

CASTLEWOOD RANCH METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 800-741-3254
Fax: 303-987-2032

NOTICE OF A REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Caryn Johnson	President	2022/2022
Steven G. Peterson	Treasurer	2022/2022
Max Brooks	Assistant Secretary	2023/2022
VACANT		2023/2022
VACANT		2023/2022

DATE: November 4, 2021 (Thursday)
TIME: 6:30 P.M.
PLACE: Philip S. Miller Library
100 South Wilcox Street
Castle Rock, Colorado

Individuals may choose to participate at the meeting location, or by joining the meeting via Conference Call at **1-877-250-3814** and when prompted, dial in the passcode of **5592663**.

I. PUBLIC COMMENTS

A. _____

II. ADMINISTRATIVE MATTERS

A. 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 June 3, 2021 Special Meeting (enclosure).

D. Discuss business to be conducted in 2022 and location (**virtual and/or physical**) of meetings. Schedule Regular Meeting dates (suggested dates are June 2, 2022 and November 3, 2022) and consider approval of Resolution No. 2021-11-___; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosure).

- E. Discuss §32-1-809, C.R.S., Transparency Notice reporting requirements and mode of eligible elector notification (2022 SDA Website).

- F. Discuss status of District website.

III. FINANCIAL MATTERS

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

	Period Ending June 30, 2021	Period Ending July 31, 2021	Period Ending Aug. 31, 2021	Period Ending Sept. 30, 2021
General Fund	\$ 2,692.84	\$ 5,764.01	\$ 2,562.74	\$ 2,246.51
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 2,692.84	\$ 5,764.01	\$ 2,562.74	\$ 2,246.51

	Period Ending Oct. 31, 2021
General Fund	\$ 2,507.55
Debt Service Fund	\$ -0-
Capital Fund	\$ -0-
Total	\$ 2,507.55

-
- B. Review and accept unaudited financial statements through the period ending _____, 2021 (to be distributed).

 - C. Discuss statutory requirements for an Audit. Consider engagement of Wipfli LLP for preparation of 2021 Audit, in the amount of \$_____ (to be distributed).

 - D. Acknowledge receipt of 2021 Annual Notice Concerning Budgets (enclosure).

 - E. Conduct Public Hearing to consider Amendment to 2021 Budget (if necessary) and consider adoption of Resolution to Amend the 2021 Budget and Appropriate Expenditures.

F. Conduct Public Hearing on the proposed 2022 Budget and consider adoption of Resolution to Adopt the 2022 Budget and Appropriate Sums of Money and Set Mill Levies for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – preliminary AV, draft 2022 Budget, and resolutions).

G. Authorize 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.

H. Consider appointment of District Accountant to prepare the 2023 Budget, and set the date of the Budget Hearing as November 3, 2022.

I. Discuss Optional Redemption Amount to be paid on the District’s Series 2016 obligations for 2021 (to be distributed).

J. Report on receipt of quarterly lift station operations and maintenance subsidy payments per terms of the Amended and Reinstated Castlewood Ranch Collection Agreement between the Town of Castle Rock, Castlewood Ranch LLC, and the District (to be distributed).

IV. LEGAL MATTERS

A. Consider adoption of Resolution No. 2021-10-__ ; Resolution Calling a Regular Election for Directors on May 3, 2022, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election (enclosure). Self-Nomination forms are due by February 28, 2022. Discuss the need for ballot issues and/or questions.

V. CAPITAL IMPROVEMENTS/MAINTENANCE MATTERS

A. Review Detention Ponds reinspection Report (enclosure).

B. Discuss Appleton Way Landscaping.

VI. OTHER BUSINESS

A. Updates on Lost Canyon Ranch.

B. Updates on Bella Mesa.

VII. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2021.**

Additional Enclosures:

- Notice of rate increase from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CASTLEWOOD RANCH METROPOLITAN DISTRICT HELD JUNE 3, 2020

A Special Meeting of the Board of Directors of the Castlewood Ranch Metropolitan District was duly held on Thursday, the 3rd day of June, 2021, at 6:30 p.m. The meeting was open to the public.

Due to the threat posed by the COVID-19 coronavirus, and the benefit to the control of the virus by limiting in-person contact, this meeting was held via teleconference.

Directors In Attendance Were:

Caryn Johnson
Steven G. Peterson
Ann T. Weaver

Also In Attendance Were the Following Consultants:

David Solin; Special District Management Services, Inc.

Paula Williams, Esq.; McGeady Becher P.C.

John Simmons and Diane Wheeler; Simmons & Wheeler, P.C.

Greg Livin; Wipfli LLP (for a portion of the meeting)

Maxwell (“Max”) Brooks; Board Candidate

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

Disclosures 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. Director Johnson 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. No additional conflict disclosures were made at the meeting.

**ADMINISTRATIVE
MATTERS**

Agenda: The Board reviewed for approval a proposed Agenda for the District's Special Meeting.

RECORD OF PROCEEDINGS

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

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

Following discussion, upon motion duly made by Director Peterson, seconded by Director Johnson and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of COVID-19 and the benefit to the control of the virus by limiting in-person contact, this District Board meeting was held via teleconference. The Board noted that notice of this meeting and teleconference was duly posted and the Board had not received any objections to the teleconference meeting or any requests that the meeting be changed by taxpaying electors within the District's boundaries.

Designation of 24-Hour Posting Location: Following discussion, upon motion duly made by Director Peterson, seconded by Director Johnson, and upon vote, unanimously carried, the Board determined that notices 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 as least 24 hours prior to each meeting at the corner of Mikelson Boulevard and Lantern Trail, Castle Rock, Colorado 80104.

Appointment of Director: The Board considered the appointment of Mr. Max Brooks to fill a vacancy on the Board of Directors.

Following discussion, upon motion duly made by Director Weaver, seconded by Director Peterson and, upon vote, unanimously carried, the Board appointed Mr. Max Brooks to fill a vacant position on the Board of Directors.

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

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

President	Caryn Johnson
Treasurer	Steven G. Peterson
Secretary	David Solin
Assistant Secretary	Ann T. Weaver
Assistant Secretary	Max Brooks

Minutes: The Board reviewed the Minutes of the November 5, 2020 Special Meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Weaver, seconded by Director Johnson and, upon vote, unanimously carried, the Minutes of the November 5, 2020 Special Meeting were approved, as presented.

2021 SDA Conference: Mr. Solin discussed the SDA Conference with the Board, and noted the information concerning the details of the conference will be emailed to them once the information is available.

Mode of Meetings: The Board entered into discussion regarding the mode of meetings. The Board determined to meet in person during the November 4, 2021 meeting, Mr. Solin advised the Board that this would be dependent upon public health and safety conditions being conducive for all members of the public to be able to attend meetings in person, as the District’s meetings are open to the public.

PUBLIC COMMENT

There was no public comment.

FINANCIAL MATTERS

Authorized Signers for Colotrust Account: The Board entered into discussion regarding the Authorized Signers for the Colotrust account.

Following discussion, upon motion duly made by Director Peterson, seconded by Director Weaver and, upon vote, unanimously carried, the Board authorized all Directors to elect the type of access they would like to have. It was noted Directors cannot opt to have access for moving funds.

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

	Period Ending Nov. 12, 2020	Period Ending Dec. 15, 2020	Period Ending Jan. 19, 2021	Period Ending Feb. 17, 2021
General Fund	\$ 11,576.75	\$ 3,560.15	\$ 2,987.04	\$ 1,765.15
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 11,576.75	\$ 3,560.15	\$ 2,987.04	\$ 1,765.15

	Period Ending March 25, 2021	Period Ending April 21, 2021	Period Ending May 21, 2021
General Fund	\$ 1,666.91	\$ 1,764.69	\$ 1,230.38
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total	\$ 1,666.91	\$ 1,764.69	\$ 1,230.38

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

RECORD OF PROCEEDINGS

Unaudited Financial Statements: Ms. Wheeler reviewed with the Board the unaudited financial statements for the period ending March 31, 2021.

Following discussion, upon motion duly made by Director Peterson, seconded by Director Weaver and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending March 31, 2021, as presented.

2020 Audit: Mr. Livin reviewed with the Board the draft 2020 Audit.

Following review and discussion, upon motion duly made by Director Peterson, seconded by Director Johnson, and upon vote, unanimously carried, the Board approved the 2020 Audited Financial Statements and authorized execution of the Representations Letter, subject to final legal review and receipt of an unmodified opinion letter from Auditor.

2021 Debt Option Redemption Amount: The Board deferred discussion.

Quarterly Lift Station Operations and Maintenance Subsidy Payments per Terms of the Amended and Reinstated Castlewood Ranch Collection Agreement between the Town of Castle Rock, Castlewood Ranch LLC, and the District: Mr. Solin discussed with the Board the quarterly lift station operations and maintenance subsidy payments per terms of the Amended and Reinstated Castlewood Ranch Collection Agreement between the Town of Castle Rock, Castlewood Ranch LLC, and the District. No action was taken.

LEGAL MATTERS

Second Amendment to Resolution No. 2013-11-04 Regarding Colorado Open Records Act Requests: The Board reviewed a Second Amendment to Resolution No. 2013-11-04 Regarding Colorado Open Records Act Requests.

Following discussion, upon motion duly made by Director Peterson, seconded by Director Weaver and, upon vote, unanimously carried, the Board adopted the Second Amendment to Resolution No. 2013-11-04 Regarding Colorado Open Records Act Requests.

CAPITAL IMPROVEMENTS/ MAINTENANCE MATTERS

2020 Detention Pond Maintenance: Mr. Solin reviewed with the Board the Detention Pond Report. The Board directed Mr. Solin to share the Detention Pond Report with the Homeowners Association's Manager and to have Mr. Robert Graham prepare a timeline of future tasks to be completed.

Appleton Way Landscaping: Director Weaver updated the Board on the Appleton Way Landscaping.

RECORD OF PROCEEDINGS

OTHER BUSINESS

Lost Canyon Ranch: The Board entered into discussion regarding the Lost Canyon Ranch. Director Johnson updated the Board on the current status, noting that the property is for sale and there is potential interest from Douglas County to use it as an open space.

ADJOURNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting

RESOLUTION NO. 2021- 11 - ____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE CASTLEWOOD RANCH METROPOLITAN DISTRICT
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903(1.5), 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 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), 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 public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that 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 physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Castlewood Ranch Metropolitan District (the “**District**”), Douglas County, Colorado:

1. That the provisions of Section 32-1-903(1.5), 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 meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2022 shall be held on June 2, 2022 and November 3, 2022 at 6:30 p.m., at Philip S. Miller Library 100 South Wilcox Street, Castle Rock, 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 physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

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

7. That, if the District has not yet established a District Website or is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

a. On the corner of Mikelson Boulevard and Lantern Trail.

8. Richard Levin, or his/her designee, is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on November 4, 2021.

**CASTLEWOOD RANCH
METROPOLITAN DISTRICT**

By: _____
President

Attest:

Secretary

Castlewood Ranch Metropolitan District
June-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number	Department
McGeady Becher P.C.	500W 04/21	4/30/2021	4/30/2021	\$ 565.00	Legal	6750	1
Simmons & Wheeler P.C.	30650	5/31/2021	5/31/2021	\$ 370.00	Accounting expense	6150	1
Special District Management	May-21	5/31/2021	5/31/2021	\$ 24.84	Office/Miscellaneous Expense	6850	1
Special District Management	May-21	5/31/2021	5/31/2021	\$ 1,733.00	District Management	6140	1
				\$ 2,692.84			

Castlewood Ranch Metropolitan District
June-21

	General	Debt	Capital	Totals
Disbursements	\$ 2,692.84	\$ -	\$ -	\$ 2,692.84
		\$ -		\$ -
<u>Total Disbursements from Checking Acct</u>	<u>\$ 2,692.84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,692.84</u>

Castlewood Ranch Metropolitan District
July-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number	Department
Ann T. Weaver	6/3/21 mtg	6/3/2021	6/3/2021	\$ 100.00	Director's Fees	6200	-
Caryn Johnson	6/3/21 mtg	6/3/2021	6/3/2021	\$ 100.00	Director's Fees	6200	-
Maxwell Miles Brooks	6/3/21 mtg	6/3/2021	6/3/2021	\$ 100.00	Director's Fees	6200	-
McGeady Becher P.C.	500W 05/2021	5/31/2021	5/31/2021	\$2,693.00	Legal	6750	1
Simmons & Wheeler P.C.	30984	6/30/2021	6/30/2021	\$ 1,644.41	Accounting expense	6150	1
Special District Management	Jun-21	6/30/2021	6/30/2021	\$ 4.60	Office/Miscellaneous Expense	6850	1
Special District Management	Jun-21	6/30/2021	6/30/2021	\$1,022.00	District Management	6140	1
Steven G. Peterson	6/3/21 mtg	6/3/2021	6/3/2021	\$ 100.00	Director's Fees	6200	-
				\$5,764.01			

Castlewood Ranch Metropolitan District
July-21

	General	Debt	Capital	Totals
Disbursements	\$ 5,764.01	\$ -	\$ -	\$ 5,764.01
		\$ -		\$ -
<u>Total Disbursements from Checking Acct</u>	<u>\$ 5,764.01</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,764.01</u>

Castlewood Ranch Metropolitan District
August-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number	Department
McGeady Becher P.C.	500W 06/2021	6/30/2021	6/30/2021	\$ 1,400.00	Legal	6750	1
Simmons & Wheeler P.C.	31144	7/31/2021	7/31/2021	\$ 543.23	Accounting expense	6150	1
Special District Management	Jul-21	7/31/2021	7/31/2021	\$ 129.51	Office/Miscellaneous Expense	6850	1
Special District Management	Jul-21	7/31/2021	7/31/2021	\$ 490.00	District Management	6140	1
				\$2,562.74			

Castlewood Ranch Metropolitan District
August-21

	General	Debt	Capital	Totals
Disbursements	\$ 2,562.74	\$ -	\$ -	\$ 2,562.74
		\$ -		\$ -
<u>Total Disbursements from Checking Acct</u>	<u>\$ 2,562.74</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,562.74</u>

Castlewood Ranch Metropolitan District
September-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number	Department
Caryn Johnson	SDA Conference reimbursement -2021	9/23/2021	9/23/2021	\$ 656.11	Office/Miscellaneous Expense	6850	1
McGeady Becher P.C.	500W 07/2021	7/31/2021	7/31/2021	\$ 387.00	Legal	6750	1
Simmons & Wheeler P.C.	31220	8/31/2021	9/30/2021	\$ 220.00	Accounting expense	6150	1
Special District Management	Aug-21	9/17/2021	9/17/2021	\$ 3.40	Office/Miscellaneous Expense	6850	1
Special District Management	Aug-21	9/17/2021	9/17/2021	\$ 980.00	District Management	6140	1
				\$ 2,246.51			

Castlewood Ranch Metropolitan District
September-21

	General	Debt	Capital	Totals
Disbursements	\$ 2,246.51	\$ -	\$ -	\$ 2,246.51
		\$ -		\$ -
<u>Total Disbursements from Checking Acct</u>	<u>\$ 2,246.51</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,246.51</u>

Castlewood Ranch Metropolitan District
October-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number	Department
Colorado Special Districts Property	POL-0007086	9/8/2021	9/8/2021	\$ 450.00	Prepaid expense	1365	1
McGeady Becher P.C.	500W 08/2021	8/31/2021	8/31/2021	\$ 625.00	Legal	6750	1
Special District Association	29807	8/25/2021	9/24/2021	\$ 350.00	Office/Miscellaneous Expense	6850	1
Special District Association	29855	9/21/2021	10/21/2021	\$ 130.00	Office/Miscellaneous Expense	6850	1
Special District Management	Sep-21	9/30/2021	9/30/2021	\$ 20.55	Office/Miscellaneous Expense	6850	1
Special District Management	Sep-21	9/30/2021	9/30/2021	\$ 932.00	District Management	6140	1
				\$ 2,507.55			

Castlewood Ranch Metropolitan District
October-21

	General	Debt	Capital	Totals
Disbursements	\$ 2,507.55	\$ -	\$ -	\$ 2,507.55
		\$ -		\$ -
Total Disbursements from Checking Acct	\$ 2,507.55	\$ -	\$ -	\$ 2,507.55

CASTLEWOOD RANCH METROPOLITAN DISTRICT
NOTICE CONCERNING 2021 BUDGET AMENDMENT
AND PROPOSED 2022 BUDGET

NOTICE IS HEREBY GIVEN to all interested parties that the necessity has arisen to amend the Castlewood Ranch Metropolitan District 2021 Budget and that a proposed 2022 Budget has been submitted to the Board of Directors of the Castlewood Ranch Metropolitan District; and that copies of the proposed Amended 2021 Budget and 2022 Budget have been filed at the District's offices, 141 Union Boulevard, Suite 150, Lakewood, Colorado, where the same is open for public inspection; and that adoption of Resolutions Amending the 2021 Budget and Adopting the 2022 Budget will be considered at a public hearing of the Board of Directors of the District will be held simultaneously at Philip S. Miller Library, 100 South Wilcox Street, Castle Rock, Colorado, 80104 on Thursday, November 4, 2021, at 6:30 p.m. AND, via teleconference by dialing 877.250.3814 and using passcode 5592663 when prompted. Any elector within the District may, at any time prior to the final adoption of the Resolutions to Amend the 2021 Budget and adopt the 2022 Budget, inspect and file or register any objections thereto.

CASTLEWOOD RANCH METROPOLITAN
DISTRICT

By: /s/ David Solin
Secretary

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: **4071-Castlewood Ranch Metro District**

Date: 8/23/2021

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR2021 IN DOUGLAS COUNTY, COLORADO.

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$42,292,430
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION‡	\$44,086,240
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$44,086,240
5. NEW CONSTRUCTION: *	\$117,770
6. INCREASED PRODUCTION OF PRODUCING MINES: ~	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ~	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): **	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	\$0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)	\$0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution.
 * New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
 ~ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
 ** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR2021 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25,2021.

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$608,089,417
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$1,647,185
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
<small>(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)</small>	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.
 ! Construction is defined as newly constructed taxable real property structures.
 % Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:
 TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY: \$0

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:
 HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$0

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.
NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

Castlewood Ranch Metropolitan District
Proposed
General Fund
For the Year ended December 31, 2022

	Actual 2020	Adopted Budget 2021	Actual 6/30/2021	Estimate 2021	Proposed Budget 2022
Beginning fund balance	\$ 855,939	\$ 916,306	\$ 921,301	\$ 921,301	\$ 962,263
Revenues:					
Property taxes	211,294	211,462	209,588	210,000	220,431
Specific ownership taxes	18,228	16,917	10,444	20,000	17,634
Interest income	18,806	35,000	1,044	2,000	5,000
Other income	183	-	-	-	-
Total revenues	<u>248,511</u>	<u>263,379</u>	<u>221,076</u>	<u>232,000</u>	<u>243,065</u>
Total funds available	<u>1,104,450</u>	<u>1,179,685</u>	<u>1,142,377</u>	<u>1,153,301</u>	<u>1,205,328</u>
Expenditures:					
District Management	13,325	20,000	5,457	12,000	20,000
Accounting and audit	9,600	7,000	3,634	8,000	8,000
Audit	-	4,200	4,125	4,125	4,400
Directors fees	600	2,000	400	1,000	2,000
Insurance	5,059	6,000	4,743	4,743	6,000
Legal	7,663	17,500	5,515	15,000	17,500
Election expense	896	-	-	-	10,000
Office expense	2,834	5,000	88	500	5,000
Repair and maintenance	-	5,000	-	2,500	5,000
Treasurer fees	3,172	3,172	3,144	3,170	3,306
Contingency	-	967,717	-	-	981,686
Transfer to debt service	140,000	140,000	-	140,000	140,000
Emergency reserve (3%)	-	2,096	-	-	2,436
Total expenditures	<u>183,149</u>	<u>1,179,685</u>	<u>27,106</u>	<u>191,038</u>	<u>1,205,328</u>
Ending fund balance	<u>\$ 921,301</u>	<u>\$ -</u>	<u>\$ 1,115,271</u>	<u>\$ 962,263</u>	<u>\$ -</u>
Assessed Value (000's)		<u>\$ 42,292.430</u>			<u>\$ 44,086.240</u>
Mill Levy		<u>5.000</u>			<u>5.000</u>

Castlewood Ranch Metropolitan District
Proposed
Debt Service Fund
For the Year ended December 31, 2022

	Actual	Adopted	Actual	Estimate	Proposed
	<u>2020</u>	<u>Budget</u> <u>2021</u>	<u>6/30/2021</u>	<u>2021</u>	<u>Budget</u> <u>2022</u>
Beginning fund balance	\$ 909,780	\$ 1,362,593	\$ 1,386,550	\$ 1,386,550	\$ 1,860,706
Revenues:					
Property taxes	1,479,055	1,480,235	1,467,119	1,480,000	1,543,018
Specific ownership taxes	127,593	118,419	73,109	130,000	123,441
Transfer from General Fund	140,000	140,000	-	140,000	140,000
Interest income	<u>1,006</u>	<u>1,000</u>	<u>154</u>	<u>500</u>	<u>1,000</u>
Total revenues	<u>1,747,654</u>	<u>1,739,654</u>	<u>1,540,382</u>	<u>1,750,500</u>	<u>1,807,459</u>
Total funds available	<u>2,657,434</u>	<u>3,102,247</u>	<u>2,926,932</u>	<u>3,137,050</u>	<u>3,668,165</u>
Expenditures:					
Bond principal - Series 2016	835,000	860,000	-	860,000	895,000
Bond interest - Series 2016	413,187	391,644	195,822	391,644	369,456
Paying agent fees	495	2,500	-	2,500	2,500
Treasurer fees	<u>22,202</u>	<u>22,204</u>	<u>22,009</u>	<u>22,200</u>	<u>23,145</u>
Total expenditures	<u>1,270,884</u>	<u>1,276,348</u>	<u>217,831</u>	<u>1,276,344</u>	<u>1,290,101</u>
Ending fund balance	<u>\$ 1,386,550</u>	<u>\$ 1,825,899</u>	<u>\$ 2,709,101</u>	<u>\$ 1,860,706</u>	<u>\$ 2,378,064</u>
Assessed Value (000's)		<u>\$ 42,292.430</u>			<u>\$ 44,086.240</u>
Mill Levy		<u>35.000</u>			<u>35.000</u>

**Castlewood Ranch Metropolitan District
Proposed
Capital Project Fund
For the Year ended December 31, 2022**

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Estimate <u>2021</u>	Proposed Budget <u>2022</u>
Beginning fund balance	\$ 276,071	\$ 281,071	\$ 276,274	\$ 276,274	\$ 281,274
Revenues:					
Tap fees	<u>203</u>	<u>20,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total revenues	<u>203</u>	<u>20,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total funds available	<u>276,274</u>	<u>301,071</u>	<u>276,274</u>	<u>281,274</u>	<u>286,274</u>
Expenditures:					
Capital Outlay	<u>-</u>	<u>297,935</u>	<u>-</u>	<u>-</u>	<u>286,274</u>
Total expenditures	<u>-</u>	<u>297,935</u>	<u>-</u>	<u>-</u>	<u>286,274</u>
Ending fund balance	<u>\$ 276,274</u>	<u>\$ 3,136</u>	<u>\$ 276,274</u>	<u>\$ 281,274</u>	<u>\$ -</u>

RESOLUTION NO. 2021 – 11 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CASTLEWOOD RANCH METROPOLITAN DISTRICT
TO ADOPT THE 2022 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Castlewood Ranch Metropolitan District (“District”) has appointed the District Accountant to prepare and submit a proposed 2022 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, 2021, 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 November 4, 2021, 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 Castlewood Ranch Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Castlewood Ranch Metropolitan District for the 2022 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 4TH day of NOVEMBER, 2021.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Castlewood Ranch Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2022, duly adopted at a meeting of the Board of Directors of the Castlewood Ranch Metropolitan District held on November 4, 2021.

By: _____
Secretary

RESOLUTION NO. 2021 - 11 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CASTLEWOOD RANCH METROPOLITAN DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Castlewood Ranch Metropolitan District (“District”) has adopted the 2022 annual budget in accordance with the Local Government Budget Law on November 4, 2021; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2022 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 Castlewood Ranch Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2022 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 2022 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 Douglas 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 4TH day of NOVEMBER, 2021.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

RESOLUTION NO. 2021-11-____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
CASTLEWOOD RANCH METROPOLITAN DISTRICT
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 3, 2022**

A. The terms of the offices of Directors Johnson and Peterson shall expire upon the election of their successors at the regular election, to be held on May 3, 2022 (“**Election**”), and upon such successors taking office.

B. The term of the office to which Director Brooks has previously been appointed expires upon his re-election, or the election of his successor at the Election, and upon such successor taking office.

C. Two (2) vacancies currently exist on the Board of Directors of the District.

D. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect three (3) Directors to serve until the next regular election, to occur May 2, 2023, and two (2) Directors to serve until the second regular election, to occur May 6, 2025.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Castlewood Ranch Metropolitan District (the “**District**”) of the County of Douglas, Colorado:

1. Date and Time of Election. The Election shall be held on May 3, 2022, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, three (3) Directors shall be elected to serve until the next regular election, to occur May 2, 2023, and two (2) Directors shall be elected to serve until the second regular election, to occur May 6, 2025.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. David Solin shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, c/o David Solin, Special District Management Services, Inc., 141 Union Blvd., Suite 150, Lakewood, Colorado 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 26, 2022).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from David Solin, the Designated Election Official for the Castlewood Ranch Metropolitan District, c/o David Solin at Special District Management Services, Inc., 141 Union Blvd., Suite 150, Lakewood, Colorado 80228, (303) 987-0835.

8. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on March 1, 2022, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

9. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

10. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

11. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 3, 2022]**

RESOLUTION APPROVED AND ADOPTED on November 4, 2021.

**CASTLEWOOD RANCH
METROPOLITAN DISTRICT**

By: _____
President

Attest:

Secretary

Castlewood Ranch Metropolitan District



Detention Ponds Inspection Report

9/21/2021

Robert Graham

Project Manager Special District Management Services

Pond A Filing 2 Tract H (District)



- Pond A looking North from the sidewalk between Ardmore Street and Peabody Street



- Willows and woody plant material that is impeding the flow of water to the outlet of the detention pond. Woody plant material needs to be removed as part of the regular maintenance of the Detention Pond

Pond A Filing 2 Tract H (District)



- Willow Tree needs to be removed
- Mowing of the grasses should wait till the fall. In general, mowing should be done as needed to maintain appropriate height and control weeds.



- Remove debris and litter from the detention area as required to minimize clogging of the outlet.
- The outlet of the detention pond has debris and dirt that needs to be removed and disposed up correctly away from the detention pond so water can freely exit the pond

Pond A Filing 2 Tract H (District)

9/21/21



- Follow up inspection conducted on 9/21/21.
- Willows and woody plant material still exist, and are impeding the flow of water to the outlet of the detention pond. Woody plant material needs to be removed as part of the regular maintenance of the Detention Pond.
- Debris and litter still need to be removed to minimize clogging of the outlet.
- The outlet has dirt that still needs to be removed and disposed of correctly away from the detention pond so water can freely exit the pond.
- Willow tree on NE Corner of detention pond still needs to be removed.

Pond C Filing 1 Tract C



- Pond C Looking south from forebay to outlet
- Both forebay's is holding water
- Remove sediment from the forebay before it becomes a significant source of pollutants for the remainder of the pond. More frequent removal will benefit long-term maintenance practices
- The outlet screen of the detention pond has debris and dirt that needs to be removed and disposed up correctly away from the detention pond so water can freely exit the pond
- Algae growth is present in the pond. Removal of sediment from the bottom of the pond may be required every 10 to 20 years to maintain volume and deter algae growth.



Pond C Filing 1 Tract C



- The top picture is the forebay located at the north of the pond
- The bottom picture is the forebay located at the east side of the detention pond
- In the bottom picture the sediment and debris must be removed to improve the flow of water



Pond C Filing 1 Tract C(District) 9/21/21



- Follow up inspection conducted on 9/21/21.
- Willows and woody plant material still exist, and are impeding the flow of water to the outlet of the detention pond. Woody plant material needs to be removed as part of the regular maintenance of the Detention Pond.
- Debris and litter still need to be removed to minimize clogging of the outlet.
- The outlet has dirt that still needs to be removed and disposed of correctly away from the detention pond so water can freely exit the pond.
- Algae growth in standing water still present.

Pond J Filing 2 Tract I



- Outlet structure looking south
- On the two ends of the outlet structures, the grate has been removed allowing children and animals to enter.
- Remove sediment from the forebay and trickle channel annually. If portions of the watershed are not developed or if roadway or landscaping projects are taking place in the watershed, the required frequency of sediment removal in the forebay may be as often as after each storm event. The forebay should be maintained in such a way that it does not provide a significant source of resuspended sediment in the stormwater runoff.

Pond J Filing 2 Tract I



- Remove debris and litter from the detention area as required to minimize clogging of the outlet screens
- In second picture another part of the outlet structure and debris located at the south end before the forebay



Pond J Filing 2 Tract I



- The first forebay at the south end debris and woody material need to be removed
- The second forebay to the north the willows and wood material needs to be removed
- Remove sediment from the bottom of the basin when accumulated sediment occupies about 20% of the water quality design volume or when sediment accumulation results in poor drainage within the basin. The required frequency may be every 15 to 25 years or more frequently in basins where construction activities are occurring



Pond J Filing 2 Tract I (District) 9/21/21



- Follow up inspection conducted on 9/21/21.
- Willows and woody plant material still exist, and are impeding the flow of water to the outlet of the detention pond. Woody plant material needs to be removed as part of the regular maintenance of the Detention Pond.
- Debris and litter still need to be removed to minimize clogging of the outlet.
- The outlet has dirt that still needs to be removed and disposed of correctly away from the detention pond so water can freely exit the pond.
- Outlet Screens need to be repaired/replace for safety concerns.



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: August 31, 2021

RE: Notice of 2022 Rate Increase

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 the CPI (5.28%) 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.