

**2023
Annual Report of
Buckhorn Valley Metropolitan District No. 1**

1. Annual Report. Pursuant to Section 32-1-207(3)(c), C.R.S., the Buckhorn Valley Metropolitan Districts hereby files an annual consolidated report with the Town by October 1 of each year. The report shall include:

(a) Boundary changes made;

No boundary change has occurred in the District in the year 2023.

(b) Intergovernmental agreements entered into or terminated with other governmental entities **(described below and attached)**;

1. Buckhorn Valley Metropolitan District No. 2

Agreement providing for the implementation of principals and objectives stated in their Service Plan regarding financing, construction, operation and maintenance of facilities and administration of their affairs.

Term: Entered into on July 20, 2000, amended and restated on March 3, 2003.

(c) Access information to obtain a copy of rules and regulations adopted by the board;

Please contact the District's management or Legal Representative for the following information:

**Sarah Shepherd, District
Manager
303-482-1002 x 700
info@ccrider.us**

**Christine Gazda
Garfield & Hecht, P.C.
(970) 947-1936
CGazda@garfieldhecht.com**

(d) A summary of litigation involving public improvements owned by Buckhorn Valley Metropolitan District No. 1;

There is no litigation involving public improvements owned by District No. 1. However, a suit filed by District No. 2 against District No. 1 and individual board members, if successful, may implicate public improvements. See *Buckhorn Valley Metro. Dist. No. 2 v. Buckhorn Valley Metro. Dist. No. 1, et al.*, Case No. 2022CV30208, Eagle County District Court. Additionally, prior to filing suit and during the pendency of litigation, District No. 2 has refused to pay to District No. 1 certain funds as required by the First Amended District Facilities Construction and Service Agreement dated March 3, 2003 ("2003 Service Agreement").

In its Complaint, as amended by the Court's Order dismissing District No. 2's claims against individual board members, District No. 2 sought declaratory judgment that the 2003 Service Agreement between the Districts is void or voidable under Article XX, Section 10 of the Colorado Constitution,

known as the Taxpayers Bill of Rights (“TABOR”) and/or as an impermissible delegation of legislative authority (First Cause of Action). District No. 2 also sought a full accounting of District 1’s finances (Second Cause of Action); damages for District No. 1’s alleged breach of the 2003 Service Agreement (Third Cause of Action); judicial review under C.R.C.P. 106 of District No. 1’s approval of what it calls the “Water Fee Dispute Letter Agreement” between District No. 1 and BV Firewheel, LLC (Fifth Cause of Action); and a permanent injunction against District No. 1 regarding said agreement and its alleged rate setting (Sixth Cause of Action).

District No. 1 counterclaimed that District No. 2 breached the 2003 Service Agreement by passing a motion to terminate the 2003 Service Agreement and by approving its budget with provisions that violate the agreement. District No. 1 also sought declaratory judgment that District No. 2’s actions violate the Service Plan and, therefore, C.R.S. § 32-1-207(1), as well as injunctive relief to enjoin District 2 from violating the Service Plan and 2003 Service Agreement.

After a five-day jury trial at the end of June of 2024, the jury found that District No. 1 breached the 2003 Service Agreement and awarded damages to District No. 2 in the amount of \$494,507.34. The Court denied District No. 2’s First and Second Causes of Action, leaving only the Fifth and Six Causes of Action remaining. The parties agreed to stay the litigation pending settlement and are actively working toward a global settlement of all disputed issues.

District No. 2 has appealed the Order dismissing the individual defendants from the lawsuit and the Order denying its motion for summary judgment. District No. 1 and the individual defendants have cross-appealed the Court’s denial of District No. 1’s motion to dismiss, the Order denying the individual defendants’ motion for attorneys’ fees and costs, District No. 1’s motion for summary judgment, and the jury verdict and judgment in favor of District No. 2.

(e) The status of the construction of public improvements by Buckhorn Valley Metropolitan District No. 1;

During 2023 several repairs were made to the District’s pumphouse, irrigation system and storage pond.

(f) A list of facilities or improvements constructed by Buckhorn Valley Metropolitan District No. 1 that were conveyed or dedicated to the Town;

There were no facilities or improvements constructed in 2023 that were conveyed or dedicated to the Town.

(g) The final assessed valuation of the Buckhorn Valley Metropolitan District No.1 as of December 31 of the reporting year;

\$49,790 (also included in the 2024 Budget attachment)

- (h) A copy of the current year's budget;
Attached as requested for Budget year 2024.
- (i) A copy of the audited financial statements;
Attached as requested is the Audit Exemption Application for the December 31, 2023 Financial Statements.
- (j) Notice of any uncured defaults existing for more than ninety days

under any debt instrument of the Buckhorn Districts; and

No uncured defaults exist under any debt instrument to report.

- (k) Any inability of the Buckhorn Districts to pay their obligations as they come due under any obligation which continues beyond a ninety-day period.

No inability to pay the District's obligations exists to report.