

# RIVERDALE PEAKS II METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
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## NOTICE OF REGULAR MEETING AND AGENDA OF THE BOARD OF DIRECTORS OF THE DISTRICT AND OF THE RIVERDALE PEAKS II METROPOLITAN DISTRICT WATER ACTIVITY ENTERPRISE

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Brian Bata	President	2020/May 2020
Annette Peters	Treasurer	2022/May 2022
Jeffrey Hartman	Assistant Secretary	2020/May 2020
Jason C. Jose	Assistant Secretary	2022/May 2020
<i>VACANT</i>		2020/May 2020
David Solin	Secretary	

DATE: June 27, 2019 (Thursday)  
TIME: 6:00 P.M.  
PLACE: Anythink Library  
5877 E 120th Avenue  
Thornton 80602

### I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

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B. Approve Agenda, confirm location of the meeting and posting of meeting notices and designate 24 hour posting location.

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C. Discuss Board vacancy. Consider appointment of qualified individual to the Board of Directors.

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D. Review and approve the minutes of the December 5, 2018 Joint Special Meeting (enclosure).

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E. Discuss legislative change regarding Notice posting (enclosure).

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1. Discuss District website and provide direction regarding same.  


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2. Consider adoption of Amended and Restated Resolution Regarding Designating Website and Location for Posting of 24-Hour Notices.  


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II. COMMUNITY COMMENTS

- A. \_\_\_\_\_

III. FINANCIAL MATTERS

- A. Review and ratify the approval of the payment of claims as follows (enclosures):

Fund	Period Ending Dec. 12, 2018	Period Ending Jan. 10, 2019	Period Ending Feb. 12, 2019	Period Ending March 15, 2019
General	\$ 7,368.43	\$ 1,178.60	\$ 1,238.11	\$ 1,175.58
Enterprise	\$ 7,996.86	\$ 4,123.10	\$ 5,268.12	\$ 6,584.78
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 15,365.29</b>	<b>\$ 5,301.70</b>	<b>\$ 6,506.23</b>	<b>\$ 7,760.36</b>

Fund	Period Ending April 8, 2019	Period Ending May 10, 2019
General	\$ 969.14	\$ 2,275.12
Enterprise	\$ 5,281.75	\$ 7,177.49
Debt	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 6,250.89</b>	<b>\$ 9,452.16</b>

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- B. Review and approve payment of claims through June 14, 2019 totaling \$6,221.40 (enclosure).  


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- C. Review and accept unaudited financial statements for the period ending April 30, 2019 and Cash Position Statement dated April 30, 2019 (enclosure).  


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- D. Review and consider approval of 2018 Audited Financial Statements (enclosures) and authorize execution of Representations Letter.  


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E. Consider making a final determination regarding the inability to make a scheduled bond payment (Section 32-1-903(3), C.R.S.).

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F. Consider appointment of District Accountant to prepare the 2020 Budget. Set date for public hearing to adopt the 2020 Budget.

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G. Discuss status of payment of AOS Charges.

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#### IV. OPERATIONS AND MAINTENANCE

A. Consider approval of a request from 12595 Valentia Street for a temporary exemption from the annual irrigation budget (enclosure).

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B. Status of Beautification Committee.

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C. Property Maintenance.

1. Review and consider approval of proposal from Neighborhood Lawn Care to repair erosion at Verbena and Wabash Place (enclosure).

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D. Water Operations.

1. Review reports from Ramey Environmental Compliance, Inc. for the months beginning November 2018 through May 2019 regarding operation of water system (enclosures).

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2. Review and ratify approval of Cost Estimate for replacement of WTP Pump #5 Hour Meter (enclosure).

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3. Review and ratify approval of revised proposal for Tank Cleaning from Inland Potable Services, Inc. (enclosure).

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- E. Review Periodic Inspection List for Water Tanks from the Colorado Department of Public Health & Environment (enclosure).
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V. LEGAL MATTERS

- A. Ratify approval of History of the District (enclosure).
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- B. Discuss and provide direction regarding response to offer to Lease Minerals and Pooling application from Great Western Operating Company, LLC (enclosures).
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VI. OTHER MATTERS

- A. Review and consider approval of an upgrade to the network cellular card (enclosure).
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VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 20, 2019.**

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE RIVERDALE PEAKS II METROPOLITAN DISTRICT AND THE WATER ACTIVITY ENTERPRISE HELD DECEMBER 5, 2018

A special meeting of the Board of Directors of the Riverdale Peaks II Metropolitan District and the Board of Directors of the Water Activity Enterprise (referred to hereafter as "Board") was convened on Wednesday, the 5<sup>th</sup> day of December, 2018, at 6:00 P.M., at the Anythink Library, 5877 E. 120<sup>th</sup> Avenue, Thornton, Colorado. The meeting was open to the public.

### ATTENDANCE

#### Directors In Attendance Were:

Brian Bata  
Annette Peters  
Jeffrey P. Hartman

#### Also In Attendance Were:

David Solin; Special District Management Services, Inc.

MaryAnn M. McGeady, Esq.; McGeady Becher P.C.

Jason Jose; Board Candidate

Amy Vasquez and Isaac Womack, Residents

### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney McGeady noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all Directors are residents within the District.

### ADMINISTRATIVE MATTERS

Agenda: Mr. Solin distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

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Following discussion, upon motion duly made by Director Bata, seconded by Director Peters and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Approval of Meeting Location:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board Meeting.

Following review, upon motion duly made by Director Bata, seconded by Director Peters and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within the District's boundaries to conduct this meeting, it was determined to conduct the meeting at the above stated location. The Board further noted that notice of this location was duly posted and that they had not received any objections to the location or requests that the meeting place be changed by residents or taxpaying electors within its boundaries.

**Board Vacancies:** The Board discussed the vacancies on the Board. It was noted that Jason Jose has an interest in serving on the Board.

Following discussion, upon motion duly made by Director Bata, seconded by Director Peters and, upon vote, unanimously carried, Jason Jose was appointed to the Board of Directors as an Assistant Secretary. Mr. Solin administered the Oath of Director.

**Minutes:** The Board reviewed the minutes of the June 27, 2018 Joint Regular Meeting.

Following discussion, upon motion duly made by Director Hartman, seconded by Director Bata and, upon vote, unanimously carried, the Minutes of the June 27, 2018 Joint Regular Meeting were approved.

**Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24-Hour Notices:** The Board discussed Resolution No. 2018-12-01; Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24-Hour Notices.

Mr. Solin reviewed the business to be conducted in 2019 to meet the statutory compliance requirements. The Board, determined to meet on June 27, 2019, and November 20, 2019 at 6:00 p.m., at the Anythink Library, 5877 E 120 Avenue, Thornton, CO 80602

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Hartman, seconded by Director Bata and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-01; Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices. A copy of the resolution is attached hereto and incorporated herein.

### COMMUNITY COMMNETS

**Community Comments:** The Board and Consultants answered questions regarding financial information, the District history, the role of the Board and water quality and control.

### FINANCIAL MATTERS

**Claims:** The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period Ending July 19, 2018	Period Ending Aug. 9, 2018	Period Ending Sept. 12, 2018	Period Ending Oct. 18, 2018
General	\$ 1,219.79	\$ 4,368.71	\$ 1,148.34	\$ 1,617.51
Enterprise	\$ 4,481.84	\$ 5,829.77	\$ 7,155.52	\$ 4,275.88
Debt	\$ 4,000.00	\$ -0-	\$ -0-	\$ 2,000.00
<b>Total</b>	<b>\$ 9,701.63</b>	<b>\$ 10,198.48</b>	<b>\$ 8,303.86</b>	<b>\$ 7,893.39</b>

Fund	Period Ending Nov. 14, 2018
General	\$ 1,313.34
Enterprise	\$ 4,732.27
Debt	\$ -0-
<b>Total</b>	<b>\$ 6,045.61</b>

Following discussion, upon motion duly made by Director Bata seconded by Director Hartman and, upon vote, unanimously carried, the Board ratified approval of the payment of claims as presented.

**Unaudited Financial Statements/Schedule of Cash Position:** Mr. Solin reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending October 31, 2018.

Following review and discussion, the Board deferred acceptance at this time.

**2018 Audit:** The Board considered the engagement of Schilling & Company, Inc. to perform the 2018 Audit

Following review and discussion, upon motion duly made by Director Hartman, seconded by Director Bata and, upon vote, unanimously carried, the Board

## RECORD OF PROCEEDINGS

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approved the engagement of Schilling & Company, Inc. to perform the 2018 Audit for an amount not to exceed \$4,100.

**2018 Budget Amendment Hearing:** The President opened the public hearing to consider an amendment to the 2018 Budget and to discuss related issues.

It was noted that publication of Notice stating that the Board would consider an Amendment to the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following discussion, the Board determined that an amendment to the 2018 Budget Amendment was unnecessary.

**Resolution No. 2018-12-02, Resolution of the Riverdale Peaks II Metropolitan District, Adams County, Colorado Regarding the Establishment of an Availability of Service (“AOS”) Charge:** Attorney McGeady reviewed with the Board Resolution No. 2018-12-02, Resolution of the Riverdale Peaks II Metropolitan District, Adams County, Colorado Regarding the Establishment of an Availability of Service (“AOS”) Charge and noted that the date, time and place of the Consideration of the Imposition of the AOS Fee for 2019 had been properly mailed and noticed. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Following discussion, upon motion duly made by Director Hartman, seconded by Director Peters and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-02, Resolution of the Riverdale Peaks II Metropolitan District, Adams County, Colorado Regarding the Establishment of an AOS Charge of \$80.00 per month.

*Payment of AOS Charges:* The Board discussed the status of payment of AOS Charges. It was noted that the AOS Charges are on time and are paid in full each month.

**Final Determination of Inability to Make a Scheduled Bond Payment (Section 32-1-903(3), C.R.S.):** Following discussion, upon motion duly made by Director Bata, seconded by Director Hartman and, upon vote, unanimously carried, the Board acknowledged the District’s inability to make the scheduled bond payment in December, 2018.

**2019 Budget Hearing:** The Board opened the public hearing to consider the proposed 2019 Budget and discuss related issues.



## RECORD OF PROCEEDINGS

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It was noted that publication of Notice stating that the Board would consider adoption of the 2019 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Mr. Solin reviewed the estimated 2018 expenditures and the proposed 2019 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2018-12-03 to Adopt the 2019 Budget and Appropriate Sums of Money, and Resolution No. 2018-12-04 to Set Mill Levies (for the General Fund at 42.821 mills and the Debt Service Fund at 63.542 mills, Other Funds at 0.000 for a total mill levy of 106.363 mills). Upon motion duly made by Director Bata, seconded by Director Jose and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2018. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Adams County and the Division of Local Government, not later than December 15, 2018. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2019. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

**DLG-70 Mill Levy Certification:** The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Bata, seconded by Director Hartman, and upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

### **OPERATIONS AND MAINTENANCE**

#### **Property Maintenance:**

**Road Repairs at Water Treatment Facility:** Mr. Solin reported to the Board that the road repairs to the Water Treatment Facility had been completed in March 2018.

## RECORD OF PROCEEDINGS

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### **Water Operations:**

*Reports from Ramey Environmental Compliance, Inc.:* Mr. Solin reviewed with the Board the Ramey Environmental Compliance, Inc. reports for the months of May, July, August and October 2018 regarding the operation of the water system. Copies of the reports are attached hereto and incorporated herein by this reference.

**Water Tank Cleaning:** Mr. Solin reviewed with the Board two proposals for water tank cleaning.

Following discussion, upon motion duly made by Director Bata, seconded by Director Peters, and upon vote, unanimously carried the Board approved the proposal from Inland Potable Services, Inc., in an amount not to exceed \$2,250.

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### **LEGAL MATTERS**

**Summary of the Organization and Structure of the District:** The Board reviewed a summary of the organization and structure of the District.

Following discussion, upon motion duly made by Director Jose, seconded by Director Peters, and upon vote, unanimously carried the Board approved the summary of the organization and structure of the District, subject to final legal review and amendment.

**One-time Waiver:** Mr. Solin reviewed correspondence from Mr. Bouge regarding irrigation water use.

Following discussion, upon motion duly made by Director Bata, seconded by Director Hartman, and upon vote, unanimously carried the Board approved a one-time waiver of an overcharge and directed Mr. Solin to make sure that the resident understands the requirement surrounding the water allocations.

**Beautification Committee:** The Board discussed the creation of a Beautification Committee to work with District Management and the Homeowners Association on a landscape and/or fence plan for 2019.

Following discussion, upon motion duly made by Director Jose, seconded by Director Bata, and upon vote, unanimously carried the Board established a Beautification Committee and appointed Director Peters and Director Jose to the Committee and to invite the Homeowners Association to also appoint a representative to the Committee.

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**OTHER MATTERS**

**§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2019:** The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2019.

The Board determined to post the required transparency notice information on the Special District Association and HOA websites.

**ADJOURNMENT**

There being nothing further for the Board to discuss at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 5, 2018  
MINUTES OF THE RIVERDALE PEAKS II METROPOLITAN DISTRICT  
AND WATER UTILITY ENTERPRISE BY THE BOARD OF DIRECTORS  
SIGNING BELOW:

\_\_\_\_\_  
Brian Bata

\_\_\_\_\_  
Jeffrey Hartman

\_\_\_\_\_  
Annette Peters

\_\_\_\_\_  
Jason Jose

RESOLUTION NO. 2018-12-01

RESOLUTION OF THE BOARD OF DIRECTORS OF  
RIVERDALE PEAKS II METROPOLITAN DISTRICT  
ESTABLISHING REGULAR MEETING DATES, TIME AND LOCATION, AND  
DESIGNATING LOCATIONS FOR POSTING OF 72-HOUR AND 24-HOUR NOTICES

- A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.
- B. Pursuant to Section 24-6-402(2)(c), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.
- C. Pursuant to Section 32-1-903, C.R.S., special districts are required to post notices of regular and special meetings at three (3) public places within the district and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting.
- D. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.
- E. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Riverdale Peaks II Metropolitan District of the County of Adams, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.
2. That the Board of Directors (the "**District Board**") has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the Directors and consultants of the District in that they live and/or work outside the twenty (20) mile radius requirement.
3. That regular meetings of the District Board of the Riverdale Peaks II Metropolitan District for the year 2019 shall be held on June 27, 2019 and November 20, 2019 at 6:00 p.m., at the Anythink Library Wright Farms, 5877 E 120th Ave, Thornton, Colorado in Adams County, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each Director.

5. That, until circumstances change and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s), location(s) and any such objections shall be considered by the District Board in setting future meetings.

7. Notice of Meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

- (a) On the south east corner of the intersection of 128<sup>th</sup> Avenue and Wabash Place (the entry to the subdivision)

8. Notices of regular and special meetings required to be posted at three (3) public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall be made pursuant to Section 32-1-903, C.R.S., at the following locations:


- (a) On the south east corner of the intersection of 128<sup>th</sup> Avenue and Wabash Place (the entry to the subdivision)
- (b) Two other locations within the boundaries of the District, at the discretion of the person posting.

9. Jeff Hartman, or his/her designee, is hereby appointed to post the above-referenced notices.

RESOLUTION APPROVED AND ADOPTED on December 5, 2018.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**

By:   
President

Attest:   
Secretary

RESOLUTION NO. 2018-12-02

RESOLUTION OF THE  
RIVERDALE PEAKS II METROPOLITAN DISTRICT  
ADAMS COUNTY, COLORADO  
REGARDING THE ESTABLISHMENT OF  
AN AVAILABILITY OF SERVICE CHARGE

A. Riverdale Peaks II Metropolitan District, Adams County, Colorado (the “**District**”), is a quasi-municipal corporation and political subdivision of the State of Colorado.

B. Pursuant to the District’s Service Plan approved June 3, 2002 (the “**Service Plan**”), the District is empowered to construct, operate and maintain, *inter alia*, water improvements.

C. Pursuant to the Service Plan, the District may impose a system of fees, rates, tolls, penalties or charges in connection with its provision of services.

D. Pursuant to Section 32-1-1006(1)(h)(I), C.R.S., the District is authorized to impose an availability of service charge (the “**AOS Charge**”) against each residential lot served by the District at such time as service is available within one hundred feet (100') of the property line but no connection to such service line or lines has been made.

E. Pursuant to Section 32-1-1006(1)(h)(I)(C), C.R.S., proceeds from the AOS Charge may only be used for the purpose of paying principal of and interest on any outstanding indebtedness or bonds.

F. Pursuant to Section 32-1-1006(1)(h)(I)(E), C.R.S., the AOS Charge may not exceed fifty percent (50%) of the fees, rates or charges paid by the average customer in the District, calculated by dividing the total usage quantity for the District over the last fiscal year by the total number of users, resulting in an average usage and applying the applicable rates.

G. Pursuant to Section 32-1-1006(1)(h)(I)(B), C.R.S., a notice was mailed to each taxing elector of the District that the District is holding a meeting to consider imposing the AOS Charge (the “**District Meeting**”).

H. At the District Meeting, the District’s Board of Directors (the “**Board**”) reviewed the presentation of principal and interest to be paid in 2019 on its outstanding General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2005, in the aggregate principal amount of \$3,105,000 (“**Bonds**”) and funds projected to be available for payment on the Bonds in 2019 from the AOS Charge and taxes from the debt service mill levy.

I. At the District Meeting, the Board considered all public comment provided during deliberation on this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RIVERDALE PEAKS II METROPOLITAN DISTRICT, ADAMS COUNTY, COLORADO, AS FOLLOWS:

1. At the District Meeting held on Wednesday, November 14, 2018, the Board determined that it is in the best interests of the District and its inhabitants to impose a monthly AOS Charge, beginning on January 1, 2019 and continuing through December 31, 2019, in the amount of \$ 50.00, which equals fifty percent (50%) of the total base potable water rate and base irrigation water rate combined, to be imposed against each residential lot with a water line installed and ready for connection within one hundred feet (100') of the property line of such residential lot for which no connection to such water line or lines has been made.

2. The AOS Charge shall be invoiced on a monthly basis. The initial payment shall be invoiced on January 1, 2019 and shall be due no later than January 15, 2019. Thereafter, the AOS Charge shall be invoiced on the first (1<sup>st</sup>) day of each month and payment shall be due and payable in full no later than the fifteenth (15<sup>th</sup>) day of that same month (the “**Payment Date**”), through December, 2019.

3. If payment in full is not received by 4:00 pm on the Payment Date, the AOS Charge is deemed past due and otherwise outstanding. A “**Reminder Notice**” will be sent at such time.

4. Failure to make payment of any AOS Charge due hereunder within ten (10) days of the date on the Reminder Notice shall constitute a default in the payment of such AOS Charge. Upon default, simple interest shall accrue on such total amount of the AOS Charge due at the rate of twelve percent (12%) per annum until paid, as permitted by Section 29-1-1102(7), C.R.S. and Section 32-1-1006(1)(d), C.R.S.

5. If payment of all past due amounts, including interest (the “**Delinquent Balance**”), is not received within thirty (30) days of the Payment Date, the District Manager for the District shall be authorized to pursue any statutory means of collection including certification of the Delinquent Balance to the Adams County Treasurer pursuant to Section 32-1-1101(1)(e), C.R.S. or the lien remedies provided by Section 32-1-1001(1)(j), C.R.S (the “**Lien Option**”).

6. If the Lien Option is pursued, the District Manager shall deliver a Notice of Intent to File a Lien Statement (the “**Lien Notice**”) after the Delinquent Balance has remained unpaid for thirty (30) days following the Payment Date. The Lien Notice shall give notice that the District intends to perfect its lien against the property associated with the Delinquent Balance by recording a Lien Statement in the office of the Adams County Clerk and Recorder.

7. If payment of the Delinquent Balance is not made in full within ten (10) days of the date on the Lien Notice, the District Manager for the District shall record a Lien Statement against the property associated with the Delinquent Balance in the office of the Adams County Clerk and Recorder.

8. The AOS Charge shall constitute a statutory and perpetual charge and lien upon the property associated with the Delinquent Balance pursuant to Section 32-1-1001(1)(j), C.R.S., from the date the same becomes due and payable until paid. The lien shall be perpetual in nature as defined by the laws of the State of Colorado and shall run with the land and such lien may be foreclosed by the District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens.

9. The District Manager will be responsible for the collection and enforcement of the collection of the AOS Charge. The AOS Charge shall remain in effect until modified by the Board. Nothing herein shall limit the Board from modifying the AOS Charge from time to time.

10. The District shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law, including, but not limited to, foreclosure of its perpetual liens. The property owner associated with the Delinquent Balance shall pay all costs, including attorney fees, incurred by the District in connection with the foregoing. In foreclosing such lien, the District will enforce the lien only to the extent necessary to collect the Delinquent Balance and costs of collection (including, but not limited to, reasonable attorneys' fees).

11. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances shall not affect the validity of the remainder of the Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

12. Any inquiries pertaining to the AOS Charge may be directed to the District's Manager at: Riverdale Peaks II Metropolitan District, 141 Union Blvd. #150, Lakewood, CO 80228.

13. This Resolution shall be effective as of the date provided below.

[Remainder of Page Intentionally Left Blank]



[Signature Page to Resolution for Availability of Service Charge]

APPROVED AND ADOPTED THIS 6<sup>th</sup> day of December, 2018.

**RIVERDALE PEAKS II METROPOLITAN  
DISTRICT**

By:   
\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary

RESOLUTION NO. 2018 - 12 - 03  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE RIVERDALE PEAKS II METROPOLITAN DISTRICT  
TO ADOPT THE 2019 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Riverdale Peaks II Metropolitan District ("District") has appointed the District Accountant to prepare and submit a proposed 2019 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2018, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 5, 2018, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

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

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Riverdale Peaks II Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Riverdale Peaks II Metropolitan District for the 2019 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 5th day of December, 2018.



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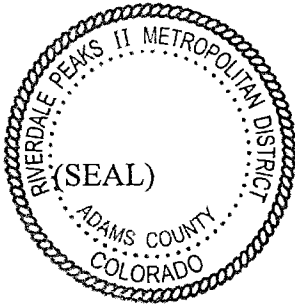


EXHIBIT A  
(Budget)

# RIVERDALE PEAKS II METROPOLITAN DISTRICT

## 2019 Budget Message

### Introduction

Riverdale Peaks II Metropolitan District, the (“District”) was organized in 2002 to provide financing for the design, acquisition, installation, construction and completion of certain water, sanitation, street, safety protection, parks and recreation, transportation improvements, and the operation and maintenance of the District.

The 2019 budget was prepared in accordance with the Local Budget Law of Colorado. The budget reflects the projected spending plan for the 2019 fiscal year based on available revenues. This budget provides for the annual debt service on the District’s General Obligation Debt, the general operation of the District, and a business-like enterprise for the distribution of treated water.

The Board of Directors authorized adjustment of the District mill levy in accordance with the Colorado Constitution, Article X, Section 3 (the “Gallagher Adjustment”). The Gallagher Adjustment and the District’s Service Plan authorize an adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after June 3, 2002, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The adjustment to the Maximum Debt Mill Levy is determined by the Board so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The Colorado General Assembly passed House Bill 17-1349 setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property taxes commencing on and after January 1, 2017, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property. The Gallagher Adjustment for the District allows for a total mill levy imposition, as noted in the following paragraph, so the District’s revenue is neither diminished nor enhanced.

The District’s assessed value increased approximately 16.12% to \$2,073,250 in 2018. The District’s mill levy stayed the same at 106.363 mills for taxes collected in the 2019 fiscal year. Of the 106.363 mills, 63.542 mills are designated to the Debt Service Fund.

### Budgetary Basis of Accounting

The District uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total District budget. The District’s General Fund is considered a governmental fund and is reported using the economic resources focus and the modified accrual basis of accounting. The District’s Water Enterprise Fund is also reported using the economic resources focus and the modified accrual basis of accounting. Revenues are recorded when earned and expenses recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

**Fund Summaries**

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, landscape maintenance, snow removal and other expenses related to statutory operations of a local government. The General Fund's primary sources of revenue are property taxes and specific ownership taxes.

The **Debt Service Fund** is used to account for property taxes, availability of service fees and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. Beginning in 2015 the District has been unable to pay the scheduled principal and interest payments. As a result, the District has budgeted to pay \$139,000 in interest during 2019.

Riverdale Peaks II metropolitan District

Bond Principal and Interest Maturing in the year ending Dec 31	Series 2005 General Obligation Bonds		Interest	Total
	Principal			
2019	80,000		186,455	266,455
2020	90,000		181,335	271,335
2021	95,000		175,575	270,575
2022	105,000		169,495	274,495
2023-2027	685,000		733,405	1,418,405
2028-2032	1,010,000		471,575	1,481,575
2033-2035	815,000		108,550	923,550
	<u>\$ 2,880,000.00</u>		<u>2,026,390.00</u>	<u>4,906,390.00</u>

The **Water Enterprise Fund** accounts for the operations that are financed and operated in a manner similar to private business enterprise, where the intent is that costs of providing services to the public on a continuing basis be financed primarily through user charges.

**Emergency Reserve**

As required by Section 20 of Article X of the Colorado Constitution (“TABOR”), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenue in the General Fund.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**Assessed Value, Property Tax and Mill Levy Information**

	<b>2017 Actual</b>	<b>2018 Adopted Budget</b>	<b>2019 Adopted Budget</b>
<b>Assessed Valuation</b>	\$ 969,260	\$ 1,785,520	\$ 2,073,250
<b>Mill Levy</b>			
General Fund	42.821	42.821	42.821
Debt Service Fund	40.000	63.542	63.542
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
<b>Total Mill Levy</b>	<u>82.821</u>	<u>106.363</u>	<u>106.363</u>
<b>Property Taxes</b>			
General Fund	\$ 41,505	\$ 76,458	\$ 88,779
Debt Service Fund	38,770	113,456	131,738
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
<b>Actual/Budgeted Property Taxes</b>	<u>\$ 80,275</u>	<u>\$ 189,914</u>	<u>\$ 220,517</u>



**RIVERDALE PEAKS II METROPOLITAN DISTRICT**

**GENERAL FUND**

**2019 Adopted Budget**

**with 2017 Actual, 2018 Budget, and 2018 Estimated**

	2017 YTD Actual	2018 Adopted Budget	2018 Estimated	2019 Adopted Budget
<b>BEGINNING FUND BALANCE</b>	\$ 46,089	\$ 30,782	\$ 59,983	\$ 68,244
<b>REVENUE</b>				
Property taxes	41,181	76,459	76,459	88,779
Specific ownership tax	4,023	4,600	4,750	5,327
Interest income	454	500	1,850	500
Other income	8,949	-	-	-
<b>Total Revenue</b>	<u>54,607</u>	<u>81,559</u>	<u>83,059</u>	<u>94,606</u>
<b>Total Funds Available</b>	<u>100,696</u>	<u>112,341</u>	<u>143,042</u>	<u>162,850</u>
<b>EXPENDITURES</b>				
Accounting	1,896	2,000	2,000	2,000
County Treasurer's fee	615	1,148	1,147	1,332
Insurance and Bonds	993	1,320	1,313	1,320
Election Expense	-	500	21	-
District Management	4,034	4,100	4,100	4,100
Legal Services	2,408	2,800	2,800	2,800
Miscellaneous	3,514	3,000	3,000	3,000
Banking fees	50	50	50	50
Landscape Maintenance	4,004	4,700	4,700	4,700
Landscape Improvements	-	30,000	3,175	30,000
Contingency	-	-	-	10,000
<b>Total Expenditures</b>	<u>17,513</u>	<u>49,618</u>	<u>22,306</u>	<u>59,302</u>
<b>TRANSFER AND OTHER (USES)</b>				
Emergency Reserve	-	(2,447)	(2,492)	(2,838)
Transfer to Enterprise Fund	(23,200)	(42,300)	(50,000)	(45,000)
<b>Total Transfer and Other (Uses)</b>	<u>(23,200)</u>	<u>(44,747)</u>	<u>(52,492)</u>	<u>(47,838)</u>
<b>Total Expenditures Requiring Appropriation</b>	<u>40,713</u>	<u>94,365</u>	<u>74,798</u>	<u>107,140</u>
<b>ENDING FUND BALANCE</b>	\$ 59,983	\$ 17,976	\$ 68,244	\$ 55,710

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**

**DEBT SERVICE FUND  
2019 Adopted Budget  
with 2017 Actual, 2018 Adopted Budget, and 2018 Estimated**

	<b>2017 Actual</b>	<b>2018 Adopted Budget</b>	<b>2018 Estimated</b>	<b>2019 Adopted Budget</b>
BEGINNING FUND BALANCE	\$ (1,079)	\$ -	\$ 6,397	\$ 5,288
<b>REVENUE</b>				
Property taxes	38,468	113,456	113,456	131,738
Specific ownership tax	3,758	5,400	7,000	5,400
Availability of Service Fee	9,000	11,760	8,500	3,840
Interest income	169	25	575	20
<b>Total Revenue</b>	<b>51,395</b>	<b>130,641</b>	<b>129,531</b>	<b>140,998</b>
<b>Total Funds Available</b>	<b>50,316</b>	<b>130,641</b>	<b>135,928</b>	<b>146,286</b>
<b>EXPENDITURES</b>				
Auditing	4,000	4,000	4,000	4,100
County Treasurer's fee	582	1,702	1,702	1,976
Interest expense - bonds	37,337	122,939	122,939	139,000
Paying agent / trustee fees	2,000	2,000	2,000	2,000
<b>Total Expenditures</b>	<b>43,919</b>	<b>130,641</b>	<b>130,641</b>	<b>147,076</b>
<b>Total Expenditures Requiring Appropriation</b>	<b>43,919</b>	<b>130,641</b>	<b>130,641</b>	<b>147,076</b>
ENDING FUND BALANCE	\$ 6,397	\$ -	\$ 5,288	\$ (790)

RIVERDALE PEAKS II METROPOLITAN DISTRICT

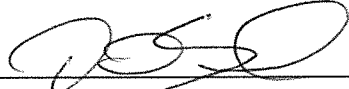
WATER ENTERPRISE FUND

2019 Adopted Budget

with 2017 Actual, 2018 Adopted Budget, and 2018 Estimated

	2017 YTD Actual	2018 Adopted Budget	2018 Estimated	2019 Adopted Budget
BEGINNING FUND BALANCE	\$ 15,166	\$ (164,213)	\$ 12,853	\$ 68,552
<b>REVENUE</b>				
Water Charges	70,141	65,520	68,500	65,520
Water Review Fee	-	-	-	-
Other income	421	-	193	-
Meter Fee	-	16,800	3,344	7,700
Landscape Design Fee	1,870	-	340	-
<b>Total Revenue</b>	<b>72,432</b>	<b>82,320</b>	<b>72,377</b>	<b>73,220</b>
<b>Transfers and Other Sources</b>				
Transfer from General Fund	23,200	42,300	50,000	45,000
<b>Total Funds Available</b>	<b>110,798</b>	<b>(39,593)</b>	<b>135,230</b>	<b>186,772</b>
<b>EXPENDITURES</b>				
Accounting	6,914	7,000	7,000	7,000
Billing and meter reading	3,188	3,100	3,100	3,100
Operations	8,816	10,000	10,000	11,000
Equipment Repair	12,061	3,000	3,248	2,500
Meter Install and Inspect	4,063	16,800	1,000	7,700
Landscape Design Review	1,190	-	680	-
Testing	5,966	2,700	2,807	3,500
Chemicals & Supplies	2,742	5,000	5,000	5,546
Generator Maintenance	1,473	740	750	750
Storage Tank Cleaning	-	3,000	2,500	3,000
Insurance	5,316	5,499	5,254	5,500
Developer Advance Interest	-	-	-	-
District Management	3,840	3,840	3,840	4,000
Miscellaneous	75	700	700	1,200
Utilities	19,121	19,000	19,000	19,000
Fuel Generator	-	800	800	800
Storage Tank Repair	-	-	-	-
Repair and Maintenance Reserve	23,179	43,441	1,000	45,000
<b>Total Administrative</b>	<b>97,945</b>	<b>124,620</b>	<b>66,679</b>	<b>119,596</b>
<b>Capital Equipment Replacement and Repairs</b>				
Transient Voltage Surge Suppressor	-	-	-	5,000
VFD For Emergency Pumps	-	-	-	13,400
Spare Chlorine Pump	-	-	-	1,000
<b>Total Capital Equipment and Repair</b>				<b>19,400</b>
<b>Total Expenditures</b>	<b>97,945</b>	<b>124,620</b>	<b>66,679</b>	<b>138,996</b>
<b>Total Expenditures Requiring Appropriation</b>	<b>97,945</b>	<b>124,620</b>	<b>66,679</b>	<b>138,996</b>
ENDING FUND BALANCE	\$ 12,853	\$ (164,213)	\$ 68,552	\$ 47,776

I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the Riverdale Peaks II Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2019, duly adopted at a meeting of the Board of Directors of the Riverdale Peaks II Metropolitan District held on December 5, 2018.

By:  \_\_\_\_\_  
Secretary

RESOLUTION NO. 2018 - 12 - 04  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE RIVERDALE PEAKS II METROPOLITAN DISTRICT  
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Riverdale Peaks II Metropolitan District (“District”) has adopted the 2019 annual budget in accordance with the Local Government Budget Law on December 5, 2018; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2019 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

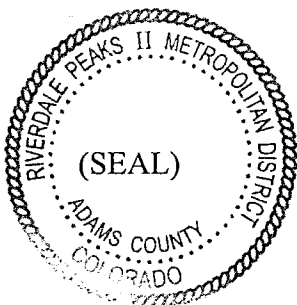
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Riverdale Peaks II Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2019 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2019 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of the Adams County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 5th day of December, 2018.



A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

**EXHIBIT A**  
(Certification of Tax Levies)

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of Adams County, Colorado.

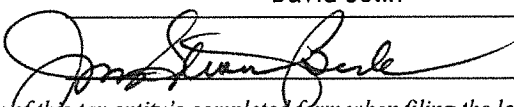
On behalf of the Riverdale Peaks II Metropolitan District,  
 (taxing entity)<sup>A</sup>  
 the Board of Directors,  
 (governing body)<sup>B</sup>  
 of the Riverdale Peaks II Metropolitan District,  
 (local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,073,250 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 2,073,250 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/15/18 for budget/fiscal year 2019  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>42.821</u> mills	\$ <u>88,779</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< <u>0.000</u> > mills	\$ < <u>0</u> >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>42.821</u> mills</b>	<b>\$ <u>88,779</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>63.542</u> mills	\$ <u>131,738</u>
4. Contractual Obligations <sup>K</sup>	<u>0.000</u> mills	\$ <u>0</u>
5. Capital Expenditures <sup>L</sup>	<u>0.000</u> mills	\$ <u>0</u>
6. Refunds/Abatements <sup>M</sup>	<u>0.000</u> mills	\$ <u>0</u>
7. Other <sup>N</sup> (specify): _____	<u>0.000</u> mills	\$ <u>0</u>
_____	<u>0.000</u> mills	\$ <u>0</u>
<b>TOTAL:</b> [Sum of General Operating Subtotal and Lines 3 to 7]	<b><u>106.363</u> mills</b>	<b>\$ <u>220,517</u></b>

Contact person: (print) David Solin Daytime phone: (303) 987-0835  
 Signed:  Title: Accountant

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

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

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1.	Purpose of Issue:	<b>General Obligation Limited Tax Bonds</b>
	Series:	Series 2005
	Date of Issue:	September 1, 2005
	Coupon Rate:	6.4% to 6.5%
	Maturity Date:	December 1, 2035
	Levy:	63.542
	Revenue:	\$131,738

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

**CONTRACTS<sup>K</sup>:**

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

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

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





## MEMORANDUM

To: Special District Board of Directors  
From: McGeady Becher  
Date: June 19, 2019  
Re: Legislative Changes to Public Meeting Notice Requirements

### Introduction

The Colorado legislature recently passed House Bill 19-1087 (“HB 19-1087”) which changes public meeting notice requirements of local public bodies, including counties, municipalities and special districts. The intent of the legislation is for local governments to transition from posting notices of public meetings in physical locations to posting notices online at the local government’s website, social media account or other official online presence of the local government.

Historically, under Colorado’s Open Meetings Law, a local government has been required to post notices of public meetings at a designated public place within the boundaries of the local government. In addition, Title 32 has required special districts to post notices of regular and special meetings at three designated public places within the boundaries of the district and at the office of the local county clerk and recorder. Title 32 has also required that the notices for special board meetings be posted at least 72 hours prior to the meeting.

### New Public Meeting Notice Requirements pursuant to HB 19-1087

With the passage of HB 19-1087, effective as of August 2, 2019, special districts may satisfy the public notice requirements of the Open Meetings Law and Title 32 by posting notices of regular and special meetings, with specific agenda information if available, on a public website of the special district at least 24 hours in advance of the meeting. If a district is unable to post a notice on a public website (for example, if a district is in the process of establishing its website), the district shall continue to post its meeting notices in a physical location within the boundaries of the district. Posting in one physical location within the district will satisfy the public notice requirements; districts no longer have to post in three locations. In addition, districts no longer have to post special board meeting notices 72 hours in advance; posting notices at least 24 hours prior to the meeting is sufficient. Also, districts will no longer have to post notices at the county clerk and recorder’s office.

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The online notices must be posted on a public website of the local government. The notices must be accessible to the public at no charge. To the extent feasible, the local government shall make the notices searchable by type of meeting, date of meeting, time of meeting and agenda contents, and shall consider linking the notices to any appropriate social media accounts of the local government.

### **Establishing a District Website**

The legislature recognizes that a number of factors may affect a local government's ability to easily establish a website and post meeting notices online, including the availability of reliable broadband, the lack of cellular telephone and other data services, and fiscal or staffing constraints of local governments. Accordingly, the legislature encourages local governments to avail themselves of existing public resources for creating a website and receiving content management assistance from the Colorado Statewide Internet Portal Authority ("SIPA") or other statewide associations representing local government entities. The SIPA website is at [www.colorado.gov/sipa](http://www.colorado.gov/sipa).

A question has arisen as to whether posting public meeting notices on the website of a district management company will satisfy the public notice requirement. Posting meeting notices on the website of a district management company will most likely not satisfy the posting requirements of Colorado's Open Meetings Law, as amended by HB 19-1087. The legislation specifies that a local public body will be deemed to have given full and timely notice when the meeting notice is posted *on a public website of the local public body* (emphasis added). This language is repeated several times throughout the bill. When read in concert with the provision of HB 19-1087 encouraging local governments to avail themselves of free public resources such as SIPA when creating their websites, it is reasonable to conclude that the legislature intends a local government to post meeting notices on its own public website in order to satisfy public notice requirements.

### **Designate a Physical Posting Location as a Back-Up**

A local government, at its discretion, may post a physical notice within its boundaries in addition to posting the online notice but is not required to do so. In the event that the local government is unable to post the notice online due to exigent or emergency circumstances such as a power outage or an interruption in internet service that would prevent the public from accessing the notice online, it must designate a public place within its boundaries at which it may post a physical notice at least 24 hours before a meeting.

### **Recommended Action**

The legislature will be closely monitoring the transition to providing notices of public meetings online over the next two years and, if significant progress is not made, it will enact legislation mandating the online posting, except in very narrow circumstances that are beyond the control of a local government.

In light of the passage of HB 19-1087, which will be codified as Section 24-6-402(2)(c)(I)-(IV), C.R.S. and will amend Section 32-1-903(2), C.R.S., we recommend our special district clients do the following:

**1. Establish a district website if such website does not already exist.**

a. Should a district need assistance in creating its website or receiving content management assistance, it is encouraged to avail itself of existing public resources such as SIPA at [www.colorado.gov/sipa](http://www.colorado.gov/sipa).

**2. Beginning August 2, 2019, post regular and special meeting notices and the meeting agenda on the district website at least 24 hours prior to the meeting.**

a. To the extent feasible, the notices shall be searchable by type of meeting, date of meeting, time of meeting and agenda contents and shall be linked to any appropriate social media accounts of the district;

b. Although HB 19-1087 requires posting of specific agenda information *if available* (emphasis added), our special district clients should continue to post the meeting agenda 24 hours prior to meetings because of conflicts requirements.

c. Note: the requirement to file conflict disclosures with the Secretary of State at least 72 hours prior to a regular and special meeting pursuant to Section 32-1-902(3)(b) is not affected by HB 19-1087 and remains the same.

**3. Designate a physical posting location within the district's boundaries, should the district be unable to post the meeting notice online at least 24 hours prior to the meeting because the district has not yet established the district website or due to exigent or emergency circumstances.**

**4. Provide the address of the district's website to the Colorado Department of Local Affairs.**

**5. Approve a resolution to establish a district website and designate location for 24-hour posting.**

Please contact McGeady Becher P.C. with any questions related to HB 19-1087 or this Memorandum.

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5757</b>							
12/12/2018	Colorado Special District P&L	32C60218-836	Prepaid Expense	1-1240	6,131.32	6,131.32	
Total 5757:						6,131.32	
<b>5758</b>							
12/12/2018	Mail Services LLC	1663459	Billing	4-7210	51.11	51.11	
Total 5758:						51.11	
<b>5759</b>							
12/12/2018	McGeady Becher P.C.	654M 11/18	Legal Services	1-7460	200.00	200.00	
Total 5759:						200.00	
<b>5760</b>							
12/12/2018	Metrowest Newspapers	1107-2018-181466	Miscellaneous	1-7480	19.80	19.80	
12/12/2018	Metrowest Newspapers	1121-2018-181608	Miscellaneous	1-7480	19.80	19.80	
Total 5760:						39.60	
<b>5761</b>							
12/12/2018	National Meter & Automation	S1107915.001	Equipment Repair	4-7248	2,517.60	2,517.60	
Total 5761:						2,517.60	
<b>5762</b>							
12/12/2018	Neighborhood Lawn Care, Inc	1437	Landscape Mainten	1-7510	345.31	345.31	
Total 5762:						345.31	
<b>5763</b>							
12/12/2018	Ramey Environmental Complia	17415	Testing	4-7260	738.00	738.00	
12/12/2018	Ramey Environmental Complia	17415	Testing	4-7260	251.85	251.85	
12/12/2018	Ramey Environmental Complia	17658	Operations	4-7240	682.87	682.87	
12/12/2018	Ramey Environmental Complia	17658	Testing	4-7260	168.84	168.84	
12/12/2018	Ramey Environmental Complia	17658	Operations	4-7240	16.35	16.35	
Total 5763:						1,857.91	
<b>5764</b>							
12/12/2018	Special Dist Mgmt Svcs	43158	District Managemen	1-7440	336.17	336.17	
12/12/2018	Special Dist Mgmt Svcs	43158	District Managemen	4-7440	320.00	320.00	
12/12/2018	Special Dist Mgmt Svcs	43158	Accounting	1-7000	143.83	143.83	
12/12/2018	Special Dist Mgmt Svcs	43158	Accounting	4-7000	576.17	576.17	
12/12/2018	Special Dist Mgmt Svcs	43158	Billing	4-7210	223.83	223.83	
12/12/2018	Special Dist Mgmt Svcs	43158	Landscape Design	4-7237	170.00	170.00	
12/12/2018	Special Dist Mgmt Svcs	43158	Meter Install and Ins	4-7254	400.00	400.00	
12/12/2018	Special Dist Mgmt Svcs	43158	Miscellaneous	1-7480	122.90	122.90	
Total 5764:						2,292.90	
<b>5765</b>							
12/12/2018	United Power	11/18	Utilities	4-7850	20.22	20.22	
12/12/2018	United Power	11/18	Utilities	4-7850	1,492.06	1,492.06	
12/12/2018	United Power	11/18	Utilities	4-7850	235.75	235.75	
12/12/2018	United Power	11/18	Utilities	4-7850	20.45	20.45	

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
Total 5765:						<u>1,768.48</u>	
<b>5766</b>							
12/12/2018	Utility Notification Center	218110803	Miscellaneous	1-7480	49.30	<u>49.30</u>	
Total 5766:						<u>49.30</u>	
<b>100411</b>							
12/12/2018	Century Link	12/18	Utilities	4-7850	111.76	<u>111.76</u>	M
Total 100411:						<u>111.76</u>	
Grand Totals:						<u><u>15,365.29</u></u>	

Riverdale Peaks II Metropolitan District  
December-18

	General	Debt	Enterprise	Totals
Disbursements	\$ 7,368.43	\$ -	\$ 7,996.86	\$ 15,365.29
<b>Total Disbursements from Checking Acct</b>	<b>\$7,368.43</b>	<b>\$0.00</b>	<b>\$7,996.86</b>	<b>\$15,365.29</b>

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5767</b>							
01/10/2019	Mail Services LLC	1667080	Billing	4-7210	49.96	49.96	
Total 5767:						49.96	
<b>5768</b>							
01/10/2019	Neighborhood Lawn Care, Inc	1459	Landscape Mainten	1-7510	345.31	345.31	
Total 5768:						345.31	
<b>5769</b>							
01/10/2019	Ramey Environmental Complia	17785	Operations	4-7240	682.87	682.87	
01/10/2019	Ramey Environmental Complia	17785	Testing	4-7260	21.00	21.00	
Total 5769:						703.87	
<b>5770</b>							
01/10/2019	Special Dist Mgmt Svcs	DECEMBER 2018	District Managemen	1-7440	336.17	336.17	
01/10/2019	Special Dist Mgmt Svcs	DECEMBER 2018	District Managemen	4-7440	320.00	320.00	
01/10/2019	Special Dist Mgmt Svcs	DECEMBER 2018	Accounting	1-7000	143.83	143.83	
01/10/2019	Special Dist Mgmt Svcs	DECEMBER 2018	Accounting	4-7000	576.17	576.17	
01/10/2019	Special Dist Mgmt Svcs	DECEMBER 2018	Billing	4-7210	223.83	223.83	
01/10/2019	Special Dist Mgmt Svcs	DECEMBER 2018	Meter Install and Ins	4-7254	400.00	400.00	
01/10/2019	Special Dist Mgmt Svcs	DECEMBER 2018	Miscellaneous	1-7480	325.74	325.74	
Total 5770:						2,325.74	
<b>5771</b>							
01/10/2019	United Power	12/18	Utilities	4-7850	1,572.85	1,572.85	
01/10/2019	United Power	12/18	Utilities	4-7850	235.75	235.75	
01/10/2019	United Power	12/18	Utilities	4-7850	20.45	20.45	
01/10/2019	United Power	12/18	Utilities	4-7850	20.22	20.22	
Total 5771:						1,849.27	
<b>5772</b>							
01/10/2019	Utility Notification Center	218120776	Miscellaneous	1-7480	27.55	27.55	
Total 5772:						27.55	
Grand Totals:						5,301.70	

Riverdale Peaks II Metropolitan District  
January-19

	General	Debt	Enterprise	Totals
Disbursements	\$ 1,178.60	\$ -	\$ 4,123.10	\$ 5,301.70
				\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$1,178.60</b>	<b>\$0.00</b>	<b>\$4,123.10</b>	<b>\$5,301.70</b>



Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5773</b>							
02/12/2019	Diesel Service Supply	148000106	Generator Maintena	4-7272	338.54	338.54	
Total 5773:						338.54	
<b>5774</b>							
02/12/2019	Mail Services LLC	1670659	Billing	4-7210	49.96	49.96	
Total 5774:						49.96	
<b>5775</b>							
02/12/2019	McGeady Becher P.C.	654M 12/18	Legal Services	1-7460	200.00	200.00	
Total 5775:						200.00	
<b>5776</b>							
02/12/2019	Neighborhood Lawn Care, Inc	1530	Landscape Mainten	1-7510	345.31	345.31	
Total 5776:						345.31	
<b>5777</b>							
02/12/2019	Ramey Environmental Complia	17904	Chemicals & Suppli	4-7270	350.10	350.10	
02/12/2019	Ramey Environmental Complia	17904	Operations	4-7240	109.90	109.90	
02/12/2019	Ramey Environmental Complia	17983	Operations	4-7240	682.87	682.87	
02/12/2019	Ramey Environmental Complia	17983	Chemicals & Suppli	4-7270	317.78	317.78	
02/12/2019	Ramey Environmental Complia	17983	Testing	4-7260	37.32	37.32	
Total 5777:						1,497.97	
<b>5778</b>							
02/12/2019	Special Dist Mgmt Srvs	JAN 2019	District Managemen	1-7440	336.17	336.17	
02/12/2019	Special Dist Mgmt Srvs	JAN 2019	District Managemen	4-7440	320.00	320.00	
02/12/2019	Special Dist Mgmt Srvs	JAN 2019	Accounting	1-7000	143.83	143.83	
02/12/2019	Special Dist Mgmt Srvs	JAN 2019	Accounting	4-7000	576.17	576.17	
02/12/2019	Special Dist Mgmt Srvs	JAN 2019	Billing	4-7210	223.83	223.83	
02/12/2019	Special Dist Mgmt Srvs	JAN 2019	Landscape Design	4-7237	170.00	170.00	
02/12/2019	Special Dist Mgmt Srvs	JAN 2019	Miscellaneous	1-7480	173.04	173.04	
Total 5778:						1,943.04	
<b>5779</b>							
02/12/2019	United Power	1/19	Utilities	4-7850	240.75	240.75	
02/12/2019	United Power	1/19	Utilities	4-7850	20.45	20.45	
02/12/2019	United Power	1/19	Utilities	4-7850	20.22	20.22	
02/12/2019	United Power	1/19	Utilities	4-7850	1,698.51	1,698.51	
Total 5779:						1,979.93	
<b>5780</b>							
02/12/2019	Utility Notification Center	219010843	Miscellaneous	1-7480	39.76	39.76	
Total 5780:						39.76	
<b>100414</b>							
02/12/2019	Century Link	2/19	Utilities	4-7850	111.72	111.72	M

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
Total 100414:						111.72	
Grand Totals:						6,506.23	

Riverdale Peaks II Metropolitan District  
February-19

	<u>General</u>	<u>Debt</u>	<u>Enterprise</u>	<u>Totals</u>
Disbursements	\$ 1,238.11	\$ -	\$ 5,268.12	\$ 6,506.23
			\$	-
<b>Total Disbursements from Checking Acct</b>	<b>\$1,238.11</b>	<b>\$0.00</b>	<b>\$5,268.12</b>	<b>\$6,506.23</b>

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5781</b>							
03/15/2019	Mail Services LLC	1674906	Billing	4-7210	51.32	51.32	
Total 5781:						51.32	
<b>5782</b>							
03/15/2019	Ramey Environmental Complia	18149	Operations	4-7240	682.87	682.87	
03/15/2019	Ramey Environmental Complia	18149	Testing	4-7260	160.20	160.20	
Total 5782:						843.07	
<b>5783</b>							
03/15/2019	Rocky Mountain Power	5 046162	Generator Maintena	4-7272	450.00	450.00	
Total 5783:						450.00	
<b>5784</b>							
03/15/2019	Special Dist Mgmt Srvs	FEB 2019	District Managemen	1-7440	336.17	336.17	
03/15/2019	Special Dist Mgmt Srvs	FEB 2019	District Managemen	4-7440	320.00	320.00	
03/15/2019	Special Dist Mgmt Srvs	FEB 2019	Accounting	1-7000	143.83	143.83	
03/15/2019	Special Dist Mgmt Srvs	FEB 2019	Accounting	4-7000	576.17	576.17	
03/15/2019	Special Dist Mgmt Srvs	FEB 2019	Billing	4-7210	223.83	223.83	
03/15/2019	Special Dist Mgmt Srvs	FEB 2019	Landscape Design	4-7237	170.00	170.00	
03/15/2019	Special Dist Mgmt Srvs	FEB 2019	Miscellaneous	1-7480	210.01	210.01	
Total 5784:						1,980.01	
<b>5785</b>							
03/15/2019	Special District Association	DUES 2019	Miscellaneous	1-7480	465.69	465.69	
Total 5785:						465.69	
<b>5786</b>							
03/15/2019	Utility Notification Center	219020873	Miscellaneous	1-7480	19.88	19.88	
Total 5786:						19.88	
<b>100415</b>							
03/15/2019	Century Link	3/19	Utilities	4-7850	111.72	111.72	M
Total 100415:						111.72	
<b>100416</b>							
03/15/2019	United Power	3/19	Utilities	4-7850	481.50	481.50	M
03/15/2019	United Power	3/19	Utilities	4-7850	3,265.84	3,265.84	M
03/15/2019	United Power	3/19	Utilities	4-7850	45.89	45.89	M
03/15/2019	United Power	3/19	Utilities	4-7850	45.44	45.44	M
Total 100416:						3,838.67	
Grand Totals:						7,760.36	

Riverdale Peaks II Metropolitan District  
March-19

	General	Debt	Enterprise	Totals
Disbursements	\$ 1,175.58	\$ -	\$ 6,584.78	\$ 7,760.36
			\$	-
<b>Total Disbursements from Checking Acct</b>	<b>\$1,175.58</b>	<b>\$0.00</b>	<b>\$6,584.78</b>	<b>\$7,760.36</b>

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5786</b>							
04/08/2019	Mail Services LLC	1678609	Billing	4-7210	51.27	51.27	
Total 5786:						51.27	
<b>5787</b>							
04/08/2019	Neighborhood Lawn Care, Inc	1619	Landscape Mainten	1-7510	345.31	345.31	
Total 5787:						345.31	
<b>5788</b>							
04/08/2019	Ramey Environmental Complia	18294	Operations	4-7240	682.87	682.87	
04/08/2019	Ramey Environmental Complia	18294	Equipment Repair	4-7248	421.12	421.12	
04/08/2019	Ramey Environmental Complia	18294	Testing	4-7260	21.00	21.00	
04/08/2019	Ramey Environmental Complia	18294	Operations	4-7240	610.05	610.05	
04/08/2019	Ramey Environmental Complia	18340	Equipment Repair	4-7248	418.07	418.07	
Total 5788:						2,153.11	
<b>5789</b>							
04/08/2019	Special Dist Mgmt Svcs	MARCH 2019	District Managemen	1-7440	336.17	336.17	
04/08/2019	Special Dist Mgmt Svcs	MARCH 2019	District Managemen	4-7440	320.00	320.00	
04/08/2019	Special Dist Mgmt Svcs	MARCH 2019	Accounting	1-7000	143.83	143.83	
04/08/2019	Special Dist Mgmt Svcs	MARCH 2019	Accounting	4-7000	576.17	576.17	
04/08/2019	Special Dist Mgmt Svcs	MARCH 2019	Billing	4-7210	223.83	223.83	
04/08/2019	Special Dist Mgmt Svcs	MARCH 2019	Miscellaneous	1-7480	119.69	119.69	
Total 5789:						1,719.69	
<b>5790</b>							
04/08/2019	Utility Notification Center	219030893	Miscellaneous	1-7480	24.14	24.14	
Total 5790:						24.14	
<b>100417</b>							
04/08/2019	United Power	4/19	Utilities	4-7850	20.55	20.55	M
04/08/2019	United Power	4/19	Utilities	4-7850	20.22	20.22	M
04/08/2019	United Power	4/19	Utilities	4-7850	235.75	235.75	M
04/08/2019	United Power	4/19	Utilities	4-7850	1,680.85	1,680.85	M
Total 100417:						1,957.37	
Grand Totals:						6,250.89	

Riverdale Peaks II Metropolitan District  
April-19

	General	Debt	Enterprise	Totals
Disbursements	\$ 969.14	\$ -	\$ 5,281.75	\$ 6,250.89
				\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$969.14</b>	<b>\$0.00</b>	<b>\$5,281.75</b>	<b>\$6,250.89</b>

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5791</b>							
05/10/2019	County of Adams	273520	Miscellaneous	1-7480	97.41	97.41	
05/10/2019	County of Adams	275674	Miscellaneous	1-7480	34.85	34.85	
Total 5791:						132.26	
<b>5792</b>							
05/10/2019	Mail Services LLC	1682467	Billing	4-7210	52.46	52.46	
Total 5792:						52.46	
<b>5793</b>							
05/10/2019	McGeady Becher P.C.	654M 1/19	Legal Services	1-7460	206.00	206.00	
05/10/2019	McGeady Becher P.C.	654M 2/19	Legal Services	1-7460	200.00	200.00	
05/10/2019	McGeady Becher P.C.	654M 3/19	Legal Services	1-7460	200.00	200.00	
Total 5793:						606.00	
<b>5794</b>							
05/10/2019	National Meter & Automation	S1114092.001	Equipment Repair	4-7248	1,888.20	1,888.20	
Total 5794:						1,888.20	
<b>5795</b>							
05/10/2019	Neighborhood Lawn Care, Inc	1657	Landscape Mainten	1-7510	345.31	345.31	
05/10/2019	Neighborhood Lawn Care, Inc	1675	Landscape Mainten	1-7510	536.90	536.90	
Total 5795:						882.21	
<b>5796</b>							
05/10/2019	Ramey Environmental Complia	18492	Operations	4-7240	682.87	682.87	
05/10/2019	Ramey Environmental Complia	18492	Testing	4-7260	389.25	389.25	
05/10/2019	Ramey Environmental Complia	18492	Operations	4-7240	337.44	337.44	
Total 5796:						1,409.56	
<b>5797</b>							
05/10/2019	Special Dist Mgmt Srvs	APRIL 2019	District Managemen	1-7440	336.17	336.17	
05/10/2019	Special Dist Mgmt Srvs	APRIL 2019	District Managemen	4-7440	320.00	320.00	
05/10/2019	Special Dist Mgmt Srvs	APRIL 2019	Accounting	1-7000	143.83	143.83	
05/10/2019	Special Dist Mgmt Srvs	APRIL 2019	Accounting	4-7000	576.17	576.17	
05/10/2019	Special Dist Mgmt Srvs	APRIL 2019	Billing	4-7210	223.83	223.83	
05/10/2019	Special Dist Mgmt Srvs	APRIL 2019	Landscape Design	4-7237	170.00	170.00	
05/10/2019	Special Dist Mgmt Srvs	APRIL 2019	Meter Install and Ins	4-7254	400.00	400.00	
05/10/2019	Special Dist Mgmt Srvs	APRIL 2019	Miscellaneous	1-7480	174.65	174.65	
Total 5797:						2,344.65	
<b>100418</b>							
05/10/2019	United Power	5/19	Utilities	4-7850	20.44	20.44	M
05/10/2019	United Power	5/19	Utilities	4-7850	20.22	20.22	M
05/10/2019	United Power	5/19	Utilities	4-7850	1,749.44	1,749.44	M
05/10/2019	United Power	5/19	Utilities	4-7850	235.75	235.75	M
Total 100418:						2,025.85	



Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
100419 05/13/2019	Century Link	5/19	Utilities	4-7850	111.42	111.42	M
Total 100419:						111.42	
Grand Totals:						9,452.61	

Riverdale Peaks II Metropolitan District  
May-19

	General	Debt	Enterprise	Totals
Disbursements	\$ 2,275.12	\$ -	\$ 7,177.49	\$ 9,452.61
				\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$2,275.12</b>	<b>\$0.00</b>	<b>\$7,177.49</b>	<b>\$9,452.61</b>

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5798</b>							
06/13/2019	Mail Services LLC	1686609	Billing	4-7210	53.05	53.05	
Total 5798:						53.05	
<b>5799</b>							
06/13/2019	McGeady Becher P.C.	654M 4/19	Legal Services	1-7460	200.00	200.00	
Total 5799:						200.00	
<b>5800</b>							
06/13/2019	Special Dist Mgmt Srvs	MAY 2019	District Managemen	1-7440	336.17	336.17	
06/13/2019	Special Dist Mgmt Srvs	MAY 2019	District Managemen	4-7440	320.00	320.00	
06/13/2019	Special Dist Mgmt Srvs	MAY 2019	Accounting	1-7000	143.83	143.83	
06/13/2019	Special Dist Mgmt Srvs	MAY 2019	Accounting	4-7000	576.17	576.17	
06/13/2019	Special Dist Mgmt Srvs	MAY 2019	Billing	4-7210	223.83	223.83	
06/13/2019	Special Dist Mgmt Srvs	MAY 2019	Landscape Design	4-7237	170.00	170.00	
06/13/2019	Special Dist Mgmt Srvs	MAY 2019	Meter Install and Ins	4-7254	200.00	200.00	
06/13/2019	Special Dist Mgmt Srvs	MAY 2019	Miscellaneous	1-7480	191.97	191.97	
Total 5800:						2,161.97	
<b>5801</b>							
06/13/2019	Utility Notification Center	219050892	Miscellaneous	1-7480	19.88	19.88	
Total 5801:						19.88	
<b>5802</b>							
06/13/2019	Ramey Environmental Complia	18685	Operations	4-7240	1,372.71	1,372.71	
06/13/2019	Ramey Environmental Complia	18685	Equipment Repair	4-7248	110.54	110.54	
06/13/2019	Ramey Environmental Complia	18685	Lab Analysis/Testin	4-7268	21.00	21.00	
Total 5802:						1,504.25	
<b>100420</b>							
06/13/2019	United Power	6/19	Utilities	4-7850	235.75	235.75	M
06/13/2019	United Power	6/19	Utilities	4-7850	1,890.06	1,890.06	M
06/13/2019	United Power	6/19	Utilities	4-7850	20.44	20.44	M
06/13/2019	United Power	6/19	Utilities	4-7850	20.22	20.22	M
Total 100420:						2,166.47	
<b>100421</b>							
06/14/2019	Century Link	JUNE 2019	Utilities	4-7850	115.78	115.78	M
Total 100421:						115.78	
Grand Totals:						6,221.40	

Riverdale Peaks II Metropolitan District  
June-19

	General	Debt	Enterprise	Totals
Disbursements	\$ 891.85	\$ -	\$ 5,329.55	\$ 6,221.40
<b>Total Disbursements from Checking Acct</b>	<b>\$891.85</b>	<b>\$0.00</b>	<b>\$5,329.55</b>	<b>\$6,221.40</b>

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
 Schedule of Cash Position  
 April 30, 2019

	<u>Rate</u>	<u>Operating</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>Total</u>
<b>Checking:</b>					
1st Bank Checking Acct		\$ 5,427.27	\$ 7,599.35	\$ 47,932.05	\$ 60,958.67
<b>Investments:</b>					
C-Safe	2.56%	\$ 153,629.24	\$ 71,314.95	\$ 0.32	\$ 224,944.51
<b>Trust Funds</b>					
Bond Fund			\$ 14.25		\$ 14.25
<b>TOTAL FUNDS:</b>		<u>\$ 159,056.51</u>	<u>\$ 78,928.55</u>	<u>\$ 47,932.37</u>	<u>\$ 285,917.43</u>

**2019 Mill Levy Information**

Certified General Fund Mill Levy	42.821
Certified Debt Service Fund Mill Levy	<u>63.542</u>
Total Certified Mill Levy	<u>106.363</u>

**Board of Directors**

- \* Brian Bata
- \* Jeffrey P. Hartman

\* Authorized signer on the Checking Account

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**

**UNAUDITED FINANCIAL STATEMENTS**

April 30, 2019

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**April 30, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>Long Term Debt</u>	<u>Fixed Assets</u>	<u>Total</u>
<b>Assets</b>						
Ist Bank Checking Acct	\$ 5,427.27	\$ 7,599.35	\$ 47,932.05	\$ -	\$ -	\$ 60,958.67
C-Safe	153,629.24	71,314.95	0.32	-	-	224,944.51
Bond Fund	-	14.25	-	-	-	14.25
Property Taxes Receivable	46,720.28	69,327.01	-	-	-	116,047.29
Accounts Receivable	-	-	(643.48)	-	-	(643.48)
	-	-	-	-	-	-
Total Current Assets	<u>205,776.79</u>	<u>148,255.56</u>	<u>47,288.89</u>	<u>-</u>	<u>-</u>	<u>401,321.24</u>
<b>Other Debits</b>						
Amount available in DSF	-	-	-	78,928.55	-	78,928.55
Amt in Debt Service Fund	-	-	-	5,724,234.93	-	5,724,234.93
	-	-	-	-	-	-
Total Other Debits	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,803,163.48</u>	<u>-</u>	<u>5,803,163.48</u>
<b>Capital Assets</b>						
Land	-	-	-	-	20.00	20.00
Pump Station	-	-	-	-	1,123,277.00	1,123,277.00
Water System	-	-	-	-	2,225,458.98	2,225,458.98
Landscaping	-	-	-	-	272,081.00	272,081.00
Accumulated Depreciation	-	-	-	-	(907,187.60)	(907,187.60)
	-	-	-	-	-	-
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,713,649.38</u>	<u>2,713,649.38</u>
<b>Total Assets</b>	<u>\$ 205,776.79</u>	<u>\$ 148,255.56</u>	<u>\$ 47,288.89</u>	<u>\$ 5,803,163.48</u>	<u>\$ 2,713,649.38</u>	<u>\$ 8,918,134.10</u>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Total Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Long Term Liabilities</b>						
Developer Advance Payable	-	-	114,730.74	-	-	114,730.74
Accrued Interest on Developer Advance	-	-	84,811.77	-	-	84,811.77
Developer Advance - Capital	-	-	-	1,151,454.00	-	1,151,454.00
Developer Advance - General Fund	-	-	-	365,068.88	-	365,068.88
Accrued Interest - Dev Adv - Cap	-	-	-	901,615.30	-	901,615.30
Accrued Interest - Dev Adv - Operations	-	-	-	320,025.30	-	320,025.30
Bonds Payable	-	-	-	3,065,000.00	-	3,065,000.00
	-	-	-	-	-	-
Total Long Term Liabilities	<u>-</u>	<u>-</u>	<u>199,542.51</u>	<u>5,803,163.48</u>	<u>-</u>	<u>6,002,705.99</u>
<b>Deferred Inflows of Resources</b>						
Deferred Property Taxes	46,720.28	69,327.01	-	-	-	116,047.29
	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>46,720.28</u>	<u>69,327.01</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,047.29</u>
<b>Fund Balance</b>						
Fund Balance	124,718.52	12,919.39	(157,738.65)	-	2,713,649.38	2,693,548.64
Current Year Earnings	34,337.99	66,009.16	5,485.03	-	-	105,832.18
	-	-	-	-	-	-
Total Fund Balances	<u>159,056.51</u>	<u>78,928.55</u>	<u>(152,253.62)</u>	<u>-</u>	<u>2,713,649.38</u>	<u>2,799,380.82</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 205,776.79</u>	<u>\$ 148,255.56</u>	<u>\$ 47,288.89</u>	<u>\$ 5,803,163.48</u>	<u>\$ 2,713,649.38</u>	<u>\$ 8,918,134.10</u>

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the 4 Months Ending,**  
**April 30, 2019**  
**General Fund**

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Under/(Over) Budget</u>	<u>% of Budget</u>
<b>Revenues</b>					
Property taxes	\$ 1,854.15	\$ 42,391.72	\$ 88,779.00	\$ 46,387.28	47.7%
Specific ownership tax	529.76	1,709.64	5,327.00	3,617.36	32.1%
Interest income	312.09	1,121.96	500.00	(621.96)	224.4%
<b>Total Revenues</b>	<u>2,696.00</u>	<u>45,223.32</u>	<u>94,606.00</u>	<u>49,382.68</u>	<u>47.8%</u>
<b>Expenditures</b>					
Accounting	143.83	431.49	2,000.00	1,568.51	21.6%
County Treasurer's fee	27.81	635.87	1,332.00	696.13	47.7%
Insurance and Bonds	-	6,481.32	1,320.00	(5,161.32)	491.0%
District Management	336.17	1,008.51	4,100.00	3,091.49	24.6%
Legal Services	-	200.00	2,800.00	2,600.00	7.1%
Miscellaneous	143.83	1,072.21	3,000.00	1,927.79	35.7%
Banking fees	10.00	20.00	50.00	30.00	40.0%
Landscape Maintenance	345.31	1,035.93	4,700.00	3,664.07	22.0%
Landscape Improvements	-	-	30,000.00	30,000.00	0.0%
Contingency	-	-	10,000.00	10,000.00	0.0%
<b>Total Expenditures</b>	<u>1,006.95</u>	<u>10,885.33</u>	<u>59,302.00</u>	<u>48,416.67</u>	<u>18.4%</u>
Excess (Deficiency) of Revenues Over Expenditures	1,689.05	34,337.99	35,304.00	966.01	
<b>Transfers and Other Financing Sources (Uses)</b>					
Transfer to Enterprise Fund	-	-	(45,000.00)	(45,000.00)	
Emergency Reserve	-	-	(2,838.00)	(2,838.00)	
<b>Total Transfers and Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(47,838.00)</u>	<u>(47,838.00)</u>	
Change in Fund Balance	1,689.05	34,337.99	(12,534.00)	(46,871.99)	
Beginning Fund Balance	157,367.46	124,718.52	91,494.00	(33,224.52)	
<b>Ending Fund Balance</b>	<u>\$ 159,056.51</u>	<u>\$ 159,056.51</u>	<u>\$ 78,960.00</u>	<u>\$ (80,096.51)</u>	



**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the 4 Months Ending,**  
**April 30, 2019**  
**Debt Service Fund**

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Under/(Over) Budget</u>	<u>% of Budget</u>
<b>Revenues</b>					
Property taxes	\$ 2,751.37	\$ 62,904.99	\$ 131,738.00	\$ 68,833.01	47.8%
Specific ownership tax	786.12	2,536.93	5,400.00	2,863.07	47.0%
Availability of Service Fee	240.00	1,305.00	3,840.00	2,535.00	34.0%
Interest Income	139.91	205.82	20.00	(185.82)	1029.1%
<b>Total Revenues</b>	<u>3,917.40</u>	<u>66,952.74</u>	<u>140,998.00</u>	<u>74,045.26</u>	<u>47.5%</u>
<b>Expenditures</b>					
Auditing	-	-	4,100.00	4,100.00	0.0%
County Treasurer's Fee	41.27	943.58	1,976.00	1,032.42	47.8%
Interest Expense - Bonds	-	-	139,000.00	139,000.00	0.0%
Paying Agent/Trustee Fees	-	-	2,000.00	2,000.00	0.0%
<b>Total Expenditures</b>	<u>41.27</u>	<u>943.58</u>	<u>147,076.00</u>	<u>146,132.42</u>	<u>0.6%</u>
Excess (Deficiency) of Revenues Over Expenditures	3,876.13	66,009.16	(6,078.00)	(72,087.16)	
Change in Fund Balance	3,876.13	66,009.16	(6,078.00)	(72,087.16)	
Beginning Fund Balance	75,052.42	12,919.39	38,698.00	25,778.61	
<b>Ending Fund Balance</b>	<u>\$ 78,928.55</u>	<u>\$ 78,928.55</u>	<u>\$ 32,620.00</u>	<u>\$ (46,308.55)</u>	

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the 4 Months Ending,**  
**April 30, 2019**  
**Enterprise Fund**

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Under/(Over) Budget</u>	<u>% of Budget</u>
<b>Revenues</b>					
Water Charges	\$ 7,133.86	\$ 24,146.93	\$ 65,520.00	\$ 41,373.07	36.9%
Meter Fee	-	-	7,700.00	7,700.00	0.0%
Insurance Reimbursements	353.00	353.00	-	(353.00)	0.0%
<b>Total Revenues</b>	<u>7,486.86</u>	<u>24,499.93</u>	<u>73,220.00</u>	<u>48,720.07</u>	<u>33.5%</u>
<b>Expenditures</b>					
Accounting	576.17	1,728.51	7,000.00	5,271.49	24.7%
Billing	275.10	824.04	3,100.00	2,275.96	26.6%
Landscape Design Review	-	340.00	-	(340.00)	0.0%
Operations	1,292.92	2,768.56	11,000.00	8,231.44	25.2%
Equipment Repair	839.19	839.19	2,500.00	1,660.81	33.6%
Meter Install and Inspect	-	-	7,700.00	7,700.00	0.0%
Testing	21.00	218.52	3,500.00	3,281.48	6.2%
Chemicals & Supplies	-	667.88	5,546.00	4,878.12	12.0%
Generator Maintenance	-	788.54	750.00	(38.54)	105.1%
Storage Tank Cleaning	-	-	3,000.00	3,000.00	0.0%
Transient Voltage Surge Suppressor	-	-	5,000.00	5,000.00	0.0%
VFD For Emergency Pumps	-	-	13,400.00	13,400.00	0.0%
Spare Chlorine Pump	-	-	1,000.00	1,000.00	0.0%
Insurance	-	-	5,500.00	5,500.00	0.0%
Developer Advance Interest	-	1,980.28	-	(1,980.28)	0.0%
District Management	320.00	960.00	4,000.00	3,040.00	24.0%
Miscellaneous	-	-	1,200.00	1,200.00	0.0%
Utilities	2,068.79	7,899.38	19,000.00	11,100.62	41.6%
Fuel Generator	-	-	800.00	800.00	0.0%
Repair and Maintenance Reserve	-	-	45,000.00	45,000.00	0.0%
<b>Total Expenditures</b>	<u>5,393.17</u>	<u>19,014.90</u>	<u>138,996.00</u>	<u>119,981.10</u>	<u>13.7%</u>
Excess (Deficiency) of Revenues Over Expenditures	2,093.69	5,485.03	(65,776.00)	(71,261.03)	
<b>Transfers and Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	45,000.00	45,000.00	
<b>Total Transfers and Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>45,000.00</u>	<u>45,000.00</u>	
Change in Fund Balance	<u>2,093.69</u>	<u>5,485.03</u>	<u>(20,776.00)</u>	<u>(26,261.03)</u>	
Beginning Fund Balance	(154,347.31)	(157,738.65)	68,552.00	226,290.65	
<b>Ending Fund Balance</b>	<u>\$ (152,253.62)</u>	<u>\$ (152,253.62)</u>	<u>\$ 47,776.00</u>	<u>\$ 200,029.62</u>	



# SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086  
FAX: 720.348.2920

\_\_\_\_\_, 2019

To the Board of Directors  
Riverdale Peaks II Metropolitan District  
Arapahoe County, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Riverdale Peaks II Metropolitan District (District) for the year ended December 31, 2018 and have issued our report thereon dated \_\_\_\_\_, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit.

## Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in the engagement letter dated October 31, 2018, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

## Planned Scope and Timing of Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We generally communicate our significant findings at the conclusion of the audit. However, some matters may have been communicated sooner, particularly if significant difficulties were encountered during the audit where assistance was needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We also communicate any internal control related matters that are required to be communicated under professional standards.

The audit was performed in June 2019 and we issued our report on \_\_\_\_\_, 2019.

## Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. There were no accounting estimates that are considered particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing the audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. See Exhibit I for the corrected misstatement noted during the audit.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representation*

We have requested certain representations from management that are included in the management representation letter dated \_\_\_\_\_, 2019.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on supplementary information, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*SCHILLING & COMPANY, INC.*

Schilling & Company, Inc.

Adj. Journal Entries  
Riverdale Peaks II Metropolitan District  
December 31, 2018

6/20/2019 11:35:15 AM

Done by:	Date:	Index:
Reviewer:	Date:	

AJE No.	Account Description	W/P Ref	Account Number	Debits	Credits
1	Property taxes receivable	B	1-1210	88,446.00	
1	Deferred Property Taxes		1-2600		88,446.00
1	Property taxes receivable		2-1210	131,244.00	
1	Deferred Property Taxes		2-2600		131,244.00

To adjust property taxes receivable/deferred revenue at December 31, 2018.

2	Accounts Receivable	B-1	4-1130	9,311.51	
2	Water Charges		4-6380		9,311.51

To adjust customer receivable to actual plus unbilled revenue at December 31, 2018.

Totals

229,001.51	229,001.51
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DRAFT 6/20/2019

**RIVERDALE PEAKS II  
METROPOLITAN DISTRICT  
Adams County, Colorado**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

DRAFT 6/20/2019

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## SCHILLING & COMPANY, INC.

*Certified Public Accountants*

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086  
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### **Independent Auditor's Report**

Board of Directors  
Riverdale Peaks II Metropolitan District  
Adams County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Riverdale Peaks II Metropolitan District (District) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The prior year partial comparative information has been derived from the District's 2017 financial statements and, in our report dated July 3, 2018, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities and each major fund.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Riverdale Peaks II Metropolitan District, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**BASIC FINANCIAL STATEMENTS**

DRAFT 6/20/2019

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**December 31, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments - unrestricted	\$ 118,509	\$ 42,178	\$ 160,687
Cash and investments - restricted	12,087	-	12,087
Prepaid expenses	6,482	-	6,482
Receivable - County Treasurer	1,393	-	1,393
Accounts receivable - customers	-	11,192	11,192
Property taxes receivable	220,517	-	220,517
Capital assets, not being depreciated	720,888	-	720,888
Capital assets, net of depreciation	2,060,922	-	2,060,922
Total assets	<u>3,140,798</u>	<u>53,370</u>	<u>3,194,168</u>
<b>LIABILITIES</b>			
Accounts payable	833	4,235	5,068
Accrued interest payable	599,753	-	599,753
Noncurrent liabilities:			
Due within one year	185,000	-	185,000
Due in more than one year	5,591,987	197,562	5,789,549
Total liabilities	<u>6,377,573</u>	<u>201,797</u>	<u>6,579,370</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue			
Total deferred inflows of resources	220,517	-	220,517
	<u>220,517</u>	<u>-</u>	<u>220,517</u>
<b>NET POSITION</b>			
Net investment in capital assets	(1,434,644)	-	(1,434,644)
Restricted for:			
Emergencies	2,600	-	2,600
Unrestricted	(2,025,248)	(148,427)	(2,173,675)
Total net position	<u>\$ (3,457,292)</u>	<u>\$ (148,427)</u>	<u>\$ (3,605,719)</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2018**

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Primary government:							
Governmental activities:							
General government	\$ 108,000	\$ -	\$ -	\$ -	\$ (108,000)	\$ -	\$ (108,000)
Interest and related costs on long-term debt	341,564	10,049	-	-	(331,515)	-	(331,515)
Total governmental activities	449,564	10,049	-	-	(439,515)	-	(439,515)
Business-type activities:							
Enterprise	71,209	99,460	-	-	-	28,251	28,251
Total business-type activities	71,209	99,460	-	-	-	28,251	28,251
Total primary government	\$ 520,773	\$ 109,509	\$ -	\$ -	(439,515)	28,251	(411,264)
General revenues:							
Taxes:							
Property taxes					189,087	-	189,087
Specific ownership taxes					16,017	-	16,017
Net investment income					3,329	-	3,329
Miscellaneous					-	-	-
Transfers					-	-	-
Total general revenues and transfers					208,433	-	208,433
Change in net position					(231,082)	28,251	(202,831)
Net position - Beginning					(3,226,210)	(176,678)	(3,402,888)
Net position - Ending					\$ (3,457,292)	\$ (148,427)	\$ (3,605,719)

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2018**

	<b>General</b>	<b>Debt Service</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments - unrestricted	\$ 118,509	\$ -	\$ 118,509
Cash and investments - restricted	-	12,087	12,087
Prepaid expenditures	6,482	-	6,482
Cash with County Treasurer	561	832	1,393
Property tax receivable	88,779	131,738	220,517
<b>TOTAL ASSETS</b>	<b>\$ 214,331</b>	<b>\$ 144,657</b>	<b>\$ 358,988</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 833	\$ -	\$ 833
Total liabilities	833	-	833
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue	88,779	131,738	220,517
Total deferred inflows of resources	88,779	131,738	220,517
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid expenditures	6,482	-	6,482
Spendable			
Restricted for emergencies	2,600	-	2,600
Restricted for debt service	-	12,919	12,919
Assigned for subsequent year's expenditures	12,534	-	12,534
Unassigned	103,103	-	103,103
Total fund balances	124,719	12,919	137,638
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 214,331</b>	<b>\$ 144,657</b>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some long-term assets used in governmental activities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Capital assets 2,781,810

Some liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

General obligation bonds payable (3,065,000)  
Accrued interest payable on general obligation bonds (599,753)  
Developer advances payable and accrued interest thereon (2,711,987)  
Net position of governmental activities **\$ (3,457,292)**

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property tax	\$ 76,125	\$ 112,962	\$ 189,087
Specific ownership tax	6,448	9,569	16,017
Availability of service fees	-	10,049	10,049
Net investment income	2,664	665	3,329
Total revenues	<u>85,237</u>	<u>133,245</u>	<u>218,482</u>
<b>EXPENDITURES</b>			
Current			
Management fees	4,034	-	4,034
Accounting	1,726	-	1,726
Audit	-	4,000	4,000
Legal	2,207	-	2,207
Insurance and bonds	1,313	-	1,313
Election	21	-	21
County Treasurer's fees	1,147	1,702	2,849
Landscape maintenance	3,798	-	3,798
Landscape improvements	3,175	-	3,175
Miscellaneous	3,080	-	3,080
Debt service			
Paying agent fees	-	2,000	2,000
Bond interest	-	119,021	119,021
Total expenditures	<u>20,501</u>	<u>126,723</u>	<u>147,224</u>
<b>NET CHANGE IN FUND BALANCES</b>	64,736	6,522	71,258
<b>FUND BALANCES - BEGINNING OF YEAR</b>	59,983	6,397	66,380
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 124,719</u>	<u>\$ 12,919</u>	<u>\$ 137,638</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2018**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	\$ 71,258
<p>Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. Instead the cost of the asset is allocated over its estimated useful life, and recorded as depreciation expense in each of those years.</p>	
Depreciation	(81,797)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in accrued interest on developer advances	(106,156)
Change in accrued interest on bonds	<u>(114,387)</u>
Change in net position - Governmental activities	<u><u>\$ (231,082)</u></u>

These financial statements should be read only in connection with the accompanying notes to financial statements.



**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended December 31, 2018**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Property tax	\$ 76,458	\$ 76,125	\$ (333)
Specific ownership taxes	4,600	6,448	1,848
Net investment income	500	2,664	2,164
Sale of property	-	-	-
Total revenues	<u>81,558</u>	<u>85,237</u>	<u>3,679</u>
<b>EXPENDITURES</b>			
Management fees	4,100	4,034	66
Accounting	2,000	1,726	274
Legal	2,800	2,207	593
Insurance and bonds	1,320	1,313	7
Election	500	21	479
County Treasurer's fees	1,147	1,147	-
Landscape maintenance	4,700	3,798	902
Landscape improvements	30,000	3,175	26,825
Miscellaneous	3,000	3,010	(10)
Banking fees	50	70	(20)
Contingency and emergency reserve	2,447	-	2,447
Total expenditures	<u>52,064</u>	<u>20,501</u>	<u>31,563</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>29,494</u>	<u>64,736</u>	<u>35,242</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	(42,300)	-	42,300
Total other financing sources (uses)	<u>(42,300)</u>	<u>-</u>	<u>42,300</u>
<b>NET CHANGE IN FUND BALANCE</b>	(12,806)	64,736	77,542
<b>FUND BALANCE - BEGINNING OF YEAR</b>	30,782	59,983	29,201
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 17,976</u>	<u>\$ 124,719</u>	<u>\$ 106,743</u>

These financial statements should be read only in connection with the  
accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
December 31, 2018  
(with comparative totals for December 31, 2017)**

	<b>Enterprise Fund</b>	
	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash and investments - unrestricted	\$ 42,178	\$ 7,881
Accounts receivable - customers	11,192	8,673
Total assets	<u>53,370</u>	<u>16,554</u>
<b>LIABILITIES</b>		
Accounts payable	4,235	3,701
Noncurrent liabilities		
Due in more than one year	197,562	189,531
Total liabilities	<u>201,797</u>	<u>193,232</u>
<b>UNRESTRICTED NET POSITION</b>	<u>\$ (148,427)</u>	<u>\$ (176,678)</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**Year Ended December 31, 2018**  
**(with comparative totals for December 31, 2017)**

	<b>Enterprise Fund</b>	
	<b>2018</b>	<b>2017</b>
<b>OPERATING REVENUES</b>		
Water charges	\$ 83,152	\$ 70,141
Water meter fee	15,605	-
Landscape design fee	510	1,870
Other revenue	193	421
Total operating revenues	<u>99,460</u>	<u>72,432</u>
<b>OPERATING EXPENDITURES</b>		
Management	3,840	3,840
Accounting	6,914	6,914
Billing	3,509	3,188
Landscape design review	680	-
Operations	9,332	10,006
Insurance	5,254	5,316
Generator preventative maintenance	1,080	1,473
Repairs and maintenance	6,512	35,240
Meter install and inspection	2,000	4,063
Testing	3,987	5,967
Chemicals and supplies	-	2,742
Utilities	19,995	19,121
Miscellaneous	75	75
Total operating expenses	<u>63,178</u>	<u>97,945</u>
<b>OPERATING INCOME (LOSS)</b>	<u>36,282</u>	<u>(25,513)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Transfers from other funds	-	23,200
Interest expense	(8,031)	(8,031)
Total nonoperating revenues (expenses)	<u>(8,031)</u>	<u>15,169</u>
<b>CHANGES IN NET POSITION</b>	28,251	(10,344)
<b>NET POSITION - BEGINNING OF YEAR</b>	(176,678)	(166,334)
<b>NET POSITION - END OF YEAR</b>	<u>\$ (148,427)</u>	<u>\$ (176,678)</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**Year Ended December 31, 2018**  
**(with comparative totals for December 31, 2017)**

	<b>Enterprise Fund</b>	
	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 96,941	\$ 69,791
Payments to suppliers	(62,644)	(100,133)
Net cash provided (required) by operating activities	34,297	(30,342)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer from other funds	-	23,200
Net cash provided by noncapital financing activities	-	23,200
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	34,297	(7,142)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>		
	7,881	15,023
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>		
	\$ 42,178	\$ 7,881
<b>Reconciliation of operating (loss) to net cash provided (required) by operating activities</b>		
Operating income (loss)	\$ 36,282	\$ (25,513)
Adjustments to reconcile operating loss to net cash required by operating activities:		
(Increase) decrease in accounts receivable	(2,519)	(3,946)
(Increase) decrease in due from Debt Service Fund	-	1,305
Increase (decrease) in accounts payable	534	(2,188)
Net cash provided (required) by operating activities	\$ 34,297	\$ (30,342)

These financial statements should be read only in connection with the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Riverdale Peaks II Metropolitan District (District), a quasi-municipal corporation, was organized on December 2, 2002, and is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was established to provide financing for the design, acquisition and construction of streets, traffic and safety controls, water, sanitary sewer, park and recreation, mosquito control, television relay and translation and transportation facilities.

The District has no employees and all operations and administrative functions are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the District. The difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Taxes and other items, not properly included among program revenues, are reported instead as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property and specific ownership taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The District reports the following major proprietary fund:

The Enterprise Fund accounts for the water operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expense generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each funds' average equity balance in total cash. Investments are carried at fair value.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Capital Assets**

Capital Assets, which include property and infrastructure improvements (e.g. water improvements, park and recreation improvements, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Pump station	25 years
Water system	50 years
Irrigation and fencing	10 years

**Water Rights**

In order to provide water for in-house and irrigation uses within the District, the District acquired the rights to 87.93 acre-feet of non-tributary Denver Basin aquifer ground water from Prospect Farms, LLC, in 2005. The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

**Surface Rights**

In order to assure uninterrupted provision of water to the District, the District acquired certain surface rights within the boundaries of the District from Riverdale Holdings, LLC, and Elkhart, LLC, in 2005. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

**Water Facilities Fees**

Water facility fees of \$19,750 per residential equivalent unit are charged against properties within the District. The facilities fee is due at the time of issuance of a building permit by Adams County. The District records the facilities fee as revenue when received, which may be at the transfer of property from the Developer to a builder. The District does not anticipate receipt of any additional fees as the remaining vacant land in the District has been acquired by Brighton School District 27J and Adams County. (See Note 8 regarding Developer guarantee.)

**Availability of Service Fees**

The District imposes an Availability of Service charge on all vacant lots in the District with a water line installed and ready for connection. The Fee may not exceed fifty percent of the fees, rates or charges paid by the average customer in the District and is calculated by dividing the



**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

total usage quantity for the District over the last fiscal year by the total number of users, resulting in an average usage and applying the applicable rates. For 2018, the Board of Directors set the fee at \$70 per month which is 50% of the total base potable water rate and base irrigation water rate combined. The fees charged are to be used solely for the repayment of bond principal and interest.

**Fund Balances – Governmental Funds**

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2018 are classified in the accompanying statement of net position as follows:

Cash and investments - unrestricted	\$ 160,687
Cash and investments - restricted	12,087
	<u>\$ 172,774</u>

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

Cash and investments as of December 31, 2018 consist of the following:

Deposits with financial institutions	\$ 58,501
Investments	<u>114,273</u>
	<u><u>\$ 172,774</u></u>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2018, the District's cash deposits had a bank balance of \$70,926 and carrying balance of \$58,501.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirement.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

At December 31, 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>\$ 114,273</u>

**CSAFE**

During 2018, the District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to custodian agreements. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard and Poor's. As of December 31, 2018, the District had \$114,273 invested in CSAFE. Information related to CSAFE, including the annual audited financial statements, can be found at the CSAFE website at [www.csafe.org](http://www.csafe.org). Information related to Standard & Poor's ratings can be obtained from Standard & Poor's.

**Investment Valuation**

Certain investments are measured at fair value on a recurring basis and are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has invested in CSAFE, an external investment pool that records its investments at amortized cost and therefore is not subject to the hierarchy disclosure requirements above.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 - CAPITAL ASSETS**

An analysis of the changes in property for the period ended December 31, 2018 follows:

	<u>Balance at December 31, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2018</u>
<b><u>Governmental Activities</u></b>				
Capital assets, not being depreciated:				
Surface rights	\$ 113,718	\$ -	\$ -	\$ 113,718
Water Rights	351,720	-	-	351,720
Land and landscaping	255,450	-	-	255,450
Total capital assets, not being depreciated	<u>720,888</u>	<u>-</u>	<u>-</u>	<u>720,888</u>
Capital assets, being depreciated:				
Water system	1,760,020	-	-	1,760,020
Pump station	1,123,276	-	-	1,123,276
Irrigation and fencing	16,651	-	-	16,651
Total capital assets, being depreciated	<u>2,899,947</u>	<u>-</u>	<u>-</u>	<u>2,899,947</u>
Less accumulated depreciation for:				
Water system	(331,416)	(35,199)	-	(366,615)
Pump station	(414,157)	(44,932)	-	(459,089)
Irrigation and fencing	(11,655)	(1,666)	-	(13,321)
Total accumulated depreciation	<u>(757,228)</u>	<u>(81,797)</u>	<u>-</u>	<u>(839,025)</u>
Total capital assets being depreciated, net	<u>2,142,719</u>	<u>(81,797)</u>	<u>-</u>	<u>2,060,922</u>
 Total capital assets, net	 <u>\$ 2,863,607</u>	 <u>\$ (81,797)</u>	 <u>\$ -</u>	 <u>\$ 2,781,810</u>

Total depreciation expense for the water system, pump station, and irrigation and fencing was charged to the general government function of the District in the amount of \$81,797 for the year ended December 31, 2018.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 – LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2018.

	<u>Balance at December 31, 2017</u>	<u>New Issues/ Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2018</u>	<u>Due Within One Year</u>
<b><u>Governmental</u></b>					
Series 2005 G.O. Bonds	\$ 3,065,000	\$ -	\$ -	\$ 3,065,000	\$265,000
Developer advances:					
Operations	365,068	-	-	365,068	-
Capital	1,151,454	-	-	1,151,454	-
Accrued interest on					
Developer advances:					
Operations	288,169	25,554	-	313,723	-
Capital	801,140	80,602	-	881,742	-
	<u>5,670,831</u>	<u>106,156</u>	<u>-</u>	<u>5,776,987</u>	<u>265,000</u>
<b><u>Business-type</u></b>					
Developer advances:					
Enterprise operations	114,731	-	-	114,731	-
Accrued interest on					
Developer advances:					
Enterprise operations	74,800	8,031	-	82,831	-
	<u>189,531</u>	<u>8,031</u>	<u>-</u>	<u>197,562</u>	<u>-</u>
Total district obligations	<u>\$ 5,860,362</u>	<u>\$ 114,187</u>	<u>\$ -</u>	<u>\$ 5,974,549</u>	<u>\$ 265,000</u>

**General Obligation Bonds**

On September 29, 2005, the District issued \$3,105,000 in General Obligation Bonds (Limited Tax Convertible to Unlimited Tax) dated September 1, 2005, for infrastructure improvements and related initial operation and maintenance costs. The bonds are term bonds due December 1, 2025 with an interest rate of 6.40% paid semi-annually on June 1 and December 1 and due December 1, 2035 with an interest rate of 6.50% paid semi-annually on June 1 and December 1. The bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2015, and on any date thereafter, upon payment of par and accrued interest, without redemption premium. The bonds maturing December 1, 2025 are subject to mandatory sinking fund redemptions on December 1, 2007 and on each December 1 thereafter in increasing annual amounts through December 1, 2025. The bonds maturing on December 1, 2035 are subject to mandatory sinking fund redemptions on December 1, 2026 and on each December 1 thereafter in increasing annual amounts.

The proceeds of such debt were used for bond issuance costs, capitalized interest, capital infrastructure costs and reimbursement to the Developer for advances made to the District.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

The bonds are payable from pledged revenue, including the District's covenant to levy the required mill levy on all taxable property within the District and water facilities fees (See Note 8 – WATER FACILITIES FEE AGREEMENT). The minimum mill levy is 38.000 mills and the maximum levy is 63.542, as adjusted by the Gallagher Amendment, until the ratio of the District's debt to its assessed value is 50% or less at which time the required mill levy becomes unlimited. The District must levy taxes sufficient to make debt service payments when combined with other pledged revenue sources.

On December 14, 2009, the District entered into an agreement with the bond trustees, Colorado Bondshares, AIM High Income Muni Fund, and Colorado State Bank and Trust, N.A., to temporarily reduce the maximum required mill levy for the tax year 2009 (for collection in 2010) to 40.000. On December 1, 2010 and November 30, 2011 the agreement was renewed for the tax years 2010 and 2011 for collection in 2011 and 2012. On November 28, 2012, November 21, 2013, November 17, 2014, November 16, 2015 and November 16, 2017, the District entered into agreements with the bond trustees, Colorado Bondshares, Invesco High Yield Municipal Fund and Colorado State Bank and Trust, N.A. to temporarily reduce the maximum required mill levy for the tax years 2012, 2013, 2014, 2015 and 2016 (for collection in 2013, 2014, 2015, 2016 and 2017) to 40.000 mills. It was determined by all parties to the agreements that the imposition of the maximum required mill levy, as required by the bond indenture, would not be in the best interests of the District, its taxpayers and residents, or the bondholders. The District levied the maximum required under this agreement of 40.000 mills for debt service to be collected in 2010-2017. No agreement was entered into regarding the mill for 2017 (collection in 2018) or 2018 (collection in 2019). The District levied the maximum mill levy of 63.542.

The District filed material event notifications for the June 1, 2015, December 1, 2015, June 1, 2016, December 1, 2016, June 1, 2017 and December 1, 2017 to inform the bondholders and potential purchasers of the Bonds of the lack of funds available to make the principal and interest payments due. The amount available from Pledged Revenues in the District's Debt Service Fund, as well as the Bond Fund and Surplus Fund held by the trustee was insufficient to make the debt service payments in full which resulted in shortfalls.

On June 1, 2018, a material event notification was filed by the District to inform the bondholders and potential purchasers of the Bonds of the lack of funds available to make the June 1, 2018 interest payment due of \$95,627.50. The amount available from Pledged Revenues in the District's Debt Service Fund, as well as the Bond Fund and Surplus Fund held by the trustee, total \$63,297.51 which resulted in a payment shortfall of \$32,329.99.

On June 1, 2018, a material event notification was filed by the District to inform the bondholders and potential purchasers of the Bonds of the lack of funds available to make the December 1, 2018 interest payment due of \$170,661.26. The amount available from Pledged Revenues in the District's Debt Service Fund, as well as the Bond Fund and Surplus Fund held by the trustee, total \$55,723.76 which resulted in a payment shortfall of \$114,937.50.

On June 3, 2019, a material event notification was filed by the District to inform the bondholders and potential purchasers of the Bonds of the lack of funds available to make the June 1, 2018 interest payment due of \$93,227.50. The amount available from Pledged Revenues in the District's Debt Service Fund, as well as the Bond Fund and Surplus Fund held by the trustee, total \$80,050 which resulted in a payment shortfall of \$13,177.50.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

Under Section 2.01(g) of the Indenture, to the extent interest on any bond is not paid when due, such interest shall compound semiannually on each interest payment date, at the rate then borne by the bond.

As of December 31, 2018, the District had unpaid accrued interest of \$583,228.

The District's bonds scheduled maturities are as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 265,000	* \$ 769,683	* \$ 1,034,683
2020	90,000	181,335	271,335
2021	95,000	175,575	270,575
2022	105,000	169,495	274,495
2023	115,000	162,775	277,775
2024-2028	745,000	689,255	1,434,255
2029-2033	1,085,000	405,925	1,490,925
2034-2035	565,000	55,575	620,575
	<u>\$ 3,065,000</u>	<u>\$ 2,609,618</u>	<u>\$ 5,674,618</u>

\* - includes unpaid principal from prior years.

**Debt Authorization**

On November 5, 2002, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$15,428,750 for infrastructure improvements and \$500,000 for operations at an interest rate not to exceed 18%; and \$15,428,750 for refunding the District's debt or other obligations.

At December 31, 2018, the District had authorized but unissued indebtedness in the following amount allocated for the following purposes:

	<b>Authorized November 5, 2002 Election</b>	<b>Authorization Used by Series 2005 Bonds</b>	<b>Remaining December 31, 2018</b>
Water system	\$ 7,581,000	\$ 2,321,919	\$ 5,259,081
Parks and recreation	585,000	493,385	91,615
Operations and maintenance	500,000	-	500,000
Sanitary sewer	3,001,250	289,696	2,711,554
Streets	4,261,500	-	4,261,500
Refunding of debt	15,428,750	-	15,428,750
	<u>\$ 31,357,500</u>	<u>\$ 3,105,000</u>	<u>\$ 28,252,500</u>

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$5,887,500. Mill Levy requirements and restrictions are discussed earlier in this note in the section titled "General Obligation Bonds".

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area. As of the date of this report (as noted on the Independent Auditor's Report on page I), the amount and timing of any debt issuance is not determinable.

**Advance and Reimbursement Agreement**

The District entered into an Advance and Reimbursement Agreement with Quebec Corp. (Quebec), the former developer of the District, on July 1, 2005. According to the terms of the agreement, the District shall reimburse Quebec for any advances made to the District for construction, maintenance and operation costs associated with the provision of certain public improvements, facilities and services, together with interest at 7% per annum from the date of the advance. The District shall make payment for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements, and debt service costs and expenses of the District. The payment to Quebec is subordinate to the District's obligation to reimburse Gateway American Properties, LLC, for any advances made pursuant to the Advance and Reimbursement Agreement dated January 15, 2003.

There were no advances from Quebec during 2018. The total balance due Quebec, under the Advance and Reimbursement Agreement at December 31, 2018 is \$1,516,522 plus accrued interest of \$1,195,465.

**NOTE 6 – FUND EQUITY**

At December 31, 2018, the District reported the following classifications of fund equity.

**Nonspendable Fund Balance**

The nonspendable fund balance in the General Fund in the amount of \$6,482 is comprised of prepaid amounts which are not in spendable form.

**Restricted Fund Balance**

The restricted fund balance in the General Fund in the amount of \$2,600 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11).

The restricted fund balance in the Debt Service Fund in the amount of \$12,919 is to be used exclusively for debt service requirements (see Note 5).



**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Assigned Fund Balance**

The assigned fund balance in the General Fund in the amount of \$12,534 is comprised of amounts assigned by the Board of Directors by a resolution to eliminate the projected budgetary deficit in the subsequent year's budget.

**NOTE 7 - NET POSITION**

The District's net position consists of three components: net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, developer advances, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2018, the District reported \$(1,434,644) net investment in capital assets calculated as follows:

Net investment in capital assets:

Capital assets, net	\$ 2,781,810
Current and noncurrent portion of long-term obligations - Bonds	(3,065,000)
Noncurrent portion of long-term obligations - Developer advances (capital)	<u>(1,151,454)</u>
Net investment in capital assets	<u><u>\$ (1,434,644)</u></u>

The restricted portion of net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The

District's restricted net position at December 31, 2018 is \$2,600 as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11).

The District's unrestricted net position at December 31, 2018 totaled \$(2,173,675). This deficit is due to governmental and business-type activities being funded mainly by advances from the former developer of the District, including related accrued interest.

**NOTE 8 – WATER FACILITIES FEE AGREEMENT**

On September 27, 2005, Quebec and Gateway American Properties, LLC (Gateway) entered into an agreement to partially guarantee the collection of water facilities fees. Facilities fees paid at a rate faster than the prescribed minimum guaranty amounts will be credited against the guaranteed amount due in subsequent years. Under the terms of the agreement, Quebec was obligated to pay \$177,750 of these fees for the year ended December 31, 2009, \$592,500 for the year ended December 31, 2010, \$533,250 for the year ended December 31, 2011, \$434,500 for the year ended December 31, 2012, \$434,500 for the year ended December 31, 2013 and \$414,750 for the year ended December 31, 2014. As of the date of the audit report, the fees remain unpaid as follows, \$1,744,509 of interest accrued at 10%, per the agreement, was added to the amounts due for a total of \$4,331,759 at December 31, 2018. An allowance for doubtful accounts has been established in the amount of \$4,331,759. Therefore, the net receivable at December 31, 2018 due from the Developer is \$-0-.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 9 – TOLLING AGREEMENT**

With the consent of the then current Bondholders, Quebec Corp. (“Quebec”), Gateway American Properties, LLC (“Gateway”), and the District executed a Tolling Agreement effective November 26, 2012 (the “Tolling Agreement”), suspending the running of all statute(s) of limitations, principles of laches, or other principles or doctrines, whether statutory or common law in origin or nature, which could have the effect or intention of barring or limiting, in whole or in part, the filing and prosecution of any claim, demand, cause of action, or remedy of any kind by the District due to the passage of a period of time running from the occurrence of the wrong complained of or from the District’s purported discovery of the wrong complained of in relation to failure of Quebec and Gateway to pay the Shortfall Amounts as required by the Water Facilities Fee Agreement. Quebec and Gateway in no way agree or acknowledge that the District has any claim of whatever nature against them, whether sounding in tort, breach of contract, or any other claim or theory, and by entering into the Tolling Agreement, are not admitting to any wrongdoing in connection with the District’s alleged claims in connection with the Water Facilities Agreement. The Tolling Agreement shall remain in effect until the tenth business day after either the District has provided written notice to Quebec of the District’s intent to terminate the Tolling Agreement, or Quebec or Gateway has furnished written notice to the District of Quebec or Gateway’s intent to terminate the Tolling Agreement.

**NOTE 10 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2018. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials’ liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials’ liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 11 - TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provision of TABOR.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 5, 2002, the District's electors authorized the District to increase taxes \$200,000 annually or by a lesser annual amount as may be necessary to pay the District's operations and maintenance and other expenses without limitation of rate. Further the District's electors authorized the District to collect, retain and spend all District revenue, other than ad valorem taxes, without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an Enterprise, will require judicial interpretation.

This information is an integral part of the accompanying financial statements

**SUPPLEMENTAL INFORMATION**

DRAFT 6/20/2019

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
Year Ended December 31, 2018**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 113,456	\$ 112,962	\$ (494)
Specific ownership taxes	5,400	9,569	4,169
Availability of service fees	11,760	10,049	(1,711)
Net investment income	25	665	640
Total revenues	130,641	133,245	2,604
<b>EXPENDITURES</b>			
Audit	4,000	4,000	-
County treasurer's fees	1,702	1,702	-
Paying agent fees	2,000	2,000	-
Bond interest	122,939	119,021	3,918
Total expenditures	130,641	126,723	3,918
<b>NET CHANGE IN FUND BALANCE</b>	-	6,522	6,522
<b>FUND BALANCE - BEGINNING OF YEAR</b>	-	6,397	6,397
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 12,919	\$ 12,919

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUNDS AVAILABLE - BUDGET AND ACTUAL  
ENTERPRISE FUND  
Year Ended December 31, 2018**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Water charges	\$ 65,520	\$ 83,152	\$ 17,632
Water meter fee	16,800	15,605	(1,195)
Landscape design fee	-	510	510
Other	-	193	193
Transfers from other funds	42,300	-	(42,300)
Total revenues	<u>124,620</u>	<u>99,460</u>	<u>(25,160)</u>
<b>EXPENDITURES</b>			
Management	3,840	3,840	-
Accounting	7,000	6,914	86
Billing	3,100	3,509	(409)
Landscape design review	-	680	(680)
Operations	10,000	9,332	668
Insurance	5,500	5,254	246
Generator preventive maintenance	740	1,080	(340)
Repairs and maintenance	3,000	5,765	(2,765)
Storage tank repair	3,000	-	3,000
Meter install and inspect	16,800	2,000	14,800
Testing	2,700	3,987	(1,287)
Chemicals and supplies	5,000	-	5,000
Utilities	19,000	19,995	(995)
Fuel generator	800	-	800
Miscellaneous	700	75	625
Repair and maintenance reserve	43,440	747	42,693
Total expenditures	<u>124,620</u>	<u>63,178</u>	<u>61,442</u>
<b>NET CHANGE IN FUNDS AVAILABLE</b>	-	36,282	36,282
<b>FUNDS AVAILABLE - BEGINNING OF YEAR</b>	(164,213)	12,853	177,066
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u>\$ (164,213)</u>	<u>\$ 49,135</u>	<u>\$ 213,348</u>

Funds available is computed as follows:

Current assets	\$ 53,370
Current liabilities	(4,235)
	<u>\$ 49,135</u>

Reconciliation of Budgetary Basis to the Statement of Revenues,  
Expenses and Changes in Fund Net Position

Net change in funds available - budgetary basis	\$ 36,282
Change in interest on long term obligations	(8,031)
Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	<u>\$ 28,251</u>

**OTHER INFORMATION**

DRAFT 6/20/2019

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
SUMMARY OF ASSESSED VALUATION , MILL LEVY  
AND PROPERTY TAXES COLLECTED  
Year Ended December 31, 2018**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied			Property Taxes		Percentage Collected to Levied
		General	Debt	Total	Levied	Collected	
2008	\$ 1,209,380	10.000	38.000	48.000	\$ 58,050	\$ 58,062	100.0%
2009	\$ 1,423,670	10.000	38.000	48.000	\$ 68,336	\$ 68,087	99.6%
2010	\$ 1,434,740	33.475	40.000	73.475	\$ 105,418	\$ 105,401	100.0%
2011	\$ 1,257,590	33.475	40.000	73.475	\$ 92,401	\$ 92,396	100.0%
2012	\$ 966,410	33.475	40.000	73.475	\$ 71,007	\$ 71,003	100.0%
2013	\$ 945,330	33.475	40.000	73.475	\$ 69,458	\$ 69,465	100.0%
2014	\$ 840,770	42.821	40.000	82.821	\$ 69,633	\$ 64,255	92.3%
2015	\$ 782,800	42.821	40.000	82.821	\$ 64,832	\$ 61,329	94.6%
2016	\$ 960,620	48.419 (a)	40.000	88.419	\$ 84,937	\$ 83,218	98.0%
2017	\$ 969,260	42.821	40.000	82.821	\$ 80,275	\$ 79,649	99.2%
2018	\$ 1,785,520	42.821	63.542	106.363	\$ 189,913	\$ 189,087	99.6%
Estimated for year ending December 31, 2019	\$ 2,073,250	42.821	63.542	106.363	\$ 220,517		

**NOTE:** Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

(a) - includes 5.598 mill levy for refunds and abatements.



**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
December 31, 2018**

**\$3,105,000 General Obligation Bonds, Series 2005  
(Limited Tax Convertible to Unlimited Tax)  
Interest Rate 6.40% (\$970,000 Term Bond Due  
December 1, 2025) and 6.50% (\$2,135,000  
Term Bond Due December 1, 2035)  
Principal Due December 1  
Interest Due June 1 and December 1**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2019 *	\$ 265,000	\$ 769,683	\$ 1,034,683
2020	90,000	181,335	271,335
2021	95,000	175,575	270,575
2022	105,000	169,495	274,495
2023	115,000	162,775	277,775
2024	125,000	155,415	280,415
2025	135,000	147,415	282,415
2026	150,000	138,775	288,775
2027	160,000	129,025	289,025
2028	175,000	118,625	293,625
2029	185,000	107,250	292,250
2030	200,000	95,225	295,225
2031	215,000	82,225	297,225
2032	235,000	68,250	303,250
2033	250,000	52,975	302,975
2034	275,000	36,725	311,725
2035	290,000	18,850	308,850
	<u>\$ 3,065,000</u>	<u>\$ 2,609,618</u>	<u>\$ 5,674,618</u>

\* includes \$185,000 of unpaid principal due on December 1, 2015 , December 1, 2016, December 1, 2017 and December 1, 2018 and \$583,228 of unpaid interest.

## RIVERDALE PEAKS II METROPOLITAN DISTRICT

\_\_\_\_\_, 2019

Schilling & Company, Inc.  
PO Box 631579  
Highlands Ranch, CO 80163

This representation letter is provided in connection with your audit of the financial statements of Riverdale Peaks II Metropolitan District, which comprise the respective financial position of the governmental activities, the business-type activities, and each major fund as of December 31, 2018 and 2017, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of the Independent Auditor's Report the following representations made to you during your audit.

### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 26, 2018 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units, if any, required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- 7) Adjustments or disclosures have been made for all material events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We have reviewed the attached Exhibit I of corrected misstatements and are in agreement with them. We have directed that these correcting entries be posted to the accounting records of the District.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a) Management,
  - b) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

### **Government—specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented, if any.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 31) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 32) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, assigned and unassigned) are properly classified and, if applicable, approved.
- 34) Investments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) The Management's Discussion and Analysis which is required supplementary information (RSI) has been omitted from the financial statements. We are aware that such information is required by accounting principles generally accepted in the United States.
- 44) With respect to the Supplemental Information as listed in the table of contents:
  - a) We acknowledge our responsibility for presenting the Supplemental Information in accordance with accounting principles generally accepted in the United States of America, and we believe the Supplemental Information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Supplemental Information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the Supplemental Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 45) The District understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the District is in compliance.

46) We have directed that all banking and savings and loan institutions be notified of our assigned number which identifies that our deposits are subject to the respective Public Deposit Protection Act.

RIVERDALE PEAKS II METROPOLITAN DISTRICT

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Member of the Board of Directors

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District Manager

Adj. Journal Entries  
 Riverdale Peaks II Metropolitan District  
 December 31, 2018

Done by:	Date:	Index:
Reviewer:	Date:	

AJE No.	Account Description	W/P Ref	Account Number	Debits	Credits
1	Property taxes receivable	B	1-1210	88,446.00	
1	Deferred Property Taxes		1-2600		88,446.00
1	Property taxes receivable		2-1210	131,244.00	
1	Deferred Property Taxes		2-2600		131,244.00

To adjust property taxes receivable/deferred revenue at December 31, 2018.

2	Accounts Receivable	B-1	4-1130	9,311.51	
2	Water Charges		4-6380		9,311.51

To adjust customer receivable to actual plus unbilled revenue at December 31, 2018.

	Totals			229,001.51	229,001.51
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## Temporary Exemption Request

Jason & Myhra Jose  
12595 Valentia St.  
Thornton, CO 80602

Riverdale Peaks 2 Metro District  
Board of Directors  
12410 Verbena Street  
Thornton, CO 80602

c/o Dan Cordova  
Special District Management Services, Inc.  
141 Union Blvd. Suite 150  
Lakewood, CO 80228

Dear Board of Directors,

We would like to request a temporary exemption for water usage during the Summer of 2019. Grade and drainage issues in our current landscape as installed by the original landscaper we hired are creating settlement issues for our retaining wall and concrete patio areas.

We would like the board to consider a temporary exemption for water usage to establish new sod, after we remove the current 2,000sf, regrade and reinstall and establish.

Thank you,

Jason & Myhra Jose



**Neighborhood Lawn Care Inc.**

2466 E 99th Ave  
Thornton, CO 80229

Phone # 303-917-1296      halderete@nlawncare.com

# Estimate

Date	Estimate #
4/4/2019	187

Name / Address
Riverdale Peaks II Metropolitan District Dan Cordova 141 Union Blvd. Suite 150 Lakewood, CO 80228

			Project
Description	Qty/Hr.	Rate	Total
Drain Trench near water tower needs to remove dirt from drain gate LABOR		150.00	150.00
Corner on Verbena & Wabash PL LABOR		912.00	912.00
Adding dirt to fill in		200.00	200.00
Rift Raft Rock add in		200.00	200.00
Erosion control cloth		150.00	150.00
Over Seeding		100.00	100.00
Neighborhood Lawn Care will like to thank you for your business.		<b>Total</b>	\$1,712.00













**Ramey Environmental Compliance, Inc.**  
Management and Operation Solutions for  
Water and Wastewater Treatment  
**303-833-5505**

PO Box 99, Firestone, Colorado 80520  
email: [contact.us@RECinc.net](mailto:contact.us@RECinc.net)  
[www.RECinc.net](http://www.RECinc.net)

## **Riverdale Peaks II Monthly Activities Report: November 2018**

### **Beginning of the month readings (11/01/18)**

Distribution Totalizer:	21,926,000 gal
Irrigation Totalizer:	17,106,472.36 gal

### **End of the month readings (11/31/18)**

Distribution Totalizer:	22,301,100 gal
Irrigation Totalizer:	17,106,472.36 gal

**11/07/2018:** Weekly process checks completed. Collected a Bacti from 12531 Uinta St. Cl2 residual was 0.99ppm, entry point Cl2 was 1.20ppm grab, instrument showing 0.57ppm. Adjusted instrument to read 0.80ppm. Solution tank at 36 gallons.

**11/14/2018:** Weekly process checks completed. Entry point Cl2 instrument was 0.57ppm, grab sample was 0.40ppm. Cl2 solution was at 34 gallons. Lubricated 1-5 distribution pumps. Tried to repair North access latch, no luck, it may need to be replaced. The water leaks through and is rusting the metal floor below.

**11/21/2018:** Weekly process checks completed. Entry point Cl2 was 0.53ppm grab, instrument was reading 0.57ppm. A lot of water leaked inside from the last snow storm.

**11/28/2018:** Weekly process checks completed. Entry point Cl2 was 0.57ppm on instrument and 0.53ppm grab. Solution tank at 20 gallons, West tank at 55 gallons.



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## **Riverdale Peaks II Monthly Activities Report: December 2018**

### **Beginning of the month readings (12/01/18)**

Distribution Totalizer:	22,465,800 gal
Irrigation Totalizer:	17,106,480.60 gal

### **End of the month readings (12/31/18)**

Distribution Totalizer:	22,873,700 gal
Irrigation Totalizer:	17,106,480.79 gal

**12/05/2018:** Weekly process checks completed. Entry Point Cl2 was 0.10ppm, due to a pinhole leak at injection. Residual in the system was 0.10ppm. Repaired pinhole leak.

**12/12/2018:** Weekly process checks completed. Entry point Cl2 was 0.13, instrument reading was 0.53ppm. Transferred 14 gallons to feed tank. Adjusted the instrument to read 0.20ppm. Unable to sample Bacti again due to low residual. Completed inspection at 8245 W. 124<sup>th</sup> Pl.; inspection passed.

**12/18/2018:** Weekly process checks completed. Solution now at 49 gallons. Filled the main solution tank from the West tank. Entry Point Cl2 reading on instrument was 0.50ppm, the grab sample was 2.18ppm. Collected a Bacti sample from 12411 Verbena St. Residual was 2.4+, pulled the plug on the pump again and the digital readout appeared. Calibrated the instrument to read 0.90ppm and the pump showed 0.0. The pump and instrument should be replaced.

**12/26/2018:** Weekly process checks completed. Entry point Cl2 was 0.05ppm. Replaced the membrane cap and new gel. The residual is showing 0.30ppm and the pump is not coming on. The Cl2 tank is at 49 gallons. Took a picture of the pump information. Pump #5 is not recording on the meter.

**12/27/18:** Checked the Cl2 residual, the grab sample was 0.20ppm and the instrument was 0.39ppm. The pump speed was 95.





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## **Riverdale Peaks II Monthly Activities Report: January 2019**

### **Beginning of the month readings (1/2/19)**

Distribution Totalizer:	23,014,400 gal
Irrigation Totalizer:	17,106,480.79 gal

### **End of the month readings (1/31/19)**

Distribution Totalizer:	23601000 gal
Irrigation Totalizer:	17,106,480.79 gal

**1/2/19:** Weekly process checks completed. Entry Point Cl2 was 0.70ppm. Instrument showing 0.59ppm. Solution tank at 68 gallons, west tank at 50 gallons. Cl2 pump was at 0.0. The power outlet seems to be shorting at times. Needs to be checked.

**1/9/19:** Weekly process checks completed. Entry point Cl2 was 0.78ppm, instrument reading was 0.59ppm. Solution tank at 62 gallons. Pump #5 is not reading a change on the totalizer gallons. Collected a Bacti sample from 12725 Uinta St, the residual was 0.67ppm.

**1/17/19:** Weekly process checks completed. Collected annual nitrate sample.

**1/24/19:** Weekly process checks completed. ESD onsite troubleshooting Pump #5 totalizer. Advised by a resident that one of the doors to the generator housing had been open. Found several doors were not fully latched and have confirmed that they are now closed completely. Collected annual VOC samples. Equipment access hatch is leaking into vault and rusting the floor.

**1/31/19:** Weekly process checks completed. Attempted to clean chlorine quill but the isolation valve broke with trying to close down to prevent draining the pipes. Completed quarterly tank inspections. Next visit will attempt to repair hatch handle.



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## **Riverdale Peaks II Monthly Activities Report: February 2019**

### **Beginning of the month readings (2/7/19)**

Distribution Totalizer:	23,737,100 gal
Irrigation Totalizer:	17,106,480.79 gal

### **End of the month readings (2/28/19)**

Distribution Totalizer:	24,162,800 gal
Irrigation Totalizer:	17,106,480.79 gal

**2/7/19:** Weekly process checks completed. Calibrated chlorinator from 0.59 to 0.69. Attempted to diagnose the leaking hatch handle to the pump room, but don't have the needed tools. Work order for ESD has been submitted on 3/11/19 for the hatch handle to be repaired. Scheduled annual generator inspection for 2/13/19. Couldn't take photos for inspection because tank was snowy.

**2/14/19:** Weekly process checks completed. Calibrated chlorinator from 0.59 to 0.49. Annual generator service completed today. Collected total coliform sample from 12745 Uinta St.

**2/21/19:** Weekly process checks completed. Calibrated chlorinator from 0.59 to 0.68.

**2/28/19:** Weekly process checks completed. Calibrated chlorinator from 0.58 to 0.28. Submitted work order to replace isolation valve on hypochlorite injector. Completed tank inspection.



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## **Riverdale Peaks II Monthly Activities Report: March 2019**

### **Beginning of the month readings (3/7/19)**

Distribution Totalizer:	24,305,900 gal
Irrigation Totalizer:	17,106,480.79 gal

### **End of the month readings (3/28/19)**

Distribution Totalizer:	24,735,300 gal
Irrigation Totalizer:	17,106,480.79 gal

**3/7/19:** Replaced chlorine analyzer membrane cap and electrolyte gel due to two weeks of drastic corrections. Transferred 15 gallons of hypochlorite. Will bring electric pump next week to transfer the rest.

**3/14/19:** Some snow blew into the generator cabinet yesterday. Cleaned it off sensitive components like batteries. Came out on Tuesday with Scott Eilert, of REC, Inc., to replace the screen and repair the gasket on the vent on top of the water tank to ensure protections against contamination.

**3/21/19:** Delivered replacement electrolyte gel and membrane caps for chlorine analyzer. The analyzer has still been reading substantially different from what the handheld meter is reading after replacing the electrolyte gel and membrane cap. More subtle today with the calibration correction to see if we can slowly bring it down to where it needs to be.

**3/28/19:** Found chlorine residual low on analyzer and in grab sample. Cleaned the pump roller assembly and replaced the pump tube with a new #1 Stenner pump tube. Afterward, the pump appeared to be pumping well. Returned the morning of 3/29/19 to verify adequate chlorination and found the residual to be as desired.



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## Riverdale Peaks II Monthly Activities Report: March 2019

### Beginning of the month readings (04/04/19)

Distribution Totalizer:	24,878,200 gal
Irrigation Totalizer:	17,106,480.79 gal

### End of the month readings (04/25/19)

Distribution Totalizer:	25,333,600 gal
Irrigation Totalizer:	17,174,668.5 gal

**04/04/19:** Adjusted chlorine analyzer from 0.72 to 0.59 mg/L. Collected monthly total coliform samples.

**04/11/19:** Routine generator, chlorine residual, and pH checks. Sodium hypochlorite was delivered on April 10, 2019.

**04/18/19:** Routine generator, chlorine residual, and pH checks.

**04/25/19:** Routine generator, chlorine residual, and pH checks.



## Riverdale Peaks II Monthly Activities Report: May 2019

### Beginning of the month readings (05/02/19)

Distribution Totalizer:	25,491,200 gal
Irrigation Totalizer:	17,231,147.34 gal

### End of the month readings (05/30/19)

Distribution Totalizer:	26,151,200 gal
Irrigation Totalizer:	17,835,481.23 gal

**05/10/19:** Responded to a couple issues: First, a set of OmniSite alarms for the generator and pumps 1, 2, and 5. Upon arrival onsite, found the generator still in a state of alarm. The alarm was "Generator Power Hi." Upon acknowledgement of the alarm, the generator controls returned to normal. Pumps 1 and 2, which are on VFDs, returned to normal condition shortly after alarming but pump 5 was still not functional. Reset the overload and the pump kicked back on. Checked the function of the sodium hypochlorite pump before leaving. A power surge on the main power line may have cause these issues. Second issue was responding to a taste, odor, and color complaint at 12610 Uinta St. Collected a sample from the tap and smelled and tasted it. Couldn't smell anything off but the residents said that they could. The taste of the water wasn't very pleasant though. Tasted the water at the entry point to the distribution system after visiting the house and found it had the same taste, suggesting the taste is coming from the raw water chemistry. Collected samples from their tap and am consulting with the office about what exactly to test for to try to identify the source of the taste. Since the existing treatment infrastructure is limited to chlorine disinfection, there is likely little that we will be able to do to improve the taste without capital investment.

**5/13/19:** Increased chlorine residual setpoint to 0.80 mg/L in attempt to oxidize taste and odor compounds.

**5/14/19:** Returned to check chlorine residual and increase chlorine residual setpoint to 0.90 mg/L.

**5/16/19:** Routine site visit. Sodium hypochlorite pump was not able to keep up with the setpoint again. Replaced influent and effluent feed tubes as well as pump tubes, roller assembly and fittings. Used a #2 Stenner pump tube instead of a #1. Left the setpoint at 0.90 mg/L.

**5/20/19:** Routine site visit. Effluent pump is keeping up and well calibrated. Turned the setpoint back down to 0.60, per Karl's direction. Rainwater was leaking into the pumphouse via the Quest conduit. Will submit the documentation and see if we can work on a solution.

**5/30/19:** Routine site visit. Calibrated chlorine analyzer from 0.59 to 0.53. Primed air out of hypochlorite tubes. Squeegeed water to sump.



Ramey Environmental Compliance, Inc.  
 PO Box 99, Firestone, CO 80520  
 Office: 303-833-5505  
 Fax: 303-833-5535

**Estimate: ESD-4809**

**DATE: 2/4/2019**

**\*\*ESTIMATE IS VALID FOR 30 DAYS\*\***

<b>NAME / ADDRESS</b>
Riverdale Peaks II Metro Dist. Attn: Dist. Manager 141 Union Blvd. Suite150 Lakewood, CO 80228

**Estimated Delivery Time: TBD**

*(Subject to prior sales per manufacturer) Estimated delivery times may vary. There is no way to guarantee actual delivery dates.*

<b>Customer PO No.:</b>	PENDING
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**\*Note: All applicable Freight Charges, Taxes and Permit Fees will be added.**

*EQUIPMENT SERVICES DIVISION (ESD) PROJECT*

DESCRIPTION	QTY	COST	TOTAL
Riverdale WTP Pump #5 Hour Meter  (The hour meter for Pump #5 has stopped advancing)			
Field Labor to inspect the hour meter. Checked for voltage to the unit and it showed 120vac. Ohmed neutral to ground and was fine. Tapped on the unit and it started to work. It is working intermittently. Recommend replacing the hour meter.	1.25	100.00	125.00
Fourth Dimension Hour Meter, 120V	1	43.35	43.35
Freight/Shipping is to be prepaid and added to invoice.	1	TBD	TBD
Field Labor to replace hour meter	2	100.00	200.00
Mileage (Two round trips)	64	0.58	37.12

PLEASE LET ME KNOW IF YOU HAVE ANY QUESTIONS. THANK YOU! DAVID KASPER	<b>TOTAL: \$405.47</b>
--	------------------------

**If this estimate is acceptable, please sign and return by fax to (303)833-5535.**

_____	_____
Authorized Signature	Date

**SERVICE AGREEMENT FOR  
TANK CLEANING SERVICES**

THIS SERVICE AGREEMENT FOR TANK CLEANING SERVICES ("Agreement") is entered into and effective as of the 30<sup>th</sup> day of MAY, 2019, by and between RIVERDALE PEAKS II METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and INLAND POTABLE SERVICES, INC., a Colorado corporation (the "Consultant") (each a "Party" and, collectively, the "Parties").

**RECITALS**

A. 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 service plan; and

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District; and

C. The Consultant has experience in providing the services, as set forth in Exhibit A hereto, attached and incorporated herein (the "Services"), and is willing to provide such Services to the District for reasonable consideration; and

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District;

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**I. CONSULTANT DUTIES AND AUTHORITY**

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Consultant confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit B** attached hereto and made a part hereof by this reference.

1.6 Work Product. "Work Product" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain



reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.6, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.6. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

## II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in Exhibit A attached hereto, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as Exhibit C ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in Exhibit A, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation: District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

## III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire on satisfactory completion of the Services. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination. The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

#### IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the "Indemnitees"), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys' fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least "A:XIII" by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant's cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers' Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers' Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the

insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(v) Professional Liability Insurance Coverage. The Consultant shall obtain and, continuously thereafter for eight (8) years from the date of substantial completion of the design, maintain in full force and effect a claims made policy covering errors, omissions and negligent acts in the performance of its Services hereunder, in an amount of \$1,000,000 per claim and annual aggregate. The Consultant shall be solely responsible for the payment of all deductibles. Consultant's deductibles or Consultant's self-insured retentions shall be approved by the District.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no

way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

## V. MISCELLANEOUS

5.1 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

5.4 Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Adams, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Consultant any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Consultant shall be for the sole and exclusive benefit of the District and the Consultant.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via Federal Express or other nationally recognized overnight air courier service, by

electronically-confirmed facsimile transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: Riverdale Peaks Metropolitan District No. 2  
141 Union Blvd., Suite 150  
Lakewood, CO 80228  
Phone: 303-987-0835  
Fax: 303-987-2032  
Email: dsolin@sdmsi.com  
Attn: David Solin

With a Copy To: McGeady Becher P.C.  
450 E. 17<sup>th</sup> Avenue, Suite 400  
Denver, Colorado 80203  
Phone: 303-592-4380  
Fax: 303-592-4385  
Email: mmcgeady@specialdistrictlaw.com  
Attn: MaryAnn McGeady, Esq.

To Consultant: Inland Potable Services, Inc.  
16297 E. Crestline Lane  
Centennial, CO 80015  
Phone: 303.400.4220  
Email:larry@inlandpotableservices.com  
Attn: Larry Lister

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service, upon electronic confirmation of facsimile transmission, or three (3) business days after deposit in the United States mail. By giving the other Party hereto at least ten (10) days' written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

5.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

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

Consultant:  
INLAND POTABLE SERVICES, INC.  
By: Janet Hughes  
Its: PRESIDENT

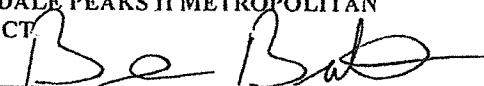
[SIGNATURE PAGE TO SERVICE AGREEMENT]

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

Consultant:  
INLAND POTABLE SERVICES, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

District:  
RIVERDALE PEAKS II METROPOLITAN  
DISTRICT

By:   
President



**EXHIBIT A**  
**SCOPE OF SERVICES AND COMPENSATION**

(See Attached)

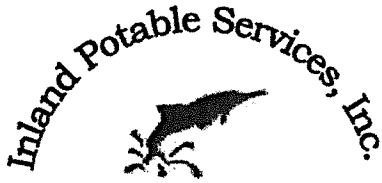


EXHIBIT A

**Business Address:**  
 16297 E. Crestline Lane  
 Centennial, Colorado 80015  
 Phone: 303-400-4220  
 Toll Free: 1-844-372-2956  
 Fax: 303-400-4215  
 Email: larry@inlandpotableservices.com

Lisa Johnson  
 Riverdale Peaks II Metropolitan  
 District  
 141 Union Blvd.  
 Lakewood, CO 80228

Phone: 303-987-0835  
 Fax:

Date: 11/7/2018

**Diving Services for Potable Water Tanks/Reservoirs**

Tanks	Tank Description	Additional Information	Scope of Work To Include
1	393KG, on-grade, steel bolted, 45ft diameter, 33ft high	Discharge water will be de-chlorinated upon request. Discharge water and sediment will be released onto the ground.	1. Removal of up to three (3) inches of sediment of a normal consistency from the tank floor. 2. Visual inspection of the interior and exterior of the tank. 3. Written report with photos. 4. A video recording of the dive. 5. Completion of the Colorado tank inspection form.
<b>Proposal Total \$2,250.00 **</b> <b>** <u>This special price of \$2,250.00 is valid upon the acceptance of Riverdale Peaks II Metropolitan District to have their water tank serviced the morning after or the afternoon before Inland Potable Services cleans and inspects the Spring Valley Metropolitan District's tank.</u></b> <b>No Exceptions Allowed</b>			
The bid price listed above is valid for 90 days from date shown. Proposals signed and returned to Inland Potable Services are valid for one year from date of acceptance.			

**Payment terms:** 1% Ten Days, Net 30 Days. 1.5% interest per month will be charged on all accounts past 30 days.

This contract is based on a total price which includes time and mobilization to and from the project site, set-up and breakdown of equipment, preparation for dive and diving services. Diving services will include sediment removal up to 3 inches from the floor, a video inspection and written report for your records (still photos included). During the initial dive sediment depths will be measured by the diver and documented on video.

If removal of sediment of an abnormal consistency (clay, calcium, rocks, pebbles, mud, etc.), additional sediment removal (over 3 inches from the floor), wall cleaning or epoxy repairs is requested and approved by designated on-site representative, these services will be performed at a rate of \$369.00 per hour.

Inland Potable Services, Inc. will provide all personnel and equipment necessary to provide diving services in the above referenced tank. We will provide your utility with a written report as well as a narrated color video for the services performed. The tank will be inspected according to American Water Works Association (AWWA), NACE, SSPC, ASNT, ACI and AWS standards.

- All divers employed by Inland Potable Services are certified Commercial Divers.
- Inland Potable Services is fully bondable and insured.
- All equipment entering the tanks will be disinfected with a minimum of 200ppm Chlorine.
- Schedule dates are tentative and are subject to change.
- If Inland Potable Services dive team is required to stop working or is delayed working due to unforeseen circumstances or any reasons beyond our control (i.e. no utility personnel onsite, inability to access designated work site, low water level, etc.) a down-time charge of \$360.00 per hour will be charged.
- Inland Potable Services makes every attempt to obtain complete information from customers prior to the presentation of bids concerning fees required for municipal licenses, registration fees, Sales Tax or Use Taxes in your area. These items are identified on your contract. In the event that additional fees are discovered or charged, after the bid has been submitted, these charges will be added to the stated contract amount when billed.

Larry Lester, Regional Account Manager

Date: May 13, 2019

#### Important Information

**Water Level** - Please be advised, and understand, the water level within the tank(s) must be within ten (10) feet or less of the hatch opening prior to the dive team's arrival. If the air gap is more than ten feet a fee of \$360.00 per hour will be charged until the water reaches the appropriate level.

**Fuel Surcharge** - Effective January 1, 2018 a fuel surcharge of \$25.00 per day will be added to this contract, if the price of diesel fuel exceeds \$4.00 per gallon on the date of the contract completion.

To accept, please sign and date proposal. Please fax both pages to 303-400-4215 or scan and send to [larry@inlandpotableservices.com](mailto:larry@inlandpotableservices.com)

David Solin, District Manager

Printed Name and Title

Date

5/30/19

Signature

**EXHIBIT B**  
**CERTIFICATION OF CONSULTANT**

1. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Consultant hereby certifies to the District that the Consultant does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Consultant who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Consultant shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or

(b) Enter into a contract with a subcontractor that fails to certify to the Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Consultant represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

4. The Consultant is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

5. If the Consultant obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Consultant shall:

(a) Notify the subcontractor and the District within three (3) days that the Consultant has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Consultant shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Consultant shall comply with any reasonable request by the Colorado Department of Labor and Employment ("Department") made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Consultant violates any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and the Consultant shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Consultant to the Colorado Secretary of State, as required by law.

**EXHIBIT C**  
**FORM OF CHANGE ORDER**

<b>Change Order No:</b>	<b>Date Issued:</b>
<b>Name of Agreement:</b>	
<b>Date of Agreement:</b>	<b>District(s):</b>
<b>Other Party/Parties:</b>	

**CHANGE IN SCOPE OF SERVICES (describe):**

<b>CHANGE IN AGREEMENT PRICE:</b>	<b>CHANGE IN TERM OF AGREEMENT:</b>
Original Price: \$	Original Term: Expires , 20
Increase of this Change Order: \$	New Term: Expires , 20
Price with all Approved Change Orders: \$	Agreement Time with all Approved Change Orders:

<b>APPROVED:</b>	<b>APPROVED:</b>
By:	By:
District	Consultant



**COLORADO**  
 Department of Public Health & Environment

**Section 11.28 Storage Tank Rule,  
 Regulation 11 (5 CCR 1002-11)  
 Periodic Inspection Checklist**

System Name & PWSID:	Riverdale Peaks II CO0101675
Inspection Date:	2/28/2019
Inspector's Name:	Ryan Wienpahl
Inspector's Phone:	(970) 946-1085
Inspector's Email:	<a href="mailto:Ryan.w@recinc.net">Ryan.w@recinc.net</a>
SDWIS Tank Name:	
SDWIS Facility State ID:	
Inspection Start & Finish Time*:	15:00 – 15:45
Tank Level*:	
Weather Conditions*:	Mostly Sunny
List Sanitary Defects by Bolded Inspection Item # (see * footnote below):	16, 21

\* These items are not required but are included for the sole benefit of the supplier of water.

\***Bolded inspection items that are sanitary defects if answered 'No': 16, 19, 20 & 27.**  
**Bolded inspection items that are sanitary defects if answered 'Yes': 21, 28, 29 & 30.**

Inspection Item:	Yes/No	N/A	Comments/Corrective Action Schedule/Action Taken/Corrective Action Completion Date:
1. Photographs taken during the inspection?	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N		If no, why not?
<b>SECURITY</b>			
2. Outside tanks without a fence, is a security fence needed?	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/>	Why or why not? There have been several instances of graffiti
3. Fenced tanks: Locked or damage-free?	<input type="checkbox"/> Y <input type="checkbox"/> N	<input checked="" type="checkbox"/>	The gate needs to be repaired in order to close.
4. Fenced tanks: Openings or forced entry?	<input type="checkbox"/> Y <input type="checkbox"/> N	<input checked="" type="checkbox"/>	
5. Vandalism, litter or graffiti?	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N		

6. Tanks with exterior ladder: ladder locked and secured?	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/>	
7. Tanks equipped with intrusion alarm: alarm operational?	<input type="checkbox"/> Y <input type="checkbox"/> N	<input checked="" type="checkbox"/>	
8. Tanks equipped with a warning light: light operational?	<input type="checkbox"/> Y <input type="checkbox"/> N	<input checked="" type="checkbox"/>	
<b>TANK EXTERIOR</b>			
9. Visible leakage, standing water that is caused by the tank and not rain/snow?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
10. Drainage issues or embankment erosion?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
11. Encroachment of vegetation at the tank including inside exterior ladder and/or cage?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
12. Animal intrusion or animal-related contamination at the tank?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
13. Visible foundation problems: Settlement, cracking, rusting of anchor bolts?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
14. Can the exterior coating be inspected?	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N		If no, why not?
15. If #14 yes: Coating blistering, peeling, scaling, rusting or other failure?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/>	
<b>16. Tank penetrations properly sealed or protected with proper screening or valves?</b>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> <b>N</b>		Top overflow/vent screen has deteriorated
17. Damage or corrosion to the exterior ladder and/or cage?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/>	
18. Roof access openings closed and locked?	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/>	
<b>19. Access opening sanitary seal/gasket: In place? Damage-free? Provides a water/insect tight seal? Provides a barrier from contaminants?</b>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> <b>N</b>	<input type="checkbox"/>	
<b>20. Vent(s) screened (24' mesh or a department approved alternative size)?</b>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> <b>N</b>	<input type="checkbox"/>	

21. Vent screens: Damaged? Foreign debris?	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/>	Top overflow/vent screen had deteriorated
22. Tanks with valve pit: Accessible, lockable or free of standing water?	<input type="checkbox"/> Y <input type="checkbox"/> N	<input checked="" type="checkbox"/>	
23. Tanks with sampling station: In good repair or working condition?	<input type="checkbox"/> Y <input type="checkbox"/> N	<input checked="" type="checkbox"/>	
24. Exterior roof damage: Wind or excessive snow accumulation?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/>	
<b>TANK OVERFLOW</b>			
25. Tank overflowed, ponding or pooling?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
26. Overflow pipe blocked so flow is disrupted? Drainage ways or gutters blocked?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/>	
27. Ground level overflow screen/ flapper: In place? Intact?	<input type="checkbox"/> Y <input type="checkbox"/> N	<input checked="" type="checkbox"/>	
28. Ground level overflow screen/ flapper: Damaged? Buried? Foreign debris?	<input type="checkbox"/> Y <input type="checkbox"/> N	<input checked="" type="checkbox"/>	
<b>TANK INTERIOR</b>			
29. Opened access hatch to check sanitary seal: Contamination inside?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/>	
30. Opened access hatch to check sanitary seal: Vegetation growth inside?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/>	
31. Level indicator functioning appropriately?	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/>	
32. Access road needs repair?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/>	
<b>OTHER</b>			
33. Other concerns?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/>	
34. Recommendations	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N		Screen on top overflow/vent needs to be replaced.

<b>Inspector Signature:</b>	
<b>Date</b>	<b>Signature</b>
3/1/2019	Ryan Wienpahl



## HISTORY OF RIVERDALE PEAKS II METROPOLITAN DISTRICT

The Riverdale Peaks II Metropolitan District was organized in November of 2002 and was approximately 98 acres in area. After two inclusions of property the property within the District's boundaries expanded to approximately 392 acres by 2005. The District is generally located just west of the Riverdale Golf Course and the Adams County Regional Park and Fairgrounds and is adjacent to and north of the E-470 Tollway.

The District planned for and intended to serve a total of 184 homes to be built, 53 of those homes on lots in the Riverdale Peaks II Subdivision and the remaining 131 homes to be built in the proposed Riverdale Peaks III Subdivision. The District has a potable and non-potable water system and provides water service to the completed homes in the Riverdale Peaks II Subdivision. The District also paid for the installation of certain streets that were dedicated to the County for operations and maintenance.

In 2005 the District issued \$3,105,000 in General Obligation Bonds to pay for its water system and streets. The District pledged to impose 50 mills for payment of the Bonds together with the Water Tap Fees to be collected from the builders of the 184 homes. The Homebuilder at the time of the Bond issuance pre-paid Water Tap Fees for the 53 platted lots it purchased, and the District deposited these Water Tap Fees with the Bond Trustee to be used for payment on the Bonds.

In 2010 during the Great Recession, the Deed of Trust holders on the property proposed to be platted for the remaining 131 lots took ownership of the property and sold the property to an intermediary buyer who then transferred the property to Adams County Open Space and the School District. As these entities are governments, the property is now tax-exempt. When contacted representatives of both Adams County Open Space and the School District have advised they have no plans to sell the property for development and have no intent in purchasing any water taps from the District.

The District currently collects property taxes from the imposition of the maximum mill levy it pledged for payment on its Bonds and is managing the operations and maintenance of its water system from monthly service charges and property taxes received from an operations mill levy.

The District has a five-member Board. The volunteers who serve on the Board are residents in the community who have either been elected or appointed to fill vacancies between elections. Note special district director elections are cancelled if there are no more candidates then positions to be filled. As the District has never had more candidates then positions to be filled, the District has cancelled every Director election.

The District has retained a Management Company, Special District Management Services. You can reach David Solin, the District Manager at 303 987 0835.

This History was approved for distribution on December 5, 2018 by the Riverdale Peaks II Metropolitan District

1001 17<sup>th</sup> Street  
Suite 2000  
Denver, Colorado 80202



Matt Acree  
Sr. Landman  
Tel: (720) 595-2183  
E-mail:  
macree@gwogco.com

April 29, 2019

Riverdale Peaks II Metropolitan District  
c/o SDMS, Inc.,  
141 Union Boulevard, Ste. 150  
Lakewood, CO 80228

**RE:** All of Sections 21, 28, & the North Half of Section 33 in Township 1 South, Range 67 West, 6<sup>th</sup> P.M  
Adams County, Colorado

Kortum LD 33-162HC	Kortum LD 33-166HN	Kortum LD 33-169HNX	Kortum LD 33-173HC	Kortum LD 33-176HN
Kortum LD 33-163HN	Kortum LD 33-166HNX	Kortum LD 33-170HC	Kortum LD 33-173HN	Kortum LD 33-178HN
Kortum LD 33-163HNX	Kortum LD 33-168HC	Kortum LD 33-171HN	Kortum LD 33-175HN	Kortum LD 33-178HNX
Kortum LD 33-165HC	Kortum LD 33-168HN	Kortum LD 33-172HN	Kortum LD 33-175HNX	Kortum LD 33-179HC
Kortum LD 33-165HN	Kortum LD 33-169HN	Kortum LD 33-172HNX	Kortum LD 33-176HC	Kortum LD 33-179HN

Dear Sir/Madam:

Great Western Operating Company, LLC ("Great Western") is in the process of obtaining permits for the above-listed oil and gas wells. You are receiving this letter because you are an unleased mineral owner. This letter is intended to help explain our project, identify our oil and gas wellsite location and describe the documents you will be receiving.

Additionally, Great Western would like to give you, as an unleased mineral owner, the opportunity to lease your minerals. As an alternative to leasing your minerals, Great Western will offer you the option to participate in the above-listed oil and gas wells as a working interest owner.

Great Western's proposed project consists of constructing one (1) well pad located within the NE<sup>1</sup>/<sub>4</sub> of Section 21, Township 1 South, Range 67 West, Adams County, Colorado, to drill, complete and operate the above-listed oil and gas wells; the parcel of land is located Southeast of the Quebec St. and E-470 Intersection. Construction is estimated to commence mid-year 2019. The subject parcel is dry range land. To help you easily identify the subject parcel, we have attached a street plat (Surface Location). This plat shows the location of the proposed oil and gas wells.

As a mineral owner, you will receive additional correspondence in the mail regarding the subject operations in the following weeks and months. This information will come in the following order:

**1. Offer to Lease (Enclosed)**

Great Western respectfully offers to lease your mineral interest for \$4,500.00 per acre, (18.75%) royalty for a primary term of 5 years.

**2. Offer to Participate (Future Mailing)**

In the event you choose not to lease your minerals, Great Western will then offer you, as an unleased mineral owner, the opportunity to participate in the above-listed wells as a working interest owner.

**3. Pooling Application (Future Mailing)**

Subsequently, you will receive a copy of Great Western's Application to the Colorado Oil and Gas Conservation Commission to pool all interests within the 1600-acre drilling and spacing unit comprised of All of Sections 21, 28 & the North Half of Section 33 in Township 1 South, Range 67 West, 6th P.M. Adams County, Colorado. Information prepared by the Colorado Oil and Gas Commission titled "Statutory Pooling in Colorado" will be included with the well proposal and can also be found at the following link :

<http://coGCC.state.co.us/documents/about/Help/Pooling%20Application.pdf>

Should you have any questions or comments regarding the enclosed Offer to Lease, please contact Chris Tucker with Baseline Minerals Inc. at 720-297-5151. Should you have any other questions, please contact the undersigned at (720) 595-2183 or [macree@gwogco.com](mailto:macree@gwogco.com) Thank you for your consideration of this proposal.

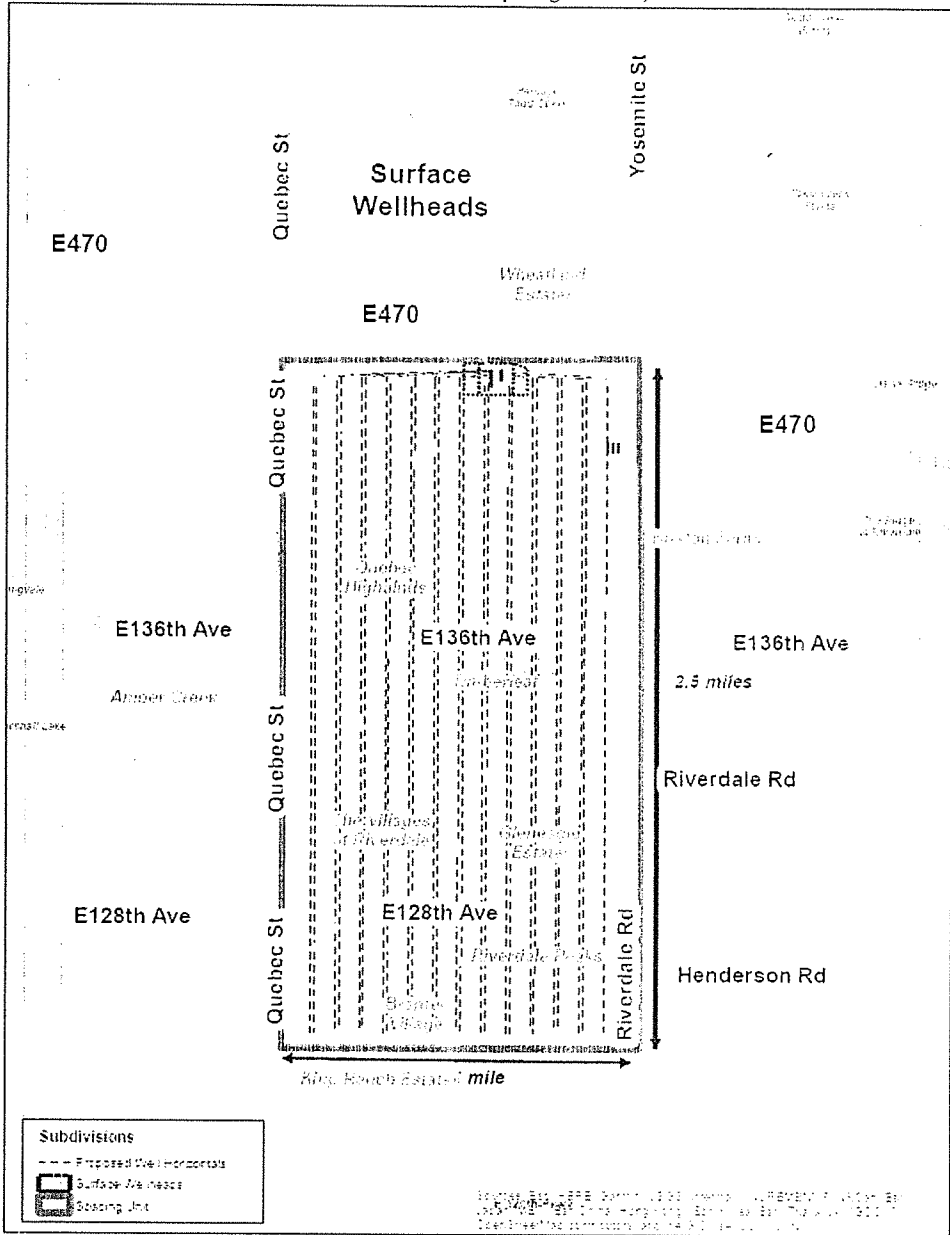
Yours truly,

**GREAT WESTERN OPERATING COMPANY, LLC**

**Matt Acree  
Sr. Landman**

**Enclosures:** Well Location and Plat Map  
Offer to Lease  
Oil & Gas Lease  
Order for Payment  
W-9

(Well Location and Spacing Unit Plat)



445 Union Blvd.  
Suite 307  
Lakewood, CO 80228

Chris Tucker  
Contract Landman  
Tel: 720-297-5151  
E-mail:  
btcoilandgas@gmail.com

April 29, 2019

Riverdale Peaks II Metropolitan District  
c/o SDMS, Inc.,  
141 Union Boulevard, Ste. 150  
Lakewood, CO 80228

Township 1 South, Range 67 West, 6th P.M.

Section 28: That portion of Section 28 described in that particular Special Warranty Deed recorded June 26, 2006, at Reception No. 2006000645590, Adams County, Colorado.

0.1500 acres, more or less("Unleased Mineral Interest")

On behalf of Grizzly Petroleum Company, LLC (an affiliate of Great Western Operating Company, LLC), Baseline Mineral, Inc, respectfully offers you the opportunity to enter in to a Non-Surface Occupancy Oil and Gas Lease under the following terms:

- \$4,500 per acre;
- 18.75 % royalty interest;
- Five (5) year term.

If the terms, as set forth above, and the enclosed form of Oil and Gas Lease are acceptable, then please (1) execute the form of Oil and Gas Lease and have your signature properly acknowledged by a Notary Public (most banks will provide a Notary Public), (2) sign the enclosed Order for Payment, (3) complete and sign the enclosed W-9 form, and (4) return the form of Oil and Gas Lease, Order for Payment and W-9 in the self-addressed stamped enclosed envelope.

Should you have any questions, please contact the undersigned at 720-297-5151 or [btcoilandgas@gmail.com](mailto:btcoilandgas@gmail.com). Please be aware that all information contained in this offer packet is taken from the County Assessor, which may contain errors. Please let us know if any information needs to be corrected prior to signing. Thank you for your consideration of this proposal.

Yours truly,

**BASELINE MINERALS, INC.**

Chris Tucker

**Enclosures:** Form of Oil and Gas Lease  
Order of Payment  
W-9 Form  
Self-addressed stamped return envelope

## OIL AND GAS LEASE

THIS AGREEMENT, dated the 29<sup>th</sup> day of April, 2019, is made and entered into by and between Riverdale Peaks II Metropolitan District whose address is c/o SDMS, Inc., 141 Union Boulevard, Ste. 150, Lakewood, CO 80228, hereinafter called Lessor (whether one or more) and GRIZZLY PETROLEUM COMPANY, LLC, whose address is 1001 17<sup>th</sup> St. Suite 2000, Denver, CO 80202, hereinafter called Lessee.

WITNESSETH, That the Lessor, for and in consideration of TEN AND MORE (\$10.00+) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of drilling, mining, exploring by geophysical and other methods, and developing, operating, and producing therefrom oil and all gas of whatsoever nature or kind including all hydrocarbon and non-hydrocarbon substances produced therewith (hereinafter "Leased Substances"), and to produce, save, market and take care of said products, being all the certain tract(s) of land situated in the County of Adams, State of Colorado, described as follows, to-wit:

Township 1 South, Range 67 West, 6th P.M.

Section 28: That portion of Section 28 described in that particular Special Warranty Deed recorded June 26, 2006, at Reception No. 2006000645590, Adams County, Colorado.

Containing 0.1500 acres, more or less

Notwithstanding anything contained herein to the contrary, this Lease is a "**NO SURFACE OCCUPANCY**" Oil and Gas Lease. It is agreed and understood that Lessee, its successors and assigns shall not conduct any operations or locate any facilities on the surface of the leased lands, excepting geophysical operations contained in article number six, herein. It is further agreed that Lessee shall have the right to drill and operate directional/horizontal wells through and under said lands, irrespective of the bottom hole locations of said wells. To this end, Lessor hereby grants to Lessee a subsurface easement for all purposes associated with such directional/horizontal wells.

Notwithstanding any particular description, it is nevertheless the intention of Lessor to include within this lease and Lessor does hereby lease, not only the land so described but also any and all other land owned or claimed by Lessor in the herein named survey or surveys, or in adjoining surveys, and adjoining the herein described land up to the boundaries of the abutting landowners, including all lands and rights acquired or retained by Lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above, as well as all riparian lands and rights which may be incident, appurtenant, related or attributed to Lessor in any lake, reservoir, stream or river traversing or adjoining the lands described above, and further, all lands included in any road, easement or right-of-way traversing or adjoining the lands described above, which are or may be incident, appurtenant, related or attributed to Lessor by virtue of Lessor's ownership of the lands described above.

1. TERM. This lease shall remain in force for a primary term of Five (5) years from this date and as long thereafter as Leased Substances are produced in paying quantities from said leased premises or on acreage pooled therewith, or this lease is otherwise maintained in effect pursuant to the provisions hereof. If, at the expiration of the primary term of this lease, Leased Substances are not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working Operations thereon, then this lease shall continue in force so long as Operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and Operations shall be considered to be continuously prosecuted if not more than one hundred eighty (180) days shall elapse between the completion or abandonment of one well and the beginning of Operations for the drilling of a subsequent well. If after discovery of Leased Substances on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working Operations within ninety (90) days from date of cessation of production or from date of completion of any dry hole. If Leased Substances shall be discovered and produced as a result of such Operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as Leased Substances are produced from the leased premises or on acreage pooled therewith. As used herein, the term "Operations" shall mean any activity conducted on or off the leased premises that is reasonably calculated to obtain or restore production, including without limitation, (i) drilling or any act preparatory to drilling (such as obtaining permits, surveying a drill site, staking a drill site, building roads, clearing a drill site, or hauling equipment or supplies); (ii) reworking, plugging back, deepening, treating, stimulating, refitting, injecting air, gas, water, brine and other fluids from any source, installing any artificial lift or production-enhancement equipment or technique; (iii) constructing or operating facilities related to the production, treatment, transportation and marketing of substances produced from the leased premises; and (iv) contracting for marketing services and sale of Leased Substances.

In the event a well or wells is drilled and completed on the lands, or on the lands pooled therewith, for the purpose of developing coalbed gas, the word "Operations" shall also mean, in addition to those matters covered in the preceding paragraphs: (1) Operations of said wells and the construction and/or operation of related facilities to remove water or other substances from the coalbed, or to dispose of such water or other substances, even though such Operations may not result in the production of hydrocarbons in paying quantities, or (2) shutting-in or otherwise discontinuing production from said wells to allow for surface or underground mining affecting the drillsite or wellbore.

2. RENTAL. This is a PAID-UP LEASE requiring no payment of rentals during the primary term. Unless otherwise stated herein, in consideration of the initial cash payment for entering this Lease, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any Operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

3. ROYALTY. For all Leased Substances that are physically produced from the leased premises, or lands pooled, unitized or communitized therewith, and sold, Lessor shall receive as its royalty 18.75% of the sales proceeds actually received by Lessee or, if applicable, its affiliate, as a result of the first sale of the affected production to an unaffiliated party, less this same percentage share of all Post Production Costs and this same percentage share of all production, severance and ad valorem taxes. As used in this provision, Post Production Costs shall mean all costs actually incurred by Lessee or its affiliate and all losses of produced volumes whether by use as fuel, line loss, flaring, venting or otherwise from and after the wellhead to the point of sale. These costs include without limitation, all costs of gathering, marketing, compression, dehydration, transportation, removal of liquid or gaseous substances

or impurities from the affected production whether or not provided by an affiliate of Lessee, and any other treatment or processing required by the first unaffiliated party who purchases the affected production. For royalty calculation purposes, Lessee shall never be required to adjust the sales proceeds to account for the purchaser's costs or charges downstream of the point of sale.

4. **SHUT-IN ROYALTY.** If after the primary term one or more wells on the leased premises or lands pooled or unitized therewith is capable of producing Leased Substances in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. Where Leased Substances from a well capable of producing oil or gas are not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre included hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that Leased Substances are being produced within the meaning of this lease.

5. **LESSER INTEREST.** If Lessor owns a lesser interest in the above described land than the entire and undivided mineral estate therein, then the royalties (including any shut-in oil and/or gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided mineral estate. To the extent any royalty or other payment attributable to the mineral estate covered by this lease is payable to someone other than Lessor, such royalty or other payment shall be deducted from the corresponding amount otherwise payable to Lessor hereunder.

6. **ANCILLARY RIGHTS.** The rights granted to Lessee hereunder shall include the right of ingress and egress on the leased premises or lands pooled or unitized therewith, along with such rights as may be reasonably necessary to conduct Operations for exploring, developing, producing and marketing leased substances, including but not limited to geophysical Operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to explore, discover, produce, store, treat and/or transport Leased Substances and water produced from other lands that share central facilities and are jointly operated with the leased premises for gathering, treating, compression and water disposal. Lessee may use in such Operations, free of cost, any oil, gas, water and/or other Leased Substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled or unitized therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled or unitized therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands of Lessor used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its Operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

7. **RIGHT TO ASSIGN.** The rights of Lessor and Lessee hereunder may be assigned in whole or part, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice in writing, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all of Lessee's Operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

8. **POOLING.** Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to communitize, pool or unitize the leasehold estate and the mineral estate covered by this lease with other land(s), lease or leases in the immediate vicinity for the production of Leased Substances, or separately for the production of a single substance, when in Lessee's judgment it is necessary or advisable to do so for the conservation of Leased Substances or in order to promote the prudent development of the lease, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing Leased Substances, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. The creation of a unit by such pooling, including without limitation pooling for a horizontal completion, shall be based on the configuration and amount of acreage which conforms to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. The term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical completion component in such reservoir. Any unit may include land upon which a well has theretofore been completed or upon which Operations for drilling have theretofore been commenced. Production, drilling or reworking Operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking Operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in oil and/or gas royalties, Lessor shall receive on production from the unit so communitized or pooled royalties only on the portion of such production allocated to this lease, such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit.

9. **DELAY.** Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction, including restrictions on the drilling and production of wells, and regulation of the price or transportation of Leased Substances. When Operations or production are delayed or interrupted by such laws, rules, regulations or orders, or by inability to obtain necessary permits, lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, equipment failure, rig delay, or failure of carriers to furnish transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any cause whatsoever beyond the reasonable control of Lessee, the time of such delay or interruption shall not be counted against Lessee relative to its obligations hereunder and this lease shall remain in force during such delay or interruption and for ninety (90) days thereafter, anything in this lease to the contrary notwithstanding. Lessee shall not be liable for breach of any provisions or implied covenants of this lease when Operations are so prevented or delayed.

10. **BREACH OR DEFAULT.** No litigation shall be initiated by Lessor for damages, forfeiture or cancellation with respect to any asserted breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the asserted breach or default, and then only if Lessee fails to remedy the breach or default within such period. In the

event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless and until Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

11. **WARRANTY OF TITLE.** Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor. If Lessee exercises such option, Lessee shall be subrogated to the rights of the holder thereof, and the undersigned Lessor, for itself and its heirs, successors and assigns, hereby surrenders and releases all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

12. **OFFER TO LEASE.** In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered, and all other pertinent terms and conditions of the offer. Lessee, for a period of thirty (30) days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. **MULTIPLE LESSORS.** This lease may be executed in counterparts and all counterparts shall be construed together and shall constitute one lease. Upon execution, this lease shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

By: \_\_\_\_\_

LESSOR

By: \_\_\_\_\_

LESSOR

By: \_\_\_\_\_

LESSOR

By: \_\_\_\_\_

LESSOR

COUNTY OF \_\_\_\_\_ )

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this on this day \_\_\_\_ of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public:

COUNTY OF \_\_\_\_\_ )

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this on this day \_\_\_\_ of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public:



COUNTY OF \_\_\_\_\_ )  
 ) INDIVIDUAL ACKNOWLEDGEMENT  
STATE OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this on this day \_\_\_\_ of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public:

COUNTY OF \_\_\_\_\_ )  
 ) INDIVIDUAL ACKNOWLEDGEMENT  
STATE OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this on this day \_\_\_\_ of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public:

\_\_\_\_\_  
Notary Public:

COUNTY OF \_\_\_\_\_ )  
 ) CORPORATE ACKNOWLEDGEMENT  
STATE OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this on this day \_\_\_\_ of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_ a(n) \_\_\_\_\_, on behalf of the corporation.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public:

1001 17<sup>th</sup> St  
Suite 2000  
Denver, Colorado 80202



Chris Tucker  
Contract Landman  
Tel: 720-297-5151  
E-mail:  
btcoilandgas@gmail.com

April 29, 2019

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## ORDER OF PAYMENT

On approval of the agreement associated herewith and on approval of title to same, Great Western Oil and Gas Company, LLC will make payment as indicated herein by check within 45 days of receipt of said agreement. No default shall be declared for failure to make payment until 15 days after receipt by Great Western Oil and Gas Company, LLC of written notice of Payee's intention to declare such default. In the event title research reveals that the Payee owns less than the full and undivided 100% interest in the property covered by the agreement, it is understood and agreed that the amount referenced below shall be proportionately reduced according to the percentage of the interest that the payee owns.

**PAY TO:** Riverdale Peaks II Metropolitan District

**THE AMOUNT OF:** Six Hundred Seventy Five Dollars and No Cents (\$ 675.00)

**ADDRESS:** c/o SDMS, Inc., 141 Union Boulevard, Ste. 150, Lakewood, CO 80228

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This payment is for an OIL AND GAS LEASE dated April 29, 2019 which covers the property described as follows:

Township 1 South, Range 67 West, 6th P.M.

Section 28: That portion of Section 28 described in that particular Special Warranty Deed recorded June 26, 2006, at Reception No. 2006000645590, Adams County, Colorado.

Containing 0.1500 Gross acres, more or less  
0.1500 Net acres, more or less  
\$4,500 per net mineral acre

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By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**FOR OFFICE USE ONLY:**  
Sent via Certified Mail on \_\_\_\_\_ / Tracking Number: \_\_\_\_\_

Check # \_\_\_\_\_ in the amount of \$ \_\_\_\_\_

1001 17th Street  
Suite 2000  
Denver, Colorado 80202



Matt Acree **MAY 01 2019**  
Sr. Landman  
Tel: (720) 595-2183  
E-mail:  
macree@gwogco.com

April 29, 2019

Riverdale Peaks II Metropolitan District  
c/o SDMS, Inc.,  
141 Union Boulevard, Ste. 150  
Lakewood, CO 80228

RE: OFFER TO PARTICIPATE - NIOBRARA/CODELL HORIZONTAL WELL PROPOSAL

Kortum LD 33-162HC	Kortum LD 33-166HN	Kortum LD 33-169HNX	Kortum LD 33-173HC	Kortum LD 33-176HN
Kortum LD 33-163HN	Kortum LD 33-166HNX	Kortum LD 33-170HC	Kortum LD 33-173HN	Kortum LD 33-178HN
Kortum LD 33-163HNX	Kortum LD 33-168HC	Kortum LD 33-171HN	Kortum LD 33-175HN	Kortum LD 33-178HNX
Kortum LD 33-165HC	Kortum LD 33-168HN	Kortum LD 33-172HN	Kortum LD 33-175HNX	Kortum LD 33-179HC
Kortum LD 33-165HN	Kortum LD 33-169HN	Kortum LD 33-172HNX	Kortum LD 33-176HC	Kortum LD 33-179HN

Township 1 South, Range 67 West, 6th P.M.  
Section 21: NW4NE4 (Surface Hole Location)  
Adams County, Colorado

Dear Sir/Madam:

Great Western Operating Company, LLC, an affiliate of Great Western Oil and Gas Company, LLC ("Great Western") proposes to drill and operate the above-captioned oil and gas wells to depth sufficient to test the Codell/Niobrara formations, with plans to commence operations in the 3<sup>RD</sup> Quarter of 2019. In the event that you have chosen not to lease your minerals, Great Western offers you, as an unleased mineral owner, the opportunity to participate as a working interest owner in the above-captioned wells. As a working interest owner, you are required to pay your proportionate share of the costs of drilling, completing, and operating the wells, but also entitled to your proportionate share of revenue.

If you do wish to lease your minerals, please call Chris Tucker of Baseline Minerals at 720-297-5151, or email btcoilandgas@gmail.com, to discuss your leasing options.

The spacing unit for the above-captioned wells was established by the Colorado Oil & Gas Conservation Commission (COGCC) Spacing Order #407-2612 and is comprised of the All of Sections 21, 28, & the North Half of Section 33 in Township 1 South, Range 67 West, 6th P.M Adams County, Colorado.

True vertical depths, proposed total measured depths and estimated lateral lengths are described on Exhibit "A" attached hereto. Additionally, the spacing unit is depicted on the enclosed plat.

Please find the following attached:

1. Election Form with choice of coverage of well control insurance if participating in the drilling and completing of subject well(s).
2. Statutory Pooling in Colorado Pamphlet - The Colorado Oil and Gas Commission prepared this pamphlet to help educate oil and gas mineral owners about COGCC's administrative process for "pooling" mineral interests.

3. Well Location and Spacing Unit Plat

4. Authority For Expenditure (AFE)

The costs set out in the AFEs are estimates. The actual costs may be higher or lower. Your approval of the AFE constitutes your approval of the actual costs of the operation.

Estimated Preliminary Working Interest Ownership & Cost

The working interest percentage is an estimate which is subject to change as title ownership is updated.

Working Interest Owner Name: Riverdale Peaks II Metropolitan District

Well Type	Estimated Working Interest	Total Estimated Well Cost	Proportionate Share of Well Cost
Codell	0.00937500%	\$6,788,290.78	\$ 636.40
Niobrara	0.00937500%	\$7,883,392.71	\$ 739.07

(Calculation: Estimated Working Interest X Total Estimated Well Cost = Proportionate Share of Well Cost)

5. Declaration of Pooling – will be provided for your execution.

6. Joint Operating Agreement (JOA) – will be provided for your execution. The terms of the JOA are summarized below. Great Western will be using the A.A.P.L. Form 610-1989 Model Form Operating Agreement, modified for horizontal drilling operations. The non-consent penalty cited on the JOA to be supplied will be 200%. The preferential right to purchase language has been stricken. The term of the JOA will run concurrent with the life of the leases subject to the JOA. A model form recording supplement will be supplied to for recording purposes.

Please indicate your election on the attached election page(s) and return a signed copy to the undersigned, along with your well reporting requirements and contacts. If you choose to participate, be sure to include the signed AFE with your election. As an alternative to participating in the subject wells as a working interest owner, Great Western has sent you an Offer to Lease with an executable form of Oil and Gas Lease and Order for Payment. Please note the opportunity to lease your minerals is still available for the following terms of \$4,500.00 per acre, (18.75%) royalty for a primary term of 5 years.

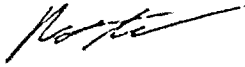
An application for involuntary pooling (or statutory pooling) may be filed with the Colorado Oil and Gas Conservation Commission ("COGCC") at any time an owner within a drilling and spacing unit established by the COGCC fails to lease their minerals, or fails to pay its proportionate share of the costs and risks of drilling and operating the well. Statutory pooling in Colorado is governed by section 34-60-116 of the Colorado Revised Statutes. Under this statute, an unleased mineral owner shall be deemed a non-consenting owner if, after at least 60 days' written notice, the unleased owner has failed or refused a reasonable offer to lease. Each non-consenting owner within the drilling and spacing unit shall be treated as the owner of a landowner's royalty rate of 12.5% of its record title interest until the consenting owners recover its costs and expenses which are set forth in the statute, out of the non-consenting owners proportionate 7/8ths share of production. After the consenting owners recover such costs, the non-consenting owner shall then own his or her proportionate share of the well and production. If no election has been made within sixty (60) days from receipt of this proposal, Great Western may proceed with statutory pooling of your interest pursuant to Rule 530 of the COGCC Rules and Regulations and section 34-60-116, C.R.S. Please see the enclosed pamphlet titled, "Statutory Pooling in Colorado".

Please note any duplicates are to be retained for your records. Should you have any questions or would like to discuss the opportunity to lease your minerals please contact the undersigned at (720) 595-2183 or macree@gwogco.com. If you have

other questions and concerns, please contact our Community Outreach representatives at 720-319-7989 or [community@gwogco.com](mailto:community@gwogco.com). Thank you for your consideration of this proposal.

Yours truly,

**GREAT WESTERN OPERATING COMPANY, LLC**



Matt Acree  
Sr. Landman

**Enclosures:** Election Form  
Statutory Pooling Pamphlet  
Well Location and Spacing Unit Plat  
Authority For Expenditure (AFE)

**EXHIBIT "A"**

#	WELL NAME	SURFACE LOCATION (15-67W-21)	ENTRY POINT LOCATION (15-67W-21)	BOTTOM HOLE LOCATIONS (15-67W-33)	PROPOSED TOTAL MEASURED DEPTH (FT)	PROPOSED TRUE VERTICAL DEPTH (FT)	ESTIMATED LATERAL LENGTH (FT)
1	Kortum LD 33-162HC	315' FNL, 1844' FEL	460' FNL, 467.33' FEL	2162.75' FNL, 467.33' FEL	20,525.05	7,508.60	12,358.33
2	Kortum LD 33-163HN	315' FNL, 1875' FEL	460' FNL, 855' FEL	2161.66' FNL, 850' FEL	20,329.70	7,408.60	12,357.25
3	Kortum LD 33-163HNX	315' FNL, 1859' FEL	460' FNL, 755' FEL	2161.95' FNL, 750' FEL	20,151.35	7,208.60	12,357.24
4	Kortum LD 33-165HC	315' FNL, 1904' FEL	460' FNL, 1225' FEL	2160.63' FNL, 1215' FEL	20,342.63	7,508.60	12,356.52
5	Kortum LD 33-165HN	315' FNL, 1889' FEL	460' FNL, 1125' FEL	2160.91' FNL, 1115' FEL	20,163.92	7,308.60	12,356.53
6	Kortum LD 33-166HN	215' FNL, 1815' FEL	460' FNL, 1605' FEL	2159.55' FNL, 1595' FEL	20,121.16	7,408.60	12,355.44
7	Kortum LD 33-166HNX	215' FNL, 1800' FEL	460' FNL, 1505' FEL	2159.83' FNL, 1495' FEL	19,935.46	7,208.60	12,355.43
8	Kortum LD 33-168HC	215' FNL, 1845' FEL	460' FNL, 1975' FEL	2158.51' FNL, 1960' FEL	20,210.06	7,508.60	12,353.98
9	Kortum LD 33-168HN	215' FNL, 1830' FEL	460' FNL, 1875' FEL	2158.8' FNL, 1860' FEL	20,006.28	7,308.60	12,355.08
10	Kortum LD 33-169HN	215' FNL, 1875' FEL	460' FNL, 2355' FEL	2157.45' FNL, 2335' FEL	20,317.92	7,408.60	12,354.37
11	Kortum LD 33-169HNX	215' FNL, 1860' FEL	460' FNL, 2255' FEL	2157.73' FNL, 2235' FEL	19,956.62	7,208.60	12,354.36
12	Kortum LD 33-170HC	215' FNL, 1890' FEL	460' FNL, 2590' FEL	2156.79' FNL, 2567' FEL	20,334.39	7,508.60	12,353.28
13	Kortum LD 33-171HN	215' FNL, 1905' FEL	460' FNL, 2590' FWL	2156.46' FNL, 2567' FWL	20,158.96	7,308.60	12,353.22
14	Kortum LD 33-172HN	215' FNL, 1920' FEL	460' FNL, 2355' FWL	2155.98' FNL, 2335' FWL	20,315.26	7,408.60	12,352.13
15	Kortum LD 33-172HNX	215' FNL, 1935' FEL	460' FNL, 2255' FWL	2155.77' FNL, 2235' FWL	20,137.65	7,208.60	12,352.13
16	Kortum LD 33-173HC	215' FNL, 1950' FEL	460' FNL, 1975' FWL	2155.2' FNL, 1960' FWL	20,506.47	7,508.60	12,351.41
17	Kortum LD 33-173HN	215' FNL, 1965' FEL	460' FNL, 1875' FWL	2154.99' FNL, 1860' FWL	20,328.33	7,308.60	12,351.41
18	Kortum LD 33-175HN	215' FNL, 1980' FEL	460' FNL, 1605' FWL	2154.37' FNL, 1565' FWL	20,496.01	7,408.60	12,351.40
19	Kortum LD 33-175HNX	215' FNL, 1995' FEL	460' FNL, 1505' FWL	2154.23' FNL, 1495' FWL	20,317.64	7,208.60	12,350.33
20	Kortum LD 33-176HC	215' FNL, 2010' FEL	460' FNL, 1225' FWL	2153.64' FNL, 1215' FWL	20,687.65	7,508.60	12,349.97
21	Kortum LD 33-176HN	215' FNL, 2025' FEL	460' FNL, 1125' FWL	2153.44' FNL, 1115' FWL	20,509.45	7,308.60	12,349.23
22	Kortum LD 33-178HN	215' FNL, 2040' FEL	460' FNL, 855' FWL	2152.88' FNL, 850' FWL	20,677.43	7,408.60	12,349.24
23	Kortum LD 33-178HNX	215' FNL, 2055' FEL	460' FNL, 755' FWL	2152.68' FNL, 750' FWL	20,500.03	7,208.60	12,349.25
24	Kortum LD 33-179HC	215' FNL, 2070' FEL	460' FNL, 515' FWL	2152.19' FNL, 515' FWL	20,858.82	7,508.60	12,348.16
25	Kortum LD 33-179HN	215' FNL, 2085' FEL	460' FNL, 473.2' FWL	2152.1' FNL, 473.2' FWL	20,665.03	7,308.60	12,347.08

**ELECTION AND PARTICIPATION**

Please mark only <u>one</u> out of the three options for each well.	The undersigned elects to <u>PARTICIPATE</u> in the drilling and completion for its proportionate WI only.	The undersigned elects to <u>PARTICIPATE</u> in the drilling and completion and acquire its proportionate share of any non-consent interest.	The undersigned elects to <u>NOT PARTICIPATE</u> in the drilling and completion and agrees that its interest will be subject to a 200% non-consent penalty per the Joint Operating Agreement, Model Form 610-1989.	Proportionate Share of Well Costs
WELL NAME				
Kortum LD 33-162HC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 636.40
Kortum LD 33-163HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-163HNX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-165HC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 636.40
Kortum LD 33-165HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-166HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-166HNX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-168HC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 636.40
Kortum LD 33-168HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-169HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-169HNX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-170HC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 636.40
Kortum LD 33-171HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-172HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-172HNX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-173HC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 636.40
Kortum LD 33-173HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-175HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-175HNX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-176HC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 636.40
Kortum LD 33-176HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-178HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-178HNX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07
Kortum LD 33-179HC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 636.40
Kortum LD 33-179HN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 739.07

**Total \$17,758.04**

*ELECTION AND PARTICIPATION CONTINUED...*

If **PARTICIPATING** in the well(s), well control insurance covering your interest is required. Please indicate your well control insurance election below:

- The undersigned elects to be covered under the Operators Well Control Insurance.
  
- The undersigned elects to carry own insurance – Certificate showing Proof of Insurance (With Great Western Operating Company, LLC named as certificate holder) must be submitted to Great Western before start of operations.

If an election on well control insurance is not indicated above, then your election shall be deemed an election to participate in Operator's well control insurance.

All owners' interests in the above-captioned wells shall be accounted for pursuant to the terms of the industry standard COPAS 2005 Accounting Procedure.

If no election has been made within sixty (60) days from receipt of this proposal, you will be deemed a non-consenting owner and Great Western proceed with statutory pooling of your working interest pursuant to Rule 530 of the Colorado Oil and Gas Conservation Commission Rules and Regulations and C.R.S. §34-60-116 (6) and (7).

Signed this \_\_\_\_ day of \_\_\_\_\_, 2019.

NAME RIVERDALE PEAKS II METROPOLITAN DISTRICT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_



## Karen Steggs

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**Subject:** FW: Riverdale Peaks II Metro & Spring Valley Metro OmniSite Notices

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**From:** Wayne Ramey [<mailto:wayner@recinc.net>]  
**Sent:** Thursday, December 06, 2018 10:01 AM  
**To:** Dan Cordova  
**Cc:** David Solin; Lisa Johnson  
**Subject:** RE: Riverdale Peaks II Metro & Spring Valley Metro OmniSite Notices

Dan:

Verizon is shutting down their 3G network on or before December 31, 2019 so OmniSite is providing a notice that a new network cellular card will need to be updated. The OmniSites in Spring Valley are new enough that they came with the updated network cellular card however; the OmniSite in Riverdale Peaks will require the updated card. The price of the card is \$299.99 plus an hour for installation.

The other alternative is that if either Riverdale or Spring Valley were to upgrade their service plan to the OmniAdvantage Plan (about \$200.00/year) they will never have to upgrade radios, product updates; software updates; full featured mobile app and a lifetime warranty on new products. There must be a commitment for at least two years (which might be even cheaper/year). This will not be last time a cellular card will need to be upgraded as well as software updates.

At the very least, Riverdale will need to upgrade the network cellular card sometime in 2019.

Hope this helps and please call if you have any questions.

Wayne Ramey, CWP  
WEF Fellow  
303-833-5505 (office)  
303-833-5535 (fax)  
303-921-0129 (cell)  
1-877-854-5453 (after hours)

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**From:** Dan Cordova <[dcordova@sdmsi.com](mailto:dcordova@sdmsi.com)>  
**Sent:** Tuesday, December 04, 2018 11:14 AM  
**To:** Wayne Ramey <[wayner@recinc.net](mailto:wayner@recinc.net)>  
**Cc:** David Solin <[dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)>  
**Subject:** Riverdale Peaks II Metro & Spring Valley Metro OmniSite Notices

Wayne,

Can you make recommendations for the necessary upgrades needed at Riverdale Peaks II Metro and Spring Valley Metro Districts to keep the alarm monitoring systems operational after the 3G sunset at the end of 2019?

Thank you,

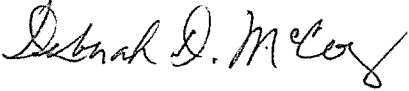
*Dan Cordova*  
Special District Management Services, Inc.

141 Union Blvd Suite 150  
Lakewood, CO 80228  
[dcordova@sdmsi.com](mailto:dcordova@sdmsi.com)  
303-987-0835  
720-384-5909 cell

# SDMS

141 Union Boulevard, Suite 150  
Lakewood, CO 80228-1898  
303-987-0835 • Fax: 303-987-2032

## MEMORANDUM

TO: Board of Directors  
FROM: Deborah D. McCoy   
President  
DATE: June, 2019  
RE: Notice of Rate Restructuring

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), as of August 1, 2019, the hourly rates described in Article III for all services provided by SDMS shall be subject to the following rate restructuring schedule.

**District Management & Administration:**

Senior Managers and Managers	\$140.00 - \$190.00
Assistant Managers & Admin. Coordinators	\$115.00 - \$150.00

**Finance & Accounting:**

Senior Accountants and Accountants	\$130.00 - \$160.00
Assistant Accountants & AP Coordinators	\$110.00 - \$150.00

**Utility Billing Service:** \$65.00

**Operations, Maintenance and Field Services:** \$75.00 - \$95.00

**Community Management:**

Managers and Assistant Managers	\$ 95.00 - \$140.00
Administrative Support	\$ 75.00 - \$140.00

SDMS is one of the few consultants that has not adopted a variable rate structure. We hope you will understand that, in order to keep up with the changes in our industry, it is beneficial to implement this rate restructuring so that we may continue to provide the best and most efficient management services you expect from SDMS.

We look forward to serving you for many years to come. Please feel free to speak directly with your current District Manager if you have questions.