

**NOTICE OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE
HIDDEN VALLEY WATER DISTRICT**

A Regular Meeting of the Board of Directors of the HIDDEN VALLEY WATER DISTRICT will be held at 7:00 p.m., Tuesday, February 24, 2026 via Zoom. The call-in number is (669) 444-9171 or Meeting ID is 461 381 5754, passcode 6743379. The agenda is as follows:

- 1. AGENDA & ADMINISTRATIVE MATTERS**
 - a. Disclosure of Conflicts of Interest: Directors
 - b. Approve Minutes from November 18, 2025
 - c. Approve 2026 Sunshine Resolution No. 1
 - d. Appoint New Secretary

- 2. LEGAL MATTERS**
 - a. Review Memo on Water Storage Alternatives

- 3. ENGINEERING & MAINTENANCE MATTERS**
 - a. Discuss ORC Proposals Received

- 4. FINANCIAL MATTERS**
 - a. Ratify Approval of December 2025 and January 2026 Disbursements
 - b. Approve February 2026 Disbursements
 - c. Approve December 31, 2025 Year End Financial Statements
 - d. Approve 2025 Audit Exemption

- 5. OTHER BUSINESS**
 - a. Open Forum for the Public (5 minute limit per person)

DISTRICT MEETINGS ARE OPEN TO THE PUBLIC

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
HIDDEN VALLEY WATER DISTRICT**

November 18, 2025 at 7 p.m.

A Regular meeting of the Board of Directors of the Hidden Valley Water District was held on Tuesday, November 18, 2025, at the hour of 7:00 p.m. via Zoom conference. Directors present were Max Parmenter, Chris Palmer, Rachel Pyburn and Ryan Arestie. Also attending were Nicki Simonson, Rebecca Hill and Sean Murphy with Simonson & Associates, Inc. and Andrea Kehrl the District's attorney.

1. Agenda & Administrative Matters

a. Disclosure of Conflicts of Interest. There were no changes to the Board member disclosures.

b. Open Forum for the Public. A few members of the public were in attendance. The Board decided to give homeowners more time for public comment at the end of the meeting and Simonson & Associates would not attend at a homeowner's request. Andrea Kehrl was asked to put together a synopsis of the Sunshine Act for the Board.

c. Minutes. Rachel Pyburn moved to approve the October 21, 2025 minutes with two amendments which were approved upon second by Chris Palmer.

d. 2026 Meeting Schedule. The 2026 meeting schedule was approved upon motion by Rachel Pyburn and second by Chris Palmer.

2. Legal Matters. Attorney Andrea Kehrl gave an overview of the first amendment to water delivery agreement and answered any questions regarding the interim storage lease. The first amendment was then approved upon motion by Rachel Pyburn and second by Chris Palmer. Andrea Kehrl then left the meeting.

3. Engineering and Maintenance.

a. Martin/Martin Professional Services Contract. Chris Palmer made a motion to approve the 2026 professional services contract for Martin/Martin. The motion was approved upon second by Rachel Pyburn.

b. Operator In Responsible Charge (“ORC”). The District engineer, Bill Willis, gave the Board a status on soliciting bids for an ORC. The request for proposal was sent to four different contractors and he will bring more clarification on these proposals to the Board at the next meeting.

4. Budget and Rate Hearing. The budget and rate hearing was opened upon motion by Rachel Pyburn and second by Chris Palmer. Nicki Simonson gave an overview of the 2026 proposed budget and answered any questions.

a. 2026 Budget. The 2026 Budget was approved, subject to Jefferson County final valuation, upon motion by Chris Palmer and second by Rachel Pyburn.

b. 2025 Resolution No. 4. - Adopt 2026 Budget. A motion was made by Rachel Pyburn to approve Resolution No. 4 to Adopt the 2026 Budget, subject to Jefferson County final valuation, which was approved upon second by Chris Palmer.

c. 2025 Resolution No. 5. – Appropriate Sums of Money. Resolution No. 5 to Appropriate Sums of Money was then approved, subject to Jefferson County final valuation, upon motion by Rachel Pyburn and second by Chris Palmer.

d. 2025 Resolution No. 6. – Set Mill Levies. Resolution No. 6. to Set Mill Levies was approved upon motion by Rachel Pyburn and second by Ryan Arestie.

The budget hearing was then closed.

5. Financial Matters. Rachel Pyburn moved to ratify approval of the October 22, 2025 through November, 30, 2025 check register which was approved upon second by Ryan

Arestie. The unaudited financial statements ending November 30, 2025 were approved upon motion by Ryan Arestie second by Chris Palmer.

6. **Secondary Public Forum.** The Board listened to homeowners' concerns, answering questions and providing clarifying information where appropriate. The Simonson & Associates management contract for 2026 was then approved upon motion by Rachel Pyburn and second by Ryan Arestie.

7. **Other Business.** There being no further business, the meeting was adjourned at 8.47 p.m.

Respectfully submitted,

Nicole L. Simonson, Secretary

HIDDEN VALLEY WATER DISTRICT

**RESOLUTION SPECIFYING THE LOCATION WHERE NOTICES
OF PUBLIC MEETINGS AT WHICH FORMAL ACTION
MAY BE TAKEN ARE TO BE POSTED**

2026 Resolution No. 1

WHEREAS, Colo. Rev. Stat. §24-6-402(2)(c) establishes requirements for the State's "Sunshine Act;" and

WHEREAS, the Hidden Valley Water District wishes to comply with the provisions of law by designating an area where its notices of public meetings are to be posted.

NOW, THEREFORE, BE IT RESOLVED BY THE HIDDEN VALLEY WATER DISTRICT, THAT:

Notices designating the time and place for a regular or special meeting shall be posted pursuant to the State's "Sunshine Act," on the District's website, <https://hiddenvalleywaterdistrict.org>, and residents shall be notified via email no less than twenty-four hours prior to such meeting; and

In the event of exigent or emergency circumstances in which a notice of meeting cannot be posted on the District's website, the notice of meeting shall be posted at the District Management Office, Simonson & Associates, at 32045 Castle Court, Suite 103, Evergreen, Colorado no less than twenty-four hours prior to such meeting; and

The regular meetings of the District will be held via Zoom Video Conference Call. The meeting ID is 461 381 5754, passcode 6743379.

ADOPTED, this 24th day of February, 2026.

HIDDEN VALLEY WATER DISTRICT

By: _____
Max Parmenter, Chairman

ATTEST

Nicole Simonson, Secretary

MEMORANDUM

***Privileged and Confidential
Attorney-Client Communication***

To: Hidden Valley Water District

From: Andrea Kehrl, Esq.

Re: Storage Investigations: Update on Bear Creek Reservoir Reallocation Project

Date: February 11, 2026

Introduction and Background:

Pursuant to Paragraph 6(b)(ii) of its Water Delivery Agreement (“Agreement”) with Evergreen Metropolitan District (“EMD”), Hidden Valley Water District (“Hidden Valley”) is required to provide 34.1 acre-feet of water storage capacity in:

- Ownership rights to storage capacity in Soda Lakes; or
- Perpetual contract rights to storage capacity in the Bear Creek Reservoir Reallocation Project; or
- Perpetual rights for storage capacity in another storage reservoir deemed suitable by Evergreen; or
- Perpetual rights in a combination of storage reservoirs.

As you know, we have been investigating storage options for Hidden Valley to meet its storage requirement under the Agreement. We ruled out certain options that were not viable, such as Cold Springs Reservoir, which would have required costly repairs.

Most recently, in December 2025, Hidden Valley and EMD entered into the enclosed First Amendment to the Water Delivery Agreement, Interim Storage Capacity Lease, for Hidden Valley to lease the 34.1 acre-feet of storage capacity from EMD for a five-year term, with the potential for an additional 3-year extension.

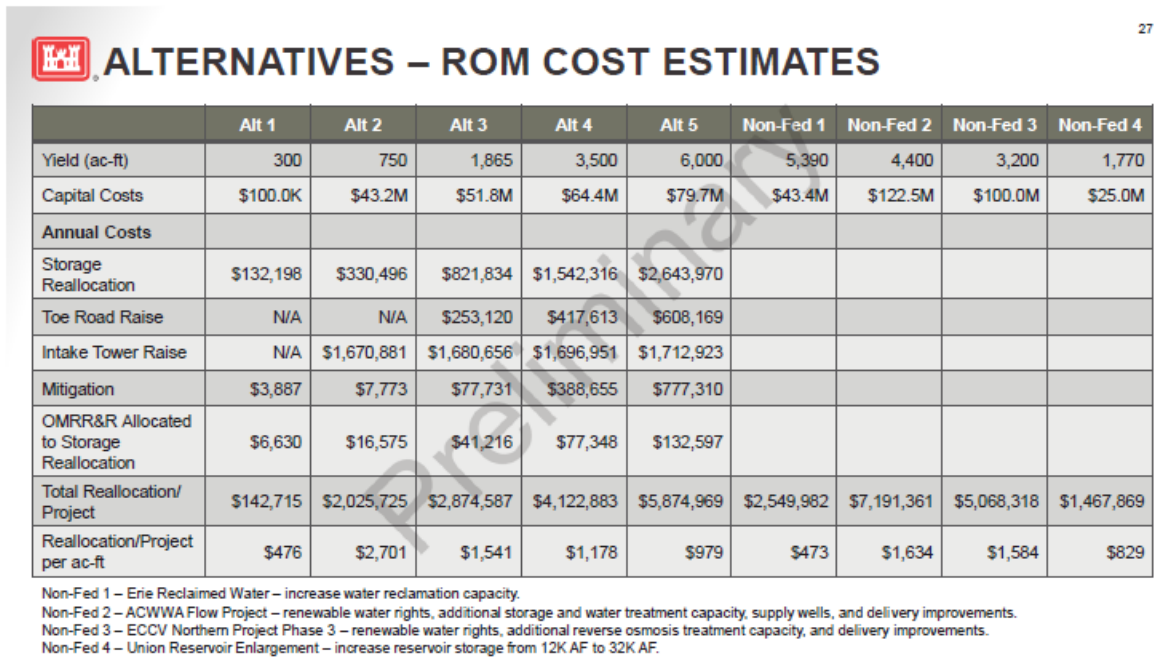
Hidden Valley Water District
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We have also continued to communicate with the Colorado Water Conservation Board (“CWCB”) on the status of the Bear Creek Reservoir Reallocation Project (“Bear Creek Project”). This Memorandum provides an update on that Project.

Update on Bear Creek Lake Reallocation Project

The table below is from the U.S. Army Corps of Engineers (“Corps”) presentation to the CWCB to provide an update on those two agencies’ joint Feasibility Study for the Bear Creek Project. Alternatives 1 through 5 are different storage, or yield, scenarios for the Bear Creek Project, with their associated estimated costs. “Non-Fed” alternatives 1 through 4 are alternative water storage projects other than making additional storage capacity available in Bear Creek Reservoir.

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	Alt 1	Alt 2	Alt 3	Alt 4	Alt 5	Non-Fed 1	Non-Fed 2	Non-Fed 3	Non-Fed 4
Yield (ac-ft)	300	750	1,865	3,500	6,000	5,390	4,400	3,200	1,770
Capital Costs	\$100.0K	\$43.2M	\$51.8M	\$64.4M	\$79.7M	\$43.4M	\$122.5M	\$100.0M	\$25.0M
Annual Costs									
Storage Reallocation	\$132,198	\$330,496	\$821,834	\$1,542,316	\$2,643,970				
Toe Road Raise	N/A	N/A	\$253,120	\$417,613	\$608,169				
Intake Tower Raise	N/A	\$1,670,881	\$1,680,656	\$1,696,951	\$1,712,923				
Mitigation	\$3,887	\$7,773	\$77,731	\$388,655	\$777,310				
OMRR&R Allocated to Storage Reallocation	\$6,630	\$16,575	\$41,216	\$77,348	\$132,597				
Total Reallocation/Project	\$142,715	\$2,025,725	\$2,874,587	\$4,122,883	\$5,874,969	\$2,549,982	\$7,191,361	\$5,068,318	\$1,467,869
Reallocation/Project per ac-ft	\$476	\$2,701	\$1,541	\$1,178	\$979	\$473	\$1,634	\$1,584	\$829

Non-Fed 1 – Erie Reclaimed Water – increase water reclamation capacity.
 Non-Fed 2 – ACWWA Flow Project – renewable water rights, additional storage and water treatment capacity, supply wells, and delivery improvements.
 Non-Fed 3 – ECCV Northern Project Phase 3 – renewable water rights, additional reverse osmosis treatment capacity, and delivery improvements.
 Non-Fed 4 – Union Reservoir Enlargement – increase reservoir storage from 12K AF to 32K AF.

In late 2025, we discussed the alternatives with the CWCB staff and expressed that, on behalf of Hidden Valley and based on the current information, we would rank **Alternative 1**, followed by Alternative 5, and then possibly Alternative 4, since each of those options should accommodate Hidden Valley’s storage demand and they have the lowest unit cost per acre-foot. We also indicated that Alternative 2 seems unviably expensive. The CWCB staff shared that the other potential participants in the Bear Creek Project expressed the same preferred alternatives.

Since then, the CWCB has informed us that Corps will not have additional funding available to complete the analysis of all five alternatives listed above, and the Corps is unwilling to entertain accepting third-party funds to complete the full alternatives analysis. Rather, the

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Corps will only have adequate funding to complete the study of Alternative 1, which is the 300 acre-foot level and the informally expressed preferred alternative of the potential participants based on the unit cost.

The CWCB indicated that the water resources engineers at Brown and Caldwell who have conducted the analysis to date will finalize their yield analysis, which will guide next steps. The CWCB anticipates providing a further update in the first quarter of 2026. We will update you at that time.

Overall, unless additional funding for the Feasibility Study becomes available, the 300-acre-foot alternative would be the only option, which should be adequate for Hidden Valley given its limited need for 34.1 acre-feet of capacity, although the ultimate storage capacities will likely be determined based on operational agreements among the participants in the Project. In addition, as noted above, Alternative 1 has significantly lower unit costs than the other alternatives. Finally, we have advised previously that this reallocation process is likely to span multiple years, which was part of the motivation to enter the enclosed Lease Agreement with EMD for the interim. If only one alternative will be studied moving forward, perhaps the streamlining of the analysis will expedite the process somewhat.

Conclusion

The Bear Creek Project continues to proceed at a very slow pace. However, the sole alternative being studied now is consistent with our preference for the lowest unit cost option that should still satisfy Hidden Valley's storage needs. Further, perhaps the cumbersome federal and State process will be somewhat expedited with a simplified study.

We expect to receive additional information early this year and will update you at that time.

FIRST AMENDMENT TO WATER DELIVERY AGREEMENT

Interim Storage Capacity Lease

This First Amendment to Water Delivery Agreement (“Amendment”) is made between the Parties to that certain Water Delivery Agreement (“IGA”) dated October 1, 2019 between Evergreen Metropolitan District (“EMD”) and the Hidden Valley Water District (“HVWD”). EMD and HVWD are also referred to as “Party” or “Parties” in this Amendment.

RECITALS

- A. As provided in Paragraph 6(a) of the IGA, following the issuance of a Satisfactory Final Decree, HVWD has dedicated Hidden Valley Water Rights (eight Harriman Ditch Company Shares changed for EMD use in Case No. 19CW3243) to EMD and sold Hidden Valley Water Rights (balance of four of the twelve Harriman Ditch Company Shares changed for EMD use in Case No. 19CW3243) to EMD.
- B. Paragraph 6(a) of the IGA also requires HVWD to acquire Hidden Valley Storage Capacity for accommodating the use of the dedicated Harriman Shares to ensure an adequate water supply to HVWD seasonally and in drought periods.
- C. HVWD has not acquired Hidden Valley Storage Capacity as of the issuance of a Satisfactory Final Decree. The Parties desire to amend the IGA to allow for interim storage capacity in EMD’s raw water system until HVWD can dedicate Hidden Valley Storage Capacity as intended in the IGA.

INTERIM STORAGE LEASE

The parties desire to amend the IGA to provide HVWD with interim water storage capacity within EMD’s raw water system until HVWD can fulfill its obligation to acquire storage capacity as required by the IGA. The terms of an interim storage capacity lease are detailed below.

1. **Term.** Unless earlier terminated as provided in this Amendment, this Amendment shall be for a term of five (5) years commencing January 1, 2025 and ending on December 31, 2029. This Amendment can be renewed at EMD’s sole discretion for one three (3) year term. This Amendment can be terminated during any term by either Party upon dedication of sufficient Hidden Valley Storage Capacity to EMD and EMD’s final determination that such dedication meets the terms of the IGA.
2. **Need for Storage Capacity.** Provision of raw water supply to HVWD by EMD requires diversion of water yielded by the Harriman Ditch water rights, immediate exchange, or storage of such water in the Soda Lakes storage accounts maintained by EMD for later exchange. Water stored in Soda Lakes is then exchanged up to Evergreen Lake for temporary storage until release for treatment and delivery to HVWD. The amount of storage capacity required for this operation varies by day, month and season and the location of storage occurs simultaneously in Soda Lakes and Evergreen Lake. The water storage capacity is required to optimize the water exchange

opportunities on Bear Creek as they become available depending on hydrological and water right administrative conditions.

3. **Necessary Interim Storage Capacity.** Water storage in both locations is necessary to effect a water supply for delivery to HVWD. The amount of storage capacity varies annually, but the IGA included a determination that 34.1 acre-feet of total storage capacity is necessary to reasonably ensure a year-round supply totaling 10.9 acre-feet of delivery to HVWD. Although storage capacity in two locations is necessary to deliver water to HVWD (as described in Section 2 above), the total requirement of 34.1 acre-feet can be achieved by the combination of capacities in Soda Lakes and Evergreen Lake. This Amendment provides for HVWD’s lease of 34.1 acre-feet per year in EMD’s combined storage locations (the “Interim Storage Capacity”).

4. **Water Stored by EMD in the Interim Storage Capacity.** The water stored by EMD on an interim basis during the term of this Amendment shall be derived from diversions, storage, and use of the Hidden Valley Water Rights (eight dedicated Harriman Shares) in accordance with the decree issued in Case No. 19CW3243 or other water rights as determined by EMD. Water stored pursuant to this Amendment shall be available for use by EMD if not needed in a given time period to supply HVWD. The interim storage capacity provided by this Amendment will be fully integrated into the other storage resources of EMD and accounted as part of the EMD raw water system. Any water stored under the terms of this Amendment will not be separately accounted for as water stored for the benefit of HVWD unless required to do so by State water officials.

5. **Payment Terms for Interim Storage Capacity.**

(a) The lease rate for Interim Storage Capacity shall begin at \$500 per acre-foot per year, for an annual payment of \$17,050 (beginning with 2025), and shall be adjusted annually by the same percentage increase as set by EMD for its residential potable water customers over the initial 5-year term of this Amendment.

(b) The lease rate shall be increased to \$750 per acre-foot per year, for an annual payment of \$25,575 (beginning with 2030), and shall be adjusted annually by the same percentage increase as set by EMD for its residential potable water customers for the 3-year renewal term if such renewal occurs.

(c) For 2025, payment for Interim Storage Capacity pursuant to this Amendment will be due within 30 days of execution of this Amendment. For all subsequent years of the term of this Amendment, including any renewal term, payment for Interim Storage Capacity will be due April 1 each year, and EMD shall issue its annual invoice to HVWD no later than March 1 each year.

6. **No Storage Capacity Guarantees.** EMD’s sole obligation hereunder shall be to make available storage capacity in the amounts and under the conditions stated herein regardless of whether or not the Hidden Valley Water Rights physically yield water to fill the capacity. EMD retains the right to fully utilize the storage capacity that is the subject of this Amendment by storage of other EMD water sources, and to utilize any of its water resources for satisfying EMD’s obligation to supply water to HVWD per the terms of the IGA.

7. **No Liability.**

(a) EMD shall not be liable or responsible for any consequential, incidental, or special damages related to the storage of water on behalf of HVWD under this Amendment or as necessary to provide water service to HVWD.

8. **No Assignment.** HVWD shall not assign this Amendment or its interest herein without written consent from EMD, which consent will not be unreasonably withheld. Any request for consent to assignment shall be made by letter addressed to EMD explaining the need for the request. In no event shall HVWD, or any permitted assignee, include EMD's water or water storage capacity in any administrative or water court proceeding.

9. **Independent Contractor.** The Parties expressly understand and agree that the HVWD is acting as an independent contractor unrelated to EMD. Nothing in this Amendment is intended to create a relationship, express or implied, of employer-employee, joint ventures' or principal-agent between EMD and HVWD. All terms relevant to the contractual relationship between EMD and HVWD are derived from the IGA as amended herein.

10. **No Warranties.** EMD does not warrant that the Leased Storage Capacity is suitable for any particular purpose. EMD does not warrant that any of EMD's reservoir entitlements are in operable condition or suitable for any particular purpose.

11. **Notices.** Notices and inquires shall be made as follows:

EMD: General Manager
 Evergreen Metropolitan District
 30920 Stagecoach Blvd.
 Evergreen, Colorado 80439

HVWD: Hidden Valley Water District
 Attn: Manager
 P.O. Box 933
 Evergreen, Colorado 80439

12. **Force Majeure.** Each Party shall be excused from performance under this Amendment while and to the extent that it is unable to perform, for any cause beyond its reasonable control, except that HVWD's payment obligations hereunder shall not be delayed or excused by reason of force majeure. Such causes shall include, but not restricted to fire, drought, storm, flood, earthquake, explosion, war, labor disputes, total or partial failure of transportation or delivery facilities, shortage of labor, raw materials or supplies, interruption of utilities or power, and any act of government or military authority. In the event either Party is rendered unable wholly or in part by force majeure to carry out its obligations under this Amendment then the Party affected by force majeure shall give written notice with explanation to the other Party immediately. Following such notice, the affected obligations of the Party giving notice shall be suspended for

no longer than thirty (30) days; provided, however, if a force majeure cause extends beyond thirty (30) days, the obligations of both Parties under this Amendment shall cease until such time as the force majeure cause has ended.

13. **Breach.** The occurrence of the following shall constitute a breach and default of this Amendment:

(a) Failure by HVWD to make any payment due as required by this Amendment and such breach continues for a period of thirty (30) days after written notice thereof from EMD.

14. **Termination.** Except as otherwise provided herein, this Amendment may be terminated only under the following circumstances:

(a) By HVWD, upon written notice to EMD at least 90-days prior to any anniversary date of this Amendment; or

(b) By either Party, with cause (including a breach of this Amendment by the other Party beyond any notice and cure period), immediately upon written notice to such Party; or

(c) By mutual agreement of the Parties upon permanent dedication of Storage Capacity by HVWD to EMD that is satisfactory to EMD.

15. **Governing Law and Venue.** The laws of the State of Colorado shall govern this Amendment. Any litigation shall be brought in District Court, Jefferson County, State of Colorado and each Party submits to the exclusive jurisdiction of said court and waives the right to change venue.

16. **No Waiver.** Either Party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Amendment or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that Party's right to assert or rely upon the terms and conditions of this Amendment. Any express waiver of a term of this Amendment shall not be binding and effective unless made in writing and properly executed by the waiving Party.

17. **Amendments.** This Amendment may not be amended except in writing executed by the Parties hereto with the same formality as the Amendment. Except as specifically amended or superseded, this Amendment shall remain in full force and effect.

18. **Severability.** The invalidity or unenforceability of any provision of this Amendment shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Amendment to the extent of its invalidity or unenforceability, and this Amendment shall be construed and enforced as if the Amendment did not contain that particular provision to the extent of its invalidity or unenforceability.

19. **No Waiver of Governmental Immunity.** The Parties, their respective elected officials, officers, and employees are relying upon, and do not waive or intend to waive by any provision of this Amendment, the monetary limitations or any other rights, immunities and protections

provided by the Colorado Governmental Immunity Act, C.R.S. Sec. 24-10-101, et seq, as amended or otherwise available to the Parties.


20. **Entire Amendment.** The terms and conditions herein constitute the entire scope of amended portions of the IGA. Any and all terms and covenants of the IGA not specifically amended herein remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment this 23rd day of December 2025.

EVERGREEN METROPOLITAN DISTRICT

By: 
Mark Davidson, President

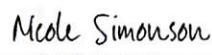
Attest:

By: 
Jim Viellenave, Secretary

HIDDEN VALLEY WATER DISTRICT

Signed by:
By: 
Max Parmenter, President

Attest:

DocuSigned by:
By: 
Nicole Simonson, Secretary



February 19, 2026

Hidden Valley Water District
 32045 Castle Court
 Suite 103
 Evergreen, CO 80439
 Attn: Board of Directors

Re: Hidden Valley Water District – ORC – Proposal Comparison
 Project Number: 23.1535

Dear Board of Directors,

Martin/Martin, Inc. has reviewed the proposals submitted for the ORC position with Hidden Valley Water District. A total of two (2) proposals were received from Wolf Compliance Consulting LLC and High Country Utility Services. The proposals are attached, including their hourly rates. The comparison of the two proposals is as follows:

Service Category	Wolf Compliance Consulting LLC	High Country Utility Services
Monthly Base Fee	\$2000/month for 2 visits per month	\$750/month for 1 visit per week
Locates (Cleared/Field Marked/Engineering)	\$10/\$100/\$150	\$75/hour including \$200 equipment fee if required. Will do locates during weekly visit whenever able. No charge for cleared locates.
Subcontracted Services/Material Markup	15%. Encourages District to pay direct, so no mark-up	No Mark-up
Emergency Response Timing	1-1.5 hours for emergency	Dependent on time of event and weather conditions. Assumed approx. 3+ hours from Basalt, CO
Emergency Response Cost	\$120/hour/person	Not explicitly stated. Assume follows hourly rate of \$155/hour for technical assistance and \$75/hour for labor
Additional Lab Charges	Lab Delivery - \$70/hour + Mileage	\$155 per TCR sample
Additional Services	Additional Operations/Consulting - \$90/hour + Mileage 24/hour Over-the-Phone Consulting - \$70/hour	



February 19, 2026

	Inspections (Connection/Grease/Other) - \$200/\$100/\$90 (per hour)	
Contractor Services	Wolf can provide smaller waterline repairs (ex. 2"-3" services lines). For larger water construction they use a subcontractor or use a District contractor (ex. 8" mains including GVs)	HCUS can provide leak detection, backflow testing, pump and motor repair and replacement and conduct emergency repairs. They also have regular contractors that perform larger excavation and construction work.

At the Board's discretion, High Country Utility Services appears to be the most cost effective ORC for the District with the capability to complete ORC requirements, construction items and locates, as long as the emergency response time is adequate to the District. The District will need to work with High Country Utility Services to establish proper standard operating procedures and an emergency response plan for the District. We also anticipate an upfront cost to review existing District information and mapping as well as site visit(s) to further familiarize with the District.

If there are any questions or concerns regarding this letter, please don't hesitate to contact us.

Sincerely,

Bill Willis, P.E.
Principal



WOLF COMPLIANCE
CONSULTING LLC

11/21/2025

Wolf Compliance Consulting, LLC
PO BOX 278
Fort Morgan, CO 80701

Hidden Valley Water District
Board of Directors
32045 Castle Court
Suite 103
Evergreen, CO 80439
303-674-3379 EXT. 200

2026 ORC / Consulting Proposal

Re: Hidden Valley Water District

Thank you for the opportunity to provide consulting and ORC work for the above listed location(s). WCC would like to submit the following proposal for work to be completed during a one-year period of time beginning January 1st, 2026.

SUMMARY

This proposal from Wolf Compliance Consulting, LLC (Colorado) details objectives and goals for the Hidden Valley Water District System Operations. The total cost for the contract period will be determined by requested services billed at rates listed below. A continued option will also be available upon request.

BACKGROUND

Wolf Compliance Consulting, LLC (WCC) is a company started in 2021 with ownership that has a technical background in the operation of a wide range of water, wastewater, collection, and distribution systems. WCC is licensed and insured in the State of Colorado. Our primary focus is contract consulting and operations for domestic water systems across the state. We provide dedicated and reliable support and have a team of professionals that have been vetted and background checked performing all services.

SCOPE

For a period of one year, WCC will act as the District's ORC pursuant to CDPHE Regulation 100, including required reporting. Including regular water quality sampling required by CDPHE and as noted in the attached monitoring plan for the District. These services will include:

- Act as the District's On-Call Emergency Contact for all emergencies. The ORC will be required to coordinate with the District Manager, District Engineer, and other District contractors to respond to



emergencies.

- Provide on-call subsurface utility location services pursuant to SB18-167, the Colorado 811 Utility Location Law. These services will include responding to design engineer's utility location requests within 10 business days and responding to excavator's utility location requests within 2 business days (not including the date of receipt). In general, responses to design engineer's utility location requests will be coordinated with the Hidden Valley Water District Engineer to provide a GIS exhibit of the District's infrastructure within the proposed project area. The ORC will respond to excavator's utility location requests with field locates or by clearing the requests via the UNCC system.
- Coordinate with the District Manager and District Engineer via telephone and email as well as attend required meetings and conference calls.
- ORC requirements as determined and mandated by the Colorado Department of Public Health and Environment (CDPHE).
- The operator in responsible charge shall protect the public health and the environment in the conduct of his or her duties. These duties shall include the following:
 - Administration of the operation of the water distribution system.
 - Active participation in the planning, operation, or maintenance of a water distribution system.
 - Make process control and system integrity decisions on the operation and maintenance of the water distribution system.
 - Availability to make decisions and initiate actions regarding the operation of the water distribution system in a timely manner.
- Maintain accurate and complete records on the operation and laboratory data as required by CDPHE and submit and fulfill all operating reporting requirements.
- Provide checks on all pertinent equipment and document the operational status or maintenance requirements thereof in a logbook that will be kept on site or available as requested by the District.
- Conduct all compliance sampling as required by the monitoring schedule, and present those samples to the certified laboratory for analysis.
- Laboratory costs for monitoring schedule required sampling are to be provided as a part of the pricing proposal.
- Actively pursue improvements in effectiveness and efficiency regarding the operation and maintenance of the distribution system. Suggested improvements will be presented to the District for consideration or pre-approval.
- Coordinate with District to ensure a safe, efficient operation and conduct inspections to detect malfunctions. If malfunctions are detected, Consultant will notify District of necessary repairs or replacements and if authorized by the District, Consultant will initiate corrective actions.
- Develop, institute and document water quality programs such as hydrant flushing, cross connection control and valve exercising.
- Provide annual certification for Back flow preventor valve.
- Certified operators shall protect the public health and the environment by properly performing and/or supervising the activities pertinent to controlling the operation of a water distribution system, including but not limited to the following:
 - Controlling the processing of finished water
 - Operating and Calibrating master meter, valves, FH's.



- *Maintain logs and/or records for all maintenance required. Submit reports to CDPHE as required and at frequency required, including copy to the District manager and engineer.*
 - *Ensure proper inspection and testing of new, modified, or repaired facilities prior to placing or returning such facilities into service.*
 - *Develop and implement preventative maintenance programs and perform routine maintenance functions for facilities. These PM's will be limited to tasks within WCC's skillset. Additional maintenance will be provided by a 3rd party at the district's cost.*
 - *Oversee compliance with laws and regulations and reporting as appropriate for the distribution system and storage tanks and required by CDPHE and the District.*
 - *Provide 24-hour emergency response for all water related issues. With fixes being provided by WCC or 3rd party at additional cost to the District.*
 - *Work with the District's management company and/or Engineering consultants to review and consult on any capital or operational improvements.*
 - *Present a professional image to the public as a representative of the District.*
 - *Provide storage tank inspections as required by CDPHE twice per year and as written in the monitoring plan. A comprehensive tank inspection is required every 5-years was last performed in 2023.*
 - *Provide all necessary lead service line investigation and submit findings as required by CDPHE.*
- The District*

OBJECTIVE

To review permit requirements and maintain compliance with current and future regulations. This will be accomplished by holding the required ORC title, working with facility staff, and completing monthly filings along with sampling results. A review of the delegation plan and all state documentation required should also be completed to ensure all staff know their roles and responsibilities (this will be done at an hourly rate, unless done during the normal weekly visit.)

COST BREAK DOWN

MONTHLY SERVICES

ORC Responsibilities

- Duties outlined in scope above with 2 visits per month

COST:

\$2000/Month

ADDITIONAL SERVICES OUTSIDE SCOPE

- Additional Operations/Consulting
- Locates (Cleared/Field Marked/ Engineering)
- Emergency Response Cost
- 24/Hour Over-The-Phone Consult
- Mileage
- Evaluations
- Inspections (Connection/Grease/ Other)
- Lab Delivery
- Material Mark-up - We encourage client to pay vendor direct so there is no markup

COST

\$90/Hour + Mileage
 \$10/\$100/\$150
 \$120/Hour + Mileage
 \$70/Hour
 Prevailing IRS Rate
 \$90/Hour
 \$200/\$100/\$90(per hr)
 \$70/Hour + Mileage
 15%



WOLF COMPLIANCE
CONSULTING LLC

*All costs associated with maintenance, consumables, required equipment, additional sampling, and lab testing outside the monitoring schedule, violations, or any other system-related cost will be the responsibility of the facility owner. Work determined by WCC needing to be completed by 3rd party will be completed by a reputable contractor at District's expense, these costs are not a part of this quote. Leak fixes completed by WCC or 3rd party will also be additional expense to the District.

*A virtual or on-site meeting will be required to ensure this proposal is accurate and meets the district's needs.

Thank you,
Michael Wolf, CWP
Owner
Wolf Compliance Consulting, LLC



WOLF COMPLIANCE
CONSULTING LLC

Additional Information

References:

Pueblo West Metro – (719)251-2857 Jeffrey DeHerrera – Deputy Director of Treatment

Town of Stratton – (719) 349-0013 Bob Johnson – Operations Supervisor

wolfcompliance.org

Years In Business:

5-Years

Work Approach and Communications:

Weekly virtual or in-person meetings with the District Engineer and District Manager outlining system performance, maintenance needs, and operational challenges. Along with this we will present options with supporting data and recommendations to include the most economical means of moving forward.

Day-to-day operations will be completed by our skilled and background checked operators, with cross-training prioritized to guarantee a qualified support staff is always available.

Skilled Labor:

Wolf Compliance employees a group of skilled operations staff including mechanics, W/WW/IWW/C/D certified operators, a compliance officer, and a CPA. The company has licenses to operate every facility in the state with W/A, WW/A, IWW/A, C/4, and D/4 licenses.

Response Times:

WCC employees technically skilled operators in multiple areas of the state including Conifer, Estes Park, and Fort Collins. We are confident in our ability to respond to each incident within 1-1.5 hours of notification, if not sooner. Our staff has experience in working with District staff and Contractors in a professional manner on a regular bases. We expect most email responses within a day of receiving the communication.

Permits

WCC has years of experience in working with the state and county to ensure proper permitting is obtained and maintained for street cutting and operations. WCC also has a safety program that ensures confined space entry is accomplished by following the most up-to-date OSHA requirements. WCC admin also have training in NIMS and ICS from years of experience of running large municipal facilities.

Description	Units	Qty	Bid Price (\$)	Total Price (\$)
Basic Scope of Work				
ORC Services (including monthly charges for on-call emergency services an utility location services)	Monthly	12	\$2,000	\$24,000
Emergency Response (minimum per incident, to be billed according to attached hourly schedule of fees)	Each	1	\$120/hr/person	\$480 (4 hour Assumed)
Utility Locate Request (per request, cleared via UNCC system)	Each	1	\$10	\$10
Utility Locate Design Engineer Request (per request, respond with GIS exhibit of the proposed project area)	Each	1	\$150	\$150
Utility Locate Excavator Request (per request, field locate subsurface utilities)	Each	1	\$100	\$100
Service Tap Connection Inspection (assume 25 total per year)	Each	25	\$200	\$5,000

Hidden Valley Water District

Water Operations Proposal

Introduction

High Country Utility Services (HCUS) is pleased to present this proposal for water operations to the Hidden Valley Water District. We believe in functioning as a true partner and an extension of your community, committed to transparent communication and utilizing our certified expertise to handle complex compliance needs and day-to-day management.

Site visits and board meeting availability

We plan to have a site visit to your neighborhood at a minimum of once per week to perform routine utility operations, as detailed below. Additional site visits will be scheduled as required for special projects, tasks, or to adhere to the Colorado Department of Public Health and Environment (CDPHE) drinking water monitoring schedule and requirements. The individual conducting the visit will be the ORC, or a designated, certified member of the HCUS utility operations team.

HOA Board meeting availability

Adrian Aguilar or another representative from HCUS will be available for HOA board meetings of each month, as required.

Maintenance Employees and Contractors

We utilize a combination of in-house employees and regular contractors.

- **HCUS utility operations employees:** Our employees hold the necessary CDPHE certifications for managing and operating community water systems. General scope of duties includes: Weekly chemical dosing, treatment facility maintenance, data logging and water system monitoring, utility service inspections, routine meter reading, and compliance sample collection. HCUS is comprised of treatment operators and distribution operators, familiar with both surface water and ground water systems. Our operators are detail oriented and capable of recognizing failing trends in water quality to protect the residential water supply and source. HCUS can provide technical assistance such as leak detection, backflow testing, pump and motor repair and replacement, and conduct emergency repairs.
- **Regular contractors:** Our regular contractors perform specialized services such as system communication improvements, flow meter calibration, Electrical work, excavation and construction and specialized equipment operations that fall outside the routine operational scope.

Emergency protocol

The Operator in Responsible Charge (ORC) designated to the system must always be the first contact.

- First Contact: Call the ORC's designated cell number or direct line (e.g., Adrian's cell number).
- Second Contact: HCUS will provide a list of on call personnel to include emergency contacts.

Definition of an Emergency

An emergency is defined as an immediate threat to life, property, or public health. Examples include an active water main rupture, sudden loss of pressure, or confirmed or suspected drinking water contamination.

For non-emergency issues, please use the standard email or office phone number.

Proposed fee arrangement and billing

Service Category	Fee Structure	Details
Monthly Base Fee (a)	\$750 Per Discipline	\$750/month. This covers all weekly routine utility operations, including chemical dosing, data logging, compliance water system performance monitoring, Meter reading analysis and reporting to CDPHE.
Hourly Rate (b)	\$155/hr for technical assistance; \$75/hr for labor	This standard hourly rate applies to HCUS employees providing services outside the scope of the base fee and covers an operator, work truck, fuel, and tools.
Subcontracted Services (c)	No Mark-up	HCUS does not mark up subcontracted work.
Anticipated Potential Fees (d)	Billed beyond (a), (b), (c)	These services include: technical project assignments (e.g., source failure management), distribution system infrastructure repairs, raw water management (e.g., ditch maintenance), assessments (e.g., fire hydrant repairs), and mandatory CDPHE special studies/testing and labs that fall outside the routine monitoring schedule. Note: Mandatory special studies/testing/labs are billed as a direct pass-through cost plus the hourly rate.

Billing Practices

Our billing practices are as follows:

1. We issue a detailed invoice the first week of each month for the preceding month's services.
2. The invoice will itemize any additional hourly charges (with a description of the work performed), and any pass-through costs for subcontracted work or required water testing.
3. We are able to accept an electronic payment of services.

Credentials and Start Date

HCUS carries and will provide certificates of insurance demonstrating all professional liability and auto insurance upon approval of the proposal. For immediate specifics, please contact our admin office at admin@hcusgmt.org.

Our relevant professional certifications, licenses, and association management organizational memberships currently include:

- CDPHE Water Treatment Operator level - A
- CDPHE Water Distribution Operator level - 4
- Colorado Cross Connection Control Specialist - Fire/Domestic
- Colorado Certified Lab for ecoli/coliform analysis

High Country Utility Services is proud to be members of:

- Colorado Rural Water Association
- Rocky Mountain Water Works Association
- Colorado Certified Water Professionals

Monthly Managers Report

We provide a standard monthly written report submitted to the Board of Directors via email for review. This report includes:

- Treatment facility operational summary
- Key metrics, including monthly water flow data
- Active maintenance utility updates
- Action items, such as CDPHE compliance status and requirements

Start Date

We currently have the capacity to engage with the Hidden Valley Water District and could start performing operational management as soon as requested by the supporting members of HVWD.

At this time HCUS would like to schedule a site visit to discuss current system needs and operations to fully understand the complexity of the system. A comprehensive site visit is essential. This visit will cover the treatment facility, source waters, a review of operational data, and a discussion of the current drinking water monitoring schedule and past sanitary survey inspections. Should any compliance violations or issues be identified during this process, they will be immediately addressed as the primary concern.

Conclusion

Thank you for providing High Country Utility Services with the opportunity to present our proposal. We sincerely appreciate the chance to serve as the potential Operator in Responsible Charge (ORC) for your water utility system and as a community manager. We are confident in our ability to make a positive impact on the efficiency of your utility operations and the overall well-being of the community, and we look forward to the possibility of beginning this partnership.

Adrian Aguilar

High Country Utility Services

Basalt CO 81621



Hidden Valley Water District
Check Register
For the Period From Dec 1, 2025 to Jan 31, 2026

Filter Criteria includes: Report order is by Check Number.

Check #	Date	Payee	Amount
637	12/22/25	Evergreen Metro District	770.93
638	12/22/25	Jehn Water Consultants, Inc.	61.25
639	12/22/25	Lyons Gaddis	1,197.00
640	12/22/25	Martin/Martin, Inc.	2,206.25
641	12/22/25	Ramey Environmental Compliance, Inc.	2,359.93
642	12/22/25	Simonson & Associates, Inc.	6,526.93
643	12/23/25	Colorado Water Conservation Board	50,832.07
644	12/31/25	Evergreen Metropolitan District	6,000.00
645	1/22/26	Ferguson Waterworks	3,946.19
646	1/22/26	Jehn Water Consultants, Inc.	183.75
647	1/22/26	Lyons Gaddis	126.00
648	1/22/26	Martin/Martin, Inc.	415.00
649	1/22/26	Ramey Environmental Compliance, Inc.	1,019.10
650	1/22/26	Simonson & Associates, Inc.	5,519.21
ACH013026	1/30/26	Verizon Wireless	49.60
ACH120125	12/1/25	Verizon Wireless	49.60
ACH120925	12/9/25	Xcel Energy	38.61
ACH123025	12/30/25	Verizon Wireless	49.60
ACH123025-1	1/2/26	Xcel Energy	99.12
Total			81,450.14

Hidden Valley Water District
Check Register
For the Period From Feb 1, 2026 to Feb 24, 2026

Filter Criteria includes: Report order is by Check Number.

Check #	Date	Payee	Amount
651	2/24/26	Jehn Water Consultants, Inc.	62.50
652	2/24/26	Martin/Martin, Inc.	210.00
653	2/24/26	Ramey Environmental Compliance, Inc.	1,194.79
654	2/24/26	Special District Association	476.37
655	2/24/26	Simonson & Associates, Inc.	2,979.95
656	2/24/26	Triton Wireless LLP	684.00
657	2/24/26	Evergreen Metropolitan District	17,050.00
ACH020226	2/2/26	Xcel Energy	48.91
Total			22,706.52

Hidden Valley Water District

FINANCIAL STATEMENTS

For The Quarter Ending December 31, 2025

AUDIT EXEMPTION SUBMITTED

February 24, 2026

Prepared by

Simonson & Associates, Inc.

32045 Castle Court, Suite 103

Evergreen, CO 80439

303-674-3379

Fax: 303-674-3380

Hidden Valley Water District

BALANCE SHEET

December 31, 2025

	THIS YEAR	LAST YEAR	VARIANCE
CURRENT ASSETS			
Cash/Reserves	264,763	133,983	130,780
Prepaid Expense	8,948	6,935	2,013
Acct. Rec. - Customers, Other	21,759	14,167	7,592
Acct. Rec. - Loans & Grants	0	72,285	(72,285)
Property Taxes Receivable	238,920	206,900	32,020
TOTAL CURRENT ASSETS	534,390	434,270	100,120
WATER SYSTEM			
Water System	426,973	426,973	0
EMD Master Meter Connection	1,398,720	1,398,720	0
Water Meters	38,843	38,843	0
TOTAL WATER SYSTEM	1,864,536	1,864,536	0
Accumulated Depreciation	(386,438)	(319,634)	(66,804)
NET WATER SYSTEM	1,478,098	1,544,902	(66,804)
OTHER ASSETS			
Land	9,950	9,950	0
Water Rights	40,752	26,051	14,701
25 Year Capital Plan	9,658	0	9,658
TOTAL OTHER ASSETS	60,360	36,001	24,359
TOTAL ASSETS	2,072,848	2,015,173	57,675
CURRENT LIABILITIES			
Accounts Payable	27,789	12,790	14,999
Deferred Property Taxes	238,920	206,900	32,020
Interest Payable	601	601	0
TOTAL CURRENT LIABILITIES	267,310	220,291	47,019
LONG TERM LIABILITIES			
USDA Loan	302,557	309,511	(6,954)
CWCB Loan Draws	1,701,135	1,701,135	0
TOTAL LONG TERM LIABILITIES	2,003,692	2,010,646	(6,954)
NET ASSETS			
Beginning Balance Equity	(215,766)	(270,786)	55,020
Net Income (Loss)	17,612	55,022	(37,410)
TOTAL NET ASSETS	(198,154)	(215,764)	17,610
TOTAL LIABILITIES & NET ASSETS	2,072,848	2,015,173	57,675

Hidden Valley Water District

STATEMENT OF CASH FLOWS For the Twelve Months Ending December 31, 2025

	CURRENT QUARTER	YEAR TO DATE
<u>Cash Flows From Operating Activities</u>		
Net Income (Loss)	\$ (64,182)	\$ 17,613
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
Depreciation	16,701	66,803
Prepaid Expense	(3,897)	(2,013)
Accts. Receivable - Customer	1,774	(2,097)
County Treasurer Acct. Rec.	(10)	(5,495)
Accts. Receivable - CWCB	0	72,285
Property Taxes Receivable	(243,077)	(32,020)
Accounts Payable	15,710	14,999
Deferred Property Taxes	243,077	32,020
	<hr/>	<hr/>
Total Adjustments	30,278	144,482
	<hr/>	<hr/>
Net Cash Provided by Operations	(33,904)	162,095
	<hr/>	<hr/>
<u>Cash Flows From Investing Activities</u>		
<i>Proceeds From <Used For></i>		
Other Asset	(3,321)	(9,658)
Water Rights	(1,781)	(14,702)
	<hr/>	<hr/>
Net Cash Used in Investing	(5,102)	(24,360)
	<hr/>	<hr/>
<u>Cash Flows From Financing Activities</u>		
<i>Proceeds From <Used For></i>		
Accrued Interest Payable	601	0
Accrued Interest - CWCB Loan	(36,035)	0
USDA Loan	(1,767)	(6,953)
	<hr/>	<hr/>
Net Cash Used in Financing	(37,201)	(6,953)
	<hr/>	<hr/>
Net Increase <Decrease> in Cash	\$ (76,207)	\$ 130,782
	<hr/> <hr/>	<hr/> <hr/>
<u>Summary</u>		
Ending Cash	\$ 264,763	\$ 264,763
<Less: Beginning Cash>	(340,971)	(133,983)
	<hr/>	<hr/>
Net Increase <Decrease> in Cash	\$ (76,208)	\$ 130,780
	<hr/> <hr/>	<hr/> <hr/>

Hidden Valley Water District

BUDGETED INCOME STATEMENT

For the Twelve Months Ending December 31, 2025

	QUARTERLY ACTUAL	QUARTERLY BUDGETED	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGETED	ANNUAL BUDGET
OPERATING REVENUES					
Water Fees	22,076	22,800	89,888	91,200	91,200
Property Taxes - Operating	0	0	154,034	151,000	151,000
Specific Ownership Tax	3,613	2,832	15,211	11,330	11,330
Other Fees & Fines	155	375	490	1,500	1,500
TOTAL OPERATING REVENUES	25,844	26,007	259,623	255,030	255,030
OPERATING EXPENDITURES					
Water System Operations					
Water Accounting	306	175	1,103	700	700
EMD Master Meter Charges	10,139	10,335	30,022	41,340	41,340
Water Storage Charges, Other	17,050	10,695	17,135	42,780	42,780
Water Sytem R&M	8,493	6,250	43,517	25,000	25,000
Water System Electricity	236	375	1,012	1,500	1,500
General Maintenance	0	250	0	1,000	1,000
R&M Contingency	0	6,500	9,842	26,000	26,000
Total Water System Operations	36,224	34,580	102,631	138,320	138,320
General Operating Expenses					
General/Administrative Expense	1,580	1,250	6,192	5,000	5,000
Insurance	0	0	7,981	8,000	8,000
County Treasurer Fees	0	0	3,194	3,810	3,810
Professional Services					
Engineering	415	2,500	1,840	10,000	10,000
Legal	0	1,500	0	6,000	6,000
Management	17,075	8,200	42,594	32,800	32,800
Additional Management Services	1,952	0	12,996	0	0
Total General Operating Expenses	21,022	13,450	74,797	65,610	65,610
TOTAL OPERATING EXPENDITURES	57,246	48,030	177,428	203,930	203,930
NET OPERATING EXCESS(DEFICIT)	(31,402)	(22,023)	82,195	51,100	51,100

Hidden Valley Water District
BUDGETED INCOME STATEMENT
For the Twelve Months Ending December 31, 2025

	QUARTERLY ACTUAL	QUARTERLY BUDGETED	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGETED	ANNUAL BUDGET
NON-OPERATING REVENUES					
Investment Interest	1,875	300	6,367	1,200	1,200
Property Taxes - Debt Service	0	800	57,024	55,900	55,900
TOTAL NON-OPERATING REVENUES	1,875	1,100	63,391	57,100	57,100
NON-OPERATING EXPENDITURES					
Loan Interest	17,954	16,575	61,171	66,300	66,300
TOTAL NON-OPERATING EXPENDITURES	17,954	16,575	61,171	66,300	66,300
NET NON-OPERATING EXCESS(DEFICIT)	(16,079)	(15,475)	2,220	(9,200)	(9,200)
TOTAL BUDGETED EXCESS(DEFICIT)	(47,481)	(37,498)	84,416	41,901	41,901
Depreciation	16,701	0	66,803	0	0
TOTAL NET EXCESS(DEFICIT)	(64,182)	(37,498)	17,613	41,901	41,901

Hidden Valley Water District

COMPARATIVE INCOME STATEMENT

For the Twelve Months Ending December 31, 2025

	QUARTERLY THIS YEAR	QUARTERLY LAST YEAR	YEAR TO DATE THIS YEAR	YEAR TO DATE LAST YEAR
OPERATING REVENUES				
Water Fees	22,076	22,186	89,888	89,631
Property Taxes - Operating	0	1,184	154,034	148,824
Specific Ownership Tax	3,613	3,123	15,211	12,352
Other Fees & Fines	155	70	490	678
TOTAL OPERATING REVENUES	25,844	26,563	259,623	251,485
OPERATING EXPENDITURES				
Water System Operations				
Water Accounting	306	240	1,103	608
EMD Master Meter Charges	10,139	8,880	30,022	37,944
Water Storage Charges, Other	17,050	0	17,135	85
Water System R&M	8,493	5,500	43,517	25,412
Inspections	0	0	0	0
Locates	0	0	0	0
Water System Electricity	236	394	1,012	1,600
General Maintenance	0	0	0	0
R&M Contingency	0	0	9,842	0
Total Water System Operations	36,224	15,014	102,631	65,649
General Operating Expenses				
General & Administrative Exps.	1,580	669	6,192	3,352
County Treasurer Fees	0	25	3,194	2,938
Insurance	0	0	7,981	7,185
Professional Services				
Audit	0	0	0	0
Engineering	415	193	1,840	1,835
Legal	0	86	0	144
Management	17,075	11,179	42,594	26,990
Additional Management Services	1,952	4,547	12,996	10,303
Other Professional Services	0	0	0	0
Total General Operating Expenses	21,022	16,699	74,797	52,747
TOTAL OPERATING EXPENDITURES	57,246	31,713	177,428	118,396
NET OPERATING EXCESS/(DEFICIT)	(31,402)	(5,150)	82,195	133,089

Hidden Valley Water District
COMPARATIVE INCOME STATEMENT
For the Twelve Months Ending December 31, 2025

	QUARTERLY THIS YEAR	QUARTERLY LAST YEAR	YEAR TO DATE THIS YEAR	YEAR TO DATE LAST YEAR
NON-OPERATING REVENUES				
Investment Interest	1,875	536	6,367	1,590
Property Taxes - Debt Service	0	371	57,024	46,701
TOTAL NON-OPERATING REVENUES	1,875	907	63,391	48,291
NON-OPERATING EXPENDITURES				
Interest - USDA Loan	3,157	3,215	10,339	10,556
Interest - CWCBC Loan	14,797	12,964	50,832	48,999
TOTAL NON-OPERATING EXPENDITURES	17,954	16,179	61,171	59,555
Depreciation	16,701	16,701	66,803	66,803
NET NON-OPERATING EXCESS/(DEFICIT)	(32,780)	(31,973)	(64,583)	(78,067)
TOTAL NET EXCESS/(DEFICIT)	(64,182)	(37,120)	17,613	55,022

Hidden Valley Water District
STATEMENT OF CAPITALIZED REVENUES & EXPENDITURES
December 31, 2025

	THIS QUARTER ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	VARIANCE
CAPITAL REVENUES				
CWCB Loan Draws	-	-	90,000	90,000
SUBTOTAL LOAN FUNDING	\$0	\$0	\$90,000	\$90,000
CAPITAL PROJECTS				
Capital Improvements Plan	3,321	9,658	10,000	342
Water Rights for EMD	1,781	14,702	90,000	75,298
Water Main Replacement	-	-	25,000	25,000
SUBTOTAL CAPITAL PROJECTS	\$5,102	\$24,360	\$125,000	\$100,640
LOANS				
USDA Loan Principal Payments	1,767	6,953	6,900	(53)
SUBTOTAL LOAN EXPENTURES	\$1,767	\$6,953	\$6,900	-\$53
NET CAPITALIZED REVENUES AND EXPENDITURES	(\$6,869)	(\$31,313)	(\$41,900)	(\$10,587)

Application for Exemption From Audit Long Form

Instructions

For local governments with either revenues or expenditures/expenses more than \$200,000 but not more than \$1,000,000

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.), any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$1,000,000 for the year.

Exemptions from audit are **NOT** automatic

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit **each year** and submit it to the Office of the State Auditor (OSA). Approval for an exemption from audit is granted only upon the review by the OSA.

Any preparer of an Application for Exemption from Audit — Long Form must be a person skilled in governmental accounting.

Read **ALL** instructions before completing and submitting this form

All applications must be filed with the OSA **within 3 months** after the accounting year-end.

For example, applications must be received by the OSA on or before March 31 for governments with a December 31 year-end. Applications for exemption from audit are not eligible for an extension of time.

Governmental activity should be reported on the modified accrual basis. Proprietary activity should be reported on a cash or budgetary basis.

Important!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the **Modified Accrual Basis**. Proprietary Activity should be reported on the **Cash or Budgetary Basis** — a budget to GAAP reconciliation is provided in Part 3B.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year. In that event, an audit shall be required.

Postmark dates will not be accepted as proof of submission on or before the statutory deadline

Prior year forms are obsolete and will not be accepted.

Applications must be fully and accurately completed. Applications submitted on forms other than those prescribed by the OSA will not be accepted.

For your reference, the Colorado Revised Statutes are available through the [LexisNexis Colorado portal](#).

Checklist

- Has the preparer signed the application prior to board approval?
- Has the entity corrected all prior year deficiencies as communicated by the OSA?
- Has the application been **personally** reviewed and approved by the governing body?
- Are all sections on the form complete, including responses to all of the questions?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?

Will this application be submitted electronically? Yes No

- If yes, have you read and understood the Electronic Signature Policy? See policy in Part 11.

-- or --

- If yes, have you included a resolution?
 - Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?
 - Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.

Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)? Yes No

If yes, does the application include **original ink signatures** from the **majority** of the governing body?

Filing Methods

Web Portal (recommended)

apps.leg.co.gov/osa/lg

For faster processing, the web portal should be used for submissions.

Mail

Office of the State Auditor

Local Government Audit Division
1375 Sherman St., 5th Floor
Denver, CO 80261-3000

Questions? Email: osa.lg@coleg.gov Phone: 303-869-3000

Contact Information

For the year ended 12/31/2025 or the fiscal year ended _____.

Name of government	Hidden Valley Water District
Street address	P.O. Box 933
City, State, Zip	Evergreen, CO 80437
Contact person	Sean Murphy
Phone	303-674-3379, Ext 207
Email	sean@jsimonson.com

Certification of Preparer

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. The preparer must sign prior to board approval.

Name	Judy Simonson	
Title	President	
Firm name (if applicable)	Simonson & Associates, Inc.	
Address	P.O. Box 2830, Evergreen, CO 80437	
Phone	303-506-0535	
Relationship to entity	Consultant	
Preparer signature	Date prepared	
	2/19/26	

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)	<input type="radio"/> Yes	<input checked="" type="radio"/> No
If yes, enter date filed		

Part 1: Financial Statements — Balance Sheet

Part 1A: Governmental Funds (Modified Accrual Basis) Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Assets				
1-1	Cash and Cash Equivalents	\$ 264,763			
1-2	Investments				
1-3	Receivables	\$ 21,759			
1-4	Due from Other Entities or Funds				
1-5	Property Tax Receivable	\$ 238,920			
1-6	All Other Assets:				
1-7	Lease Receivable (as Lessor)				
	Other (specify in lines 1-8 through 1-10)				
1-8	Prepaid Insurance	\$ 8,948			
1-9	Net Capital Assets	\$ 1,538,458			
1-10					
1-11	TOTAL ASSETS (Add lines 1-1 through 1-10)	\$ 2,072,848	\$ 0	\$ 0	\$ 0
	Deferred Outflows of Resources (specify in lines 1-12 and 1-13)				
1-12					
1-13					
1-14	Total Deferred Outflows (Add lines 1-12 through 1-13)	\$ 0	\$ 0	\$ 0	\$ 0
1-15	TOTAL ASSETS AND DEFERRED OUTFLOWS (Add lines 1-11 and 1-14)	\$ 2,072,848	\$ 0	\$ 0	\$ 0

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Liabilities				
1-16	Accounts Payable	\$ 27,789			
1-17	Accrued Payroll and Related Liabilities				
1-18	Unearned Revenue				
1-19	Due to Other Entities or Funds				
1-20	All Other Current Liabilities	\$ 600			
1-21	TOTAL CURRENT LIABILITIES (Add lines 1-16 through 1-20)	\$ 28,389	\$ 0	\$ 0	\$ 0
	All Other Liabilities (specify in lines 1-22 through 1-25)				
1-22	USDA Loan	\$ 302,558			
1-23	CWCB Loan	\$ 1,701,135			
1-24					
1-25					
1-26	TOTAL LIABILITIES (Add lines 1-21 through 1-25)	\$ 2,032,082	\$ 0	\$ 0	\$ 0
	Deferred Inflows of Resources				
1-27	Deferred Property Taxes	\$ 238,920			
1-28	Lease related (as Lessor)				
1-29	TOTAL DEFERRED INFLOWS (Add lines 1-27 through 1-28)	\$ 238,920	\$ 0	\$ 0	\$ 0
	Fund Balance				
1-30	Nonspendable-Prepaid				
1-31	Nonspendable-Inventory				
1-32	Restricted				
1-33	Committed	-\$ 198,154			
1-34	Assigned				
1-35	Unassigned				
1-36	Total Fund Balance (Add lines 1-30 through 1-35. This total should be the same as line 3-34)	-\$ 198,154	\$ 0	\$ 0	\$ 0
1-37	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (Add lines 1-26, 1-29, and 1-36. This total should be the same as line 1-15)	\$ 2,072,848	\$ 0	\$ 0	\$ 0

Part 1B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: _____

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Assets				
1-38	Cash and Cash Equivalents				
1-39	Investments				
1-40	Receivables				
1-41	Due from Other Entities or Funds				
	Other Current Assets (specify in line 1-42)				
1-42					
1-43	Total Current Assets (Add lines 1-38 through 1-42)	\$ 0	\$ 0	\$ 0	\$ 0
1-44	Capital & Right-to-Use Assets, net (from Part 6, Capital & Right-to-Use Table)				
	Other Long Term Assets (specify in lines 1-45 through 1-47)				
1-45					
1-46					
1-47					
1-48	TOTAL ASSETS (Add lines 1-43 through 1-47)	\$ 0	\$ 0	\$ 0	\$ 0
	Deferred Outflows of Resources (specify in lines 1-49 through 1-50)				
1-49					
1-50					
1-51	Total Deferred Outflows (Add lines 1-49 through 1-50)	\$ 0	\$ 0	\$ 0	\$ 0
1-52	TOTAL ASSETS AND DEFERRED OUTFLOWS (Add lines 1-48 and 1-51)	\$ 0	\$ 0	\$ 0	\$ 0

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Liabilities				
1-53	Accounts Payable				
1-54	Accrued Payroll and Related Liabilities				
1-55	Accrued Interest Payable				
1-56	Due to Other Entities or Funds				
1-57	All Other Current Liabilities				
1-58	TOTAL CURRENT LIABILITIES (Add lines 1-53 through 1-57)	\$ 0	\$ 0	\$ 0	\$ 0
1-59	Proprietary Debt Outstanding (from Part 4, Debt Schedule Table)				
	Other (specify in lines 1-60 through 1-62)				
1-60					
1-61					
1-62					
1-63	TOTAL LIABILITIES (Add lines 1-58 through 1-62)	\$ 0	\$ 0	\$ 0	\$ 0
	Deferred Inflows of Resources				
1-64	Pension/OPEB Related				
	Other (specify in line 1-65)				
1-65					
1-66	TOTAL DEFERRED INFLOWS (Add lines 1-64 through 1-65)	\$ 0	\$ 0	\$ 0	\$ 0
	Net Position				
1-67	Net Investment in Capital and Right-to-Use Assets				
1-68	Emergency Reserves				
1-69	Other Designation/Reserves				
1-70	Restricted				
1-71	Undesignated/Unreserved/Unrestricted				
1-72	Total Net Position (Add lines 1-67 through 1-71. This total should be the same as 3-70.)	\$ 0	\$ 0	\$ 0	\$ 0
1-73	TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION (Add lines 1-63, 1-66, and 1-72. This total should be the same as 1-52.)	\$ 0	\$ 0	\$ 0	\$ 0

Part 1C: Comments or Additional Information

Please use this space to provide explanation of any item in this section (optional).

Empty rectangular box for providing comments or additional information.

Part 2: Financial Statements — Operating Statement — Revenues

Part 2A: Governmental Funds Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Tax Revenue				
2-1	Property (include mills levied in question 10-12)	\$ 211,058			
2-2	Specific Ownership	\$ 15,211			
2-3	Sales and Use Tax				
	Other Tax Revenue (specify in lines 2-4 through 2-6)				
2-4					
2-5					
2-6					
2-7	TOTAL TAX REVENUE (Add lines 2-1 through 2-6)	\$ 226,269	\$ 0	\$ 0	\$ 0
	Other Revenue Sources				
2-8	Licenses and Permits				
2-9	Highway Users Tax Funds (HUTF)				
2-10	Conservation Trust Funds (Lottery)				
2-11	Community Development Block Grant				
2-12	Fire & Police Pension				
2-13	Grants				
2-14	Donations				
2-15	Charges for Sales and Services	\$ 89,888			
2-16	Rental Income				

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
2-17	Fines and Forfeits	\$ 490			
2-18	Interest/Investment Income	\$ 6,367			
2-19	Tap Fees				
2-20	Proceeds from Sale of Capital Assets				
	Other (specify in lines 2-21 through 2-22)				
2-21					
2-22					
2-23	TOTAL REVENUES (Add lines 2-7 through 2-22)	\$ 323,014	\$ 0	\$ 0	\$ 0
	Other Financing Sources (should agree to Part 4, Debt Schedule Table, column 'issued during the year')				
2-24	Debt Proceeds				
2-25	Lease Proceeds				
2-26	Developer Advances				
	Other (specify in line 2-27)				
2-27					
2-28	Total Other Financing Sources (Add lines 2-24 through 2-27)	\$ 0	\$ 0	\$ 0	\$ 0
2-29	TOTAL REVENUES AND OTHER FINANCING SOURCES (Add lines 2-23 and 2-28)	\$ 323,014	\$ 0	\$ 0	\$ 0

Part 2B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: _____

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Tax Revenue				
2-30	Property (include mills levied in question 10-12)				
2-31	Specific Ownership				
2-32	Sales and Use Tax				
	Other Tax Revenue (specify in lines 2-33 through 2-36)				
2-33					
2-34					
2-35					
2-36	TOTAL TAX REVENUE (Add lines 2-30 through 2-35)	\$ 0	\$ 0	\$ 0	\$ 0
	Other Revenue Sources				
2-37	Licenses and Permits				
2-38	Highway Users Tax Funds (HUTF)				
2-39	Conservation Trust Funds (Lottery)				
2-40	Community Development Block Grant				
2-41	Fire & Police Pension				
2-42	Grants				
2-43	Donations				
2-44	Charges for Sales and Services				
2-45	Rental Income				
2-46	Fines and Forfeits				
2-47	Interest/Investment Income				

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
2-48	Tap Fees				
2-49	Proceeds from Sale of Capital Assets				
	All Other (specify in lines 2-50 through 2-51)				
2-50					
2-51					
2-52	TOTAL REVENUES (Add lines 2-36 through 2-51)	\$ 0	\$ 0	\$ 0	\$ 0
Other Financing Sources (should agree to Part 4, Debt Schedule Table, column 'issued during the year')					
2-53	Debt Proceeds				
2-54	Lease Proceeds				
2-55	Developer Advances				
	Other (specify in line 2-56)				
2-56					
2-57	Total Other Financing Sources (Add lines 2-53 through 2-56)	\$ 0	\$ 0	\$ 0	\$ 0
2-58	TOTAL REVENUES AND OTHER FINANCING SOURCES (Add lines 2-52 and 2-57)	\$ 0	\$ 0	\$ 0	\$ 0

Part 2C: Comments or Additional Information

Please use this space to provide explanation of any item in this section (optional).

Part 3: Financial Statements — Operating Statement — Expenditures/Expenses

Part 3A: Governmental Funds Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Expenditures				
3-1	General Government	\$ 74,797			
3-2	Judicial				
3-3	Law Enforcement				
3-4	Fire				
3-5	Highways & Streets				
3-6	Solid Waste				
3-7	Contributions to Fire & Police Pension Association				
3-8	Health				
3-9	Culture and Recreation				
3-10	Transfers to other districts				
	Other (specify in lines 3-11 through 3-13)				
3-11	Water Systems	\$ 102,631			
3-12					
3-13					
3-14	Capital Outlay	\$ 24,360			
	Debt Service				
3-15	Principal (from Part 4, Debt Schedule Table)	\$ 6,953			
3-16	Interest	\$ 61,171			

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
3-17	Bond Issuance Costs				
3-18	Developer Principal Repayments (from Part 4, Debt Schedule Table)				
3-19	Developer Interest Repayments				
	All Other (specify in lines 3-20 through 3-22)				
3-20					
3-21					
3-22					
3-23	TOTAL EXPENDITURES (Add lines 3-1 through 3-22)	\$ 269,912	\$ 0	\$ 0	\$ 0
	Transfers and Other Expenditures				
3-24	Interfund Transfers (In)				
3-25	Interfund Transfers (Out)				
	Other Expenditures (Revenues) (Specify in lines 3-26 through 3-28.)				
3-26	Net Capital Adjustment	\$ 35,492			
3-27					
3-28					
3-29	Total Transfers and Other Expenditures (Add lines 3-24 through 3-28)	\$ 35,492	\$ 0	\$ 0	\$ 0
3-30	EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (line 2-29 less line 3-23 less line 3-29)	\$ 17,610	\$ 0	\$ 0	\$ 0
3-31	Fund Balance, January 1 from December 31 prior year report				
3-32	Prior Period Adjustment (MUST explain in line 3-33)				
3-33					
3-34	FUND BALANCE, DECEMBER 31 (Add lines 3-30, 3-31, and 3-32. Should match line 1-36.)	-\$ 198,154	\$ 0	\$ 0	\$ 0

Part 3B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: _____

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Expenses				
3-35	General Operating and Administrative				
3-36	Salaries				
3-37	Payroll Taxes				
3-38	Contract Services				
3-39	Employee Benefits				
3-40	Insurance				
3-41	Accounting and Legal Fees				
3-42	Repair and Maintenance				
3-43	Supplies				
3-44	Utilities				
3-45	Contributions to Fire & Police Pension Association				
	Other (specify in lines 3-46 through 3-47)				
3-46					
3-47					
3-48	Capital Outlay				
	Debt Service				
3-49	Principal (should match amount in Part 4, Debt Schedule Table)				
3-50	Interest				
3-51	Bond Issuance Costs				
3-52	Developer Principal Repayments				

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
3-53	Developer Interest Repayments				
	All Other (specify in lines 3-54 through 3-57)				
3-54					
3-55					
3-56					
3-57					
3-58	TOTAL EXPENSES (Add lines 3-35 through 3-57)	\$ 0	\$ 0	\$ 0	\$ 0
	GAAP Reconciling Items				
3-59	Net Interfund Transfers (In) Out				
	Other (specify in line 3-60. Enter negative for expense.)				
3-60					
3-61	Depreciation/Amortization				
3-62	Other Financing Sources (from line 2-57)				
3-63	Capital Outlay (from line 3-48)				
3-64	Debt Principal (from line 3-49, 3-52)				
3-65	Total GAAP Reconciling Items (Add lines 3-60, 3-63, and 3-64, subtract lines 3-61 and 3-62)	\$ 0	\$ 0	\$ 0	\$ 0
3-66	NET INCREASE (DECREASE) IN NET POSITION (Line 2-58, less line 3-58, plus line 3-65, less line 3-59)	\$ 0	\$ 0	\$ 0	\$ 0
3-67	Net Position, January 1 from December 31 prior year report				
3-68	Prior Period Adjustment (MUST explain in line 3-69)				
3-69					
3-70	NET POSITION, DECEMBER 31 (Add lines 3-66, 3-67, and 3-68. Should match line 1-72.)	\$ 0	\$ 0	\$ 0	\$ 0

Part 3C: Grand Total of Revenues and Expenditures/Expenses

Line	Description	Total
Total Revenues per Fund		
3-71	General Fund	\$ 323,014
3-72		\$ 0
3-73		\$ 0
3-74		\$ 0
3-75	Governmental Funds (Add lines 3-71 through 3-74)	\$ 323,014
3-76		\$ 0
3-77		\$ 0
3-78		\$ 0
3-79		\$ 0
3-80	Proprietary/Fiduciary Funds (Add lines 3-76 through 3-79)	\$ 0
3-81	GRAND TOTAL REVENUES (ALL FUNDS) (Add lines 3-75 and 3-80)	\$ 323,014
Total Expenditures/Expenses per Fund		
3-82	General Fund	\$ 269,912
3-83		\$ 0
3-84		\$ 0
3-85		\$ 0
3-86	Governmental Funds (Add lines 3-82 through 3-85)	\$ 269,912
3-87		\$ 0
3-88		\$ 0
3-89		\$ 0
3-90		\$ 0
3-91	Proprietary/Fiduciary Funds (Add lines 3-87 through 3-90)	\$ 0
3-92	GRAND TOTAL EXPENDITURES/EXPENSES (ALL FUNDS) (Add lines 3-86 and 3-91)	\$ 269,912

IF EITHER GRAND TOTAL REVENUES OR EXPENDITURES/EXPENSES FOR ALL FUNDS IS GREATER THAN \$1,000,000 — STOP.

You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at 303-869-3000 for assistance.

Part 3D: Comments or Additional Information

Please use the space below to provide any additional information (optional).

Part 4: Debt Outstanding, Issued, and Retired

4-1	Does the entity have outstanding debt?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
4-2	If no, skip to line 4-15. If yes, please attach a copy of the entity's debt repayment schedule.		
4-3	Is the debt repayment schedule attached?	<input type="radio"/> N/A	<input checked="" type="radio"/> Yes <input type="radio"/> No
4-4	If no, MUST explain below.		
4-5	Is the entity current in its debt service payments?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
4-6	If no, MUST explain below.		
4-7	If no, also indicate if the government is in default with its bond agreements.	<input type="radio"/> Yes	<input checked="" type="radio"/> No

Debt Schedule Table

Please complete the following debt schedule, if applicable.
Please only include principal amounts. Enter all amounts as positive numbers.

Line	Debt Type	Outstanding at End of Prior Year*	Issued During Year	Retired During Year	Outstanding at Year-End
4-8	General Obligation Bonds				\$ 0
4-9	Revenue Bonds				\$ 0
4-10	Notes/Loans	\$ 309,511		\$ 6,954	\$ 302,557
4-11	Lease and SBITA** Liabilities (GASB 87 & 96)	\$ 0			\$ 0
4-12	Developer Advances				\$ 0
	Other (specify in line 4-13)				
4-13	CWCB Loan	\$ 1,701,135			\$ 1,701,135
4-14	TOTAL (Add lines 4-8 through 4-13)	\$ 2,010,646	\$ 0	\$ 6,954	\$ 2,003,692

*Must agree to prior year-end balance

**Subscription-Based Information Technology Arrangements

Comments (optional)

4-15	Does the entity have any authorized but unissued debt as of its fiscal year-end?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
4-16	If yes, how much?	\$ 7,262,800	
4-17	Date the debt was authorized	11/7/2017	
4-18	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
4-19	If yes, how much?	\$ 2,500,000	
4-20	Date of the most recent Service Plan	7/17/2017	
4-21	Does the entity intend to issue debt within the next calendar year?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
4-22	If yes, how much?		
4-23	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
4-24	If yes, what is the amount outstanding?		
4-25	Does the entity have any lease agreements?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
4-26	If yes, what is being leased?		
	Water storage		
4-27	What is the original date of the lease?	12/8/25	
4-28	Number of years of lease?	8 years	
4-29	Is the lease subject to annual appropriation?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
4-30	What are the annual lease payments?	\$ 17,050	

Please use the space below to provide any additional information (optional).

Part 5: Cash and Investments

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

Line	Description	Amount
5-1	Year-end Total of all Checking and Savings Accounts	\$ 38,612
5-2	Certificates of Deposit	
5-3	TOTAL CASH DEPOSITS (Add lines 5-1 and 5-2)	\$ 38,612
Investments (Specify in lines 5-4 through 5-8. If investment is a mutual fund, please list underlying investment.)		
5-4	Colotrust	\$ 226,151
5-5		
5-6		
5-7		
5-8		
5-9	Total Investments (Add lines 5-4 through 5-8)	\$ 226,151
5-10	TOTAL CASH AND INVESTMENTS (Add lines 5-3 and 5-9)	\$ 264,763

5-11	Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="radio"/> N/A	<input checked="" type="radio"/> Yes	<input type="radio"/> No
5-12	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?		<input checked="" type="radio"/> Yes	<input type="radio"/> No
5-13	If no, MUST explain below.			

Please use the space below to provide any additional information (optional).

Part 6: Capital and Right-to-Use Assets

6-1	Does the entity have capitalized assets? (If "no" is selected, skip the rest of Part 6.)	<input checked="" type="radio"/> Yes	<input type="radio"/> No
6-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
6-3	If no, MUST explain below.		

Capital and Right-to-Use Assets Table for Governmental Funds

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
6-4	Land	\$ 9,950			\$ 9,950
6-5	Buildings	\$ 43,460			\$ 43,460
6-6	Machinery and Equipment	\$ 38,843			\$ 38,843
6-7	Furniture and Fixtures				\$ 0
6-8	Infrastructure	\$ 1,782,233			\$ 1,782,233
6-9	Construction In Progress (CIP)				\$ 0
6-10	Leased & SBITA Right-to-Use Assets				\$ 0
6-11	Intangible Assets				\$ 0
	Other (explain in line 6-12)				
6-12	Water Right Acquisition Costs	\$ 35,707	\$ 14,702		\$ 50,409
6-13	Accumulated Amortization Right-to-Use Assets (Enter a negative or credit balance)				\$ 0
6-14	Accumulated Depreciation (Enter a negative or credit balance)	-\$ 319,634	-\$ 66,803		-\$ 386,437
6-15	TOTAL (Add lines 6-4 through 6-14)	\$ 1,590,559	-\$ 52,101	\$ 0	\$ 1,538,458

*Must agree to prior year-end balance.

**Generally capital asset additions should be reported as capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Capital and Right-to-Use Assets Table for Proprietary Funds

Please complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS.

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
6-16	Land				\$ 0
6-17	Buildings				\$ 0
6-18	Machinery and Equipment				\$ 0
6-19	Furniture and Fixtures				\$ 0
6-20	Infrastructure				\$ 0
6-21	Construction In Progress (CIP)				\$ 0
6-22	Leased & SBITA Right-to-Use Assets				\$ 0
6-23	Intangible Assets				\$ 0
	Other (explain in line 6-24)				
6-24					\$ 0
6-25	Accumulated Amortization Right-to-Use Assets (Enter a negative or credit balance)				\$ 0
6-26	Accumulated Depreciation (Enter a negative or credit balance)				\$ 0
6-27	TOTAL (Add lines 6-16 through 6-26)	\$ 0	\$ 0	\$ 0	\$ 0

*Must agree to prior year-end balance.

**Generally capital asset additions should be reported as capital outlay on line 3-48 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Please use the space below to provide any additional information (optional).

Part 7: Pension Information

7-1	Does the entity have an "old hire" firefighters' pension plan?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
7-2	Does the entity have a volunteer firefighters' pension plan?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
7-3	If yes, who administers the plan?		
Indicate the contributions from the following in lines 7-4 through 7-6.			
7-4	Tax (property, specific ownership, sales, etc.)		\$ 0
7-5	State contribution amount		\$ 0
7-6	Other (gifts, donations, etc.)		\$ 0
7-7	TOTAL (Add lines 7-4 through 7-6)		\$ 0
7-8	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		\$ 0

Please use the space below to provide any additional information (optional).

Part 8: Budget Information

8-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?	<input type="radio"/> N/A	<input checked="" type="radio"/> Yes	<input type="radio"/> No
8-2	If no, MUST explain below.			
8-3	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.?	<input type="radio"/> N/A	<input checked="" type="radio"/> Yes	<input type="radio"/> No
8-4	If no, MUST explain below.			
If yes, indicate the amount appropriated for each fund separately for the year reported in the table below.				

Appropriation Amount by Fund

Enter the fund name, then indicate the final amount appropriated for each fund for the year reported. Ensure each individual fund's final appropriated amount agrees to the adopted budget. Do not combine funds.

Line	Governmental/Proprietary Fund Name	Total
8-5	General Fund	\$ 402,130
8-6		
8-7		
8-8		
8-9		

Please use the space below to provide any additional information (optional).

Part 9: Taxpayer's Bill of Rights (TABOR)

9-1	Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(5))?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
9-2	If no, MUST explain below.		

Note: An election to exempt the entity from the spending limitations of TABOR does not exempt the entity from the 3 percent emergency reserve requirement. All entities should determine if they meet this requirement of TABOR.

Please use the space below to provide any additional information (optional).

Part 10: General Information

10-1	Is this application for a newly formed governmental entity?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
10-2	If yes, what was the date of formation		
10-3	Has the entity changed its name in the past or current year?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
10-4	If yes, please list the NEW name below.		
10-5	If yes, please list the PRIOR name below.		
10-6	Is the entity a metropolitan district?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
10-7	Please indicate what services the entity provides below.		
10-8	Does the entity have an agreement with another government to provide services?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
10-9	If yes, list the name of the other governmental entity and the services provided below.		
	Evergreen Metropolitan District - Supplies potable water to the district for a fee		
10-10	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)	<input type="radio"/> Yes	<input checked="" type="radio"/> No
10-11	If yes, what was the date filed		
10-12	Does the entity have a certified mill levy?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
	If yes, please provide the following mills levied for the year reported (do not report dollar amounts).		
10-13	Bond redemption mills		
10-14	General/other mills	73.455	
10-15	TOTAL MILLS (Add lines 10-13 through 10-14.)	73.455	
10-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	<input type="radio"/> N/A	<input type="radio"/> Yes <input checked="" type="radio"/> No
10-17	If no, please explain below.		
	2025 Annual Report in process		

Please use the space below to provide any additional information (optional).

Part 11: Governing Body Approval

11-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
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Office of the State Auditor — Local Government Division Exemption Form Electronic Signature Policy and Procedure

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

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

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

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

Governing Body Signatures

Print or type the names of all members of current governing body below.
A majority of the members of the governing body must sign below.

Board Member 1		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 2		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 3		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 4		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 5		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date