually dates back to the 2021 legislative session when, in that session's final days, the legislature passed SB21-293. This bill was intended to temporarily cut property taxes in a last-minute bipartisan attempt to address anticipated increases in property taxes due to the 2020 repeal of the Gallagher Amendment.

However, because Proposition 120 did not pass in November 2021, the tax rate reductions from SB21-293 would have expired after tax year 2023. In 2022, SB22-238 passed the legislature, which further reduced property taxes for tax year 2023 and extended additional reductions into tax year 2024.

### **EFFECT OF SB23-303**

**A. General.** As an overarching proposition SB23-303 will (assuming approval of portions of the bill by voters in November 2023):

- Reduce assessed valuations for many classes of real property (some being new sub-classifications);

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<sup>1</sup> Colorado's current TABOR refund system has six tiers based on income: Coloradans earning under \$50,000 would be refunded an estimated \$454, those earning \$50,000 - \$100,000 would have an estimated refund of \$606, and the refunds increase from there with those making more than \$279,000 receiving an estimated refund of \$1,434. This has been tied into Proposition HH, with the intention of incentivizing voters to support the TABOR refund flattening and property tax reductions while also approving the retention of revenues for the local government backfill.

- Extend the reductions for the next 10 years;
- Allow the state to backfill the revenues lost to local governments as a result of the reduced assessed valuations by increasing the cap on tax revenues the state may retain. This would mean reducing TABOR tax refunds to taxpayers; and
- Allocate up to \$20M in funds towards rental assistance (via an amendment added May 7).

**B. Property Tax Reductions Set Forth in SB23-303 vs. Current Tax Rates<sup>2</sup>**

Current Law - SB22-238	SB23-303 (w/ ballot measure approved)
<p>LODGING:</p> <p><u>2023 tax year</u>: 27.9% (<i>no \$30K reduction</i>)</p> <p><u>2024 tax year and all subsequent years</u>: 29%</p>	<p>LODGING:</p> <p><u>2023 tax year</u>: 27.85% of the actual property value, <i>minus</i> the lesser of \$30,000 or the amount that causes the assessed value to be \$1,000 (the “30K reduction”)</p> <p><u>2024 to 2026 tax years</u>: 27.85% (<i>no \$30K reduction</i>)</p> <p><u>2027 to 2028 tax years</u>: 27.65%</p> <p><u>2029 to 2030 tax years</u>: 26.9%</p> <p><u>2031 to 2032 tax years</u>:</p> <p>a) 25.9%, <i>if</i> for the 2031 tax year, the average increase in assessed value for property within the 32 counties with the smallest increase in total valuation is <math>\geq 3.7\%</math> (“Sufficient AV Growth”)</p> <p>b) 26.9%, <i>if</i> for the 2031 tax year, the average increase in assessed value for property within the 32 counties with the</p>

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<sup>2</sup> Table courtesy of BROWNSTEIN CLIENT ALERT, MAY 9, 2023 entitled *Major Property Tax Relief Passed by the Colorado Legislature, Now It’s Up to the Voters*

smallest increase in total valuation is  
<3.7% (“*Insufficient AV Growth*”)

All tax years following 2032: 29%

AGRICULTURE and RENEWABLE ENERGY-AGRICULTURAL, RENEWABLE  
PRODUCING LAND:

2023 and 2024 tax years: 26.4% of the actual property value, *minus* the \$30K reduction

All tax years following 2024: 29%

ENERGY PRODUCING LAND,  
and NEW RENEWABLE ENERGY  
AGRICULTURAL LAND:

Agricultural or Renewable Energy:

2023 to 2030 tax years: 26.4% (*no \$30K reduction*)

2031 to 2032 tax years:

a) 25.9%, *if* for the 2031 tax year, there is Sufficient AV Growth

b) 26.4%, *if* for the 2031 tax year, there is Insufficient AV Growth

All tax years following 2032: 29%

Renewable Energy Agricultural Land:

2023 tax year: 26.4% (*no \$30K reduction*)

2024 to 2032 tax years: 21.9%

All tax years following 2032: 29%

IMPROVED COMMERCIAL SUBCLASS:

2023 tax year: 27.9% of the actual property value, *minus* the \$30K reduction.

2024 tax year and all subsequent years: 29%

IMPROVED COMMERCIAL SUBCLASS:

2023 tax year: 27.85% of the actual property value, *minus* the \$30K reduction

2024 to 2026 tax years: 27.85% (*no \$30K reduction*)

2027 to 2028 tax years: 27.65%

2029 to 2030 tax years: 26.9%

2031 to 2031 tax years:

a) 25.9%, *if for the 2031 tax year, there is Sufficient AV Growth*

b) 26.9%, *if for the 2031 tax year, there is Insufficient AV Growth*

All tax years following 2032: 29%

ALL OTHER NONRESIDENTIAL (*that is not commercial, lodging, agriculture or renewable energy*):

2023 tax year: 27.9% (no \$30K reduction)

2024 tax year and all subsequent years: 29%

ALL OTHER NONRESIDENTIAL (*that is not commercial, lodging, agriculture, renewable energy, renewable energy agriculture, or is not under a vacant land subclass*):

2023 to 2026 tax year: 27.85% (no \$30K reduction)

2027 to 2028 tax years: 27.65%

2029 to 2030 tax years: 26.9%

2031 to 2031 tax years:

a) 25.9%, *if for the 2031 tax year, there is Sufficient AV Growth*

b) 26.9%, *if for the 2031 tax year, there is Insufficient AV Growth*

All tax years following 2032: 29%

MULTI-FAMILY:

2023 tax year: 6.765% of the actual property value, *minus* the lesser of \$15,000 or the

MULTI-FAMILY:

2023 tax year: 6.7% of the actual property value, *minus* the lesser of \$50,000 or the amount that reduces the

amount that reduces the assessed value to \$1,000 (the “\$15K reduction”).

2024 tax year: 6.8%

All years following 2024 tax year: 7.15%

assessed value to \$1,000 (the “\$50K reduction”).

2024 to 2032 tax year: 6.7% of the actual property value, *minus* the lesser of \$40,000 or the amount that reduces the assessed value to \$1,000 (the “\$40K reduction”).

All tax years following 2032: 7.15%

SINGLE FAMILY:

2023 tax year: 6.765% of the actual property value, *minus* the \$15K reduction

2024 tax year: To be temporarily established by the property tax administrator on or before March 21, 2024, the percentage necessary to generate an aggregate reduction of local government property tax revenue of \$700M in tax years 2023 and 2024

All years following 2024 tax year: 7.15%

SINGLE FAMILY:

2023 tax year: 6.7% of the actual property value, *minus* the \$50K reduction

2024 to 2024 tax years: 6.7% of the actual property value, *minus* the \$40K reduction

2025 to 2032 tax years: There is a split in Single Family tax rates between Primary Residence, Qualified-Senior Primary Residence and Non-primary Residence as follows:

- Primary Residence (including Multi-Family Primary Residence\*): 6.7% of the actual property value, *minus* the \$40K reduction.
- Qualified-Senior Prim. Residence: 6.7% of the actual property value, *minus* the lesser of \$140,000 or the amount that reduces the assessed value to \$1,000.
- Non-Primary Residence (All other residential that is not Multi-Family, Primary Residence or Qualified-Sr Prim Residence): 6.7% (no reduction)

All tax years following 2032: 7.15%

\*Definition of Multi-Family Primary Residence is discussed below.

### **SB23-303 CREATION OF NEW SUB-CLASSES OF REAL PROPERTY**

Commencing in tax year 2025, SB23-303 divides the single-family residential class into three subclasses: Primary Residence, Qualified-Senior Primary Residence, and all other residential that is not multi-family, primary residence or qualified-senior primary residence (“Non-Primary Residence”).<sup>3</sup>

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<sup>3</sup> Per BROWNSTEIN CLIENT ALERT, MAY 9, 2023 entitled *Major Property Tax Relief Passed by the Colorado Legislature, Now It’s Up to the Voters*:

*Aside from reducing assessed property values for certain classes of property, SB23-303 also creates some new subclasses of real property, which include three subclasses of single-family residential, a Multi-Family Primary Residence subclass and a Renewable Energy Agricultural Land subclass.*

*For tax years beginning in 2025, SB23-303 divides the single-family residential class into three subclasses: Primary Residence, Qualified-Senior Primary Residence, and all other residential that is not multi-family, primary residence or qualified-senior primary residence (“Non-Primary Residence”). The Primary Residence subclass include those residences that are “Owner-Occupied,” which includes property lived in by the owner of record, their spouse or civil union partner if they are living with the owner of record or the surviving spouse of the owner of record if they lived with the owner at the time of their death, or any of the foregoing individuals who are not the owner of record, but only because the property has been transferred to a trust or other legal entity solely for estate planning purposes, as well as certain exceptions for individuals who are confined to a hospital, nursing home or assisted living facility. And in an amendment made in the final hours of last night’s session, the legislature added a clause that if an individual is an Owner-Occupier of one property and an owner of record on another property with a family member that isn’t the individual’s spouse, then the other family member may be an Owner-Occupier of the other property. This change essentially allows for someone to purchase a house for someone else in their family and that family member’s home will still qualify as a Primary Residence. Additionally, property that might otherwise be classified as multi-family residential property that contains a unit that qualifies as a primary residence is classified as Multi-Family Primary Residence.*

*The assessed value calculation for all residential property classes is the same for tax years 2023 to 2024 at 6.7%, with a \$50,000 reduction in 2023 and a \$40,000 reduction in 2024. However, beginning in 2025, the Non-Primary Residence owners will see a difference in their assessed values because they will no longer get the \$40,000 reduction that all other residential subclasses will continue to see (or \$140,000 reduction with respect to Qualified-Senior Primary Residences).*

*Note that for a property to qualify as a Primary Residence, Multi-Family Primary Residence or Qualified-Senior Primary Residence on or after Jan. 1, 2025, the owner-occupier must complete and file an application with the tax assessor’s office no later than March 15 of the year for which classification is sought. Also, married couples or civil union partners who own more than one residence are not permitted to claim separate residences as “primary” and are deemed to occupy the same primary residence for classification purposes. If Proposition HH passes this upcoming November, we anticipate the state will undertake an education campaign around how and when to file this owner-occupier declaration form. In particular, SB23-303 creates a working group to make recommendations by Jan. 1, 2024, on ways to streamline and improve the designation of the primary residence.*



## **LOST PROPERTY TAX BACKFILL BY THE STATE**

SB22-238, already required the state to reimburse local government entities (including water districts, fire districts, ambulance and hospital districts and school districts)<sup>4</sup> for property tax revenue lost as a result of reductions in valuation, subject to a cap and a shorter duration.

SB23-303 generates additional funds to reimburse local governments and special districts by dedicating a portion of the state TABOR surplus to the backfill and extending the backfill relief from 2024 through 2032.<sup>5</sup>

## **CONCLUSION**

Should Proposition HH pass in November 2023, SB23-303 it will replace in larger part SB22-238 with respect to assessed valuation. If Proposition HH fails in November 2023, then portions of SB23-303<sup>6</sup> will be automatically repealed. The result will leave in place the State's current property tax law under SB22-238 would still apply.

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<sup>4</sup> Notably missing here are metropolitan districts creating a question as to whether they are eligible for the backfill from the state.

<sup>5</sup> Per BROWNSTEIN CLIENT ALERT, MAY 9, 2023 entitled *Major Property Tax Relief Passed by the Colorado Legislature, Now It's Up to the Voters*:

*... (however, for these future years local governmental entities that have an increase in real property total valuation of 20% or more will be ineligible for the backfill). With SB23-303 moving quickly, some counties and local governments have criticized this limit as arbitrary. The process local governments need to use to document and obtain the backfill remains somewhat unclear and will require working closely with each county treasurer.*

*The state will pay for this increased backfill obligation by creating a state public school fund and a local government backfill cash fund, specifically authorizing on Feb. 1, 2024, the movement of \$72 million from the general fund into the state public school fund and \$128 million from the general fund into the local government backfill cash fund. If the voters approve Proposition HH, the state will be authorized to retain and spend revenues up the Proposition HH cap, which is:*

*for the 2023-24 fiscal year, an amount equal to the excess state revenues cap for the prior fiscal year, adjusted for inflation plus 1% and population changes.*

*for the 2024-25 fiscal year and the fiscal years thereafter, an amount equal to the Proposition HH cap for the prior fiscal year, adjusted for inflation plus 1% and population changes.*

*This proposal would "de-Bruce" state revenue up to a new limit that adds 1% annually to the calculation. Prior to SB23-303, the state could only retain additional revenue in excess of the cap for the prior fiscal year adjusted for inflation and population changes. This change is expected to allow the state to retain approximately \$167 million in 2024, which will reduce the state TABOR surplus from an estimated \$2 billion to an estimated \$1.8 billion and reduce taxpayer refunds by \$46 in 2024.*

<sup>6</sup> *This would include those portions related to all property tax reductions and the Proposition HH cap on funds the state may retain.*