

STC METROPOLITAN DISTRICT NO. 3

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032
<https://stcmd1-3.colorado.gov/>

NOTICE OF REGULAR MEETING AND AGENDA

| <u>Board of Directors:</u> | <u>Office:</u> | <u>Term/Expires:</u> |
|----------------------------|----------------|----------------------|
| James A. Brzostowicz | President | 2027/May 2027 |
| Terry Willis | Treasurer | 2027/May 2027 |
| VACANT | | 2027/May 2025 |
| VACANT | | 2025/May 2025 |
| VACANT | | 2025/May 2025 |

Peggy Ripko Secretary

DATE: November 1, 2023

TIME: 9:00 A.M.

LOCATION: Zoom Meeting

Join Zoom Meeting

<https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUjZZc1VMWTJFZjFHdz09>

Phone Number: 1 (719) 359-4580

Meeting ID: 862 6755 0643

Passcode: 987572

Please email Peggy Ripko if there are any issues (pripko@sdmsi.com).

I. ADMINISTRATIVE MATTERS

A. Confirm Quorum. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda; confirm location of the meeting and posting of meeting notice.

C. Review and approve Minutes of the July 28, 2023 Special Meeting (enclosure).

D. Review and consider approval of Resolution No. 2023-11-01 Annual Resolution (enclosure).

II. PUBLIC COMMENTS

A. _____

III. FINANCIAL MATTERS

A. Review and accept Unaudited Financial Statements through the period ending September 30, 2023 (to be distributed).

B. Consider engagement of Dazzio & Associates for preparation of 2023 Audit, in the amount of \$4700 (enclosure).

C. Conduct Public Hearing to consider amendment of the 2023 Budget. If necessary, consider adoption of Resolution No. 2023-11-02; Resolution to Amend the 2023 Budget (enclosure).

D. Conduct Public Hearing on the proposed 2024 Budget and consider adoption of Resolution No. 2023-11-03; Resolution to Adopt the 2024 Budget and Appropriate Sums of Money and Set Mill Levies (enclosure).

E. Consider appointment of District Accountant to prepare 2025 Budget.

IV. LEGAL MATTERS

A. _____

V. OTHER MATTERS

A. _____

VI. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2023.**

Additional Enclosure:

- Notice of rate increase from Special District Management Services, Inc.
- Notice of rate increase from Icenogle Seaver Pogue, P.C.

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE STC METROPOLITAN DISTRICT NO. 3 HELD JULY 28, 2023

A Special Meeting of the Board of Directors (referred to hereafter as the "Board") of the STC Metropolitan District No. 3 (referred to hereafter as the "District") was convened on Wednesday, the 28th day of July, 2023, at 9:00 A.M. This District Board meeting was held via Zoom at: [https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUjZzc1VMWTJFZjFHdz09](https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUjZzc1VMWTJFZjFHdz09;); Meeting ID: 862 6755 0643, Passcode: 987572 and via telephone conference at: 1 (719) 359-4580. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James A. Brzostowicz, President
Terry Willis, Treasurer

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc. ("SDMS")

Diane Wheeler; Simmons & Wheeler, P.C.

Sonia Chin and Bill Jenks; Ranch Capital, LLC

Steve Dazzio; Dazzio & Associates, P.C.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board noted it was in receipt of disclosures of potential conflicts of interest statements for each of the Directors and that the statements had been filed with the Secretary of State at least seventy-two hours in advance of the meeting. Ms. Ripko requested that the Directors review the Agenda for the meeting and advised the Board to disclose any new conflicts of interest which had not been previously disclosed. No further disclosures were made by Directors present at the meeting.

ADMINISTRATIVE MATTERS

Confirm Quorum, Location of Meeting and Posting of Meeting Notices: Ms. Ripko confirmed the presence of a quorum and that notice of the time, date and location/manner of the meeting was duly posted and that that no objections to the virtual/telephonic manner of the meeting have been received.

RECORD OF PROCEEDINGS

Agenda: Ms. Ripko noted a quorum was present. The Board reviewed the proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board approved the Agenda, as presented.

Minutes: The Board reviewed the Minutes of the October 19, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board approved the Minutes of the October 19, 2022 Special Meeting.

May 2, 2023 Regular Election: Ms. Ripko discussed with the Board the results of the May 3, 2022 Regular Election for Directors (“Election”). It was noted that the Election was cancelled as permitted by statute.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the following slate of officers was appointed:

| | |
|-----------|-------------------|
| President | James Brzostowicz |
| Treasurer | Terry Willis |
| Secretary | Peggy Ripko |

There were no public comments.

PUBLIC COMMENTS

FINANCIAL MATTERS

Public Hearing on Second Amendment of 2022 Budget:

2022 Budget Amendment Hearing: Director Brzostowicz opened the public hearing to consider the Resolution to Amend the 2022 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2022 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 or at this public hearing. No public comments were received, and the President closed the public hearing.

RECORD OF PROCEEDINGS

Following review and discussion, upon motion duly made by Director Brzostowicz seconded by Director Willis and, upon vote, unanimously carried, the Board adopted the Resolution Approving Second Proposed 2022 Budget Amendment and Appropriate Sums of Money.

2022 Audit: The Board reviewed the 2022 Audit.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board approved the 2022 Audit, subject to final review and receipt of an unmodified opinion letter from the auditor.

LEGAL MATTERS

There were no legal matters at this time.

COVENANTS

There were no matters to discuss at this time.

OTHER MATTERS

There were no other matters.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

2023-11-01
ANNUAL RESOLUTION OF
THE BOARD OF DIRECTORS OF THE
STC METROPOLITAN DISTRICT NO. 3

At a regular meeting of the Board of Directors of the STC Metropolitan District No. 3, Boulder County, Colorado, held at 9:00 A.M., on Wednesday, November 1, 2023, via video conference at <https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUIZZc1VMWTJFZjFHdz09>, and via telephone conference at Dial In: 1-719-359-4580, Meeting ID: 862 6755 0643, Passcode: 987572 at which a quorum was present, the following resolution was adopted:

WHEREAS, the STC Metropolitan District No. 3 (the “District”) was organized as a special district pursuant to an Order of the District Court in and for the County of Boulder Colorado, dated November 27, 2013 and is located within Boulder County (the “County”); and

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

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

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

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

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

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

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

WHEREAS, in accordance with the Public Securities Information Reporting Act, Sections 11-58-101 *et seq.*, C.R.S., issuers of nonrated public securities shall make public within sixty (60) days following the end of each of such issuer's fiscal year, an annual information report or reports with respect to any of such issuer's nonrated public securities which are outstanding as of the end of each such fiscal year; and

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

WHEREAS, the Revised Uniform Unclaimed Property Act, Article 13 of Title 38, C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer by November 1 of each year; and

WHEREAS, pursuant to Section 32-1-103(15), C.R.S., the legal notices of the District must be published one time, in one newspaper of general circulation in the District, and if there is not one such newspaper of general circulation, then in one newspaper in each county in which the District is located and in which the District also has fifty (50) or more eligible electors; and

WHEREAS, pursuant to Section 24-6-402(2)(c)(I), C.R.S., the Board shall annually designate at the first regular meeting of the calendar year a posting place within the boundaries of the District for posting of notices; and

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

WHEREAS, Section 32-1-903(1), C.R.S. requires that the Board shall meet regularly at a time and location to be designated by the Board and such location may be physical, telephonic, electronic, other virtual place, or combination of such means where a meeting can be attended; provided that meetings that are held solely at physical locations must be held at physical locations that are within the boundaries of the District or within the boundaries of any county in which the District is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the District boundaries, unless the proposed change of location for a meeting appears on the Board agenda of a meeting and a resolution is adopted stating the reason for which meetings of the Board are to be held in a physical location other than under the provisions of Section 32-1-903(1.5), C.R.S. and further stating the date, time and physical location of such meeting; and

WHEREAS, Section 32-1-903(6)(a), C.R.S. requires that the Board hold an annual meeting at a time and location to be designated by the Board and such location may be in person, virtual, or in person and virtual; provided that if the annual meeting is held solely in person, then it must be held at a physical location within the boundaries of the District, within the boundaries of any county in which the District is located, in whole or in part, or within any other county so long as the physical location does not exceed five (5) miles from the District's boundaries; and

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

WHEREAS, pursuant to Section 32-1-901(1), C.R.S., each Director, within thirty (30) days after his or her election or appointment to fill a vacancy, shall take an oath or affirmation in accordance with Section 24-12-101, C.R.S., and the oath must be filed with the County Clerk and Recorder, and in accordance with Section 32-1-901(1), C.R.S. with the Clerk of the Court and with the Division; and

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

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

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

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

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

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

WHEREAS, pursuant to Section 32-1-1001(1)(o), C.R.S. the Board has the power to authorize the use of electronic records and electronic signatures and adopt rules, standards, policies, and procedures for use of electronic records or signatures in accordance with the Uniform Electronic Transaction Act, Sections 24-71.3-101 *et seq.*, C.R.S.; and

WHEREAS, pursuant to Section 24-72-204.5, C.R.S., should the District operate or maintain an electronic mail communications system, the Board must adopt a written policy on any monitoring of electronic mail communications and the circumstances under which it will be conducted; and

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

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

WHEREAS, in accordance with Section 32-1-1101.5(1.5), C.R.S., the Board of County Commissioners or the governing body of a municipality that has adopted a resolution of approval of the District may require the District to file an application for the quinquennial finding of reasonable diligence; and

WHEREAS, in accordance with Section 32-1-207(3)(c), C.R.S., and unless otherwise waived or requested by an earlier date, any special district created after July 1, 2000, must electronically file an annual report for the preceding calendar year by October 1st with the governing body that approved the service plan or, if the jurisdiction has changed due to the annexation into a municipality, the current governing body with jurisdiction over the District, the Division, the State Auditor, and the County Clerk and Recorder, and make the same available on the website of the District; and

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

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

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

WHEREAS, in accordance with the Public Deposit Protection Act, Sections 11-10.5-101 *et seq.*, C.R.S., the Board shall designate an official custodian with plenary authority to deposit

public funds in any bank which has been designated by the Colorado Banking Board as an eligible public depository; and

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

WHEREAS, in accordance with Section 32-1-104.5, C.R.S., (1) within one year of the date an order and decree has been issued by a district court for a newly organized metropolitan district; or (2) for all metropolitan districts organized after January 1, 2000, by January 1, 2023, such metropolitan district, shall establish, maintain and annually update an official website containing specific information as set forth in Section 32-1-104.5(3)(a), C.R.S.; and

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE STC METROPOLITAN DISTRICT NO. 3 AS FOLLOWS:

1. The Board directs the District’s engineer to prepare an accurate map in accordance with the standards specified by the Division or directs management to prepare a letter asserting there have been no changes in the boundaries of the District, as applicable, for filing with the County Assessor, County Clerk and Recorder and the Division as required by Section 32-1-306, C.R.S on or before January 1.
2. The Board directs management to notify the Department of the District’s name, principal address and/or mailing address, agent’s name and agent’s mailing address in accordance with Sections 24-10-109 and 24-32-116, C.R.S.
3. The Board directs management to: (1) provide notice, containing certain information about the District, to the eligible electors of the District, not earlier than November 16 and not later than January 15, in one or more of the ways set forth in Section 32-1-809(2), C.R.S; and (2) in accordance with Section 32-1-104(2), C.R.S., file a copy of the notice with the Board of County Commissioners, County Assessor, County Treasurer, County Clerk and Recorder’s Office in each county in which the District is located, the governing body of any municipality in which the District is located and with the Division. The Board further directs that a copy of

the notice shall be made available for public inspection at the principal business office of the District.

4. The Board directs the accountant/treasurer for the District to submit a proposed budget to the Board by October 15; to schedule a public hearing on the proposed budget; to prepare a final budget, including any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy; to prepare budget resolutions, including certification of mill levies and amendments to the budget if necessary; to certify the mill levies on or before December 15; and directs management to file the approved budgets and amendments thereto with the proper governmental entities not later than thirty (30) days after the beginning of the fiscal year of the budget adopted, in accordance with the Local Government Budget Law of Colorado.
5. The Board directs management to prepare and file a current list of all contracts in effect with other political subdivisions with the Division within thirty (30) days of receiving a request therefor from the Division, if applicable.
6. The Board directs legal counsel and/or the accountant to prepare and file the annual public securities report for nonrated public securities issued by the District with the Department within sixty (60) days following the end of the District's fiscal year, if applicable.
7. The Board directs the accountant to file either an application for exemption from audit with the State Auditor within three (3) months after the close of the District's fiscal year, or that an audit of the financial statements is prepared and submitted to the Board within six (6) months after the close of the District's fiscal year. Further, the Board directs that the audit report be filed with the State Auditor within thirty (30) days after the Board's receipt of the audit report from the auditor.
8. The Board directs legal counsel to prepare the Unclaimed Property Act report and forward to the State Treasurer by November 1, if applicable.
9. The Board designates the *Boulder Daily Camera* as a newspaper of general circulation within the boundaries of the District or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes in the *Boulder Daily Camera*.
10. The Board designates the URL Domain <https://stcmd1-3.colorado.gov/>, as the District's official website and posting place for notices of meetings in 2024 pursuant to Sections 24-6-402(2)(c) and 32-1-104.5, C.R.S. and ratifies their designation of <https://stcmd1-3.colorado.gov/>, as the posting place for notices of meetings in 2023 for purposes of Sections 24-6-402(2)(c) and 32-1-104.5, C.R.S. Further, in compliance with Section 24-6-402(2)(III), C.R.S., the Board designates the light post at the NW corner of Main Street and Superior Drive, Superior, Colorado, as the public place within the boundaries of the District at which it may

post notices of meetings if it is unable to post a notice on the District's official website.

11. The Board directs management to maintain and update the official website of the District in compliance with Section 32-1-104.5(3)(a), C.R.S.
12. Emergency meetings may be called without notice, if notice is not practicable, by the president of the Board or any two (2) Directors in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the property owners and residents of the District. If possible, notice of such emergency meeting may be given to the Directors of the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency, and shall be provided to the public via any practicable means available, *if any*, including, but not limited to, posting notice of such emergency meeting on the District's website, if any. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided however, that any action taken at an emergency meeting shall be ratified at the first to occur: (a) the next regular meeting of the Board, or (b) the next special meeting of the Board.
13. The Board determines to hold a regular meeting **on Wednesday, November 6, 2024, at 9:00 A.M., via online meeting.** The Board directs those notices of all meetings must include the method or procedures, including the conference number and/or link, by which members of the public can attend the meeting. Any additional means of public participation, if any, will also be designated on the meeting agenda.
14. The Board determines to hold its annual meeting as required by Section 32-1-903(6), C.R.S. **on Wednesday, November 6, 2024, at ___ : ___ A.M., via online meeting.** Any additional means of public participation, if any, will be designated on the meeting agenda.
15. Pursuant to Section 32-1-904, C.R.S., the Board determined that the office of the District shall be at Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228.
16. The Board directs management to prepare and administer an oath or affirmation in accordance with Sections 32-1-901 and 24-12-101, C.R.S., and legal counsel to file said oath or affirmation. In addition to the oath or affirmation, the Board directs management to procure either crime insurance in accordance with Section 24-14-102(2), C.R.S. or a bond for each Director as required by Section 32-1-901, C.R.S. in the total amount of \$10,000, and to file copies of the crime insurance or bond with the Clerk of the Court and the Division.
17. The Board hereby elects the following officers for the District:

President/Chairman: James A. Brzostowicz

Treasurer: Terry Willis
Secretary: Peggy Ripko

18. The Board directs that each Director may receive compensation for services as Directors in accordance with Sections 32-1-902(3)(a)(I) & (II), C.R.S.
19. The Board has determined that when so directed by one or more Directors legal counsel will file conflict-of-interest disclosures provided by Directors with the Secretary of State seventy-two (72) hours prior to each meeting of the Board. In addition, written disclosures provided by Directors required to be filed with the governing body in accordance with Section 18-8-308, C.R.S. shall be deemed filed with the Directors of the District when filed with the Secretary of State.
20. The Board authorizes the use of electronic records and electronic signatures. Use of electronic records and electronic signatures, when conducting transactions and in relation to the administration of the affairs of the District, will be performed and governed in accordance with the Uniform Electronic Transactions Act, Sections 24-71.3-101 *et seq.*, C.R.S.
21. The Board directs legal counsel to issue notice of indebtedness to the Board of County Commissioners or to the governing body of the municipality that has adopted a resolution of approval of the District, as applicable, and to record such notice with the County Clerk and Recorder in each county in which the District is located within thirty (30) days of incurring or authorizing any indebtedness in accordance with Sections 32-1-1604 and 32-1-1101.5(1), C.R.S. The Board also directs legal counsel to certify the results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners of each county in which the District is located, to the governing body of a municipality that has adopted a resolution of approval of the District, as applicable, and the Division of Securities within forty-five (45) days after such election, or at least thirty (30) days before the District's issuance of any general obligation debt if not previously certified, in accordance with Section 32-1-1101.5(1), C.R.S.
22. The Board directs the District's accountant to prepare and file, if requested, the quinquennial finding of reasonable diligence with the Board of County Commissioners or to the governing body of a municipality that has adopted a resolution of approval of the District, as applicable, in accordance with Section 32-1-1101.5(1.5), C.R.S.
23. The Board directs management to prepare and file an annual report as required under the Service Plan for the District and Section 32-1-207(3)(c), C.R.S., as applicable.
24. The District is currently a member of the Special District Association ("SDA") and insured through the Colorado Special Districts Property and Liability Pool. The Board directs the District's accountant to pay the annual SDA membership dues and insurance premiums in a timely manner and complete all necessary conditions

of the third-party insurance agent, as applicable. The Board will review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained, at least biannually.

25. The Board directs the custodian of all electronic recordings of executive sessions to retain all electronic recordings of executive sessions for purposes of the Colorado Open Meetings Law for ninety (90) days after the date of the executive session. The Board further directs the custodian to systematically delete all recordings of executive sessions made for purposes of the Colorado Open Meetings Law at its earliest convenience after the ninetieth (90th) day after the date of the executive session.
26. The Board hereby designates the District's accountant as its official custodian over public deposits in accordance with Sections 11-10.5-101 *et seq.*, C.R.S.
27. The Board directs legal counsel to prepare the special district public disclosure statement in accordance with Section 32-1-104.8, C.R.S. and record the statement with the County Clerk and Recorder at any such time as a decree or order of inclusion of real property into the District's boundaries is recorded.
28. Peggy Ripko, of Special District Management Services, Inc., is hereby appointed as the "Designated Election Official" of the Board for any elections to be held during 2024 and any subsequent year unless another Designated Election Official is appointed by resolution. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board, cancelling the election, if applicable, and certifying election results.
29. The Board hereby authorizes legal counsel, the District manager, and District accountant to use the District's name and a brief description of the work performed for the District for marketing purposes, including identifying the District in presentations, proposals, and publications, provided that no confidential information about the District is revealed.

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

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

ADOPTED AND APPROVED THIS 1ST DAY OF NOVEMBER 2023.

STC METROPOLITAN DISTRICT NO. 3

James A. Brzostowicz, President

ATTEST:

Peggy Ripko, Secretary

CERTIFICATION

I, Peggy Ripko, Secretary of the Board of the STC Metropolitan District No. 3, do hereby certify that the annexed and foregoing Resolution is a true copy from the records of the proceedings of the Board of said District, on file with Icenogle Seaver Pogue, P.C., general counsel to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, at the County of Boulder, Colorado, this 1st day of November 2023.

Peggy Ripko, Secretary

[SEAL]



Dazzio & Associates, PC

Certified Public Accountants

October 9, 2023

To the Board of Directors and Management
STC Metropolitan District No. 3
c/o Special District Management Services, Inc.
141 Union Blvd, Suite 150
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide STC Metropolitan District No. 3 (the District) for the year ended December 31, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2023.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 GAAS, and we will provide an opinion on it in relation to the financial statements as a in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Debt Service Fund

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government’s ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not

designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of the District in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$4,700. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Dazzio & Associates, P.C.

Dazzio & Associates, PC

RESPONSE:

This letter correctly sets forth the understanding of STC Metropolitan District No. 3.

Management signature: _____

Title: _____

Date: _____

Board signature: _____

Title: _____

Date: _____

STC METROPOLITAN DISTRICT NO. 3

Icenogle Seaver & Pogue, PC
4725 South Monaco Street, Suite 360
Denver, Colorado 80237

Our auditors, Dazzio & Associates, PC, 8200 S. Quebec St., Suite A3259, Centennial, Colorado, 80112,, are conducting an audit of our financial statements at December 31, 2023 and for the year then ended. This letter will serve as our consent for you to furnish to our auditors all the information requested herein. Accordingly, please provide to them the information requested below involving matters with respect to which you have been engaged and to which you have devoted substantive attention on behalf of STC Metropolitan District No. 3 in the form of legal consultation or representation.

Pending or Threatened Litigation, Claims, and Assessments (excluding unasserted claims and assessments)

Please prepare a description of all material pending or threatened litigation, claims, and assessments (excluding unasserted claims and assessments). Materiality for purposes of this letter includes items involving amounts exceeding \$3,000 individually or in the aggregate. The description of each matter should include:

- 1) the nature of the litigation;
- 2) the progress of the matter to date;
- 3) how management of the District is responding or intends to respond to the litigation; e.g., to contest the case vigorously or to seek an out-of-court settlement; and
- 4) an evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss.

Also, please identify any pending or threatened litigation, claims, and assessments with respect to which you have been engaged but as to which you have not devoted substantive attention.

Unasserted Claims and Assessments

We have represented to our auditors that there are no unasserted possible claims or assessments that you have advised us are probable of assertion and must be disclosed in accordance with *FASB Accounting Standards Codification 450, Contingencies*.

We understand that, whenever, in the course of performing legal services for us with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, if you have formed a professional conclusion that we should disclose or consider disclosure concerning such possible claim or assessment, as a matter of professional responsibility to us, you will so advise us and will consult with us concerning the question of such disclosure and the applicable requirements of *FASB Accounting Standards Codification 450, Contingencies* (excerpts of which can be found in the ABA's *Auditor's Letter Handbook*). Please specifically confirm to our auditors that our understanding is correct.

Response

Your response should include matters that existed as of December 31, 2023, and during the period from that date to the effective date of your response. Please specify the date of your response if it is other than the date of reply.

Please specifically identify the nature of, and reasons for, any limitations on your response.

Very truly yours,

STC Metropolitan District No. 3

RESOLUTION TO AMEND 2023 BUDGET

COMES NOW, James A. Brzostowicz, the President of the STC Metropolitan District No. 3 (the “District”), and certifies that at a regular meeting of the Board of Directors of the District held, Wednesday, the 1st day of November, 2023, at 9:00 A.M., via video conference at <https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUIZZc1VMWTJFZjFHdz09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 862 6755 0643, Passcode: 987572, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors, to-wit:

WHEREAS, the Board of Directors of the District appropriated funds for the fiscal year 2023 as follows:

| | | |
|-----------------------|----|-------|
| General Fund | \$ | _____ |
| Debt Service Fund | \$ | _____ |
| Capital Projects Fund | \$ | _____ |

and;

WHEREAS, the necessity has arisen for additional expenditures and transfers by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for the fiscal year 2023; and

WHEREAS, funds are available for such an expenditure and transfer from surplus revenue funds of the District; and

WHEREAS, due and proper notice was made by posting in three public places within the District’s boundaries a notice indicating (i) the date and time of the hearing at which the adoption of the proposed 2023 budget amendment will be considered; (ii) that the proposed budget amendment is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget amendment at any time prior to the final adoption of the budget by the District; and the Affidavit of Posting evidencing the same is attached hereto as Exhibit A and incorporated herein by this reference; and

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

WHEREAS, a public hearing was held on Wednesday, November 1, 2023 and interested persons were given the opportunity to file or register any objections to said proposed budget amendment and any such objections were considered by the Board of Directors; and

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the District shall and hereby does amend the budget for the fiscal year 2023 as follows:

| | |
|-----------------------|----------|
| General Fund | \$ _____ |
| Debt Service Fund | \$ _____ |
| Capital Projects Fund | \$ _____ |

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the General Fund, Debt Service Fund and Capital Projects Fund for the purpose stated, and that any ending fund balances shall be reserved for purposes of Article X, Section 20 of the Colorado Constitution.

Whereupon, a motion was made by Director _____ and seconded by Director _____, and upon a unanimous vote this Resolution was approved by the Board of Directors.

APPROVED AND ADOPTED THIS 1ST DAY OF NOVEMBER, 2023.

STC METROPOLITAN DISTRICT NO. 3

By: James A. Brzostowicz, President

ATTEST:

By: Peggy Ripko, Secretary

EXHIBIT A

Notice of Regular Meeting
Affidavit
Notice as to Proposed 2023 Budget Amendment

DRAFT

**NOTICE AS TO PROPOSED AMENDED 2023 BUDGET AND HEARING
STC METROPOLITAN DISTRICT NO. 3**

NOTICE IS HEREBY GIVEN that a proposed amended budget will be submitted to the STC METROPOLITAN DISTRICT NO. 3 for the year of 2023. A copy of such proposed amended budget has been filed in the office of Simmons & Wheeler, P.C., 304 Inverness Way South, Suite 490, Englewood, Colorado, where same is open for public inspection. Such proposed amended budget will be considered at a hearing at the regular meeting of the STC Metropolitan District No. 3 to be held at 9:00 A.M., on Wednesday, November 1, 2023. The meeting will be held via video conference at <https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRlWkRyUjZzZlVMWTFJZjFhdz09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 862 6755 0643, Passcode: 987572. Any interested elector within STC Metropolitan District No. 3 may inspect the proposed amended budget and file or register any objections at any time prior to the final adoption of the amended 2023 budget.

BY ORDER OF THE BOARD OF DIRECTORS:
STC METROPOLITAN DISTRICT NO. 3

By: /s/ ICENOGLE | SEAVER | POGUE
A Professional Corporation

Published: Boulder Daily Camera October 18, 2023-2010642

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

**County of Boulder
State of Colorado**

The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Daily Camera*.
2. The *Daily Camera* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Daily Camera* in Boulder County on the following date(s):

Oct 18, 2023

Melissa Najera
Signature

Subscribed and sworn to me before me this
18th day of October 2023

Shayla Najera
Notary Public

DRAFT

**SHAYLA NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174031965
MY COMMISSION EXPIRES July 31, 2025**

(SEAL)

Account: 1051343
Ad Number: 2010642
Fee: \$42.68

**NOTICE AS TO PROPOSED AMENDED 2023 BUDGET AND HEARING
STC METROPOLITAN DISTRICT NO. 3**

NOTICE IS HEREBY GIVEN that a proposed amended budget will be submitted to the **STC METROPOLITAN DISTRICT NO. 3** for the year of 2023. A copy of such proposed amended budget has been filed in the office of Simmons & Wheeler, P.C., 304 Inverness Way South, Suite 490, Englewood, Colorado, where same is open for public inspection. Such proposed amended budget will be considered at a hearing at the regular meeting of the STC Metropolitan District No. 3 to be held at 9:00 A.M., on Wednesday, November 1, 2023. The meeting will be held via video conference at <https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUjZzZc1VMWTJFZjFHdz09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 862 6755 0643, Passcode: 987572. Any interested elector within STC Metropolitan District No. 3 may inspect the proposed amended budget and file or register any objections at any time prior to the final adoption of the amended 2023 budget.

BY ORDER OF THE BOARD OF DIRECTORS:
STC METROPOLITAN DISTRICT NO. 3

By: /s/ ICENOGLE | SEAVER | POGUE
A Professional Corporation

Publish In: *Boulder Daily Camera*
Publish On: Wednesday, October 18, 2023

STATE OF COLORADO
COUNTY OF BOULDER
STC METROPOLITAN DISTRICT NO. 3
2024 BUDGET RESOLUTION

The Board of Directors of the STC Metropolitan District No. 3, Boulder County, Colorado held a regular meeting on Wednesday, November 1, 2023, at the hour of 9:00 A.M., via video conference at <https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUIZZc1VMWTJFZjFHdz09>, and via telephone conference at Dial In: 1-719-359-4580, Meeting ID: 862 6755 0643, Passcode: 987572.

The following members of the Board of Directors were present:

President:
Treasurer:
Secretary:
Assistant Secretary:
Assistant Secretary:

Also present were:

Ms. Ripko reported that proper notice was made to allow the Board of Directors of the STC Metropolitan District No. 3 to conduct a public hearing on the 2024 budget and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a regular meeting of the Board of Directors of the District and that a notice of regular meeting was posted on a public website of the District, <https://stcmd1-3.colorado.gov/>, no less than twenty-four hours prior to the holding of the meeting, and to the best of her knowledge, remains posted to the date of this meeting.

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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE STC METROPOLITAN DISTRICT NO. 3, BOULDER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors (the “Board”) of the STC Metropolitan District No. 3 (the “District”) has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2023; and

WHEREAS, the proposed budget is less than fifty thousand dollars (\$50,000.00), due and proper notice was made by posting in three public places within the District’s boundaries a notice indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District’s increased property tax revenues resulting from a request to the Division pursuant to Section 29-1-302(1), C.R.S.; and the Affidavit of Posting evidencing the same is attached hereto as Exhibit A and incorporated herein by this reference; and

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

WHEREAS, a public hearing was held on Wednesday, November 1, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE STC METROPOLITAN DISTRICT NO. 3, BOULDER COUNTY, COLORADO:

Section 1. Summary of 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2024. In the event the final assessed valuation provided by the Boulder County Assessor's Office differs from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Senate Bill 23-303 and Proposition HH. That the passage of Proposition HH at the November 7, 2023 general election would result in the implementation of various provisions of Senate Bill 23-303 which will impact the District's budget, including, but not limited to, the addition of Section 29-1-306, C.R.S., which limits the increase in the District's property tax revenue to no more than a prescribed inflation amount subject to exclusion of revenue from certain sources. That, as part of the preparation of the proposed budget and [as included in Exhibit B], the District's accountant calculated the "property tax limit" as defined in and in the manner set forth in Section 29-1-306, C.R.S. and has determined that the District's property tax revenue for property tax year 2023 will not increase by more than "inflation" (as defined in in Section 29-1-306(1)(a), C.R.S.) from the District's property tax revenue for the property tax year 2022 and therefore the property tax limit will not be exceeded by imposition of the mill levies included in the budget of the District for fiscal year 2024. In performing the property tax limit calculation, the District has directed that for purposes of Section 29-1-306(2)(b), C.R.S. the most recently published estimate of inflation for the 2022 calendar year available at the time of preparation of the 2024 budget be utilized by the District's accountant. Finally, that the due to the timing of the November 7, 2023 general election and the requirement that the District be provided a proposed budget for its review and consideration on or before October 15, 2023, the District's accountant has made a good faith effort and used the best information available at the time of preparation of the budget to provide the District with alternative scenarios showing a proposed budget and mill

levies for fiscal year 2024 in the event that Proposition HH passes and alternatively in the event that Proposition HH does not pass. Due to the uncertainty of the outcome of the passage of Proposition HH and the significant possibility that the final assessed valuations differ from the preliminary assessed valuations, once the outcome of Proposition HH is known and the final assessed valuations are provided by the Boulder County Assessor's Office, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 4. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 5. Budget Certification. That the budget shall be certified by Peggy Ripko, Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 6. 2024 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$54 and that the 2023 valuation for assessment, as certified by the Boulder County Assessor, is \$5,214. That for the purposes of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 10.394 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 7. 2024 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$108 and that the 2023 valuation for assessment, as certified by the Boulder County Assessor, is \$5,214. That for the purposes of meeting all debt retirement expenses of the District during the 2024 budget year, there is hereby levied a tax of 20.788 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 8. 2024 Mill Levy Adjustment. The Board may adjust the mill levy, as specifically set forth in the District's Service Plan (the "Adjusted Mill Levy"). The Board hereby determines in good faith to establish the Adjusted Mill Levy as set forth in the mill levy certification attached hereto as Exhibit C pursuant to the authority granted by its Service Plan to ensure that the District's revenues shall be neither diminished nor enhanced as a result of the changes effecting the mill levy. Subject to adjustment and finalization by the District's accountant in accordance with Sections 2 and 3 hereof, the Board further authorizes that the Adjusted Mill Levy be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of Boulder County on or before December 15, 2023, for collection in 2024.

Section 9. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of Boulder County, the mill levy for the District hereinabove determined

and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

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

The foregoing Resolution was seconded by Director _____.

RESOLUTION APPROVED AND ADOPTED THIS 1ST DAY OF NOVEMBER 2023.

STC METROPOLITAN DISTRICT NO. 3

By: _____
James A. Brzostowicz
Its: President

ATTEST:

By: Peggy Ripko
Its: Secretary

STATE OF COLORADO
COUNTY OF BOULDER
STC METROPOLITAN DISTRICT NO. 3

I, Peggy Ripko, hereby certify that I am a director and the duly elected and qualified Secretary of the STC Metropolitan District No. 3, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a regular meeting of the Board of Directors of the STC Metropolitan District No. 3 held on November 1, 2023, via video conference at <https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUIZZc1VMWTJFZjFHdz09>, and via telephone conference at Dial In: 1-719-359-4580, Meeting ID: 862 6755 0643, Passcode: 987572, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2024; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 1st day of November 2023.

Peggy Ripko, Secretary

[SEAL]

EXHIBIT A

Affidavit
Notice as to Proposed 2024 Budget

**NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING
STC METROPOLITAN DISTRICT NO. 3**

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the **STC METROPOLITAN DISTRICT NO. 3** for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of Simmons & Wheeler, P.C., 304 Inverness Way South, Suite 490, Englewood, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the regular meeting of the STC Metropolitan District No. 3 to be held at 9:00 A.M., on Wednesday, November 1, 2023. The meeting will be held via video conference at <https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUjZzZc1VMWTJFZjFHdz09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 862 6755 0643, Passcode: 987572. Any interested elector within the STC Metropolitan District No. 3 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

BY ORDER OF THE BOARD OF DIRECTORS:
STC METROPOLITAN DISTRICT NO. 3

By: /s/ ICENOGLE | SEAVER | POGUE
A Professional Corporation

Publish In: *Boulder Daily Camera*
Publish On: Wednesday, October 18, 2023

EXHIBIT B

Budget Document
Budget Message

STC Metropolitan District No. 3
Proposed Budget
General Fund
For the Year Ended December 31, 2024

| | Actual <u>2022</u> | Adopted Budget <u>2023</u> | Actual 6/30/2023 | Estimate <u>2023</u> | Adopted Budget <u>2024</u> |
|------------------------------|-----------------------|----------------------------------|---------------------|-------------------------|----------------------------------|
| Beginning balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenues: | | | | | |
| Property taxes | 81 | 39 | 40 | 40 | 54 |
| SURA Property Tax Increment | 53,010 | 24,413 | 24,263 | 24,413 | 36,840 |
| Specific ownership taxes | 2,416 | 2,200 | 552 | 1,000 | 2,200 |
| Miscellaneous Income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenue | <u>55,507</u> | <u>26,652</u> | <u>24,855</u> | <u>25,453</u> | <u>39,094</u> |
| Total Funds Available | <u>55,507</u> | <u>26,652</u> | <u>24,855</u> | <u>25,453</u> | <u>39,094</u> |
| Expenditures: | | | | | |
| Treasurer's Fees | <u>1</u> | <u>33</u> | <u>1</u> | <u>1</u> | <u>33</u> |
| Total expenditures | <u>1</u> | <u>33</u> | <u>1</u> | <u>1</u> | <u>33</u> |
| Transfers and Reserves | | | | | |
| Transfer to STCMD No. 2 | 55,506 | 26,619 | 24,854 | 25,452 | 39,061 |
| Emergency Reserve | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>55,506</u> | <u>26,619</u> | <u>24,854</u> | <u>25,452</u> | <u>39,061</u> |
| Ending balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Assessed Valuation Gross | | <u>\$ 2,482,358</u> | | | <u>\$ 3,603,555</u> |
| Assessed Valuation Increment | | <u>\$ 2,478,471</u> | | | <u>\$ 3,598,341</u> |
| Assessed Valuation | | <u>\$ 3,887</u> | | | <u>\$ 5,214</u> |
| Mill Levy | | <u>10.000</u> | | | <u>10.394</u> |

STC Metropolitan District No. 3
Proposed Budget
Debt Service Fund
For the Year Ended December 31, 2024

| | Actual <u>2022</u> | Adopted Budget <u>2023</u> | Actual <u>6/30/2023</u> | Estimate <u>2023</u> | Adopted Budget <u>2024</u> |
|------------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|----------------------------------|
| Beginning balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenues: | | | | | |
| Property taxes | 162 | 78 | 79 | 79 | 108 |
| SURA Property Tax Increment | 106,021 | 49,569 | 48,526 | 49,569 | 74,802 |
| Specific Ownership Taxes | 4,831 | 3,259 | 1,104 | 2,200 | 3,259 |
| Interest income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenue | <u>111,014</u> | <u>52,906</u> | <u>49,709</u> | <u>51,848</u> | <u>78,169</u> |
| Total Funds Available | <u>111,014</u> | <u>52,906</u> | <u>49,709</u> | <u>51,848</u> | <u>78,169</u> |
| Expenditures: | | | | | |
| Treasurer's Fees | <u>2</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>2</u> |
| Total expenditures | <u>2</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>2</u> |
| Transfers and Reserves | | | | | |
| Transfer to STCMD No. 2 | 111,012 | 52,905 | 49,708 | 51,847 | 78,167 |
| Emergency Reserve | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Transfers and Reserves | <u>111,012</u> | <u>52,905</u> | <u>49,708</u> | <u>51,847</u> | <u>78,167</u> |
| Ending balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Assessed Valuation Gross | | <u>\$ 2,482,358</u> | | | <u>\$ 3,603,555</u> |
| Assessed Valuation Increment | | <u>\$ 2,478,471</u> | | | <u>\$ 3,598,341</u> |
| Assessed Valuation | | <u>\$ 3,887</u> | | | <u>\$ 5,214</u> |
| Mill Levy | | <u>20.000</u> | | | <u>20.788</u> |
| Total Mill Levy | | <u>30.000</u> | | | <u>31.182</u> |

EXHIBIT C

Certification of Tax Levy

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of _____, Colorado.

On behalf of the _____,
(taxing entity)^A

the _____,
(governing body)^B

of the _____,
(local government)^C

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

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

Submitted: _____ for budget/fiscal year _____.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

| PURPOSE (see end notes for definitions and examples) | LEVY² | REVENUE² |
|--|----------------------------|----------------------------|
| 1. General Operating Expenses ^H | _____ mills | \$ _____ |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < _____ > mills | \$ < _____ > |
| SUBTOTAL FOR GENERAL OPERATING: | <input type="text"/> mills | \$ <input type="text"/> |
| 3. General Obligation Bonds and Interest ^J | _____ mills | \$ _____ |
| 4. Contractual Obligations ^K | _____ mills | \$ _____ |
| 5. Capital Expenditures ^L | _____ mills | \$ _____ |
| 6. Refunds/Abatements ^M | _____ mills | \$ _____ |
| 7. Other ^N (specify): _____ | _____ mills | \$ _____ |
| | _____ mills | \$ _____ |
| TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7] | <input type="text"/> mills | \$ <input type="text"/> |

Contact person: _____ Daytime phone: () _____
(print)

Signed: _____ Title: _____

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

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

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

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

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

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

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

CONTRACTS^K:

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the STC
Metropolitan District No. 3 of Boulder County, Colorado on this 1st day of November 2023.

Peggy Ripko, Secretary

S E A L



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

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: October 12, 2023

RE: Notice of 2024 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by (6.0%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.



ICENOGL SEAVR POGUE

2024 BILLING RATES

| | | |
|-----------------------|---------------------|-------------------|
| T. Edward Icenogle | Of Counsel | \$360.00 per hour |
| Tamara K. Seaver | Shareholder | \$485.00 per hour |
| Alan D. Pogue | Shareholder | \$485.00 per hour |
| Jennifer L. Ivey | Shareholder | \$425.00 per hour |
| Deborah A. Early | Shareholder | \$405.00 per hour |
| Anna C. Wool | Shareholder | \$305.00 per hour |
| Shannon Smith Johnson | Shareholder | \$305.00 per hour |
| Alicia J. Corley | Associate | \$290.00 per hour |
| Karlie R. Ogden | Associate | \$275.00 per hour |
| Alexandra L. Moore | Associate | \$250.00 per hour |
| Kayla M. Enriquez | Associate | \$250.00 per hour |
| Hannah E. Huval | Associate | \$250.00 per hour |
| Stacie L. Pacheco | Paralegal | \$205.00 per hour |
| Donette B. Hunter | Paralegal | \$205.00 per hour |
| Megan Liesmaki | Paralegal | \$205.00 per hour |
| L. Noel Nail | Paralegal | \$205.00 per hour |
| Hannah Pogue | Legal Administrator | \$ 55.00 per hour |
| T. Max Gilida | Legal Administrator | \$ 55.00 per hour |