

Mayor
Aaron Brockett

Council Members
Taishya Adams
Matt Benjamin
Lauren Folkerts
Tina Marquis
Ryan Schuchard
Nicole Speer
Mark Wallach
Tara Winer



Council Chambers
1777 Broadway
Boulder, CO 80302
October 10, 2024
6:00 PM

City Manager
Nuria Rivera-Vandermyde

City Attorney
Teresa Taylor Tate

City Clerk
Elesha Johnson

AGENDA FOR THE SPECIAL MEETING OF THE BOULDER CITY COUNCIL

1. **Call to Order and Roll Call**
2. **Consent Agenda**
 - A. **Consideration of a motion to approve and authorize the city manager to enter into and execute an Intergovernmental Agreement between the City of Boulder and the Knollwood Metropolitan District, in substantially the same form as in Attachment A, relating to the dissolution process of the Knollwood Metropolitan District**
 - B. **Consideration of a motion to approve Resolution 1356 indicating the City of Boulder’s support for 7A, a measure appearing on the November 5, 2024 Boulder County ballot concerning exemption of the Regional Transportation District from TABOR refunds**
3. **Public Hearings**
 - A. **Second reading and consideration of a motion to adopt Ordinance 8652 designating the property at 3300 Penrose Pl., City of Boulder, Colorado, to be known as the Geological Society of America, as an individual landmark under Chapter 9-11, “Historic Preservation,” B.R.C. 1981; and setting forth related details** **15 min – 5 min presentation / 10 min public hearing & council discussion**
 - B. **Introduction, first reading and consideration of a motion to order published by title only Ordinance 8664 adding a new Chapter 12-6, “Minimum Wage,” B.R.C. 1981, setting a local City of Boulder minimum wage to be competitive and responsive to current and future needs of its community; and setting forth related details** **150 min – 15 min presentation / 135 min public hearing & council discussion**

4. Matters from the Mayor and Members of Council

A. Regional Working Group on homelessness goals update and discussion

20 min

5. Discussion Items

6. Debrief

7. Adjournment

3:05 hrs

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COVER SHEET

MEETING DATE

October 10, 2024

AGENDA ITEM

Consideration of a motion to approve and authorize the city manager to enter into and execute an Intergovernmental Agreement between the City of Boulder and the Knollwood Metropolitan District, in substantially the same form as in **Attachment A**, relating to the dissolution process of the Knollwood Metropolitan District

PRIMARY STAFF CONTACT

Laurel Witt, Assistant City Attorney II

REQUESTED ACTION OR MOTION LANGUAGE

Motion to approve and authorize the city manager to enter into and execute an Intergovernmental Agreement between the City of Boulder and the Knollwood Metropolitan District, in substantially the same form as in **Attachment A**, relating to the dissolution process of the Knollwood Metropolitan District

ATTACHMENTS:

Description

- **Item 2A - Dissolution of Knollwood Metro District IGA**



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: October 10, 2024

AGENDA TITLE

Consideration of a motion to approve and authorize the city manager to enter into and execute an Intergovernmental Agreement between the City of Boulder and the Knollwood Metropolitan District, in substantially the same form as in **Attachment A**, relating to the dissolution process of the Knollwood Metropolitan District

PRESENTERS

Nuria Rivera-Vandermyde, City Manager
Teresa Taylor Tate, City Attorney
Hella Pannewig, Senior Counsel
Laurel Witt, Assistant City Attorney II
Kara Skinner, Chief Financial Officer
Joel Wagner, Deputy Finance Director

EXECUTIVE SUMMARY

In 2019, the city annexed just under 50 homes along the western border of the city in a subdivision called Knollwood. At the time, the Knollwood Metropolitan District (the “District”) served the residences of the subdivision by providing services such as water and street maintenance. As part of the annexation agreement, the city and the District agreed to dissolve the District by transferring the services over to the city and to limit the powers of the District during and after the transfer. In addition to the limited powers, the city and the District agreed to dissolve the District, for all purposes but the payment of debt, within five years of the annexation.

The purpose of this agenda item is for the City Council to consider an Intergovernmental Agreement, **Attachment A**, (the “Dissolution IGA”) related to the dissolution of the District, except for the payment of debt, and to transition the management of the District to the city. The Dissolution IGA outlines the responsibilities of both the District and the city during the dissolution process and the transfer of the management of the District to the city. The city will petition the court to dissolve the District in its entirety once the payment of debt is complete.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to approve and authorize the city manager to enter into and execute an Intergovernmental Agreement between the City of Boulder and the Knollwood Metropolitan District, in substantially the same form as in **Attachment A**, relating to the dissolution process of the Knollwood Metropolitan District

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- **Economic** – The city strives to provide services to its residents, such as water and traffic control. The city has already assumed water service and traffic control for the District area. The District’s purpose is now limited to overseeing remaining debt of the District. Payment of debt will be paid through taxes (and potentially other charges) imposed on households within the current boundaries of the Knollwood Metropolitan District, while these households receive city services.
- **Environmental** – The environmental impact of the city taking over District duties is negligible. The city did see environmental impacts when it annexed Knollwood into the city, as the homeowners now are required to follow city code requirements such as the Dark Sky ordinance.
- **Social** – City services play an important role in providing water, street improvements, and more to the city’s residents. Transitioning the District’s services to the city allowed the city to provide these services to the residents within the District; taking over debt payments through the District will permit the city to eventually extinguish the District and be the sole provider of these services.

OTHER IMPACTS

- **Fiscal** – The District was formed many years ago to provide services and take on debt. Any outstanding debt will be paid for by the residents of the District.

- **Staff time** – Processing the debt payments and transfer of operation of the Knollwood Metropolitan District to the city is within normal staff work plans.

RESPONSES TO QUESTIONS FROM COUNCIL AGENDA COMMITTEE

None.

BOARD AND COMMISSION FEEDBACK

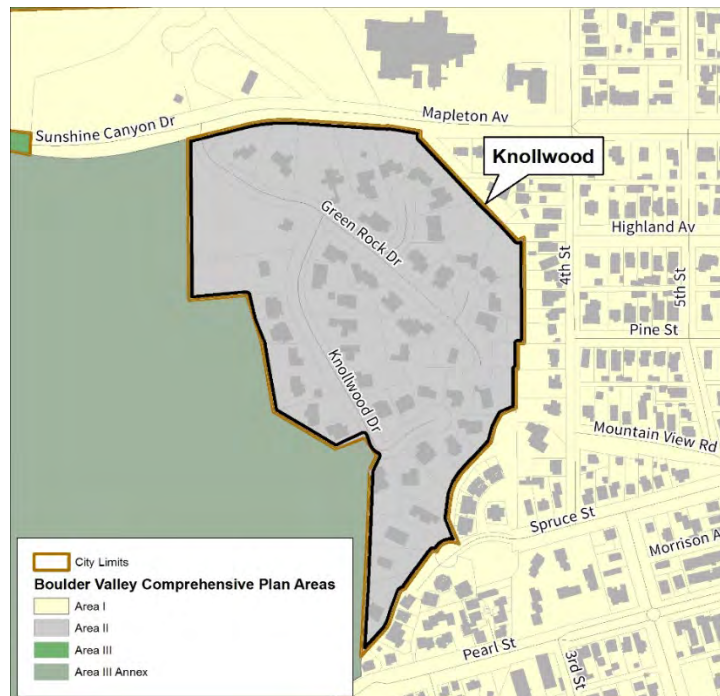
None.

PUBLIC FEEDBACK

None.

BACKGROUND

In 1965, the Knollwood Water District was formed to provide the properties within the District with water services. In 2015, the Boulder District Court approved converting the water district to a metropolitan district to provide additional services. The Board of County Commissioners of Boulder County approved an Amended Statement of Purposes for the District in December of 2015, which added street improvements and safety protection through traffic and safety controls and devices to the types of services and facilities to be provided by the District. The District includes a common outlot (Outlot A) that includes a common open space and a neighborhood sign. The general location of the Knollwood subdivision is provided in the map below:



In 2019, the City of Boulder annexed 47 homes, known as the Knollwood Subdivisions, and the properties at 150 Green Rock Drive (which is not part of the District) and 2285 Knollwood Drive. The City Council limited the services provided by the District following annexation in Resolution 1261, **Attachment B**, and Resolution 1262, **Attachment C** (the “Resolutions”). In the Resolutions, the District’s limited powers include:

- (1) Providing water services until city connections are complete.
- (2) Financing public improvements.
- (3) Paying water public improvement fees and other fees associated with annexation.
- (4) Financing and contracting for snow removal.
- (5) Complying with and enforcing terms of any agreements entered with the city.

Following annexation and connection to the city’s water system, the city now provides the District’s properties with water services and manages the public streets as part of the Boulder municipal systems, which were the essential services provided by the District. The wells located within the District’s boundaries have been decommissioned.

In addition to the limited powers, the city and the District agreed to have a dissolution date for the District for all duties and responsibilities except for the payment of debt. Per the condition of the annexation, Ordinance 8348 (the “Ordinance,” **Attachment D**), “As a requirement of annexation, the owners of District Properties shall use their best efforts to obtain a court order pursuant to § 32-1-101, C.R.S., dissolving the District within five years of the effective date of the annexation ordinance or within two years of the City’s final acceptance of the District Public Improvements under the city’s construction contract for the District Public Improvements, whichever occurs later. Such order of dissolution shall dissolve the District for all purposes except as necessary to adequately provide for the payment of remaining financial obligations or outstanding debt of the District. A plan for dissolution shall adequately provide for the payment of such financial obligations and debt.”

Prior to the adoption of the Ordinance and in connection with the annexation, the city and the District entered into and implemented the Intergovernmental Agreement Regarding Annexation and Transition of Municipal Services on April 15, 2019, (the “2019 IGA,” **Attachment E**). The 2019 IGA sets forth details regarding the dissolution of the District, in compliance with §§ 32-1-701 to 710, C.R.S., for all purposes except as necessary to adequately provide for the payment of remaining financial obligations or outstanding debt of the District.

The District now desires to set forth additional details regarding the dissolution process and the transition of the District’s organization from its current board of directors to the City Council, pursuant to the process set forth in §§ 32-1-703(3)(c) and 32-1-707, C.R.S. The Dissolution IGA between the City of Boulder and the Knollwood Metropolitan District in **Attachment A** provides the additional details for dissolution. The District formally approved the Dissolution IGA at its September 24, 2024, meeting.

ANALYSIS

The Dissolution IGA outlines the process by which the District will dissolve, except for the limited purpose of paying the remaining debt of the District. The District will comply with the requirements of §§ 32-1-701 to 710, C.R.S., including holding a dissolution election and seeking a court order dissolving the District for all purposes except to adequately provide for the payment of remaining financial obligations or outstanding debt of the District.

City Council will serve as the board of the District (“Limited-Purpose Board of Directors”) following the partial dissolution order from the court. The Limited-Purpose Board of Directors will have authority to adequately provide for the full payment, satisfaction, and discharge of the outstanding debt of the District. The District’s authority to provide snow removal, maintain common areas, enforce covenants and maintenance of Outlot A is required to be discontinued by October 3, 2024. Outlot A will be conveyed to a homeowners’ association, currently being set up and intended to be in place by the end of the year. The homeowners’ association may also perform snow removal, maintain common areas, and enforce subdivision covenants.

The City Council, as Limited-Purpose Board of Directors of the District, will also have the authority to ensure that any outstanding balances or excess District funds not required for payment of debt are applied to reduce the rates, tolls, fees, and charges fixed by Boulder for providing water service, street improvements, and traffic and safety controls consistent with § 32-1-708(1), C.R.S. The District’s current outstanding debt is set forth in the following table:

Name	Date Issued	Loan Amount	Maturity Date
General Obligation Loan Series 2017: 2017 Draw and 2018 Draw	February 8, 2017	\$ 500,000	December 1, 2031
General Obligation Loan Series 2020	January 7, 2020	\$2,270,000	December 1, 2039

When the outstanding debt is fully paid, satisfied, and discharged, the District will be completely dissolved and have no continuing authority or power. The Limited-Purpose Board of Directors will petition for a final court order of dissolution.

The Dissolution IGA sets forth a process and timeline for seeking a court order of dissolution and transition of the management of the District from the current District board to the city.

NEXT STEPS

Once council approves the Dissolution IGA, the District will proceed to dissolve the District through the district court for all purposes except for the repayment of debt, for

which the city will take over responsibility for the District until such a time as the debt is paid in full. This full transition is expected to occur during the first quarter of next year.

ATTACHMENTS

- A – Dissolution IGA between the city and Knollwood Metropolitan District
- B – Resolution 1261
- C – Resolution 1262
- D – Ordinance 8348
- E – 2019 IGA, Annexation and Transition of Municipal Services

**INTERGOVERNMENTAL AGREEMENT REGARDING DISSOLUTION PROCESS OF
KNOLLWOOD METROPOLITAN DISTRICT**

This INTERGOVERNMENTAL AGREEMENT REGARDING DISSOLUTION PROCESS OF KNOLLWOOD METROPOLITAN DISTRICT (the “IGA”) is made and entered into effective this _____ day of _____, 2024 (the “Effective Date”), by and between the City of Boulder, Colorado, a home rule municipality, (the “City”), and Knollwood Metropolitan District, a quasi-municipality and political subdivision of the State of Colorado, (the “District”), (individually referred to herein as a “Party” and collectively as the “Parties”).

RECITALS

WHEREAS, the District was formed in 1965 as Knollwood Water District, to provide the District’s residents with water services, and was converted to a metropolitan district in 2015 to also provide street improvements and traffic and safety controls as provided in the Amended Statement of Purposes dated October 9, 2015, which conversion was approved by the Boulder District Court on December 17, 2015; and

WHEREAS, the property within the District was annexed to the City of Boulder pursuant to Ordinance 8348 which became effective on October 3, 2019; and

WHEREAS, per Ordinance 8348, “As a requirement of annexation, the owners of District Properties shall use their best efforts to obtain a court order pursuant to Section 32-1-101, C.R.S., dissolving the District within five years of the effective date of the annexation ordinance or within two years of the City’s final acceptance of the District Public Improvements under the City’s construction contract for the District Public Improvements, whichever occurs later. Such order of dissolution shall dissolve the District for all purposes except as necessary to adequately provide for the payment of remaining financial obligations or outstanding debt of the District. A plan for dissolution shall adequately provide for the payment of such financial obligations and debt”; and

WHEREAS, the Parties entered into and implemented the Intergovernmental Agreement Regarding Annexation and Transition of Municipal Services on April 15, 2019 (the “2019 IGA”); and

WHEREAS, the 2019 IGA sets forth details regarding the dissolution of the District, in compliance with §§ 32-1-701 to 710, C.R.S., for all purposes except as necessary to adequately provide for the payment of remaining financial obligations or outstanding debt of the District; and

WHEREAS, following dissolution, current services will be provided to residents by the City of Boulder (water services, streets and traffic control) and by Knollwood Community Inc., an owner’s common interest community association (covenant enforcement, snow removal and common area maintenance) in accordance with the details set forth in the 2019 IGA and the 2024 Dissolution Plan; and

WHEREAS, the Parties now desire to set forth additional details regarding the dissolution process and the transition of the organization of the District board from its current directors to the City Council of the City of Boulder pursuant to the process set forth in §§ 32-1-703(3)(c) and 32-1-707, C.R.S.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties agree as follows:

I. DISSOLUTION PROCESS

- 1.1 The current Knollwood Metropolitan District Board (“Current Board”) will petition the district court for dissolution for all purposes except for repayment of debt no later than October 3, 2024, and take all required steps to process the dissolution petition.
- 1.2 Petition filing will include: Draft dissolution plan, description of the territory in the special district, financial statements, proposed order setting date for public hearing, proposed order approving dissolution plan and calling an election, draft notice of public hearing, a proposed order of dissolution containing information regarding required filing of the court order of dissolution by the court clerk with the Boulder County Clerk and Recorder and Colorado Division of Local Government, and all other information and documents required for a dissolution petition under C.R.S. § 32-1-702.
- 1.3 Petition and filings shall be consistent with the existing 2019 IGA and this Agreement.
- 1.4 Petition will seek a limited dissolution order and an order of the court that the City Council of the City of Boulder shall serve as the board of the limited-purpose District.
- 1.5 The Current Board of the District will provide City an opportunity to review the filings, no later than September 19, 2024, and City will have at least 14 days to review.
- 1.6 The City will file an entry of appearance in the dissolution case.
- 1.7 The Current Board will take all required steps to hold the election on the question of dissolution, at no cost to the City, consistent with state law for such a dissolution.
- 1.8 The anticipated dissolution schedule for this process is set forth in **Exhibit A**, attached hereto and incorporated herein. Each Party will take all reasonable efforts to meet anticipated deadlines established within **Exhibit A**.
- 1.9 Prior to November 3, 2024, an extension of the date in the 2019 IGA, the District shall and the Current Board of the District will ensure that the District conveys Outlot A, Knollwood, City of Boulder, County of Boulder, Colorado, to a unit owners association of a common interest community created by homeowners within the District or the City.

II. TRANSITION FROM CURRENT BOARD TO A CITY COUNCIL BOARD

- 2.1 If a majority of the eligible electors at the election approve the dissolution, four weeks after issuance of a court order of dissolution and recording of same, the City Council will take over as the Board of Directors of the District. The current Directors and Officers will have no duties, liabilities or obligations as to any acts of the District or its Board of Directors taken by or required to be taken by the District after the City Council takes over as the Board of Directors (“City Council Board”). To enable the transfer to the City Council Board, the Current Board shall take the following actions, within the four weeks after recording of the order of dissolution:
- a. Take required actions to change authorized signors on District bank accounts and investment accounts with BOK Financial, Colotrust, and Schwab, to such employees or Councilmembers as indicated by City, including providing bond payment schedules and bank contact information to City for such payments, or close some of the accounts and transfer the funds to the remaining accounts.
 - b. Authorize and direct the current attorney for the District to transfer all legal files (paper and electronic) to City.
 - c. Provide log-in information for Division of Local Government LGIS account, Special District Association account and any other accounts the District holds that time.
 - d. Deliver all district records (paper and electronic) to City, including any District management and budget information, District contracts, information related to lots and parcels within the District, information related to property owners and residents in the district, and any other writings maintained or kept by the District.
 - e. Provide a list of current district electors and residents, based on information obtained for dissolution election.
- 2.2 Any information, records, and other documents required to be provided to the City shall be provided to, at a time agreed to by the Parties:

Attn: City Attorney’s Office
City of Boulder
1777 Broadway
Boulder, CO 80302

- 2.3 Following the issuance of the court order of dissolution, after the City Council becomes the Board of Directors, the City shall be responsible for updating the Boulder County Treasurer, Boulder County Assessor, the Division of Local Government in the Colorado Department of Local Affairs, the Special District Association, the Knollwood residents, District lenders and insurance carriers, and any other parties requiring notice, as to the new City Council Board, for meeting transparency notice requirements, for administering oaths to new Directors, for electing officers, as applicable to a board that is the governing body of a municipality, and taking any other actions that may be required for District management.

III. POWER AND RESPONSIBILITIES OF DISTRICT BOARD

3.1 If a majority of the eligible electors at the election approve the dissolution, after October 3, 2024, the Current Board of the District will not exercise any powers except:

- a. Those necessary to adequately provide for payment of the financial obligations or outstanding debt of the District; and
- b. Those acts necessary to obtain a court order for limited dissolution, including without limitation conducting an election on dissolution; and
- c. Any acts necessary to affect the transfer of Board obligations and functions from the Current Board to the City Council as the new Board; and
- d. Any acts necessary to affect the transfer of the management of the debt service functions of the District from the Current Board to the City Council as the new Board of Directors (or its delegees); and
- e. Those acts necessary to file for a special district audit exemption for 2024; and
- f. Conveyance of Outlot A, Knollwood Subdivision, owned by the District to a common interest community association up until November 3, 2024, or if not conveyed to a common interest community association by November 3, 2024, to convey such property to the City.
- g. Any actions required by Colorado state law for special districts.

3.2 Setting and payment of the mill levy will be as follows during the transition period:

- a. The Current Board will set the mill levy for 2024 (for collection in 2025), approve the budget for 2025 and appropriate funds for 2025, certify the mill levy for 2024 to Boulder County, and take acts necessary to file for a special district audit exemption for 2024. This is to occur prior to transfer of Board duties to City Council.
- b. City Council will make both debt payments in 2025, if bank account access and authorities have been fully transferred to the City, and any required payments in following years. City Council will be responsible to set the mill levy for 2025 and approve a budget for 2026 and for the following years. It is noted that the first debt service payments of the District in 2025 are scheduled for May 31, 2025 and the second debt service payments of the District in 2025 are scheduled for December 1, 2025. This Section 3.2(b) provision is contingent upon dissolution election approval and the court issuance of an order of dissolution.

IV. GENERAL TERMS AND CONDITIONS

4.1 Amendment. The existing 2019 IGA continues in full force and effect, except as amended herein. In the event of conflict between the 2019 IGA and this Agreement, this Agreement shall control.

4.2 Defaults. A default shall exist if either Party fails to comply with the terms and conditions hereof and such failure shall continue for a period of thirty (30) days after notice thereof given by the other Party. In the event of a default, the non-defaulting Party may enforce its rights

under this IGA by any remedy available at law or equity, including without limitation, specific performance. The Parties may agree to participate in mediation before proceeding to court or in lieu of litigation.

4.3 No Third-Party Beneficiary. It is expressly understood and agreed that enforcement of the terms and conditions of this IGA and all rights of action relating to such enforcement shall be strictly reserved to the Parties. It is the express intention of the Parties that any person, other than the Parties, shall be deemed to be only an incidental beneficiary under this IGA.

4.4 Governmental Immunity. No term of condition of this IGA shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, *et seq.* as it applies to either Party.

4.5 Entire Agreement. This IGA contains the entire agreement of the Parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of both Parties.

4.6 Severability. In the event a court of competent jurisdiction holds any provision of the IGA invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this IGA.

4.7 Governing Law and Venue. This IGA shall be governed by the laws of the State of Colorado, and venue shall be in Boulder County, Colorado. In the event legal action is brought to resolve any dispute among the Parties related to this IGA, the non-prevailing party shall pay the court costs and attorney's fees of the prevailing party.

4.8 Authority. The Parties represent and warrant that they have taken all actions necessary to legally authorize the undersigned signatories to execute this IGA on behalf of the Parties and to bind the Parties to its terms.

4.9 Counterparts. This IGA may be executed in counterparts, each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this IGA to be executed as of the Effective Date.

KNOLLWOOD METROPOLITAN DISTRICT

By: _____

President

ATTEST:

Secretary

CITY OF BOULDER

By: _____


City Manager

ATTEST:

City Clerk

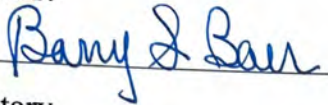
IN WITNESS WHEREOF, the Parties have caused this IGA to be executed as of the Effective Date.

KNOLLWOOD METROPOLITAN DISTRICT

By: 

President

ATTEST:



Secretary

CITY OF BOULDER

By: _____

City Manager

ATTEST:

City Clerk

EXHIBIT A – ANTICIPATED DISSOLUTION SCHEDULE

- a. Summer 2024 – Current Board and City agree on procedure and process for dissolution through an intergovernmental agreement.
- b. September 2024 – Current Board of the District passes a motion to approve filing a petition for dissolution with the Boulder County District Court.
- c. September 19, 2024 – District provides City with draft court filings
- d. September 19 to September 29, 2024, but no less than 10 days – City of Boulder to review court filing.
- e. No later than October 3, 2024 – District files a petition for dissolution with the Court, with proposed dissolution plan, unless a different date is agreed upon in writing with City.
- f. City of Boulder enters an appearance.
- g. November 3, 2024 – District conveys Outlot A to common interest ownership association or to the City.
- h. Within 50 days of filing – Court sets date for public hearing; latest date therefore is Friday, November 22, 2024.
- i. District publishes notice of public hearing and mail such notice to the board of county commissioners and the governing body of each municipality having territory within a radius of 3 miles of the District, consistent with state law requirements.
- j. November 2024 (November 22 at latest) – Public Hearing, Court Orders Special Election. The District provides election notice as required under Sec. 32-1-705, C.R.S.
- k. Late January/Early February 2025 – Current Board to administer special election consistent with Sec. 32-1-706, C.R.S.
 1. Election can be conducted as a Mail Ballot election under the Colorado Local Government Election Code – Sec. 1-13.5-101, *et seq.*, C.R.S.
 2. Ballot must be certified 60 days before the election. Sec. 1-13.5-511, C.R.S.
 3. Notice of election must be published 20 days before the election and include the election date, plan for dissolution or summary of the plan, and the place where a member of the public may inspect or obtain a copy of the complete plan. Secs. 1-13.5-510 & 501, *et seq.* C.R.S.
- l. Nine to Fourteen (9 – 14) days after the election, Canvass Board certifies the results (9 days to allow for Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) votes to be returned) – Sec. 1-13.5-1305, C.R.S.
- m. The Current Board will file certified election results with the Court and move for Final Order of Dissolution.

- n. If a majority of eligible electors at the election approve dissolution, by the end of February, Court may enter order of dissolution, approval of dissolution plan, and order that City Council will become the Board of the District.
- o. The Current Board will provide a draft order of dissolution and will file a certified copy with the County Clerk and Recorder and the Division of Local Government in the Colorado Department of Local Affairs.
- p. Within 4 weeks of the issuance of an order of dissolution, the Current Board will complete the transfer of District information and documents required under the terms of this IGA to the City.

RESOLUTION 1261

A RESOLUTION BY CITY COUNCIL TO ACCEPT A DESIGNATION AS THE APPROVING AUTHORITY FOR THE KNOLLWOOD METROPOLITAN DISTRICT (FORMERLY KNOWN AS KNOLLWOOD WATER DISTRICT), AND SETTING FORTH RELATED DETAILS.

THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, HEREBY FINDS AND RECITES THAT:

A. On September 3, 2019, the City Council of the City of Boulder finally passed Ordinance 8348 (the "Annexation Ordinance") annexing all of the property within the Knollwood Metropolitan District (formerly known as Knollwood Water District and hereafter referred to as the "District") to the City of Boulder;

B. The Annexation Ordinance is anticipated to take effect thirty days following its final passage, on October 3, 2019 (the "Effective Date");

C. Upon the Effective Date of the Annexation Ordinance, the District becomes wholly contained within the boundaries of a municipality by annexation; and

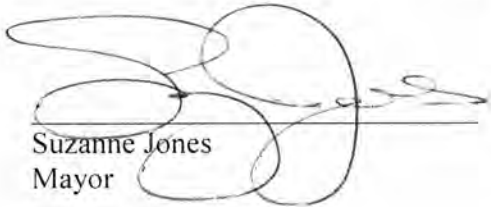
D. The governing body of the District has petitioned the City Council to accept a designation as the approving authority for the District pursuant to Section 32-1-204.7(1), C.R.S. and consistent with the Intergovernmental Agreement Regarding Annexation and Transaction of Municipal Services between the City of Boulder and the Knollwood Metropolitan District dated April 15, 2019.

BASED ON THE FINDINGS MADE IN THIS RESOLUTION, ABOVE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, THAT:


1. The City Council hereby accepts the designation as the approving authority for the District as of the Effective Date of the Annexation Ordinance and conditioned upon effectiveness of the Annexation Ordinance, pursuant to Section 32-1-204.7 C.R.S.

2. With effectiveness of and as of the Effective Date of the Annexation Ordinance, all powers and authority vested in the board of county commissioners pursuant to Article 1 of Title 32, "Special Districts," C.R.S. regarding the District shall be transferred to the City Council as the governing body of the City of Boulder. The City Council shall constitute the approving authority for the District for all purposes under Article 1 of Title 32, "Special Districts," C.R.S.

INTRODUCED, READ, PASSED, AND ADOPTED this 3rd day of September 2019.


Suzanne Jones
Mayor

Attest:



Lynnette Beck
City Clerk

Certificate of Transmittal to Petitioner and County of Boulder

I hereby certify that a true and correct copy of the foregoing Resolution 1261 was transmitted to the Petitioner and the County of Boulder by placing it in the U.S. Mail, first-class postage prepaid, addressed as follows:

Colonel Barry S. Baer US Army (Retired)
Treasurer, Knollwood Metropolitan District
2265 Knollwood Drive
Boulder, CO 80302

With a copy to:

Carolyn R. Steffl, Esq.
Moses, Wittemyer, Harrison & Woodruff, P.C.
2595 Canyon Boulevard, Suite 300
Boulder, CO 80302

Board of County Commissioners of Boulder County
P.O. Box 471
Boulder, CO 80306

RESOLUTION 1262

A RESOLUTION APPROVING A PETITION OF THE KNOLLWOOD METROPOLITAN DISTRICT (FORMERLY KNOWN AS KNOLLWOOD WATER DISTRICT) FOR APPROVAL OF A SECOND AMENDED STATEMENT OF PURPOSES PURSUANT TO COLORADO'S SPECIAL DISTRICT ACT, PART 2 OF ARTICLE 1 OF TITLE 32, C.R.S., AND SETTING FORTH RELATED DETAILS.

THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, HEREBY FINDS AND RECITES THAT:

A. The Knollwood Metropolitan District (the "District") was originally organized as the Knollwood Water District for the following purposes: 1) to supply water for domestic purposes by any available means, and 2) other purposes determined by the Board Members of the District in accordance with §§ 32-1-101, *et. seq.*, C.R.S.

B. The Knollwood Water District converted to a Metropolitan District by order of the District Court of Boulder County dated December 17, 2015 in Case No. 1965CV018489. The Board of County Commissioners of Boulder County approved an Amended Statement of Purposes for the District by Resolution 2015-126 dated December 10, 2015, *nunc pro tunc* December 8, 2015, which added street improvements and safety protection through traffic and safety controls and devices to the types of services and facilities to be provided by the District.

C. On September 3, 2019, the City Council of the City of Boulder (the "City") passed Ordinance 8348, approving annexation of certain property, including all of the property within the boundaries of the District (the "Annexation Ordinance"). The Annexation Ordinance is anticipated to take effect thirty days following its final passage, on October 3, 2019 (the "Effective Date").

D. On September 3, 2019, the City Council passed Resolution 1261, accepting designation as the approving authority for the District.

E. Prior to the annexation, on April 15, 2019, the City of Boulder and the District entered into an Intergovernmental Agreement Regarding Annexation and Transition of Municipal Services (the "IGA") to coordinate in conducting the annexation election and, if the annexation was approved by the voters, to establish procedures for the construction of public improvements to enable the City to provide water for domestic purposes to the properties within the boundaries of the District, to delineate the District's powers following annexation, and to establish a procedure for dissolution of the District.

F. The IGA required that the District Board submit to City Council for approval a Second Amended Statement of Purposes to limit the District's powers following annexation.

G. The District submitted on August 5, 2019 a Second Amended Statement of Purposes, attached hereto as **Exhibit A** and hereby incorporated herein, conditioned upon the effectiveness of the annexation ordinance.

H. The Second Amended Statement of Purposes seeks to limit the District's powers in the future until dissolution of the District as set forth in the IGA.

I. A public hearing was set for September 3, 2019, and public notice was given by publication in the Boulder Daily Camera of the date, time, location and purpose of the hearing at least twenty days prior to the hearing date.

J. Not more than thirty days nor less than twenty days prior to the public hearing, written notice of the date, time, and location of the public hearing was provided to the property owners within the District.

K. Referrals and notices of the public hearing were sent to the governing bodies of special districts which have levied an ad valorem tax within the next preceding tax year and have the boundaries within a radius of three miles of the District.

L. On September 3, 2019, the City Council held a public hearing at which all interested parties as defined in Section 32-1-204, C.R.S. were given an opportunity to present their views to the City Council, and the City Council considered all evidence presented.

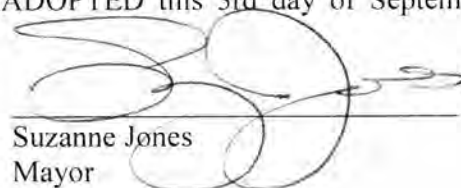
M. The City Council hereby determines that the petition complied with the requirements of and meets the applicable criteria of approval for the District's Second Amended Statement of Purposes pursuant to Part 2 of Article 1 of Title 32, C.R.S.

BASED ON THE FINDINGS MADE IN THIS RESOLUTION, ABOVE, AND SUPPORTED BY THE RECORD, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, THAT:


1. The Second Amended Statement of Purposes attached hereto as **Exhibit A** and incorporated herein is hereby approved.

2. The effectiveness of this Resolution shall be conditioned upon effectiveness of and be effective as of the Effective Date of the Annexation Ordinance and Resolution 1261.

INTRODUCED, READ, PASSED, AND ADOPTED this 3rd day of September 2019.


Suzanne Jones
Mayor

Attest:


Lynette Beck
City Clerk

Certificate of Transmittal to Petitioner and County of Boulder

I hereby certify that a true and correct copy of the foregoing Resolution 1262 was transmitted to the Petitioner and the County of Boulder on September __, 2019, within twenty days of its adoption consistent with C.R.S. 32-10204(4) by placing it in the U.S. Mail, first-class postage prepaid, addressed as follows:

Colonel Barry S. Baer US Army (Retired)
Treasurer, Knollwood Metropolitan District
2265 Knollwood Drive
Boulder, CO 80302

With a copy to:

Carolyn R. Steffl, Esq.
Moses, Wittemyer, Harrison & Woodruff, P.C.
2595 Canyon Boulevard, Suite 300
Boulder, CO 80302

Board of County Commissioners of Boulder County
P.O. Box 471
Boulder, CO 80306

**SECOND AMENDED STATEMENT OF PURPOSES
KNOLLWOOD METROPOLITAN DISTRICT
(FORMERLY KNOWN AS KNOLLWOOD WATER DISTRICT)**

Knollwood Metropolitan District (the "District") (formerly known as the Knollwood Water District) hereby files the following Second Amended Statement of Purposes with the City Council of the City of Boulder, State of Colorado, (the "City") pursuant to C.R.S. § 32-1-208(3), and requests approval.

RECITALS

WHEREAS, the Knollwood Water District was originally organized for the following purposes: 1) to supply water for domestic purposes by any available means, and 2) other purposes determined by the Board Members of the District in accordance with §§ 32-1-101, *et. seq.*, C.R.S.

WHEREAS, the Knollwood Water District converted to a Metropolitan District by order of the District Court of Boulder County dated December 17, 2015 in Case No. 1965CV018489. The Board of County Commissioners of Boulder County approved an Amended Statement of Purposes for the District by Resolution 2015-126 dated December 10, 2015, *nunc pro tunc* December 8, 2015, which added street improvements and safety protection through traffic and safety controls and devices to the types of services and facilities to be provided by the District.

WHEREAS, on September 3, 2019, the City Council of the City passed Ordinance No. 8348, approving annexation of certain property, including all of the property within the boundaries of the District.

WHEREAS, on September 3, 2019, the City Council passed Resolution No. 1261, accepting designation as the approving authority for the District, effective on the effective date of the annexation ordinance.

WHEREAS, the District and the City entered into an Intergovernmental Agreement Regarding Annexation and Transition of Municipal Services dated April 15, 2019 (the "IGA"), pursuant to which the City agreed to construct and the District agreed to finance certain water and street improvements to enable the City to provide water for domestic purposes to the properties within the boundaries of the District. The District further agreed in the IGA to submit this Second Amended Statement of Purposes to the City to delineate the District's powers and agreed to a dissolution plan.

NOW, THEREFORE, the District files with the City Council the following Second Amended Statement of Purposes and requests approval thereof:

1. **Purposes for which the District is organized.** The purposes for which the Knollwood Metropolitan District is organized are, to the extent consistent with the IGA, 1) to provide water services, 2) to provide street improvements and safety protection through snow plowing, and 3) to enforce recorded covenants for property within the District, including

the Knollwood Subdivision, Knollwood Subdivision First Addition, and Knollwood Subdivision Second Addition.

2. **Services and facilities provided or to be provided by the District.** Subject to the provisions of this Section 2 and Section 3, below, and to the extent consistent with the IGA, the facilities and services to be provided by the District are: 1) the provision of water for domestic purposes, 2) financing and construction of water improvements, 3) payment of water plant investment fees, annexation-related fees and other fees required for connection to the City's water system, 4) financing of and contracting for street improvements, 5) obtaining permits and contracting for snowplowing, and 6) enforcement of recorded covenants for property within the District, including the Knollwood Subdivision, Knollwood Subdivision First Addition, and Knollwood Subdivision Second Addition.

Pursuant to the IGA, the District is limited to exercising the following powers in connection with provision of these services:

- A. Incurring and paying financial obligations, consistent with the IGA.
- B. Assessing a mill levy, fees, and any special assessments necessary to pay operating costs and any debt of the District and cover the costs of the District until the District has fully discharged all financial obligations.
- C. Providing water supply, treatment and delivery services within the District, until connection to the City's water system, and billing for fees, costs and charges associated therewith.
- D. Operating and maintaining the District water system until conveyance to the City or abandonment per the IGA.
- E. Operating and maintaining outlots owned by the District, until conveyance to an HOA or the City.
- F. Abandoning District wells and property and/or conveying real and personal property to the HOA or the City.
- G. Contracting for construction or installation of water system and street improvements, which are related to or necessary for: a) water service by the District until connection to the City, b) properties within the District to receive water service from the City; c) completion of annexation; or d) fulfillment of District duties under the IGA.
- H. Acquisition of easements or other property interests needed for the District public improvements, set forth in Section G above, provided that the City's prior approval is required before the District exercises its power of eminent domain.
- I. Snow removal on streets within the District.
- J. Complying with and enforcing terms of the IGA and agreements with water users.

EXHIBIT A

- K. Enforcement of covenants on property within the boundaries of the District not inconsistent with City regulations and requirements as contained in the Declarations of Covenants, Conditions and Restrictions, recorded in the real property records of the County Clerk and Recorder of Boulder County on July 23, 1965 for the Knollwood Subdivision at reception number 789376, on November 4, 1966 for the Knollwood Subdivision First Addition at reception number 831673, and on October 15, 1969 for the Knollwood Subdivision Second Addition at reception number 893916, as amended, if permitted by the covenants.
 - L. Cooperation and assistance to homeowners regarding organization of an HOA and amendment of covenants.
 - M. Performing obligations of the District required by Colorado law, including budgeting and auditing, required elections, and obligations to accountants, auditors and attorneys.
 - N. All powers set forth in paragraph 3 below.
 - O. Any additional necessary powers or implied authority required to provide water service and satisfy the terms of the IGA.
 - P. Other powers approved by the City in advance in writing.
3. **Future Dissolution and Limitation of Powers.** Upon the later of: a) October 3, 2024 (five years after the effective date of the Annexation Ordinance); or b) two years after the City's final acceptance of the water system and street improvements necessary to provide water service to the properties within the District (the District Public Improvements), the District may only exercise the following powers necessary to adequately provide for the payment of all remaining financial obligations or outstanding debt of the District at such time (the "Outstanding Debt") or powers expressly approved by the City in writing in advance:
- A. If an Order of Dissolution of the District has been entered by the District Court of Boulder County, all powers listed in the Order of Dissolution; or
 - B. If no Order of Dissolution has been entered, the District's Powers will be limited to the following powers:
 - 1. Keeping and maintaining records and books of account in accordance with generally recognized principles of accounting.
 - 2. Preparing an annual budget and appropriating funds.
 - 3. Preparing or contracting for the preparation of an annual audit, if required by law or contract.
 - 4. Opening, managing, and maintaining the necessary bank accounts to comply with the terms of any Outstanding Debt, including, but not limited to, holding reserve funds.

00738829-9

5. Adjusting and certifying a mill levy to the Board of County Commissioners of Boulder County in an amount sufficient to pay the total interest and principal payments and any fees due in the following year for all Outstanding Debt.
 6. Collecting the mill levy from the Board of County Commissioners and appropriating funds to cover principal, interest and fee payments for the Outstanding Debt due each year.
 7. Enforcing collection of any taxes certified and assessed by the District, at the time and in the form and manner as other general taxes, and with like interest and penalties.
 8. Prepaying, in whole or in part, the Outstanding Debt.
 9. Maintaining proper insurance.
 10. Complying with all terms and conditions, covenants, or reporting requirements contained in any loan agreements, bond resolutions or other agreements for the Outstanding Debt.
 11. Any additional necessary powers or implied authority required to ensure full payment, satisfaction, and discharge of the Outstanding Debt.
 12. Ensuring that any outstanding balances or excess District funds not required for payment of the Outstanding Debt are applied to reduce the rates, tolls, fees, and charges fixed by the City for providing water service, street improvements, and traffic and safety controls consistent with § 32-1-708(1), C.R.S.
4. **The areas served or to be served by the District.** The areas served or to be served by the District are those areas within the boundaries of the District or that will be subsequently included within the boundaries of the District, with current boundaries shown in the attached Exhibit.

Respectfully submitted this 5th day of August, 2019.

KNOLLWOOD WATER DISTRICT

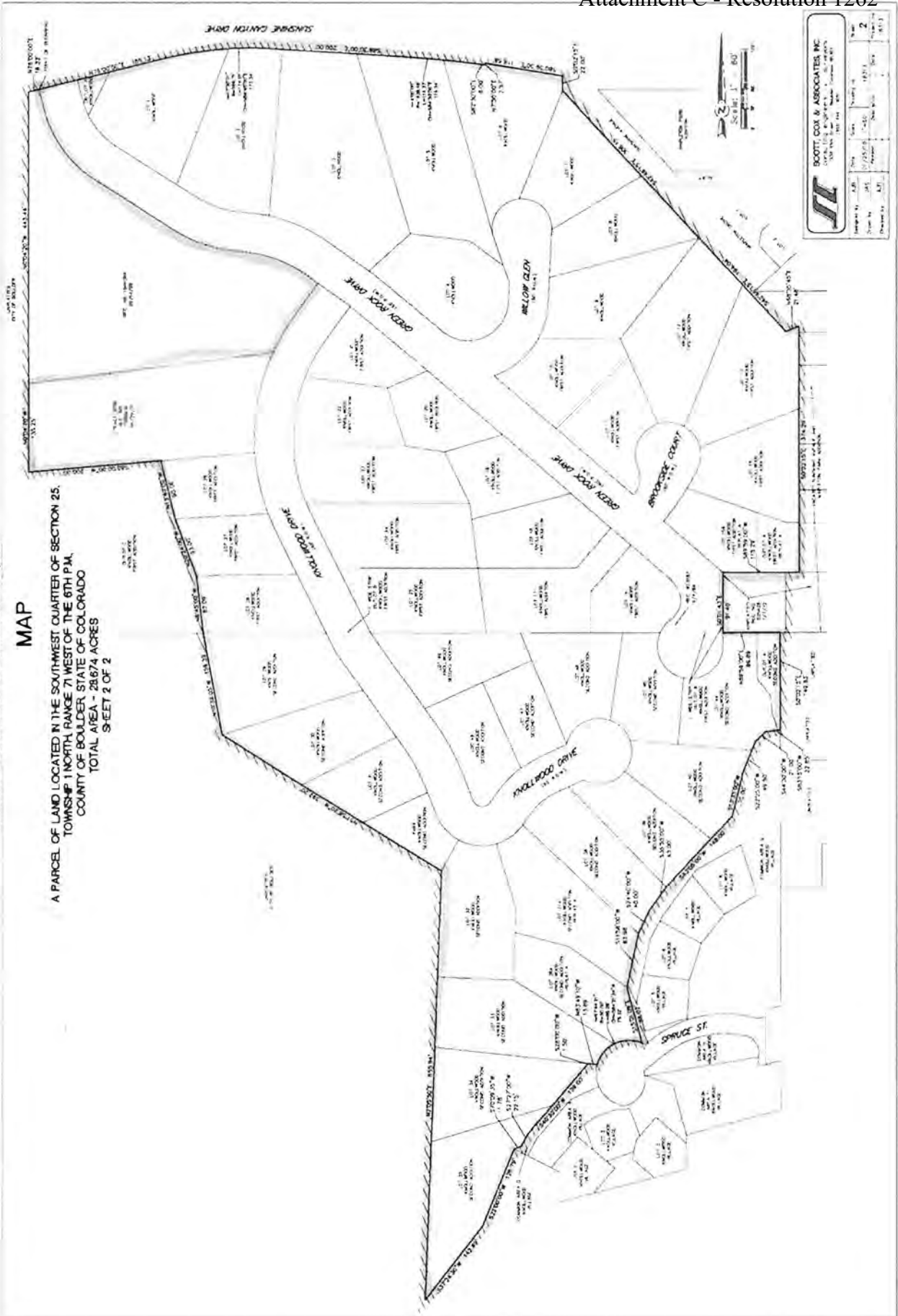
By: Barry S. Baer
Barry S. Baer, Treasurer

EXHIBIT A

Exhibit to Second Amended Statement of Purposes

MAP

A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 25,
TOWNSHIP 1 NORTH, RANGE 71 WEST OF THE 6TH P.M.,
COUNTY OF BOULDER STATE OF COLORADO
TOTAL AREA - 28,674 ACRES
SHEET 2 OF 2



ORDINANCE 8348

AN ORDINANCE ANNEXING TO THE CITY OF BOULDER APPROXIMATELY 28.67 ACRES OF LAND GENERALLY INCLUDING THE KNOLLWOOD SUBDIVISIONS AND THE PROPERTIES AT 150 GREEN ROCK DRIVE AND 2285 KNOLLWOOD DRIVE, WITH AN INITIAL ZONING CLASSIFICATION OF RESIDENTIAL ESTATE (RE) AS DESCRIBED IN CHAPTER 9-5, "MODULAR ZONE SYSTEM," B.R.C. 1981; AMENDING THE ZONING DISTRICT MAP FORMING A PART OF SAID CHAPTER TO INCLUDE THE PROPERTY IN THE ABOVE-MENTIONED ZONING DISTRICT, AND SETTING FORTH RELATED DETAILS.

THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO FINDS:

A. A "Petition" for Annexation Election for the unincorporated territory in Boulder County generally including the Knollwood Subdivision, Knollwood Subdivision First Addition, Knollwood Subdivision Second Addition, and the properties generally known as 150 Green Rock Drive and 2285 Knollwood Drive and more particularly described in **Exhibit A** (the "Property"), attached hereto and incorporated herein, has been filed with the City Clerk, and said petition has been referred to the City Council.

B. By Resolution 1251, adopted February 5, 2019, the City Council of the City of Boulder, Colorado, found said Petition to be in substantial compliance with the applicable statutory requirements and set March 19, 2019, as the date for a public hearing to determine whether the territory proposed for annexation is eligible for annexation to the City of Boulder.

C. The Planning Board duly proposed that the Property be annexed to the City of Boulder and that the zoning district map adopted by the City Council be amended to zone and include the Property in the Residential Estate (RE) zoning district, as provided in Chapter 9-5, "Modular Zone System," B.R.C. 1981.

D. Pursuant to Resolution 1251 and after providing notice as required by law, a public hearing was duly held before the City Council on March 19, 2019, and the City Council considered the evidence presented at said hearing on the proposed annexation and initial zoning of the Property of Residential-Estate (RE).

E. Following said public hearing, City Council adopted Resolution 1256 finding that the Property proposed for annexation pursuant to the Petition for Annexation Election meets the applicable requirements of section 30 of article II of the state constitution and C.R.S. §§31-12-104 and 31-12-105, that the annexation terms and conditions contained in **Exhibit B**, attached hereto and incorporated herein, are to be imposed upon the Property and the landowners therein, and that an annexation election is required.

F. On May 7, 2019, the District Court for Boulder County, Colorado, appointed three election commissioners who called an election of all landowners and the registered electors of the Property.

1 G. An annexation election was duly held on July 30, 2019, at which a majority of the
2 votes cast at such election were for annexation of the Property to the City of Boulder, subject to
3 the annexation terms and conditions established by City Council in Resolution 1256 and
4 contained in **Exhibit B**.

5 H. City Council hereby reaffirms the findings of Resolution 1256 and confirms that
6 the factual determinations are still valid.

7 I. Annexation and an initial zoning designation of Residential Estate (RE) for the
8 Property is consistent with the Boulder Valley Comprehensive Plan and bears a substantial
9 relation to and will enhance the general welfare of the Property and of the residents of the City of
10 Boulder.

11 J. A stream, wetland, water body and buffer area determination was completed for
12 the Property and its vicinity in accordance with the standards and procedures of Subsection 9-3-
13 9(k), "Stream, Wetland and Water Body Boundaries," B.R.C. 1981, and in accordance with the
14 procedures specified in the 1987 Corps of Engineers Wetlands Delineation Manual and the
15 definitions of a stream, wetland and water body as set forth in Subsection 9-16-1(c) "Stream,"
16 "Wetland," or "Water Body," B.R.C. 1981. The City Council may adopt any wetlands mapped
17 on the Property and its vicinity and the associated wetlands evaluations as part of this annexation
18 ordinance to update the city's regulatory maps.

19 K. City Council has jurisdiction and the legal authority to annex and zone the
20 Property and to adopt amendments to the city's stream, wetland, and water body boundary
21 mapping and evaluations.

22 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER,
23 COLORADO:

24 Section 1. The Property more particularly described in **Exhibit A** is hereby annexed to
25 and included within the corporate boundaries of the City of Boulder.

Section 2. Chapter 9-5, "Modular Zone System," B.R.C. 1981, and the zoning district
map forming a part thereof, be, and the same hereby are, amended to include the Property within
the Residential Estate (RE) zoning district.

Section 3. The annexation of the Property is subject to the annexation terms and
conditions set forth in **Exhibit B**.

1 Section 4. City Council hereby consents to the inclusion of each lot and parcel of the
2 Property in the Northern Colorado Water Conservancy District (the “District”) and the Municipal
3 Subdistrict of the Northern Colorado Water Conservancy District (the “Subdistrict”) pursuant to
4 Section 37-45-136(3.6), C.R.S., to the extent such lots and parcels are not already included in
5 said District, Subdistrict, or both. Upon inclusion into the District and Subdistrict, said Property
6 shall be subject to the same mill levies and special assessments as are levied or will be levied on
7 other similarly situated property in the District and Subdistrict, respectively.

8 Section 5. Section 9-3-9, “Stream, Wetland and Water Body Protection,” B.R.C. 1981,
9 and the stream, wetland and water body maps adopted therein, and as amended from time to
10 time, be, and hereby are, amended to include the mapping shown in **Exhibit C** attached hereto
11 and incorporated herein.

12 Section 6. Section 9-3-9, “Stream, Wetland and Water Body Protection,” B.R.C. 1981,
13 and the functional evaluations of all regulated stream, wetland and water bodies adopted therein,
14 and as amended from time to time, be, and hereby are, amended to include the functional
15 evaluation shown in **Exhibit D** attached hereto and incorporated herein.

16 Section 7. The City Council adopts the recitals in this ordinance and incorporates them
17 herein by this reference.


18 Section 8. The City Council approves any variations or modifications to the Boulder
19 Revised Code or other City ordinances that are in the annexation terms and conditions set forth
20 in **Exhibit B** and any agreement associated with this annexation.

21 Section 9. The City Council authorizes the city manager to implement the annexation
22 terms and conditions set forth in **Exhibit B** and terms of any agreements associated with this
23 annexation.
24
25


1 Section 10. The annexation and zoning of the Property and adoption of the mapping and
2 evaluation of the stream, wetland and water bodies on the Property and in its vicinity are
3 necessary for the protection of the public health, safety, and welfare.

4 Section 11. The City Council deems it appropriate that this ordinance be published by
5 title only and orders that copies of this ordinance be made available in the office of the City
6 Clerk for public inspection and acquisition.


7
8 INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY
9 TITLE ONLY this 20th day of August 2019.

10
11 
12 _____
13 Suzanne Jones
14 Mayor

15 Attest:

16
17 
18 _____
19 Lynnette Beck
20 City Clerk

21
22 READ ON SECOND READING. PASSED AND ADOPTED this 3rd day of September
23 2019.

24
25 
26 _____
27 Suzanne Jones
28 Mayor

29 Attest:


30
31 
32 _____
33 Lynnette Beck
34 City Clerk

EXHIBIT A

LEGAL DESCRIPTION

A TRACT OF LAND IN THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 1 NORTH, RANGE 71 WEST OF THE 6TH P.M., COUNTY OF BOULDER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF KNOLLWOOD SUBDIVISION ALSO BEING THE WESTERLY RIGHT OF WAY OF GREEN ROCK DRIVE; THENCE ALONG THE BOUNDARY OF SAID KNOLLWOOD SUBDIVISION THE FOLLOWING NINE (9) COURSES:

- 1. N76°00'00"E, A DISTANCE OF 189.13 FEET TO A POINT ON A CURVE;
- 2. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 569.71 FEET AND A CENTRAL ANGLE OF 17°30'01" (CHORD BEARS N84°45'00"E, 173.34 FEET), 174.01 FEET;
- 3. THENCE S86°30'00"E, A DISTANCE OF 200.00 FEET TO A POINT ON A CURVE;
- 4. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 1638.18 FEET AND A CENTRAL ANGLE OF 4°00'00" (CHORD BEARS S84°30'00"E, 114.34 FEET), 114.37 FEET;
- 5. THENCE S82°30'00"E, A DISTANCE OF 6.00 FEET;
- 6. THENCE N7°30'00"E, A DISTANCE OF 2.57 FEET;
- 7. THENCE S80°39'30"E, A DISTANCE OF 118.68 FEET;
- 8. THENCE S0°02'15"E, A DISTANCE OF 22.00 FEET;
- 9. THENCE S42°46'15"E, A DISTANCE OF 306.15 FEET;

THENCE ALONG THE BOUNDARY OF KNOLLWOOD FIRST ADDITION THE FOLLOWING FIVE (5) COURSES:

- 1. S42°46'15"E, A DISTANCE OF 194.04 FEET;
- 2. THENCE N68°35'45"E, A DISTANCE OF 21.48 FEET;
- 3. THENCE S0°02'15"E, A DISTANCE OF 374.29 FEET;
- 4. THENCE S89°59'00"W, A DISTANCE OF 115.29 FEET;
- 5. THENCE S0°01'43"E, A DISTANCE OF 91.40 FEET;

THENCE ALONG THE BOUNDARY OF KNOLLWOOD SECOND ADDITION THE FOLLOWING TWENTY TWO (22) COURSES:

- 1. N89°59'00"E, A DISTANCE OF 86.89 FEET;
- 2. THENCE S0°02'15"E, A DISTANCE OF 149.83 FEET;
- 3. THENCE S83°15'00"W, A DISTANCE OF 22.85 FEET;
- 4. THENCE S44°30'00"W, A DISTANCE OF 21.00 FEET;
- 5. THENCE S22°25'00"W, A DISTANCE OF 49.50 FEET;
- 6. THENCE S13°35'00"W, A DISTANCE OF 70.00 FEET;
- 7. THENCE S43°05'00"W, A DISTANCE OF 148.00 FEET;
- 8. THENCE S35°55'00"W, A DISTANCE OF 43.00 FEET;
- 9. THENCE S24°40'00"W, A DISTANCE OF 40.00 FEET;
- 10. THENCE S11°58'00"W, A DISTANCE OF 83.98 FEET;
- 11. THENCE S15°01'09"E, A DISTANCE OF 88.02 FEET TO A POINT ON A CURVE;
- 12. THENCE ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF 97°44'21" (CHORD BEARS S64°21'34"W, 75.32 FEET), 85.29 FEET;
- 13. THENCE N83°49'10"W, A DISTANCE OF 13.89 FEET;
- 14. THENCE S28°00'00"W, A DISTANCE OF 1.50 FEET;

- 15. THENCE S40°30'00"W, A DISTANCE OF 139.00 FEET;
- 16. THENCE S27°27'00"W, A DISTANCE OF 22.15 FEET;
- 17. THENCE S70°09'35"W, A DISTANCE OF 11.78 FEET;
- 18. THENCE S22°00'00"W, A DISTANCE OF 126.79 FEET;
- 19. THENCE S37°24'30"W, A DISTANCE OF 142.69 FEET;
- 20. THENCE N2°05'50"E, A DISTANCE OF 655.94 FEET;
- 21. THENCE N57°58'20"W, A DISTANCE OF 392.20 FEET;
- 22. THENCE N10°39'05"W, A DISTANCE OF 159.39 FEET;

THENCE ALONG THE BOUNDARY OF KNOLLWOOD FIRST ADDITION THE FOLLOWING THREE (3) COURSES:

- 1. N6°45'00"W, A DISTANCE OF 87.09 FEET;
- 2. THENCE N20°24'00"W, A DISTANCE OF 93.00 FEET;
- 3. THENCE N13°40'00"W, A DISTANCE OF 90.06 FEET;

THENCE ALONG THE BOUNDARY OF TRACT 3298 RECORDED AT RECEPTION NO. 1099939 DATED 04 / 29 / 91 THE FOLLOWING TWO (2) COURSE:

- 1. S85°00'00"W, A DISTANCE OF 200.00 FEET;
- 2. THENCE N0°04'20"W, A DISTANCE OF 135.25 FEET;

THENCE ALONG THE BOUNDARY OF A TRACT OF LAND RECORDED AT RECEPTION NO. 1949399 DATED 06 / 14 / 99 THE FOLLOWING TWO (2) COURSES:

- 1. N0°04'20"W, A DISTANCE OF 443.44 FEET;
- 2. THENCE N76°00'07"E, A DISTANCE OF 16.22 FEET TO THE POINT OF BEGINNING.

THIS PARCEL CONTAINS 1,249,043 SQUARE FEET (28.674 ACRES).

SCOTT, COX & ASSOCIATES, INC.



A. John Buri, P.L.S. #24302
 Survey Manager
 SCOTT, COX AND ASSOCIATES, INC.
 1530 55th Street
 Boulder, CO 80303
 (303) 444-3051 ext. 26 Date: 01 / 25 / 19

EXHIBIT B**ANNEXATION TERMS AND CONDITIONS**

RECITALS

A. Registered electors have petitioned the City of Boulder (“City”) to commence proceedings for the holding of an annexation election for an area generally including the Knollwood Subdivision, Knollwood Subdivision First Addition and Knollwood Subdivision Second Addition, plus two adjacent parcels at 150 Green Rock Drive and 2285 Knollwood Drive, and more particularly described on Exhibit A to Resolution 1256 (collectively, the “Annexation Area”).

B. With the exception of the property at 150 Green Rock Drive, the properties within the Annexation Area are located within the boundaries of the Knollwood Metropolitan District (“District”). Properties within the District are hereafter referred to as “District Properties”. Currently, the District provides water to District Properties, as well as some other governmental services. The property at 150 Green Rock Drive is connected to the City of Boulder’s water utility.

C. With annexation, petitioners are seeking to connect the District Properties to the City’s water utility.

D. To connect to the City’s water utility, water mains (“New Mains”) have to be constructed within the Annexation Area’s rights-of-way, water meters have to be moved into the rights-of-way or, if approved by the City Manager, into public easements and the rights-of-way have to be improved (“Street Improvements”). The New Mains, service lines to meter pits, and meter pits installed by the City, and Street Improvements are hereafter collectively referred to as “District Public Improvements”. The City is planning to install the District Public Improvements.

E. The cost of construction of the District Public Improvements will be an obligation of the owners of the District Properties, planned to be paid and financed through the District as set forth below, by certification of an annual mill levy. To allow for payment and financing of District Public Improvements through the District, the payment of costs for the construction of the District Public Improvements will be billed to the District Property owners only in the event and to the extent the District has not paid the construction costs of the District Public Improvements.

F. Pursuant to Section 9-2-17, “Annexation Requirements,” B.R.C. 1981, annexation of land to the City of Boulder shall not create an unreasonable burden on the physical, social, economic, or environmental resources of the City. To ensure this requirement is met terms and conditions (“Terms and Conditions”) shall be imposed on the individual property owners within the Annexation Area.

G. The Terms and Conditions create the obligations for individual property owners within the Annexation Area. A separate Intergovernmental Agreement (“IGA”) between the City and the District addresses obligations of the District in this annexation, the District’s governmental powers following annexation, and the process of dissolution of the District following connection of the District Properties to the City’s water utility.

NOW, THEREFORE, in consideration of the recitals, the following Terms and Conditions shall be imposed upon the annexation to the City of Boulder of the Annexation Area:

EXHIBIT B1. District Dissolution

As a requirement of annexation, the owners of District Properties shall use their best efforts to obtain a court order pursuant to Section 32-1-707, C.R.S., dissolving the District within five years of the effective date of the annexation ordinance or within two years of the City's final acceptance of the District Public Improvements under the City's construction contract for the District Public Improvements, whichever occurs later. Such order of dissolution shall dissolve the District for all purposes except as necessary to adequately provide for the payment of remaining financial obligations or outstanding debt of the District. A plan for dissolution shall adequately provide for the payment of such financial obligations and debt.

2. Intergovernmental Agreement

The annexation shall be conditioned on the execution of an IGA between the City of Boulder and the District, to be executed by the District prior to a public hearing by the City Council to determine if the proposed annexation complies with the applicable state law and whether to impose terms and conditions on the annexation pursuant to Section 31-12-108, C.R.S. After approval by the District, any changes to the IGA would be subject to approval by the District Board. No changes will be made to the Terms and Conditions after the annexation election, unless approved by the voters in a new annexation election.

The IGA shall provide for (a) the services that may be provided by the District between the effective date of the annexation and District dissolution, (b) financing and payment of the District Public Improvements, and (c) the services provided by the District that may be assumed by a unit owners' association ("HOA") after dissolution. The IGA will also require the District to assist the property owners within the boundaries of the service area of the District in creating a common interest community and a unit owners' association consistent with Sections 38-33.3-101, *et seq.*, C.R.S. prior to dissolution of the District. If an HOA is formed, it may provide services consistent with Sections 38-33.3-101, *et seq.*, C.R.S., including covenant enforcement and snowplowing, and shall own and maintain any outlots within the Annexation Area that are currently owned by the District. If, at the time the District dissolves, any outlots owned by the District have not been conveyed to an HOA, then, prior to dissolution of the District, any such outlots shall be conveyed to the City.

3. District Public Improvements

a. Construction of District Public Improvements. Following annexation, the City plans to construct the New Mains and Street Improvements in the Annexation Area to serve District Properties. The Street Improvements are planned be constructed generally where the existing streets are located, over the area where the New Mains are being constructed, and as approximately 22-foot wide rural residential streets without curb, gutter, sidewalks, or streetlights.

As part of the District Public Improvements, the City will install water service lines from the New Mains to existing or new meter pits within the public right-of-way or, if approved by the City Manager, in a public easement.

b. Construction of Service Lines to Homes. Pursuant to the IGA, no later than thirty days following the City's construction and final acceptance of a New Main and service line from the New Main to the meter pit serving a property, the District shall obtain any permits required for work in the City's right-of-way or public easements and install, at its cost, a service line connection from any new meter pits to the existing meter pit and new pressure reducing valves on such property. The owners of the District Property shall provide the District with all necessary approvals and rights of access to perform this work. If the District does not complete this work within the thirty-day time frame, no later than within 60 days

EXHIBIT B

following the City's construction and final acceptance of the New Main and service line from the New Main to the meter pit serving the property, the individual property owners, at their cost, shall cause installation of such service line and pressure reducing valves and shall ensure completion and compatibility of the new service line with the City's water service. It is the individual property owners' responsibility to connect a service line from the meter pit serving the property to the structure on the property being served.

Upon completion of such work by the District or the property owners and acceptance thereof by the City, the City will install the existing meter in the meter pit and will connect the property to City water. The City will consider a pilot program for the District Properties to allow temporary electronic meter reading.

c. Connection to City Water System. Upon completion of the New Mains that will serve the Annexation Area, property owners within the Annexation Area shall not connect to or be served by any water system other than the City's and shall connect to the City water system when so required by the City Manager.

d. Payment if District Fails to Pay. In the event that the District has not paid for the construction of the District Public Improvements, within 180 days of the City's final acceptance of the District Public Improvements, each owner of a District Property shall pay the then-applicable water plant investment fees, installation charges and their share of the unpaid costs of constructing the District Public Improvements. The cost of the District Public Improvements shall be the original cost of design, purchase, construction, and installation, but excluding the cost of connecting the service line of 150 Green Rock Drive to the New Mains and excluding the cost of up-sizing a portion of the new main in Green Rock Drive from an 8-inch line to a 12-inch line, the total to be divided equally among the District Properties.

The property at 150 Green Rock Drive will not be responsible for a share of the costs of the District Public Improvements and associated fees as it is currently connected to the City's water utility.

For purposes of these Terms and Conditions, the cost of constructing the District Public Improvements shall include all applicable costs, fees, and charges associated with the design, purchase, construction and installation of the District Public Improvements, the management and supervision of the construction and installation of the District Public Improvements by City contractors, and the connection of District Properties to the New Mains. If not paid by the District, the City will, in good faith, consider creating a financing option to assist District Property owners in paying the amount owed by a District Property owner for the District Public Improvements to the City.

e. Vacant Property. Any property vacant (without a dwelling unit) at the time of construction of the District Public Improvements will be responsible for the full, then-applicable in-City plant investment fees, and tap, service line and meter charges, and its share of the District Public Improvement construction costs (unless paid by the District) at the time of issuance of a building permit to construct a new dwelling unit.

f. 150 Green Rock Drive. The owner of the property located at 150 Green Rock Drive currently served by City water shall connect to the New Mains at the time so required by the City Manager. The City shall pay the costs associated with connecting the existing service line for the 150 Green Rock Drive property to the New Mains.

EXHIBIT B4. Stormwater and Flood Plant Investment Fees

a. Rate. The property owners in the Annexation Area shall pay the stormwater and flood plant investment fee (hereafter referred to as “Storm PIF”) at the rates applicable in 2018.

b. Payment. The Storm PIF will be charged to the property owners in a City of Boulder utility bill no earlier than 30 days following the effective date of the annexation. Within 10 days of a property owner’s receipt of that utility bill, the property owner shall pay the Storm PIF that is due pursuant to the Boulder Revised Code and at the rate applicable in 2018.

c. Payment Plan Option. Instead of payment-in-full at the time of receipt of the utility bill for this fee, a property owner may agree in writing to pay the Storm PIF in monthly installments over a period of 10 years from the date of the first bill for the Storm PIF. At the time payment is due for each monthly installment, in addition to the monthly installment, a payment plan charge shall be paid in the amount of 30 % of the monthly installment. There will be no penalty for prepayment of the remaining outstanding principal amount due, and no payment plan charge for prepayments. The first installment shall be paid within 10 days after the date of receipt of the first bill for the Storm PIF. For any property which participates in the phased repayment program, the property owner shall pay the entire outstanding obligation for the Storm PIF, including any payment plan charges that are due for missed monthly payments, and the full unpaid principal amount at such time as the property is sold. No penalty or payment plan charge will be imposed for pre-payment of the Storm PIF in whole or in part. The phased repayment program will be provided by the City only to those properties that will connect to City water at the time that it is first available.

d. Billing and Collection. The payment-in-full charge and the monthly installment due under the phased repayment plan may be included on the same bill that includes water, wastewater, or storm water and flood management services charges or may be included on a separate bill as provided in Title 11, “Utilities and Airport,” B.R.C. 1981. The billing, payment, and collection provisions of Sections 11-5-12, “Billing and Payment of Fees,” 11-5-13, “Certification of Unpaid Charges to County Assessor,” and 11-5-14, “Charges are Lien on Property,” B.R.C. 1981, shall apply to the billing, payment, and collection of the Storm PIF, including installments and payment plan charges due under the phased repayment program for the Storm PIF, and any interest on delinquent payments due thereon.

5. Flood Control Easements

Properties located within the conveyance zone, as delineated on the City’s regulatory floodplain mapping, will be required to dedicate to the City a flood control easement. This easement must be dedicated prior to issuance of a permit for work on the property under Title 10, “Structures,” B.R.C. 1981, or at such time as improvements to the Sunshine Creek and/or Sanitas Creek channel are proposed to be made by the City of Boulder and shall be based on the then-applicable floodplain mapping.

6. Zoning

The properties in the Annexation Area would initially be zoned Residential Estate (RE).

7. Subject to City Codes and Policies

Upon annexation, the properties in the Annexation Area will be subject to all laws, rules, regulations, and administrative orders of the City of Boulder except as expressly modified by these terms and conditions. Annexation in accordance with the terms and conditions contained herein shall in no manner

EXHIBIT B

waive the present or future applicability of said laws, rules, regulations and administrative orders. Existing legal nonconforming uses and nonstandard buildings and structures will be allowed to continue to exist. Section 9-10-3, "Changes to Nonstandard Buildings, Structures, and Lots and Nonconforming Uses," B.R.C. 1981, applies to changes to nonstandard buildings and nonconforming uses. It is understood that this section shall not be constructed to permit a property to constitute a nuisance or to cause a hazard under the City's life safety codes.

8. Water Rights

At the time of connection to the City's water system, but in no event later than issuance of a building permit for the property, any property owner with water or ditch rights used on or appurtenant to the property, shall sell or offer a right of first refusal to the City, consistent with Section 11-1-19, "Water and Ditch Rights," B.R.C. 1981, for any water rights appurtenant to the property, except that in the event a water or ditch rights owner has entered into an agreement with the City that contains provisions that are in conflict with Section 11-1-19, B.R.C 1981, such as the Settlement Agreement executed by the City and The Silver Lake Ditch & Reservoir Company recorded in the office of the Boulder County Clerk and Recorder's Office at Reception No. 03046201, such agreement shall control.

9. One Dwelling Unit per Lot or Parcel

Due to the area's topography and location on the western boundary of the City, no lot or parcel within the Annexation Area shall be developed with more than one principal dwelling unit.

10. No Subdivision

Due to the area's topography and location on the western boundary of the City, no lot or parcel within the Annexation Area shall be subdivided to create an additional lot following annexation to the City.

11. Wetland Mapping

Prior to annexation, all stream, wetland, water bodies and buffer areas on the properties in the Annexation Area will be mapped by the City after the fee prescribed in Section 4-20-53, "Stream, Wetland and Water Body Permit and Map Revision Fees," B.R.C. 1981, is paid. Pursuant to the IGA, this fee will be paid by the District. This mapping will include a functional evaluation of the stream, wetland or water body. The approved mapping and evaluation shall be adopted as an update to the regulatory maps as a part of the annexation ordinance.

12. Inclusion into the Municipal Subdistrict of the Northern Colorado Water Conservancy District

The properties in the Annexation Area shall be included in the Municipal Subdistrict of the Northern Colorado Water Conservancy District pursuant to the process in Section 37-45-136(3.6), C.R.S.

13. Use of Existing Wells

The City will not prohibit a property owner from using existing, privately-owned wells for non-potable irrigation purposes on such property following annexation, even after a property is served by the City water utility. Existing wells that are used for irrigation purposes must be registered and permitted by the State Engineer's Office and operated in accordance with any augmentation and other requirements under Colorado water law. Existing wells shall not be used for domestic water purposes once the property is connected to the City's water utility. No person shall make any cross-connections to the City's municipal water supply system from any well on the property.

EXHIBIT B14. Historic Drainage

Drainage from properties in the Annexation Area shall be conveyed in an historic manner that does not materially and adversely affect abutting properties.

15. Wood Roofs

Wood roof covering materials are prohibited in the City of Boulder. Immediate replacement shall not be required; however, no person owning a building with wood roof covering materials in the Annexation Area shall install any wood roof covering materials following annexation. Any installation, repair or replacement must utilize approved roof covering materials which conform to the applicable requirements of Title 10, "Structures," B.R.C. 1981. However, this section shall not be construed to permit a property to constitute a nuisance or to cause a hazard under the City's life safety codes.

16. Rental Property Requirements

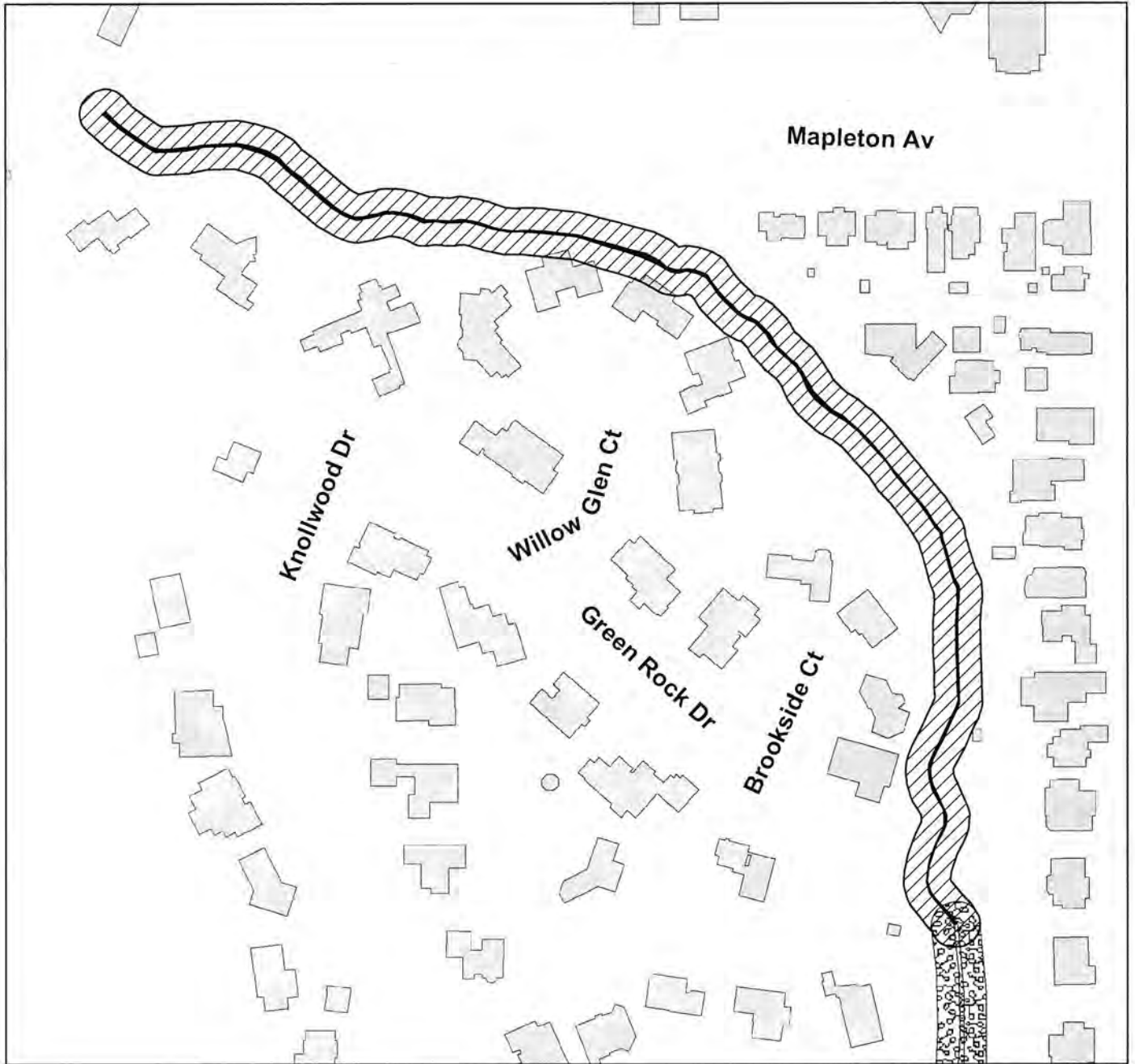
If a property is used as rental property at the time of annexation, it shall be brought into compliance with Chapter 10-3, "Rental Licenses," B.R.C. 1981, within 90 days of the effective date of the annexation ordinance; for a rental license issued within 90 days of the effective date of the annexation ordinance the energy efficiency requirements of Chapter 10-2, "Property Maintenance Code, Appendix C – Energy Efficiency Requirements," B.R.C. 1981, shall be waived. Any subsequent application for a new or renewal of a license and any rental license for a new building or new dwelling unit on the property shall be subject to the energy efficiency requirements of Chapter 10-2, B.R.C. 1981.

17. Breach

In the event a property owner fails to pay any monies due under these Terms and Conditions or fails to perform any affirmative obligation hereunder, the City may collect the monies due in the manner provided for in Section 2-2-12, B.R.C. 1981, as amended, or the City may perform the obligation on behalf of the property owner, and collect its costs in the manner provided in these Terms and Conditions. The annexation ordinance shall be the enabling ordinance required under Section 31-20-105, C.R.S. authorizing the collection of those debts.



18. Annexation Agreement



Each property in the Annexation Area shall be subject to these Terms and Conditions unless a separate annexation agreement has been executed by the City and the property owner that modifies the Terms and Conditions.

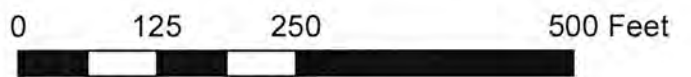


Regulatory Wetlands

Proposed Wetlands

-  Low Functioning Wetland
-  Low Functioning Buffer

-  Low Functioning Wetland
-  Low Functioning Buffer



**Knollwood Annexation
Proposed Wetland Delineation**

Wetland Evaluation

STR: S25, T1N, R71W

Investigator: David Steinmann

Date of Visit: 7/22/2019

Obs. Method: Onsite

General Location: Sunshine Creek from Green Rock Drive downstream to where the creek channel is west of 2137 4th Street.

Description: Sunshine Creek is a small intermittent drainage that flows from west to south/east from the edge of the City towards the confluence with Boulder Creek. Sunshine Creek has a defined channel with a bed and bank. The flow is intermittent flow and there is a dense riparian corridor vegetated with trees, shrubs, grasses and herbs. Plains cottonwood trees, ash trees and box elder trees are abundant. There is a lack of emergent wetlands vegetation and wetland grasses along the edges of the creek. The creek channel is mapped as wetlands where there is flowing water with a defined bed and bank. The creek runs through the backyards of several homes.

Wetland Origin: Natural

Primary Water Source: Creek Flow

Hydro-period: Seasonally flooded

Max Water Depth: (ft): 1

Major Plant Communities Present:

plains cottonwood, ash and box elder trees

% of Wetland Area

100 %

% Vegetated: 0

% Bare ground: 0

% Water: 100

FUNCTION AND VALUE ASSESSMENT

Ratings: 5 = very high, 4 = high, 3 = medium, 2 = low, 1 = no Confidence in rating: c = high, b = medium, a = low

Groundwater Recharge	2	b	There is some groundwater recharge, especially during high flows, as the creek water infiltrates into the ground between Sunshine Canyon and Boulder Creek.
Groundwater Discharge	3	b	The creek is likely gaining water from the nearby geological rock formations, especially after storms, as the site is located where the foothills meet the plains.
Flood Storage/Alteration	2	c	Sunshine Creek is narrow and steep and does not store or hold much flood water.
Shoreline Anchoring	3	c	Trees and shrubs provide good shoreline stabilization along the creek banks.
Sediment Trapping/Retention	2	c	There is modest and temporary sediment trapping during low flows, high flows move sediment through the system for deposition further downstream towards Boulder Creek. Areas of sediment were observed along the creek edges.
Nutrient Retention (short-term)	2	b	Short term nutrient retention is expected in small pools and at the bases of trees and shrubs, with nutrient input coming from Sunshine Canyon.
Nutrient Retention (long-term)	2	b	There was some long-term woody debris accumulation observed, yet there are no emergent wetlands to trap nutrients along the creek channel.
Food Chain Support (export)	2	b	There are trees and shrubs that contribute to food chain support export.
Food Chain Support (within basin)	3	b	Riparian vegetation and instream aquatic invertebrates create food chain support.
Fish Habitat/Aquatic Diversity	1	c	The creek dries up frequently and there are no fish in Sunshine Creek.
Wildlife Habitat	3	b	Riparian trees, shrubs, grasses and flowers provide food and habitat for birds and wildlife, and Sunshine Creek serves as a wildlife corridor. Houses are nearby.
Active Recreation	1	c	Recreational use is low since the area is private property, used by property owners.
Passive Recreation/Heritage Value	2	c	The creek is used by residents for photography, relaxing and spending time outside.

Comments: Wetland boundaries along this section of Sunshine Creek are defined by the ordinary high water mark.

**INTERGOVERNMENTAL AGREEMENT REGARDING ANNEXATION AND
TRANSITION OF MUNICIPAL SERVICES**

This INTERGOVERNMENTAL AGREEMENT REGARDING ANNEXATION AND TRANSITION OF MUNICIPAL SERVICES (the “IGA”) is made and entered into effective this 15 day of April, 2019 (the “Effective Date”), by and between the City of Boulder, Colorado, a home rule municipality, (the “City”) and Knollwood Metropolitan District, a quasi-municipality and political subdivision of the State of Colorado (the “District”) (individually referred to herein as a “Party” and collectively as the “Parties”).

RECITALS

WHEREAS, the District was formed in 1965 to provide the District’s residents with water services and was converted to a metropolitan district in 2015 to also provide street improvements and traffic and safety controls as provided in the Amended Statement of Purposes dated October 9, 2015, which conversion was approved by the Court on December 17, 2015, both attached as **Exhibit A**; and

WHEREAS, pursuant to Art. XIV, § 18(2)(a) of the Colorado Constitution, and § 29-1-203, C.R.S., as amended, the Parties may cooperate or contract with each other to provide any function or service lawfully authorized to each; and

WHEREAS, property owners within the District have petitioned the City for an annexation election on the question of annexation of all property within the District (the “District Property”) and 150 Green Rock Drive (collectively the “Annexation Area”) into the boundaries of the City. The Annexation Area is shown in **Exhibit B**. The “Annexation Petition” submitted is dated June 27, 2018; and

WHEREAS, on March 19, 2019, the City Council of the City of Boulder (the “City Council”) held a public hearing on the Annexation Petition and the Terms and Conditions contained in the “Annexation Resolution,” a copy of which is attached as **Exhibit C**; and

WHEREAS, the City and the District will coordinate in conducting an annexation election for the Annexation Area and wish to set forth the procedure to be followed for the election, and if approved by the voters, construction of public improvements and dissolution of the District. This IGA contains the obligations of the District only; obligations of individual properties within the Annexation Area are contained in the Annexation Resolution; and

WHEREAS, the Annexation Resolution requires *inter alia* (a) that the road and water system public improvements set forth in **Exhibit D** (the “District Public Improvements”) are to be constructed by the City up to the meter pits serving each District Property, (b) that the District Properties be connected to the City water system upon the City’s completion of installation of new water mains and service lines serving District Properties; (c) that the District or individual owners of District Properties install service lines from the structures being served to the meter pits and install pressure reducing valves on the District Properties compatible with the City’s water system public improvements, (d) and dissolution of the District within five years of the effective date of the Annexation Ordinance or within two years of the City’s final acceptance of the District Public Improvements under the City’s Construction Contract (as defined below), whichever occurs later,

for all purposes except as necessary to adequately provide for the payment of remaining financial obligations or outstanding debt of the District; and

WHEREAS, if a majority of eligible votes are in favor of annexation, the District wishes to provide financing for the required District Public Improvements and the City will design and, upon the District obtaining financing for the District Public Improvements, construct the District Public Improvements, as set forth herein; and

WHEREAS, until connection of a District Property to the city water system, the District shall provide water services to that property; upon completion of the water system improvements and connections, the District shall discontinue water service and abandon all of its water system improvements; and

WHEREAS, the District wishes to provide financing of the City fees related to the construction of facilities for connection of the District Properties to the City's water system (the "Water Plant Investment Fees") that are a condition of annexation; however other City fees, and any portion of the Water Plant Investment Fees not paid by the District, shall be the responsibility of each District Property owner for its property; and

WHEREAS, the City requires that (a) immediately upon annexation, the City Council become the approving authority for the District pursuant to Section 32-1-204.7 C.R.S., (b) the powers of the District be reduced as a condition of annexation as set forth herein, (c) the District be dissolved within five years of the effective date of the Annexation Ordinance or within two years of the City's final acceptance of the District Public Improvements under the City's Construction Contract, whichever occurs later, for all purposes except as necessary to adequately provide for the payment of remaining financial obligations or outstanding debt of the District, and (d) the City Council serve as the board of the District upon dissolution pursuant to Section 32-1-707(2)(c) C.R.S.; and

WHEREAS, the District has the authority to provide snow removal, maintain common areas, enforce covenants, and maintain the outlots in the District (the "Community Services"); which Community Services shall be discontinued and the outlots conveyed to the City within five years of the effective date of the Annexation Ordinance or within two years of the City's final acceptance of the District Public Improvements under the City's Construction Contract, whichever occurs later, unless the owners of the District Property establish a common interest community and unit owners' association (the "HOA") consistent with Sections 38-33.3-101, *et seq.* C.R.S. to provide the Community Services presently provided by the District; and

WHEREAS, after annexation of the District Property to the City and the District's financing and the City's construction of the District Public Improvements, there will be limited need for the District to provide public services, and the Parties wish to limit the District's powers in the future through approval of a Second Amended Statement of Purpose upon annexation, and dissolve the District within five years of the effective date of the Annexation Ordinance or within two years of the City's final acceptance of the District Public Improvements under the City's Construction Contract, whichever occurs later, for all purposes except as necessary to adequately provide for the payment of remaining financial obligations or outstanding debt of the District; and

WHEREAS, upon implementation of this IGA including approval of the vote to dissolve the District, the obligations of the property owners within the District under out-of-city wastewater service agreements between the City and the property owners will be satisfied.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties agree as follows:

I. ANNEXATION PROCEDURE

1.1 The Parties agree to the following annexation procedure:

1.1.1 City Council Resolution. The City Council has approved the Annexation Resolution, with the terms and conditions set forth in **Exhibit C** (the “Annexation Terms”).

1.1.2 Annexation Election. After approval of the Annexation Resolution, the City will petition the District Court to call an election and will hold an election on the question on annexation in accordance with the Annexation Resolution. The District agrees to reimburse the City for up to and not to exceeding \$5,000 of election costs and expenses paid by the City pursuant to § 31-12-112(10) on the effective date of the Annexation Ordinance, but in no event later than the start of construction of the District Public Improvements.

1.1.3 Annexation Ordinance. If a majority of the valid votes in the election are in favor of annexation, the City Council shall consider adopting an Ordinance approving annexation (the “Annexation Ordinance”), pursuant to the terms of the Annexation Resolution. No additional terms or conditions of annexation will be added to the Annexation Resolution.

II. KNOLLWOOD PUBLIC IMPROVEMENT PROJECT

2.1 Scope of Project. If voters approve annexation and the City adopts an Annexation Ordinance, the Parties agree that the District Public Improvements shall be completed by the City and financed by the District (except as set explicitly set forth herein), as a requirement of annexation. The District shall coordinate with the City for the construction of the District Public Improvements and pay for such improvements (except that the City shall pay the costs associated with the up-sizing of the line in Knollwood Drive from 8” to 12” and costs associated with connecting the service line for 150 Green Rock Drive to a new main to be constructed as part of the District Public Improvements, as set forth in **Exhibit D**).

2.2 Designated Representatives. The Parties designate the following representatives (hereafter referred to as “Representative(s)”), who are authorized to review and provide any required review, comment, approval or authorization regarding the design and construction of and District Property connection to the District Public Improvements (the “Project”) under this IGA, including bids, design plans and change orders. The Parties may appoint a replacement designated representative by written notice provided to the other Party.

For the District:

Barry Baer
Treasurer
Knollwood Metropolitan District
2265 Knollwood Drive
Boulder, CO 80302
Telephone: 303-443-1118
colonelbsb@aol.com

Jim Semborski
Secretary
Knollwood Metropolitan District
2195 Knollwood Drive
Boulder, CO 80302
Telephone: 303-949-1651
jimsemborski@comcast.net

For the City:

Dan Kvasnicka
Project Manager for Boulder
Telephone: 303-441-3201
KvasnickaD@bouldercolorado.gov

Jeff Arthur
Boulder Director of Public Works - Utilities
Telephone: 303-441-4418
ArthurJ@bouldercolorado.gov

2.3 Design of District Public Improvements.

2.3.1 Design Contract. The City has existing contracts for construction of public improvements and will establish a Scope(s) of Work for the design and engineering of the District Public Improvements (the "Design SOW") for a cost of not to exceed \$140,000. The City has provided the Design SOW to the District for review and comment. The District shall pay \$70,000 to the City for the design and engineering costs within 30 days of the Effective Date. The District shall pay the remaining amount due for design and engineering prior to commencement of construction of the District Public Improvements. The District shall make a second payment of \$70,000 to the City, within 15 days after the City has approved and provided the District with invoices for work costing \$70,000 or more. The cost of the design and engineering work for the Knollwood Public Improvements shall not exceed \$140,000, unless a change order is approved by the District and a City Representative. The District will not be charged for project management costs of City employees.

2.3.2 Change Orders / Amendments. In the event that there are any change orders to the Design SOW acceptable to the City, it will be provided to the District for review and approval by the District within five business days, which approval shall not be unreasonably withheld. Failure to present written reasons for objection within five business days of receipt of the change order shall be deemed approval by the District. The City shall consider the District's objections in good faith, and make appropriate adjustments to the change order, if any, within five business days of receipt of the objection. The District shall pay the amount of the change order to the City within fifteen calendar days of receipt of the change order from the City unless the District provided written reasons for objection within five business days of receipt from the City.

2.3.3 Design Plans. The City shall provide copies of the design of the District Public Improvements to the District's Representative at 30% completion, 90% completion and 100% completion. Within five business days of receipt of each design set, a City representative

will meet with a District representative, if requested by the District, to answer any questions. A representative of the District may attend any meetings between the Engineer and the City regarding the Knollwood Public Improvements. The District may object to the design to the extent that: 1) it includes improvements not set forth in **Exhibit D**, 2) it includes improvements to facilities other than District Public Improvements benefitting the City at large instead of the Annexation Area, or 3) it requires improvements at a higher standard or quality than required by City of Boulder Code and Regulations. If the District objects on one of the bases set forth above, the Parties shall follow the procedure set forth in Section 2.3.2 of this IGA. In the event that the annexation is not approved by the voters or by the City, the District shall be provided a copy of and shall own all design drawings, provided that the District has paid the engineer's costs associated therewith. The Design SOW will state that, if the annexation is not completed, the District will own the plans. If the plans are 100% complete, the District may use the plans to complete the District Public Improvements, but if the plans are used for other projects, such use shall be at the District's risk.

2.3.4 Dedication of Easements. The Parties recognize that rights-of-way within the Annexation Area are owned by the County and will become City rights-of-way upon annexation. However, easements and other property interests may be needed for the Knollwood Public Improvements. The District shall obtain all easements and property interests needed for the construction of the Knollwood Public Improvements, as identified in the design phase or construction phase. Prior to commencement of construction, the District (or the County, as the case may be) shall convey, assign or quit claim any easements and or other property interests needed for the District Public Improvements to the City.

2.3.5 If Annexation is Not Approved. If the annexation vote is against annexation, the District may require the City to suspend the work on design of the Knollwood Public Improvements and the District shall only be responsible for costs incurred or work performed by the Engineer prior to the date of such suspension.

2.4 Construction Contract.

2.4.1 Contract Terms and Procedure. Following the completion of the design for the District Public Improvements and after the District obtains the funds to pay for the construction, the City shall secure a construction contract for the District Public Improvements consistent with the City's construction contract procurement policies. The City has existing contracts for construction of public improvements and may establish a Scope of Work for the construction of the District Public Improvements (the "Construction SOW") under such existing contract. If the City obtains one or more bid(s) for construction of the District Public Improvements (the "Project") and finds the bid(s) acceptable, the City shall present the bid(s) to the District for review. Within five business days of receipt of the bid(s) or Construction SOW, a City and Engineer representative will meet with a District representative, if requested by the District, to answer any questions. If the bid is higher than original City engineer estimates of \$1,529,432.04, and the District provides written objections to the bid to the City Representative, the City shall consider the objections in good faith and obtain revisions to the bid(s) or request a new bid(s), as the City deems appropriate. The City shall provide the District with a copy of the contract or Construction Scope of Work, as applicable, for the Project (the "Construction Contract") for review and comment, to ensure compliance with this IGA. The Construction Contract and all communications with the contractor shall be with and through the City. The Construction Contract shall require

the contractor to be responsible for the costs of any necessary repair of damages caused to the District's existing improvements during the course of the Project. The District may notify a city representative of any faulty work or damages caused by the contractor, and the City shall in good faith consider the information in the management of the Project and the Construction Contract, which may include enforcing the repairs. If it results in any cost savings on the Project, the District shall be credited.

2.4.2 Change Orders / Amendments. In the event that there are any change orders to the Construction Contract approved by the City, it will be provided to the District for review and comment by the District's Representative. The District's Representative shall provide written comments, if any, to the proposed change order within five business days of receipt. If requested by the District, within business five days of receipt of any written comments, the City shall meet with a District Representative to attempt to resolve any areas of disagreement. The District shall pay the amount of the change order, as revised through these discussions, to the City within fifteen calendar days of receipt of the change order.

2.4.3 Progress Payments. A City representative or the Engineer shall review monthly invoices from the Contractor and, following approval, shall forward the portion of monthly invoices for the District Public Improvements to the District's Representative. The District shall make payment to the City for the invoice within fifteen calendar days of receipt, unless the District Representative objects in writing on the basis that the invoice is for work outside the scope of the Construction Contract for which no change order has been approved, that the billed work has not been performed or completed, or that work completed is defective. In the event of such objection, City and District Representatives shall meet within five business days to resolve the issue. If the City and the District Representative cannot agree on the validity of the invoice, a City Representative shall determine that amount validly due for completed, non-defective work within the scope of the Construction Contract, and the District shall pay such amount to the City within five business days of the Project Manager's determination. The City shall pursue any remedies it deems appropriate against the contractor in the event of defective work. In the event that the District fails to make progress payments as set forth herein, the City may order the Contractor to suspend work on the District Public Improvements.

2.5 Construction Management and Contract Terms.

2.5.1 The District hereby authorizes the City to manage, advertise, contract and construct the Project pursuant to the City's standards and requirements. All District Public Improvement construction shall be in compliance with design plans reviewed by the District.

2.5.2 The District may inspect the final installation of all District Public Improvements during normal business hours in accordance with on-site safety protocols. The City shall provide the District notice 24-hours before backfilling. All communications from the District about construction shall be provided to a City Representative and the District shall not interfere with any contractors working on the District Public Improvements.

2.6 Ownership. During construction and following completion, the District Public Improvements shall be owned by the City. Following completion of the District Public Improvements and acceptance by the City, the District shall have no responsibility for costs

associated with operation, maintenance, repair, improvement or warranty defects to the District Public Improvements, other than those for which all property owners in the City are responsible.

III. FINANCING OF KNOLLWOOD PUBLIC IMPROVEMENTS

3.1 District Debt. Pursuant to voter approval on November 8, 2016, the District issued debt in the amount of \$500,000, of which approximately \$461,000 remains outstanding for financing the cost of designing, constructing and installing street and water system improvements. At an election on November 6, 2018, a majority of the eligible electors of the District voting in such election voted in favor of a ballot issue authorizing the District to enter into, incur or issue up to \$2,750,000 principal amount of general obligation indebtedness for the purposes stated in the ballot issue, which includes all of the costs related to the District Public Improvements.

3.2 District Financing

3.2.1 2017 GO Loan. In 2017, the District entered into a general obligation Loan Agreement with Co-Biz Public Finance, Inc., pursuant to which the District borrowed \$500,000 (the “2017 Loan”), of which approximately \$461,000 remains outstanding.

3.2.2 2019 GO Financing. If the annexation is approved by the voters of the Annexation Area, the District intends to issue general obligation debt under the 2018 TABOR authorization to finance the District Public Improvements, payment of the water plant investment fees, described in section 3.4.1 below, and costs that are directly related to those improvements. The Parties agree that the 2019 debt will comply with the following parameters, unless the City and the District agree in writing to a different structure.

- The debt will be issued by the District, and the City shall have no obligation for payment thereof.
- The debt may be a loan or bond or other financing, including public or private placement.
- The debt may be wholly or partially tax-exempt, to the extent that a qualified bond attorney provides a legal opinion that the debt is eligible to be tax-exempt.
- The debt may be secured by a general obligation pledge and mill levy certification pledge for certification on the District Property.
- The debt shall be in accordance with the voter approved debt requirements

The debt issuance documents shall include provisions recognizing the terms of this IGA and support the dissolution of the District, for all purposes except as necessary to adequately provide for the payment of remaining financial obligations or outstanding debt of the District, as provided in the Dissolution Plan. All references to “dissolution of the District” herein refer to the dissolution subject to the outstanding debt in accordance with the Dissolution Plan and do not refer to final dissolution after all outstanding debt is paid. The District shall provide the City with drafts of the debt documents within five business days of receipt of each draft. The City shall provide written comments, if any, within five business days of receipt, which comments that are consistent with this IGA shall be considered by the District for incorporation into the final debt documents. The District will use its best efforts to issue a new general obligation loan, bond or other financing within 180 calendar days of the approval of the annexation ordinance.

3.3 Amendment to this IGA to Accommodate Financing. In the event that the District and the City agree that amendments to this IGA are necessary for the District to obtain the debt financing contemplated herein, the City Manager may approve such amendment on behalf of the City.

3.4 If Annexation Election Does Pass.

3.4.1 Water Plant Investment Fees. The District shall pay the City the total amount of \$875,136, as water plant investment fees for the entire Annexation Area, with fifty percent paid upon connection of the first property to the City's water system and the remaining amount paid prior to connection of the last property in the Annexation Area to the City's water system, and the District shall pay all other applicable fees and charges associated with service line connections to the City's water utility, including, but not limited to, all applicable water utility connection and inspection fees. These charges are hereafter collectively referred to as "Water Public Improvement Fees."

3.4.2 Wastewater Plant Investment Fees. The Parties recognize that the structures within the Annexation Area currently receive wastewater service from the City and no additional wastewater plant investment fees will be due upon annexation. Following annexation, the properties within the Annexation Area will be charged the in-City resident rate for wastewater treatment services.

3.4.3 Miscellaneous Costs. The District has paid an annexation application fee of \$20,000. The District agrees to pay any other direct costs or obligations not specified herein but necessary to accomplish annexation, including any costs incurred for the dissolution of the District, except that the District shall not be charged for City employee time spent on the annexation and implementation of this IGA for the City and shall not be responsible for election costs and expenses that exceed \$5,000.

3.4.4 Wetland Evaluation and Mapping. If a majority of votes casts in the annexation election by the voters of the Annexation Area is for annexation, within 10 business days of such vote, the District shall pay to the City the wetland mapping and evaluation fees applicable as of the Effective Date pursuant to Sections 9-3-9(k)(2) and 4-20-53, B.R.C. 1981. The City will perform a functional evaluation and map all stream, wetland, water bodies and buffer areas in the Annexation Area. The approved mapping and evaluation shall be adopted as part of the Annexation Ordinance.

IV. WATER SERVICE

4.1 District Water Service. The District will continue to provide domestic water supply to each property within the District until each property is connected to the District Public Improvements and begins receiving water service from the City. The District will send out its final water bill within 90 days of the connection of a property to the City.

4.2 Dedications / Conveyances to the City: Within 60 calendar days of the connection of the last home to the City's water system, or such earlier time as is agreed by the Parties:

4.2.1 The District shall dedicate to the City, at no cost to the City and by Bill of Sale: (a) the water meters for each connection within the District Property; (b) any water hydrants which are not replaced as part of the Project; and (c) such other water system improvements that are owned by the District and identified by the City. The District shall vacate or assign easements of the District as directed by the City. The District owns alluvial ground water rights decreed in Case No. W-6304. The City waives any right to purchase such water rights. The District shall abandon such rights in accordance with Colorado law. Immediately following connection of the last District Property to the City's water service, the District shall cease pumping and decommission the four Knollwood Water District wells decreed in Case No. W-6304 entered on April 8, 1976, (the "District Water Rights") in accordance with all state requirements. Within [90] days after connection of the last property within the District to the City's water system, in accordance with applicable law, except as specifically provided herein and at its expense, the District shall abandon all facilities it owns, the water mains, storage tank, pump house, and other structures, in accordance with applicable law, unless otherwise agreed by the District and the City. The City may remove any facilities abandoned by the District.

4.2.2 Outlots. The District owns outlots on the plats for the Annexation Area ("Outlots"). The Outlots owned by the District shall be dedicated to the City upon dissolution of the District unless the homeowners within the District have created a common interest community and unit owners' association in accordance with Colorado law, and the District conveys the Outlots to the homeowners association prior to dissolution.

4.2.3 City Water Service. Upon connection of each District Property to the City's water system, the terms conditions, limitations, restrictions, rights and remedies for such water service shall be as provided in the Boulder Revised Code and any rules adopted pursuant thereto.

4.2.4 Indemnification. To the maximum extent permitted by law, the District shall indemnify and hold harmless the City from any liability associated with the provision of water service by the District, including but not limited to any post-pumping depletions and replacement obligations related to the District Water Rights, except to the extent caused by the actions or inactions of the City or its agents. After connection to the City's water system, the District shall not be responsible for any costs associated with the City's provision of water service except as provided herein.

V. STREET, TRAFFIC CONTROL AND FIRE PROTECTION SERVICES

5.1 Public Streets. The Parties hereby recognize that following completion of the annexation, Green Rock Drive, Knollwood Drive, Willow Glen Court and Brookside Court shall change from County right-of-way to City right-of-way. Thereafter, the City shall commence exercising governmental street and traffic and safety control powers as to all public streets within the District, and the District's street powers shall be limited to financing and contracting for the improvements required herein and obtaining permits and contracting for snowplowing until those duties are performed by an HOA or discontinued.

5.2 Fire Protection Services. Following completion of the annexation, the City will provide fire protection services to the Annexation Area. The City and the District will cooperate

to promptly process exclusion of the Annexation Area from the Boulder Rural Fire Protection District, pursuant to Section 32-1-502, C.R.S.

VI. LIMITATIONS ON DISTRICT POWER, DISSOLUTION, AND CONVEYANCE TO CITY AND HOA

6.1 Designated Approving Authority. If the annexation is approved by the voters, immediately and prior to City Council's consideration of the Annexation Ordinance, the District shall petition the City to become the designated approving authority of the District pursuant to Section 32-1-204.7, C.R.S., conditioned upon the City Council's approval of the Annexation Ordinance.

6.2 Post-annexation Powers. From and after the effective date of the Annexation Ordinance, the District may have and exercise only the following powers, powers necessarily implied to carry out such powers, or powers approved in writing by the City in advance at the expense of the District. Provided however, that the District's powers are further limited as set forth in Section 6.4, upon the later of: five years from the effective date of the Annexation Ordinance or until two years from the City's final acceptance of the District Public Improvements under the Construction Contract.

6.2.1 Incurring and paying financial obligations, in a form consistent with this IGA, to pay for:

- Design and construction of Knollwood Public Improvements described in **Exhibit D.**
- Design and installation of service line connections from existing meter pits to new meter pits and installation of pressure reducing valves.
- Costs associated with acquisition of easements.
- Payment of Water Public Improvement Fees.
- Costs related to annexation and this IGA, including without limitation costs required by the City; District or City contractor, attorneys, engineers and surveyor's fees and costs; and costs related to the annexation election and agreements and related steps, such as dissolution of the District and organization of an HOA.
- Costs of issuance of the financing.
- Payment of any obligation related to the District Water Rights.
- Other costs authorized by the eligible electors in the debt authorization.

6.2.2 Providing water supply, treatment and delivery services to the Annexation Area, until connection to the City's water system, and billing for fees, costs and charges associated therewith.

6.2.3 Operating and maintenance of the existing District water system until conveyance to the City or abandonment as provided in Section 4.2 of this IGA.

6.2.4 Abandoning District wells and property or conveying real and personal property to the HOA or the City as provided herein.

6.2.5 Conveying Outlots to the HOA or the City.

6.2.6 Contracting for construction or installation of improvements related to the District Public Improvements, which are necessary for the District Properties to receive water service from the City.

6.2.7 Performing obligations of the District required by Colorado law until dissolution, including budgeting and auditing, required elections, and obligations to accountants, auditors and attorneys.

6.2.8 Assessing a mill levy and any special assessments necessary to cover the costs of the District until the District has fully discharged all financial obligations.

6.2.9 Owning and maintaining the Outlots until conveyance as provided in the Dissolution Plan.

6.2.10 Acquisition of easements or other property interests needed for the District Public Improvements, provided that the City's prior approval is required before the District exercises its power of eminent domain.

6.2.11 Snow removal on streets within the Knollwood Subdivision, Knollwood First Addition, and Knollwood Second Addition (collectively the "Knollwood Subdivisions"), pursuant to an annual right-of-way permit and in compliance with all applicable city requirements, via contract with Boulder County or another contract provider.

6.2.12 Complying with and enforcing terms of this IGA and agreements with water users, including Section 4.2.4 regarding indemnification of the City from financial obligations related to the District Water Rights.

6.2.13 Enforcement of covenants not inconsistent with City regulations and requirements as contained in the Declarations of Covenants, Conditions and Restrictions, recorded in the real property records of the County Clerk and Recorder on July 23, 1965 for the Knollwood Subdivision at reception number 789376, on November 4, 1966 for the Knollwood Subdivision First Addition at reception number 831673, and on October 15, 1969 for the Knollwood Subdivision Second Addition at reception number 893916, as amended.

6.2.14 Cooperation and assistance to homeowners regarding organization of an HOA, amendment of covenants and conveyance of the Outlots to the HOA.

6.3 Dissolution of the District. The District shall be dissolved as provided in the "Dissolution Plan," attached hereto as **Exhibit E**. The Dissolution Plan shall provide for dissolution except for the payment of financial obligations and outstanding debt until paid in full consistent with Section 32-1-702(3)(c), C.R.S.

6.4 Future Limitation on Powers. If the District is not dissolved within five years of the effective date of the Annexation Ordinance or within two years of the City's final acceptance of the District Public Improvements under the City's Construction Contract, whichever occurs later, the District shall not exercise any power except as necessary to pay off the financial obligations and outstanding debt.

6.5 Statement of Purposes. If the voters in the Annexation Area approve the annexation, the District Board shall submit for City Council approval at the meeting where the City Council considers second reading of the Annexation Ordinance, the Second Amended Statement of Purposes, essentially in the form attached as Exhibit A to the Dissolution Plan (see **Exhibit E**). The City Council shall only consider such approval following: 1) approval of the Annexation Ordinance and 2) acceptance of designation as the approving authority for the District pursuant to Section 32-1-204.7 C.R.S.

6.6 HOA. In order to provide some of the non-essential services currently provided by the District and to own and maintain the Outlots presently owned by the District and provide snow removal, the property owners inside the District boundaries may form a common interest community and a unit owners' association. The City shall not contest the authority of the HOA to exercise the following powers:

- Enforce the covenants of the community, as they may be amended from time to time per Colorado law.
- Snow removal on streets within the Knollwood Subdivisions pursuant to an annual right-of-way permit issued by the City and in compliance with all applicable city requirements.
- Owning and maintaining the Outlots and other public or common areas, including the entrance sign to the Knollwood neighborhood.

VII. GENERAL TERMS AND CONDITION

7.1 Defaults. A default shall exist if either Party fails to comply with the terms and conditions hereof and such failure shall continue for a period of thirty (30) days after notice thereof given by the other Party. In the event of a default, the non-defaulting Party may enforce its rights under this IGA by any remedy available at law or equity, including without limitation, specific performance. The Parties may agree to participate in mediation before proceeding to court or in lieu of litigation.

7.2 Non-Appropriation. The City understands, and the District agrees, that the District will use its best efforts to appropriate funds sufficient to make payment for all financial obligations as contemplated herein. In the event of non-appropriation, the City may enforce remedies set forth herein or remedies available against residents of Knollwood, if applicable. The Parties agree and acknowledge that because payments are subject to annual appropriation, this IGA does not constitute a multiple fiscal year debt or financial obligation of the District, under Colo. Const. Art. X, sec. 20.

7.3 No Partnership or Agency. Notwithstanding any language in this IGA, or any representation or warranty to the contrary, neither the District nor the City shall be deemed or constitute a partner, joint venture, or agent of the other. Any actions taken by the Parties pursuant to this IGA shall be deemed actions as an independent contractor of the other.

7.4 No Third-Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this IGA and all rights of action relating to such enforcement shall be strictly reserved to the Parties. It is the express intention of the Parties that

any person, other than the Parties, shall be deemed to be only an incidental beneficiary under this IGA.

7.5 Governing Law and Venue; Recovery of Costs. This IGA shall be governed by the laws of the State of Colorado, and venue shall be in Boulder County, Colorado. In the event legal action is brought to resolve any dispute among the Parties related to this IGA, the non-prevailing party shall pay the court costs and attorney fees of the prevailing party.

7.6 Governmental Immunity. No term or condition of this IGA shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, *et seq.* as it applies to either Party.

7.7 Authority. The Parties represent and warrant that they have taken all actions necessary to legally authorize the undersigned signatories to execute this IGA on behalf of the Parties and to bind the Parties to its terms.

7.8 Entire Agreement. This IGA contains the entire agreement of the Parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of both Parties.

7.9 Counterparts. This IGA may be executed in counterparts, each of which shall constitute one and the same instrument.

7.10 Binding Effect. This IGA can be assigned only with the consent of the other Party. This IGA shall be binding upon, and shall inure to the benefit of, the Parties and their respective heirs, personal representatives and successors and permitted assigns.

7.11 Recitals and Exhibits. All recitals and exhibits referred to in this IGA are incorporated herein for all purposes.

7.12 Severability. In the event a court of competent jurisdiction holds any provision of this IGA invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this IGA.

7.13 Written Notices. Written notices required under this IGA and formal correspondence among the Parties shall be directed to the following and shall be deemed received as of the date of hand-delivery, or as of the date indicated on the return receipt request of a certified mailing:

If to the City:

Boulder City Manager
P.O. Box 791
Boulder, CO 80306

With a copy to:
Boulder City Attorney

P.O. Box 791
Boulder, CO 80306

If to the District:

Colonel Barry S Baer US Army (Retired)
Treasurer, Knollwood Metropolitan District
2265 Knollwood Drive
Boulder, CO 80302

With a copy to:

Carolyn R. Steffl, Esq.
Moses, Wittemyer, Harrison and Woodruff, P.C.
2595 Canyon Boulevard, Suite 300
Boulder, CO 80302

7.5 If the annexation is not approved by the voters in the annexation election, or the Annexation Ordinance is not approved by the City Council, this Agreement shall be null and void, except for the financial obligations of the District to the City for actual expenses by the City for the design of the District Public Improvements incurred prior to the date upon which this IGA is voided.


IN WITNESS WHEREOF, the Parties have caused this IGA to be executed as of the Effective Date.

KNOLLWOOD METROPOLITAN DISTRICT

By: 


President

ATTEST:



Secretary

CITY OF BOULDER



City Manager

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney's Office

Date: 4-15-2019

AMENDED STATEMENT OF PURPOSES
KNOLLWOOD METROPOLITAN DISTRICT
(FORMERLY KNOWN AS KNOLLWOOD WATER DISTRICT)

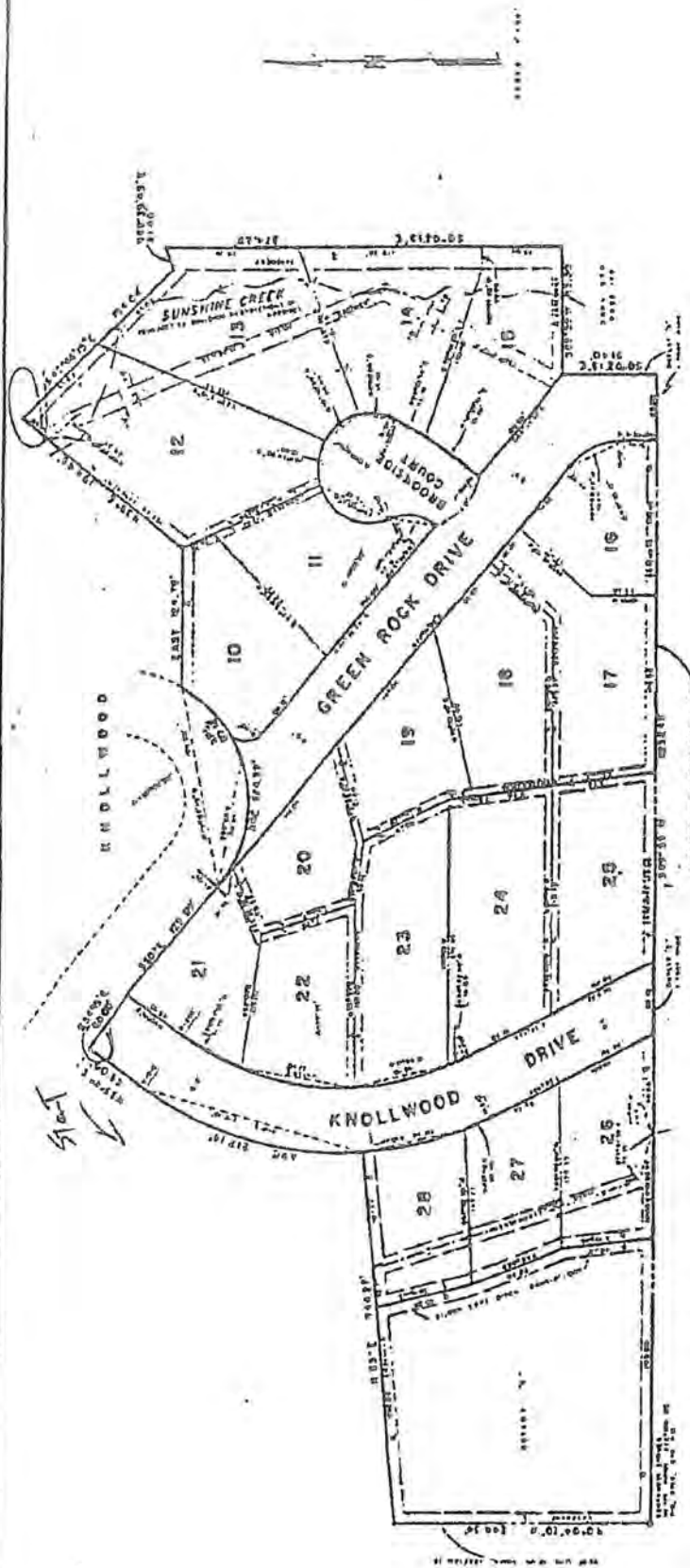
Knollwood Metropolitan District (the "District") (formerly known as Knollwood Water District) hereby files the following Amended Statement of Purposes with the Board of County Commissioners of the County of Boulder, State of Colorado, pursuant to C.R.S. § 32-1-208(3), and requests approval contingent on receipt of a court order approving conversion of the District to a metropolitan district at which time this Amended Statement of Purposes would take effect.

1. **Purposes for which the District was organized.** The purposes for which the Knollwood Water District was organized are 1) to supply water for domestic purposes by any available means, and 2) other purposes determined by the Board Members of the District in accordance with C.R.S. § 32-1-101, *et. seq.*
2. **Conversion to Metropolitan District.** Knollwood Water District has submitted a petition for conversion to a metropolitan district to the District Court of Boulder County pursuant to C.R.S. § 32-1-1006(2)(b), which has been referred to a vote of the eligible electors on November 3, 2015. If a majority of the eligible electors vote in favor of conversion and the court issues an order approving conversion of the District to a Metropolitan District, the District shall henceforth be named the Knollwood Metropolitan District, with powers and duties of a metropolitan district under C.R.S. § 32-1-1004.
3. **Services and facilities provided or to be provided by the District.** The services and facilities provided or to be provided by the District are: 1) the provision of water for domestic purposes, including but not limited to monitoring and maintaining water quantity and quality, and following conversion to a metropolitan district, 2) street improvements, through the construction and installation of curbs, gutters, culverts, and other drainage facilities and sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements, provided that the Boulder County Engineer has approved a construction permit or other permit as required by the Boulder County Code, and 3) safety protection through traffic and safety controls and devices on streets and highways and at railroad crossings, provided that the Boulder County Engineer has approved the District's exercise of the safety protection power.
4. **The areas served or to be served by the District.** The areas served or to be served by the District are those areas within the boundaries of the District or that will be subsequently included within the boundaries of the District, with current boundaries shown in the attached Exhibit, and those areas outside the boundaries of the District that the District chooses to serve by contract.

Respectfully submitted this 9th day of October, 2015.

KNOLLWOOD WATER DISTRICT

By: Barry S. Baer
Barry S. Baer, Treasurer



KNOLLWOOD FIRST ADDITION
 A SUBDIVISION OF A PART OF SECTION 25, T14N, R71W,
 6TH PM., BOULDER COUNTY, COLORADO

DEPOSITION

I, the undersigned, being a duly qualified and sworn juror in and for the County of Boulder, State of Colorado, do hereby depose and say that the foregoing is a true and correct copy of the original of the plat of the above described subdivision, as the same appears on the files of the County Clerk of said County, and that the same is a true and correct copy of the original of the plat of the above described subdivision, as the same appears on the files of the County Clerk of said County, and that the same is a true and correct copy of the original of the plat of the above described subdivision, as the same appears on the files of the County Clerk of said County.



[Signature]
 Notary Public

STATE AND DEPARTMENT DEPARTMENT

I, the undersigned, being a duly qualified and sworn juror in and for the County of Boulder, State of Colorado, do hereby depose and say that the foregoing is a true and correct copy of the original of the plat of the above described subdivision, as the same appears on the files of the County Clerk of said County, and that the same is a true and correct copy of the original of the plat of the above described subdivision, as the same appears on the files of the County Clerk of said County.

[Signature]
 Notary Public

DEPARTMENT DEPARTMENT

I, the undersigned, being a duly qualified and sworn juror in and for the County of Boulder, State of Colorado, do hereby depose and say that the foregoing is a true and correct copy of the original of the plat of the above described subdivision, as the same appears on the files of the County Clerk of said County, and that the same is a true and correct copy of the original of the plat of the above described subdivision, as the same appears on the files of the County Clerk of said County.

[Signature]
 Notary Public

I, the undersigned, being a duly qualified and sworn juror in and for the County of Boulder, State of Colorado, do hereby depose and say that the foregoing is a true and correct copy of the original of the plat of the above described subdivision, as the same appears on the files of the County Clerk of said County, and that the same is a true and correct copy of the original of the plat of the above described subdivision, as the same appears on the files of the County Clerk of said County.

[Signature]
 Notary Public

I, the undersigned, being a duly qualified and sworn juror in and for the County of Boulder, State of Colorado, do hereby depose and say that the foregoing is a true and correct copy of the original of the plat of the above described subdivision, as the same appears on the files of the County Clerk of said County, and that the same is a true and correct copy of the original of the plat of the above described subdivision, as the same appears on the files of the County Clerk of said County.

[Signature]
 Notary Public

RECORDED-PLAN FILE R 2-1-25

DISTRICT COURT, BOULDER COUNTY, COLORADO Court Address: 1777 Sixth Street P.O. Box 4249, Boulder, CO, 80306-4249	DATE FILED: December 17, 2015 5:13 PM CASE NUMBER: 1965CV18489 <p style="text-align: center;">⚠ COURT USE ONLY ⚠</p> Case Number: 1965CV18489 Division: 3 Courtroom:
In the Matter of: KNOLLWOOD WATER DISTRICT	
Order on Petition for Conversion to a Metropolitan District for Knollwood Water District	

The motion/proposed order attached hereto: SO ORDERED.

Issue Date: 12/17/2015



NORMA ANGELICA SIERRA
 District Court Judge

DISTRICT COURT, BOULDER COUNTY, COLORADO Court Address: 1777 6 th Street Boulder, Colorado 80302 Telephone: 303-441-3750	▲ COURT USE ONLY ▲
IN THE MATTER OF KNOLLWOOD WATER DISTRICT	Case Number: 1965CV018489 Division: 3
[PROPOSED] ORDER ON PETITION FOR CONVERSION TO A METROPOLITAN DISTRICT FOR KNOLLWOOD WATER DISTRICT	

THIS MATTER comes before the Court on the filing of a Motion for Order on Petition for Conversion ("Petition") filed by the Petitioner for the conversion of the Knollwood Water District ("District") in Boulder County, Colorado to a metropolitan district. This Court, being fully advised in the premises, hereby FINDS and ORDERS:

1. The Court has jurisdiction over this matter pursuant to §32-1-1006(2), C.R.S.
2. The District's Board of Directors ("Board") adopted a Resolution authorizing conversion to a metropolitan district ("Resolution"). That Resolution was filed with the Court as an exhibit to the District's Petition, pursuant to §32-1-1006(2), on July 31, 2015.
3. The Court held a hearing on the Resolution on September 3, 2015.
4. After the hearing, on September 3, 2015, the Court ordered that the question of conversion be submitted to the eligible voters of the District. The Court appointed the Secretary of the District as the designated election official.
5. A ballot question on the conversion was referred to the eligible electors of the District at the November 3, 2015 coordinated election, and a majority of the votes cast were in favor of conversion to a metropolitan district. The electors passed the ballot measure by a vote of 52 to 28.
6. The November 3, 2015 election was duly held in accordance with Articles 1 to 13 of Title 1, C.R.S.
7. On December 8, 2015, the Boulder County Board of County Commissioners approved the District's amended Statement of Purposes, reflecting the proposed change from a water district to a metropolitan district.
8. There is not another water and sanitation district or metropolitan district existing partially or wholly within the boundaries of the District or a pending petition for organization of a

water and sanitation district or metropolitan district existing partially or wholly within the boundaries of the District.

- 9. The Court hereby finds that the District has complied with the applicable statutes and, therefore, the conversion should be granted.

IT IS THEREFORE ORDERED that pursuant to §32-1-1006(2), C.R.S., the District is hereby converted to a metropolitan district, possessing all of the rights, powers, and authority of a metropolitan district under the Special District Act, including without limitation, §32-1-1004, C.R.S., and other Colorado Law, as they may be amended from time to time, and henceforth shall be known as “Knollwood Metropolitan District.”

DATED this ____ day of _____, 2015.

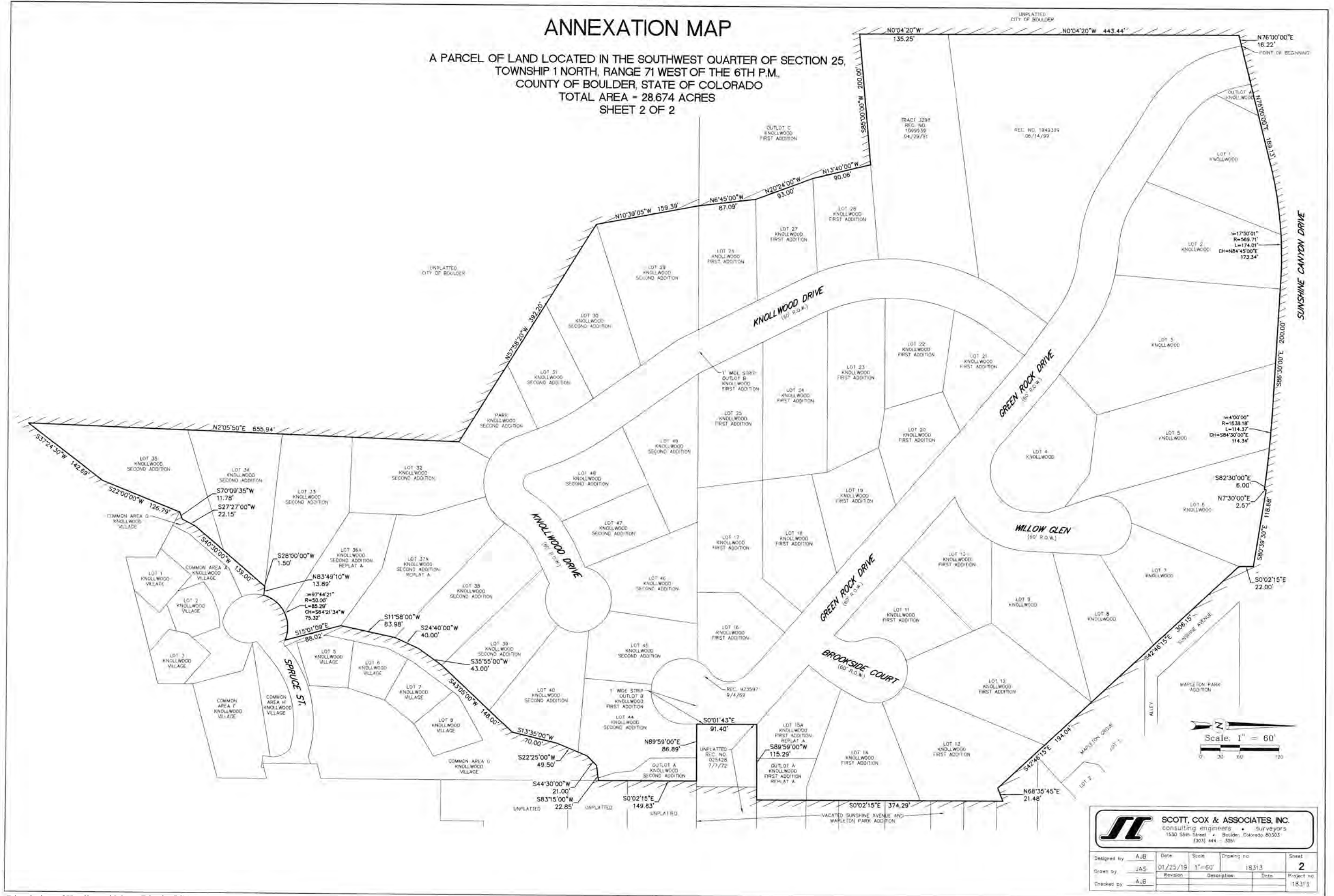
District Court Judge

Attachment to Order - 1965CV18489

EXHIBIT B

ANNEXATION MAP

A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 25,
TOWNSHIP 1 NORTH, RANGE 71 WEST OF THE 6TH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO
TOTAL AREA = 28.674 ACRES
SHEET 2 OF 2



SCOTT, COX & ASSOCIATES, INC.
consulting engineers • surveyors
1530 55th Street • Boulder, Colorado 80503
(303) 444-3081

Designed by	AJB	Date	01/25/19	Scale	1"=60'	Drawing no.	18313	Sheet	2
Drawn by	JAS	Revision		Description		Date		Project no.	18313
Checked by	AJB								

EXHIBIT B

ANNEXATION MAP

A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 25,
TOWNSHIP 1 NORTH, RANGE 71 WEST OF THE 6TH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO
TOTAL AREA = 28.674 ACRES
SHEET 1 OF 2

LEGAL DESCRIPTION

A TRACT OF LAND IN THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 1 NORTH, RANGE 71 WEST OF THE 6TH P.M., COUNTY OF BOULDER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF KNOLLWOOD SUBDIVISION ALSO BEING THE WESTERLY RIGHT OF WAY OF GREEN HOOK DRIVE, THENCE ALONG THE BOUNDARY OF SAID KNOLLWOOD SUBDIVISION THE FOLLOWING NINE (9) COURSES:

1. N78°00'00"E, A DISTANCE OF 189.13 FEET TO A POINT ON A CURVE,
2. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 569.71 FEET AND A CENTRAL ANGLE OF 173°00'11" (CHORD BEARS N84°45'00"E, 173.34 FEET), 174.01 FEET,
3. THENCE S86°30'00"E, A DISTANCE OF 200.00 FEET TO A POINT ON A CURVE,
4. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 1638.18 FEET AND A CENTRAL ANGLE OF 4°00'00" (CHORD BEARS S84°30'00"E, 114.34 FEET), 114.371 FEET,
5. THENCE S82°30'00"E, A DISTANCE OF 6.00 FEET,
6. THENCE N7°30'00"E, A DISTANCE OF 2.57 FEET,
7. THENCE S80°39'30"E, A DISTANCE OF 118.98 FEET,
8. THENCE S03°21'51"E, A DISTANCE OF 22.00 FEET,
9. THENCE S42°46'15"E, A DISTANCE OF 306.15 FEET

THENCE ALONG THE BOUNDARY OF KNOLLWOOD FIRST ADDITION THE FOLLOWING FIVE (5) COURSES:

1. S42°46'15"E, A DISTANCE OF 194.04 FEET,
2. THENCE N68°35'45"E, A DISTANCE OF 21.48 FEET,
3. THENCE S03°21'51"E, A DISTANCE OF 374.29 FEET,
4. THENCE S89°59'00"W, A DISTANCE OF 115.29 FEET,
5. THENCE S09°43'E, A DISTANCE OF 91.40 FEET,

THENCE ALONG THE BOUNDARY OF KNOLLWOOD SECOND ADDITION THE FOLLOWING TWENTY TWO (22) COURSES:

1. N89°59'00"E, A DISTANCE OF 86.89 FEET,
2. THENCE S03°21'51"E, A DISTANCE OF 149.83 FEET,
3. THENCE S83°15'00"W, A DISTANCE OF 22.85 FEET,
4. THENCE S44°30'00"W, A DISTANCE OF 21.00 FEET,
5. THENCE S22°25'00"W, A DISTANCE OF 49.50 FEET,
6. THENCE S13°35'00"W, A DISTANCE OF 70.00 FEET,
7. THENCE S43°05'00"W, A DISTANCE OF 148.00 FEET,
8. THENCE S35°55'00"W, A DISTANCE OF 43.00 FEET,
9. THENCE S24°40'00"W, A DISTANCE OF 40.00 FEET,
10. THENCE S17°58'00"W, A DISTANCE OF 83.98 FEET,
11. THENCE S15°01'09"E, A DISTANCE OF 88.02 FEET TO A POINT ON A CURVE,
12. THENCE ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 503.00 FEET AND A CENTRAL ANGLE OF 97°44'21" (CHORD BEARS S64°21'34"W, 75.32 FEET), 85.29 FEET,
13. THENCE N83°49'10"W, A DISTANCE OF 13.89 FEET,
14. THENCE S28°00'00"W, A DISTANCE OF 1.50 FEET,
15. THENCE S40°30'00"W, A DISTANCE OF 139.00 FEET,
16. THENCE S27°27'00"W, A DISTANCE OF 22.15 FEET,
17. THENCE S70°09'30"W, A DISTANCE OF 11.78 FEET,
18. THENCE S22°00'00"W, A DISTANCE OF 126.79 FEET,
19. THENCE S37°24'30"W, A DISTANCE OF 142.69 FEET,
20. THENCE N2°05'50"E, A DISTANCE OF 655.94 FEET,
21. THENCE N67°58'30"W, A DISTANCE OF 392.20 FEET,
22. THENCE N10°39'05"W, A DISTANCE OF 159.39 FEET,

THENCE ALONG THE BOUNDARY OF KNOLLWOOD FIRST ADDITION THE FOLLOWING THREE (3) COURSES:

1. N6°45'00"W, A DISTANCE OF 87.09 FEET,
2. THENCE N20°24'00"W, A DISTANCE OF 93.05 FEET,
3. THENCE N13°40'00"W, A DISTANCE OF 90.08 FEET,

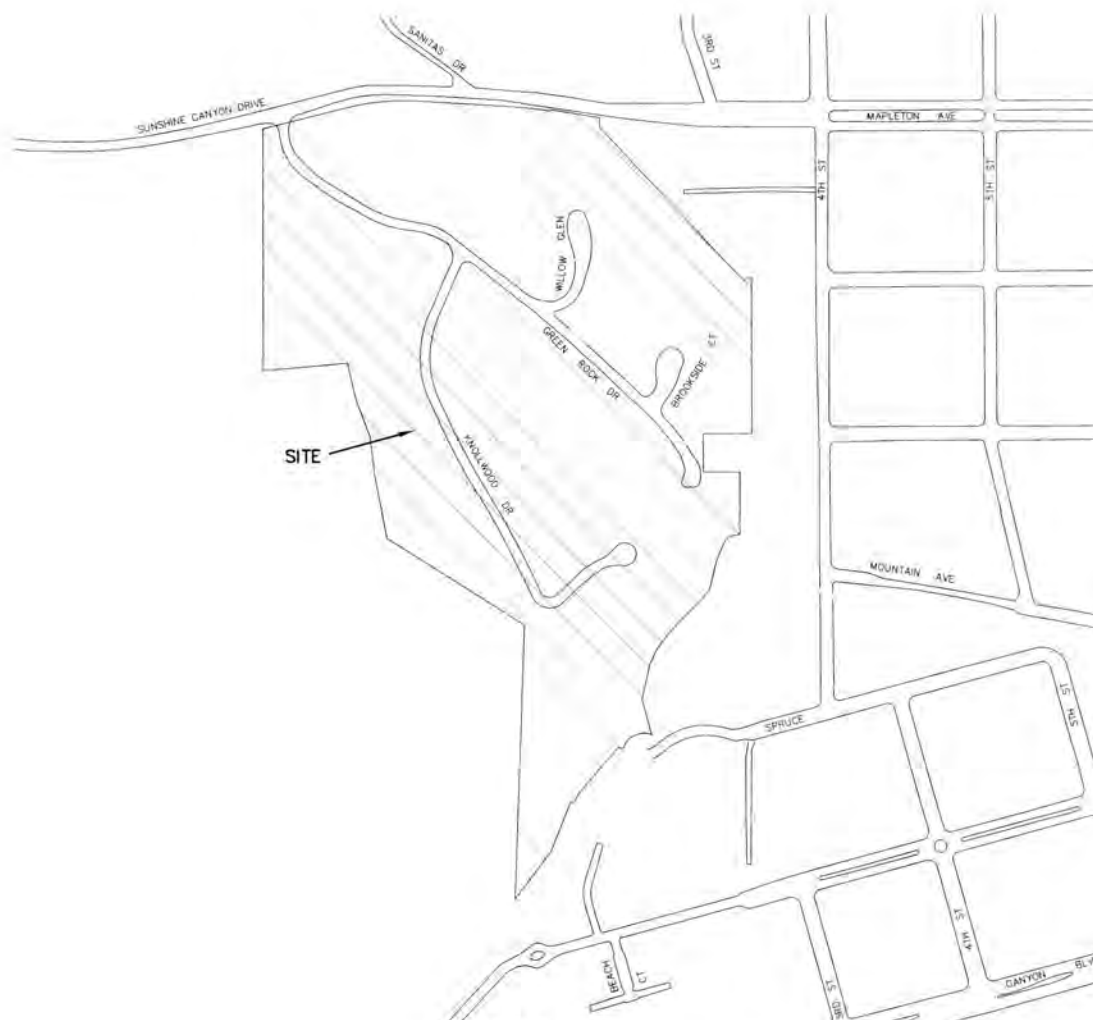
THENCE ALONG THE BOUNDARY OF TRACT 3298 RECORDED AT RECEPTION NO. 1099935 DATED 04/28/91 THE FOLLOWING TWO (2) COURSES:

1. S85°00'00"W, A DISTANCE OF 200.00 FEET,
2. THENCE N0°04'20"W, A DISTANCE OF 135.25 FEET,

THENCE ALONG THE BOUNDARY OF A TRACT OF LAND RECORDED AT RECEPTION NO. 1949399 DATED 08/14/99 THE FOLLOWING TWO (2) COURSES:

1. N0°04'20"W, A DISTANCE OF 443.44 FEET,
2. THENCE N78°00'07"E, A DISTANCE OF 16.22 FEET TO THE POINT OF BEGINNING.

THIS PARCEL CONTAINS 1,249,043 SQUARE FEET (28.674 ACRES).



VICINITY MAP
SCALE: 1" = 200'
NOTE: FULL-SIZED MAP IS ON SHEET 2 OF 2

LEGEND

PROPERTY CONTIGUOUS TO EXISTING CITY OF BOULDER LIMITS

TOTAL PERIMETER OF AREA TO BE ANNEXED = 5548.2 FEET
ONE SIXTH OF TOTAL PERIMETER = 924.7 FEET
PERIMETER CONTIGUOUS TO EXISTING CITY LIMITS = 5274.8 FEET

SURVEYOR: SCOTT, COX & ASSOCIATES, INC.
1530 55TH STREET
BOULDER, COLORADO 80301

SURVEY NOTES

1. THIS MAP IS NOT A LAND SURVEY PLAT OR AN IMPROVEMENT SURVEY PLAT. THE PURPOSE OF THIS MAP IS TO SHOW THE AREA TO BE ANNEXED TO THE CITY OF BOULDER, COLORADO.
2. THIS ANNEXATION IS BASED ON THE FOLLOWING PLATS: KNOLLWOOD, KNOLLWOOD FIRST ADDITION, KNOLLWOOD SECOND ADDITION, KNOLLWOOD SECOND ADDITION REPLAT A, KNOLLWOOD SECOND ADDITION, KNOLLWOOD SECOND ADDITION REPLAT A, KNOLLWOOD VILLAGE.
3. NOTICE: ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED ON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVERED SUCH DEFECT. IN NO EVENT, MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON. CRS-13-80-105 (3)(c).

CERTIFICATION

THIS IS TO CERTIFY THAT THIS MAP WAS MADE UNDER MY DIRECT RESPONSIBILITY, SUPERVISION AND CHECKING AND THAT IT IS A TRUE AND CORRECT REPRESENTATION OF THE AREA TO BE ANNEXED TO THE CITY OF BOULDER, COLORADO, AND THAT AT LEAST ON SIXTH (1/6) OF THE BOUNDARY OF SAID PARCEL IS CONTIGUOUS TO THE PRESENT CITY OF BOULDER, COLORADO.

John Bure
A. JOHN BURE, PLS 24302
FOR AND ON BEHALF OF
SCOTT, COX & ASSOCIATES, INC.



SCOTT, COX & ASSOCIATES, INC. consulting engineers • surveyors 1530 55th Street • Boulder, Colorado 80303 (303) 444 - 3051				
Designed by: AJB	Date: 01/25/19	Scale: AS SHOWN	Drawing no.: 1831.3	Sheet: 1
Drawn by: JAS	Revision:	Description:	Date:	Project no.: 1831.3
Checked by: AJB				

EXHIBIT C

ANNEXATION TERMS AND CONDITIONS

RECITALS

A. Registered electors have petitioned the City of Boulder (“City”) to commence proceedings for the holding of an annexation election for an area generally including the Knollwood Subdivision, Knollwood Subdivision First Addition and Knollwood Subdivision Second Addition, plus two adjacent parcels at 150 Green Rock Drive and 2285 Knollwood Drive, and more particularly described on Exhibit A to Resolution 1256 (collectively, the “Annexation Area”).

B. With the exception of the property at 150 Green Rock Drive, the properties within the Annexation Area are located within the boundaries of the Knollwood Metropolitan District (“District”). Properties within the District are hereafter referred to as “District Properties”. Currently, the District provides water to District Properties, as well as some other governmental services. The property at 150 Green Rock Drive is connected to the City of Boulder’s water utility.

C. With annexation, petitioners are seeking to connect the District Properties to the City’s water utility.

D. To connect to the City’s water utility, water mains (“New Mains”) have to be constructed within the Annexation Area’s rights-of-way, water meters have to be moved into the rights-of-way or, if approved by the City Manager, into public easements and the rights-of-way have to be improved (“Street Improvements”). The New Mains, service lines to meter pits, and meter pits installed by the City, and Street Improvements are hereafter collectively referred to as “District Public Improvements”. The City is planning to install the District Public Improvements.

E. The cost of construction of the District Public Improvements will be an obligation of the owners of the District Properties, planned to be paid and financed through the District as set forth below, by certification of an annual mill levy. To allow for payment and financing of District Public Improvements through the District, the payment of costs for the construction of the District Public Improvements will be billed to the District Property owners only in the event and to the extent the District has not paid the construction costs of the District Public Improvements.

F. Pursuant to Section 9-2-17, “Annexation Requirements,” B.R.C. 1981, annexation of land to the City of Boulder shall not create an unreasonable burden on the physical, social, economic, or environmental resources of the City. To ensure this requirement is met terms and conditions (“Terms and Conditions”) shall be imposed on the individual property owners within the Annexation Area.

G. The Terms and Conditions create the obligations for individual property owners within the Annexation Area. A separate Intergovernmental Agreement (“IGA”) between the City and the District addresses obligations of the District in this annexation, the District’s governmental powers following annexation, and the process of dissolution of the District following connection of the District Properties to the City’s water utility.

NOW, THEREFORE, in consideration of the recitals, the following Terms and Conditions shall be imposed upon the annexation to the City of Boulder of the Annexation Area:

1. District Dissolution

As a requirement of annexation, the owners of District Properties shall use their best efforts to obtain a court order pursuant to Section 32-1-707, C.R.S., dissolving the District within five years of the effective date of the annexation ordinance or within two years of the City's final acceptance of the District Public Improvements under the City's construction contract for the District Public Improvements, whichever occurs later. Such order of dissolution shall dissolve the District for all purposes except as necessary to adequately provide for the payment of remaining financial obligations or outstanding debt of the District. A plan for dissolution shall adequately provide for the payment of such financial obligations and debt.

2. Intergovernmental Agreement

The annexation shall be conditioned on the execution of an IGA between the City of Boulder and the District, to be executed by the District prior to a public hearing by the City Council to determine if the proposed annexation complies with the applicable state law and whether to impose terms and conditions on the annexation pursuant to Section 31-12-108, C.R.S. After approval by the District, any changes to the IGA would be subject to approval by the District Board. No changes will be made to the Terms and Conditions after the annexation election, unless approved by the voters in a new annexation election.

The IGA shall provide for (a) the services that may be provided by the District between the effective date of the annexation and District dissolution, (b) financing and payment of the District Public Improvements, and (c) the services provided by the District that may be assumed by a unit owners' association ("HOA") after dissolution. The IGA will also require the District to assist the property owners within the boundaries of the service area of the District in creating a common interest community and a unit owners' association consistent with Sections 38-33.3-101, *et seq.*, C.R.S. prior to dissolution of the District. If an HOA is formed, it may provide services consistent with Sections 38-33.3-101, *et seq.*, C.R.S., including covenant enforcement and snowplowing, and shall own and maintain any outlots within the Annexation Area that are currently owned by the District. If, at the time the District dissolves, any outlots owned by the District have not been conveyed to an HOA, then, prior to dissolution of the District, any such outlots shall be conveyed to the City.

3. District Public Improvements

a. Construction of District Public Improvements. Following annexation, the City plans to construct the New Mains and Street Improvements in the Annexation Area to serve District Properties. The Street Improvements are planned be constructed generally where the existing streets are located, over the area where the New Mains are being constructed, and as approximately 22-foot wide rural residential streets without curb, gutter, sidewalks, or streetlights.

As part of the District Public Improvements, the City will install water service lines from the New Mains to existing or new meter pits within the public right-of-way or, if approved by the City Manager, in a public easement.

b. Construction of Service Lines to Homes. Pursuant to the IGA, no later than thirty days following the City's construction and final acceptance of a New Main and service line from the New Main to the meter pit serving a property, the District shall obtain any permits required for work in the City's right-of-way or public easements and install, at its cost, a service line connection from any new meter pits to the existing meter pit and new pressure reducing valves on such property. The owners of the District Property shall provide the District with all necessary approvals and rights of access to perform this work. If the District does not complete this work within the thirty-day time frame, no later than within 60 days

EXHIBIT C

following the City's construction and final acceptance of the New Main and service line from the New Main to the meter pit serving the property, the individual property owners, at their cost, shall cause installation of such service line and pressure reducing valves and shall ensure completion and compatibility of the new service line with the City's water service. It is the individual property owners' responsibility to connect a service line from the meter pit serving the property to the structure on the property being served.

Upon completion of such work by the District or the property owners and acceptance thereof by the City, the City will install the existing meter in the meter pit and will connect the property to City water. The City will consider a pilot program for the District Properties to allow temporary electronic meter reading.

c. Connection to City Water System. Upon completion of the New Mains that will serve the Annexation Area, property owners within the Annexation Area shall not connect to or be served by any water system other than the City's and shall connect to the City water system when so required by the City Manager.

d. Payment if District Fails to Pay. In the event that the District has not paid for the construction of the District Public Improvements, within 180 days of the City's final acceptance of the District Public Improvements, each owner of a District Property shall pay the then-applicable water plant investment fees, installation charges and their share of the unpaid costs of constructing the District Public Improvements. The cost of the District Public Improvements shall be the original cost of design, purchase, construction, and installation, but excluding the cost of connecting the service line of 150 Green Rock Drive to the New Mains and excluding the cost of up-sizing a portion of the new main in Green Rock Drive from an 8-inch line to a 12-inch line, the total to be divided equally among the District Properties.

The property at 150 Green Rock Drive will not be responsible for a share of the costs of the District Public Improvements and associated fees as it is currently connected to the City's water utility.

For purposes of these Terms and Conditions, the cost of constructing the District Public Improvements shall include all applicable costs, fees, and charges associated with the design, purchase, construction and installation of the District Public Improvements, the management and supervision of the construction and installation of the District Public Improvements by City contractors, and the connection of District Properties to the New Mains. If not paid by the District, the City will, in good faith, consider creating a financing option to assist District Property owners in paying the amount owed by a District Property owner for the District Public Improvements to the City.

e. Vacant Property. Any property vacant (without a dwelling unit) at the time of construction of the District Public Improvements will be responsible for the full, then-applicable in-City plant investment fees, and tap, service line and meter charges, and its share of the District Public Improvement construction costs (unless paid by the District) at the time of issuance of a building permit to construct a new dwelling unit.

f. 150 Green Rock Drive. The owner of the property located at 150 Green Rock Drive currently served by City water shall connect to the New Mains at the time so required by the City Manager. The City shall pay the costs associated with connecting the existing service line for the 150 Green Rock Drive property to the New Mains.

4. Stormwater and Flood Plant Investment Fees

a. Rate. The property owners in the Annexation Area shall pay the stormwater and flood plant investment fee (hereafter referred to as "Storm PIF") at the rates applicable in 2018.

b. Payment. The Storm PIF will be charged to the property owners in a City of Boulder utility bill no earlier than 30 days following the effective date of the annexation. Within 10 days of a property owner's receipt of that utility bill, the property owner shall pay the Storm PIF that is due pursuant to the Boulder Revised Code and at the rate applicable in 2018.

c. Payment Plan Option. Instead of payment-in-full at the time of receipt of the utility bill for this fee, a property owner may agree in writing to pay the Storm PIF in monthly installments over a period of 10 years from the date of the first bill for the Storm PIF. At the time payment is due for each monthly installment, in addition to the monthly installment, a payment plan charge shall be paid in the amount of 30 % of the monthly installment. There will be no penalty for prepayment of the remaining outstanding principal amount due, and no payment plan charge for prepayments. The first installment shall be paid within 10 days after the date of receipt of the first bill for the Storm PIF. For any property which participates in the phased repayment program, the property owner shall pay the entire outstanding obligation for the Storm PIF, including any payment plan charges that are due for missed monthly payments, and the full unpaid principal amount at such time as the property is sold. No penalty or payment plan charge will be imposed for pre-payment of the Storm PIF in whole or in part. The phased repayment program will be provided by the City only to those properties that will connect to City water at the time that it is first available.

d. Billing and Collection. The payment-in-full charge and the monthly installment due under the phased repayment plan may be included on the same bill that includes water, wastewater, or storm water and flood management services charges or may be included on a separate bill as provided in Title 11, "Utilities and Airport," B.R.C. 1981. The billing, payment, and collection provisions of Sections 11-5-12, "Billing and Payment of Fees," 11-5-13, "Certification of Unpaid Charges to County Assessor," and 11-5-14, "Charges are Lien on Property," B.R.C. 1981, shall apply to the billing, payment, and collection of the Storm PIF, including installments and payment plan charges due under the phased repayment program for the Storm PIF, and any interest on delinquent payments due thereon.

5. Flood Control Easements

Properties located within the conveyance zone, as delineated on the City's regulatory floodplain mapping, will be required to dedicate to the City a flood control easement. This easement must be dedicated prior to issuance of a permit for work on the property under Title 10, "Structures," B.R.C. 1981, or at such time as improvements to the Sunshine Creek and/or Sanitas Creek channel are proposed to be made by the City of Boulder and shall be based on the then-applicable floodplain mapping.

6. Zoning

The properties in the Annexation Area would initially be zoned Residential Estate (RE).

7. Subject to City Codes and Policies

Upon annexation, the properties in the Annexation Area will be subject to all laws, rules, regulations, and administrative orders of the City of Boulder except as expressly modified by these terms and conditions. Annexation in accordance with the terms and conditions contained herein shall in no manner

EXHIBIT C

waive the present or future applicability of said laws, rules, regulations and administrative orders. Existing legal nonconforming uses and nonstandard buildings and structures will be allowed to continue to exist. Section 9-10-3, "Changes to Nonstandard Buildings, Structures, and Lots and Nonconforming Uses," B.R.C. 1981, applies to changes to nonstandard buildings and nonconforming uses. It is understood that this section shall not be constructed to permit a property to constitute a nuisance or to cause a hazard under the City's life safety codes.

8. Water Rights

At the time of connection to the City's water system, but in no event later than issuance of a building permit for the property, any property owner with water or ditch rights used on or appurtenant to the property, shall sell or offer a right of first refusal to the City, consistent with Section 11-1-19, "Water and Ditch Rights," B.R.C. 1981, for any water rights appurtenant to the property, except that in the event a water or ditch rights owner has entered into an agreement with the City that contains provisions that are in conflict with Section 11-1-19, B.R.C 1981, such as the Settlement Agreement executed by the City and The Silver Lake Ditch & Reservoir Company recorded in the office of the Boulder County Clerk and Recorder's Office at Reception No. 03046201, such agreement shall control.

9. One Dwelling Unit per Lot or Parcel

Due to the area's topography and location on the western boundary of the City, no lot or parcel within the Annexation Area shall be developed with more than one principal dwelling unit.

10. No Subdivision

Due to the area's topography and location on the western boundary of the City, no lot or parcel within the Annexation Area shall be subdivided to create an additional lot following annexation to the City.

11. Wetland Mapping

Prior to annexation, all stream, wetland, water bodies and buffer areas on the properties in the Annexation Area will be mapped by the City after the fee prescribed in Section 4-20-53, "Stream, Wetland and Water Body Permit and Map Revision Fees," B.R.C. 1981, is paid. Pursuant to the IGA, this fee will be paid by the District. This mapping will include a functional evaluation of the stream, wetland or water body. The approved mapping and evaluation shall be adopted as an update to the regulatory maps as a part of the annexation ordinance.

12. Inclusion into the Municipal Subdistrict of the Northern Colorado Water Conservancy District

The properties in the Annexation Area shall be included in the Municipal Subdistrict of the Northern Colorado Water Conservancy District pursuant to the process in Section 37-45-136(3.6), C.R.S.

13. Use of Existing Wells

The City will not prohibit a property owner from using existing, privately-owned wells for non-potable irrigation purposes on such property following annexation, even after a property is served by the City water utility. Existing wells that are used for irrigation purposes must be registered and permitted by the State Engineer's Office and operated in accordance with any augmentation and other requirements under Colorado water law. Existing wells shall not be used for domestic water purposes once the property is connected to the City's water utility. No person shall make any cross-connections to the City's municipal water supply system from any well on the property.

14. Historic Drainage

Drainage from properties in the Annexation Area shall be conveyed in an historic manner that does not materially and adversely affect abutting properties.

15. Wood Roofs

Wood roof covering materials are prohibited in the City of Boulder. Immediate replacement shall not be required; however, no person owning a building with wood roof covering materials in the Annexation Area shall install any wood roof covering materials following annexation. Any installation, repair or replacement must utilize approved roof covering materials which conform to the applicable requirements of Title 10, "Structures," B.R.C. 1981. However, this section shall not be construed to permit a property to constitute a nuisance or to cause a hazard under the City's life safety codes.

16. Rental Property Requirements

If a property is used as rental property at the time of annexation, it shall be brought into compliance with Chapter 10-3, "Rental Licenses," B.R.C. 1981, within 90 days of the effective date of the annexation ordinance; for a rental license issued within 90 days of the effective date of the annexation ordinance the energy efficiency requirements of Chapter 10-2, "Property Maintenance Code, Appendix C – Energy Efficiency Requirements," B.R.C. 1981, shall be waived. Any subsequent application for a new or renewal of a license and any rental license for a new building or new dwelling unit on the property shall be subject to the energy efficiency requirements of Chapter 10-2, B.R.C. 1981.

17. Breach

In the event a property owner fails to pay any monies due under these Terms and Conditions or fails to perform any affirmative obligation hereunder, the City may collect the monies due in the manner provided for in Section 2-2-12, B.R.C. 1981, as amended, or the City may perform the obligation on behalf of the property owner, and collect its costs in the manner provided in these Terms and Conditions. The annexation ordinance shall be the enabling ordinance required under Section 31-20-105, C.R.S. authorizing the collection of those debts.

18. Annexation Agreement

Each property in the Annexation Area shall be subject to these Terms and Conditions unless a separate annexation agreement has been executed by the City and the property owner that modifies the Terms and Conditions.

EXHIBIT D

District Public Improvements

The District Public Improvements, as set forth below, shall be constructed by the City and paid for by the District, except as set forth below or in the IGA.

1) Installation of new water 8-inch PVC water mains in Green Rock Drive, Knollwood Drive, Willow Glen Court and Brookside Court, except that 12-inch water mains shall be installed from the connection into the City's main in Sunshine Canyon Drive to the intersection of Green Rock Drive and Knollwood Drive (*the City shall pay for the difference in cost between an 8 inch main and the 12 inch main*);

2) Construction of a connection of the new main in Green Rock Drive to City's 30-inch main in Sunshine Canyon Drive;

3) Construction of an 8-inch connection of the new water main in Willow Glen Court to the City's 8-inch PVC main.

4) Construction of four service connections for properties located on Spruce Street.

5) Installation of new 8-inch PVC pipeline to create a loop connection between the new water mains in the Green Rock Drive and Knollwood Drive.

6) Connection of service lines from a meter pit for each home within the District and 150 Green Rock Drive into the new mains; provided the City shall pay for the connection and service line for 150 Green Rock Drive. The District and individual property owners in the District shall be responsible for funding, constructing and connecting a compatible service line from the meter pit to the structure to be served and pressure reducing valve.

7) Connection of one irrigation tap (to be owned by the District and then the HOA) at Outlot A, 101 Green Rock Drive, Knollwood Subdivision recorded in the records of Boulder County at Planfile R. 1-3-9, for irrigation of common improvements.

8) Installation of 10 new fire hydrants and removal of existing hydrants.

9) Full depth asphalt (6-inch asphalt with a 6-inch road base) to replace existing roads (not to exceed 22 feet in width) on Green Rock Drive, Knollwood Drive, Willow Glen Court and Brookside Court. No widening of existing streets, curbs, or gutters shall be required.

**PLAN FOR DISSOLUTION
OF KNOLLWOOD METROPOLITAN DISTRICT**

This Plan for Dissolution of Knollwood Metropolitan District (the “District”) describes how the District’s existing services will be continued and details the plan for adequately covering the District’s financial obligations and outstanding bonds.

I. Background

The District was formed as the Knollwood Water District in 1965 to provide water service to the District’s residents and was converted to a metropolitan district in 2015 to also provide street improvements and traffic and safety controls. The Second Amended Statement of Purposes attached as Exhibit A was approved as a condition of the annexation pursuant to the IGA described below.

The District and the City of Boulder (“Boulder”) entered into an Intergovernmental Agreement Regarding Annexation and Transition of Municipal Services with an effective date of _____, 2019 (the “IGA”), incorporated herein by this reference. The IGA sets forth details regarding the District’s powers after annexation, dissolution of the District for all purposes except as necessary to adequately provide for the payment of remaining financial obligations or outstanding debt of the District, construction of water and street infrastructure for the District, Boulder’s provision of the District’s essential services following the District’s dissolution, acquisition of the District’s infrastructure and facilities by Boulder, provisions for Boulder to fix rates, tolls, fees, or charges for services provided, and provisions regarding contract modification. By Ordinance No. ____, the Boulder City Council annexed the entire District into Boulder’s municipal boundaries effective _____. Following annexation and connection to Boulder’s water system, Boulder will provide the District’s residents with water services and manage the public streets as part of the Boulder municipal systems, which are the essential services provided by the District.

II. Dissolution

By Resolution No. ____, dated _____, the Board of Directors of the District (the “Board”) determined that it was in the best interest of the District to dissolve in accordance with this Plan of Dissolution to adequately provide for payment of existing financial obligations and outstanding debt. This Plan for Dissolution provides for dissolution of the District for all purposes except for the limited powers reserved herein and to the extent necessary to fulfill the District’s financial obligations and outstanding debt. This Plan will be attached to the petition for dissolution filed with the court. The District will comply with the requirements of §§ 32-1-701 to 710, C.R.S., including holding a dissolution election and seeking a court order dissolving the District for all purposes except those reserved herein in accordance with then-applicable law (“Limited Dissolution Order”).

Following the Limited Dissolution Order, the Boulder City Council shall serve as the Board of the District and effectuate this Plan of Dissolution (the “Limited-Purpose Board of Directors”). The Limited-Purpose Board of Directors will have the authority to adequately provide for the full

payment, satisfaction, and discharge of the Outstanding Debt as described in Section IV as provided in this Plan for Dissolution.

III. Continued Provision of the District’s Services

A. Water Service

Boulder has been providing water services within the District as provided in the IGA. The District has abandoned or conveyed all of its wells, water rights, and other water infrastructure as provided in the IGA. As the sole water service provider, Boulder is responsible for operating and maintaining all facilities and infrastructure necessary to provide water service to the District’s residents, consistent with its provision of water to other Boulder water customers. Boulder will continue to provide water service within the District to provide one of the two essential services of the District after dissolution.

B. Boulder to Provide Street Improvements and Traffic and Safety Control

Upon annexation, the public streets within the District became public streets within Boulder, and Boulder has been providing street improvements and traffic and safety controls in the District consistent with its provision of street services to other Boulder streets (“Street Services”). Upon dissolution, Boulder will continue to provide street service within the District as the other essential service of the District.

C. HOA to Provide Community Services

The District has also provided other non-essential services to residents, including contracting for snowplowing of the public streets within the District boundaries and operation and maintenance of the outlots shown on recorded plats for the area within the boundaries of the District that are owned by the District (collectively referred to herein as the “Outlots”) (“Community Services”). The residents of the District had the right to organize a unit owners’ association to provide these Community Services.

IV. Existing Financial Obligations and Outstanding Debt

The District will continue in existence to the extent necessary to adequately provide for payment of the District’s financial obligations and outstanding debt. The District’s “Outstanding Debt” is set forth in the following table:

Name	Date Issued	Loan Amount	Interest Rate	Maturity Date	Balance Outstanding
General Obligation Loan Series 2017: 2017 Draw and 2018 Draw	February 8, 2017	\$ 500,000	4%	December 1, 2031	
General Obligation Loan Series 2019					

A. Continuing Powers for the Limited-Purpose Board of Directors

Following the Limited Dissolution Order, the Limited-Purpose Board of Directors will have the authority to exercise the following powers until all principal and interest payments on the Outstanding Debt are fully paid, satisfied, and discharged:

1. Keep and maintain records and books of account in accordance with generally recognized principles of accounting.
2. Prepare an annual budget and appropriate funds.
3. Prepare or contract for the preparation of an annual audit, if required by law or contract.
4. Open, manage, and maintain the necessary bank accounts to comply with the terms of the Outstanding Debt, including, but not limited to, holding reserve funds.
5. Adjust and certify a mill levy to the Board of County Commissioners of Boulder County in an amount sufficient to pay the total interest and principal payments due in the following year for the Outstanding Debt.
6. Collect the mill levy from the Board of County Commissioners and appropriate those funds to cover principal and interest payments for the Outstanding Debt due each year.
7. Enforce collection of any taxes certified and assessed by the District, at the time and in the form and manner as other general taxes, and with like interest and penalties.
8. Prepay, in whole or in part, the Outstanding Debt.
9. Maintain proper insurance.
10. Comply with all terms and conditions, covenants, or reporting requirements contained in the Loan Agreements or Bond Resolutions for the Outstanding Debt.

In addition to the authority described above, the Limited-Purpose Board of Directors will have any necessary or implied authority required to ensure full payment, satisfaction, and discharge of the Outstanding Debt. The Limited-Purpose Board of Directors shall act in good faith and will be subject to limitations contained in the voter authorization pursuant to Art. X, Sec. 20 of the Colorado Constitution.

The Limited-Purpose Board of Directors will also have the authority to ensure that any outstanding balances or excess District funds not required for payment of the Outstanding Debt are applied to reduce the rates, tolls, fees, and charges fixed by Boulder for providing water service, street improvements, and traffic and safety controls consistent with § 32-1-708(1), C.R.S.

EXHIBIT E

V. Completion of Plan for Dissolution

This Plan for Dissolution provides for the adequate satisfaction of the District's financial obligations and outstanding debt and covers the continued provision of the District's essential services. When the Outstanding Debt is fully paid, satisfied, and discharged, the District will be completely dissolved and have no continuing authority or powers. Boulder or the Board of Directors of the District will petition for a final court order of dissolution at that time.

**SECOND AMENDED STATEMENT OF PURPOSES
KNOLLWOOD METROPOLITAN DISTRICT
(FORMERLY KNOWN AS KNOLLWOOD WATER DISTRICT)**

Knollwood Metropolitan District (the “District”) (formerly known as the Knollwood Water District) hereby files the following Second Amended Statement of Purposes with the City Council of the City of Boulder, State of Colorado, (the “City”) pursuant to C.R.S. § 32-1-208(3), and requests approval.

RECITALS

WHEREAS, the Knollwood Water District was originally organized for the following purposes: 1) to supply water for domestic purposes by any available means, and 2) other purposes determined by the Board Members of the District in accordance with §§ 32-1-101, *et. seq.*, C.R.S.

WHEREAS, the Knollwood Water District converted to a Metropolitan District by order of the District Court of Boulder County dated December 17, 2015 in Case No. 1965CV018489. The Board of County Commissioners of Boulder County approved an Amended Statement of Purposes for the District by Resolution 2015-126 dated December 10, 2015, *nunc pro tunc* December 8, 2015, which added street improvements and safety protection through traffic and safety controls and devices to the types of services and facilities to be provided by the District.

WHEREAS, on _____, 2019, the City Council of the City passed Ordinance _____, approving annexation of certain property, including all of the property within the boundaries of the District.

WHEREAS, on _____, 2019, the City Council passed Resolution No. _____, accepting designation as the approving authority for the District.

WHEREAS, the District and the City entered into an Intergovernmental Agreement Regarding Annexation and Transition of Municipal Services dated _____, 2019 (the “IGA”), pursuant to which the City agreed to construct and the District agreed to finance certain water and street improvements to enable the City to provide water for domestic purposes to the properties within the boundaries of the District. The District further agreed in the IGA to submit this Second Amended Statement of Purposes to the City to delineate the District’s powers and agreed to a dissolution plan.

NOW, THEREFORE, the District files with the City Council the following Second Amended Statement of Purposes and requests approval thereof:

1. **Purposes for which the District is organized.** The purposes for which the Knollwood Metropolitan District is organized are, to the extent consistent with the IGA, 1) to provide water services, 2) to provide street improvements and safety protection through snow plowing, and 3) to enforce recorded covenants for the Knollwood Subdivision, Knollwood Subdivision First Addition, and Knollwood Subdivision Second Addition.

EXHIBIT A TO EXHIBIT E

2. **Services and facilities provided or to be provided by the District.** Subject to the provisions of this Section 2 and Section 3, below, and to the extent consistent with the IGA, the facilities and services to be provided by the District are: 1) the provision of water for domestic purposes, 2) financing and construction of water improvements, 3) payment of water plant investment fees, annexation-related fees and other fees required for connection to the City's water system, 4) financing of and contracting for street improvements, 5) obtaining permits and contracting for snowplowing, and 6) enforcement of recorded covenants for the Knollwood Subdivision, Knollwood Subdivision First Addition, and Knollwood Subdivision Second Addition.

Pursuant to the IGA, the District is limited to exercising the following powers in connection with provision of these services:

- A. Incurring and paying financial obligations, consistent with the IGA.
- B. Assessing a mill levy, fees, and any special assessments necessary to pay operating costs and any debt of the District and cover the costs of the District until the District has fully discharged all financial obligations.
- C. Providing water supply, treatment and delivery services within the District, until connection to the City's water system, and billing for fees, costs and charges associated therewith.
- D. Operating and maintaining the District water system until conveyance to the City or abandonment per the IGA.
- E. Operating and maintaining outlots owned by the District, until conveyance to an HOA or the City.
- F. Abandoning District wells and property and/or conveying real and personal property to the HOA or the City.
- G. Contracting for construction or installation of water system and street improvements, which are related to or necessary for: a) water service by the District until connection to the City, b) properties within the District to receive water service from the City; c) completion of annexation; or d) fulfillment of District duties under the IGA.
- H. Acquisition of easements or other property interests needed for the District public improvements, set forth in Section G above, provided that the City's prior approval is required before the District exercises its power of eminent domain.
- I. Snow removal on streets within the District.
- J. Complying with and enforcing terms of the IGA and agreements with water users.
- K. Enforcement of covenants not inconsistent with City regulations and requirements as contained in the Declarations of Covenants, Conditions and Restrictions, recorded in the real property records of the County Clerk and Recorder of Boulder County on July

EXHIBIT A TO EXHIBIT E

23, 1965 for the Knollwood Subdivision at reception number 789376, on November 4, 1966 for the Knollwood Subdivision First Addition at reception number 831673, and on October 15, 1969 for the Knollwood Subdivision Second Addition at reception number 893916, as amended.

- L. Cooperation and assistance to homeowners regarding organization of an HOA and amendment of covenants.
 - M. Performing obligations of the District required by Colorado law, including budgeting and auditing, required elections, and obligations to accountants, auditors and attorneys.
 - N. All powers set forth in paragraph 3 below.
 - O. Any additional necessary powers or implied authority required to provide water service and satisfy the terms of the IGA.
 - P. Other powers approved by the City in advance in writing.
3. **Future Dissolution and Limitation of Powers.** Upon the later of: a) _____, 2024 (five years after the effective date of the Annexation Ordinance); or b) two years after the City's final acceptance of the water system and street improvements necessary to provide water service to the properties within the District (the District Public Improvements), the District may only exercise the following powers necessary to adequately provide for the payment of all remaining financial obligations or outstanding debt of the District at such time (the "Outstanding Debt") or powers expressly approved by the City in writing in advance:
- A. If an Order of Dissolution of the District has been entered by the District Court of Boulder County, all powers listed in the Order of Dissolution; or
 - B. If no Order of Dissolution has been entered, the District's Powers will be limited to the following powers:
 - 1. Keeping and maintaining records and books of account in accordance with generally recognized principles of accounting.
 - 2. Preparing an annual budget and appropriating funds.
 - 3. Preparing or contracting for the preparation of an annual audit, if required by law or contract.
 - 4. Opening, managing, and maintaining the necessary bank accounts to comply with the terms of any Outstanding Debt, including, but not limited to, holding reserve funds.
 - 5. Adjusting and certifying a mill levy to the Board of County Commissioners of Boulder County in an amount sufficient to pay the total interest and

EXHIBIT A TO EXHIBIT E

principal payments and any fees due in the following year for all Outstanding Debt.

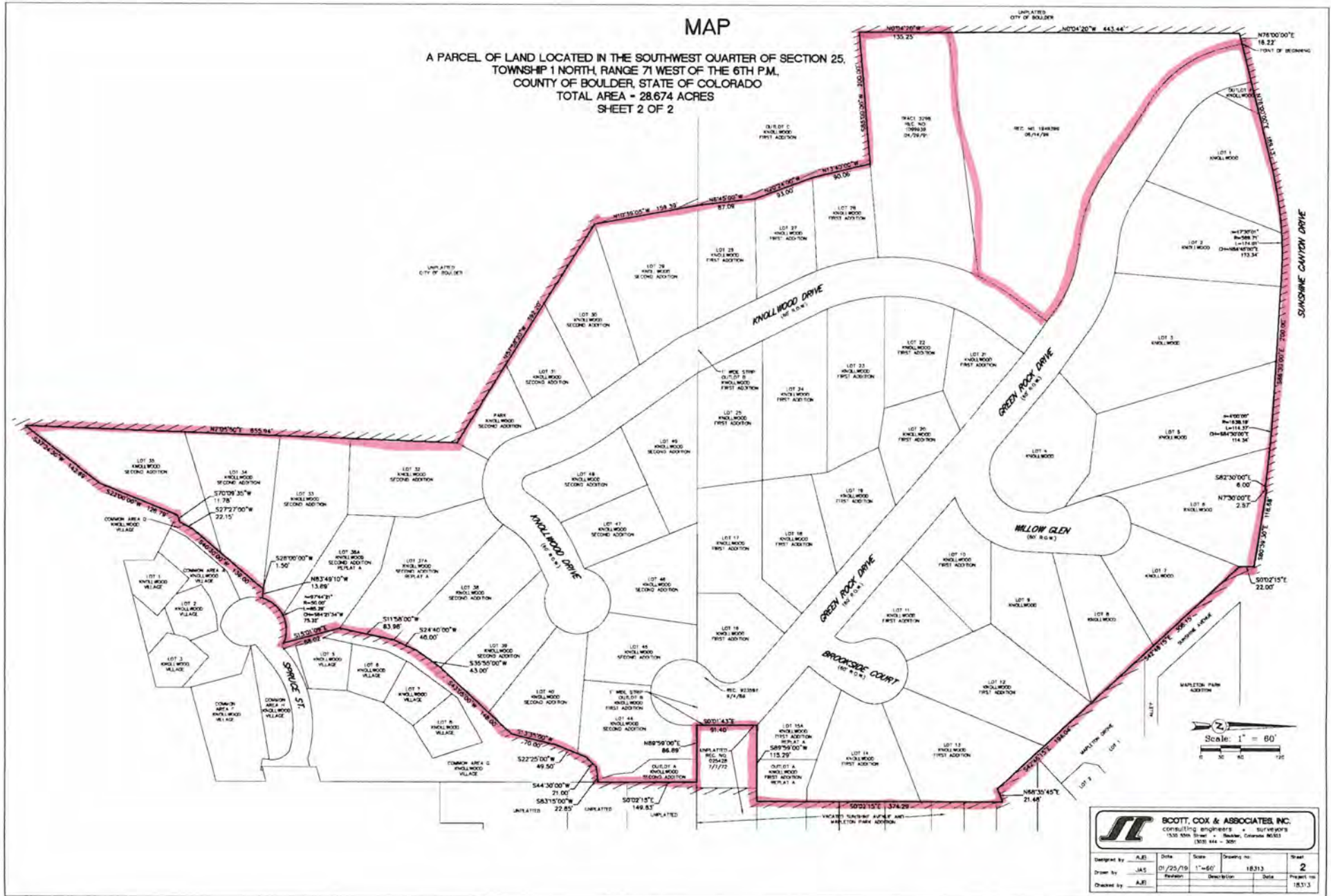
6. Collecting the mill levy from the Board of County Commissioners and appropriating funds to cover principal, interest and fee payments for the Outstanding Debt due each year.
 7. Enforcing collection of any taxes certified and assessed by the District, at the time and in the form and manner as other general taxes, and with like interest and penalties.
 8. Prepaying, in whole or in part, the Outstanding Debt.
 9. Maintaining proper insurance.
 10. Complying with all terms and conditions, covenants, or reporting requirements contained in any loan agreements, bond resolutions or other agreements for the Outstanding Debt.
 11. Any additional necessary powers or implied authority required to ensure full payment, satisfaction, and discharge of the Outstanding Debt.
 12. Ensuring that any outstanding balances or excess District funds not required for payment of the Outstanding Debt are applied to reduce the rates, tolls, fees, and charges fixed by the City for providing water service, street improvements, and traffic and safety controls consistent with § 32-1-708(1), C.R.S.
4. **The areas served or to be served by the District.** The areas served or to be served by the District are those areas within the boundaries of the District or that will be subsequently included within the boundaries of the District, with current boundaries shown in the attached Exhibit.

Respectfully submitted this ___ day of _____, 2019.

KNOLLWOOD WATER DISTRICT

By: _____
Alan Teran, President

EXHIBIT - DISTRICT BOUNDARY MAP Annexation and Transition of Municipal Services





COVER SHEET

MEETING DATE

October 10, 2024

AGENDA ITEM

Consideration of a motion to approve Resolution 1356 indicating the City of Boulder's support for 7A, a measure appearing on the November 5, 2024 Boulder County ballot concerning exemption of the Regional Transportation District from TABOR refunds

PRIMARY STAFF CONTACT

Carl Castillo, 303-441-3009

REQUESTED ACTION OR MOTION LANGUAGE

Motion to approve Resolution 1356 indicating the City of Boulder's support for 7A, a measure appearing on the November 5, 2024 Boulder County ballot concerning exemption of the Regional Transportation District from TABOR refunds

ATTACHMENTS:

Description

- ▣ **Item 2B - Resolution 1356 supporting Issue 7A**



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: October 10, 2024

AGENDA TITLE: Consideration of a motion to approve Resolution 1356 indicating the City of Boulder’s support for 7A, a measure appearing on the November 5, 2024 Boulder County ballot concerning exemption of the Regional Transportation District from TABOR refunds

PRESENTERS:

Nuria Vandermyde, City Manager
Chris Meschuk, Deputy City Manager
Carl Castillo, Chief Policy Advisor

EXECUTIVE SUMMARY

At its September 19, 2024 business meeting, city council provided direction for staff to develop a resolution, included as **Attachment A**, indicating the city’s support for Issue 7A: concerning, a measure appearing on the November 5, 2024 Boulder County ballot concerning exemption of the Regional Transportation District from TABOR refunds. This agenda item is presented to allow council to consider approving such resolution.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to approve Resolution 1356 indicating the city’s support for Issue 7A: concerning, a measure appearing on the November 5, 2024 Boulder County ballot concerning exemption of the Regional Transportation District from TABOR refunds.



ATTACHMENT

Attachment A – Resolution 1356 indicating the city’s support for Issue 7A: a measure appearing on the November 5, 2024 Boulder County ballot concerning exemption of the Regional Transportation District from TABOR refunds.

RESOLUTION 1356

**A RESOLUTION INDICATING THE CITY OF BOULDER'S
SUPPORT FOR ISSUE 7A: A MEASURE APPEARING ON THE NOVEMBER 5,
2024 BOULDER COUNTY BALLOT CONCERNING EXEMPTION OF THE
REGIONAL TRANSPORTATION DISTRICT FROM TABOR REFUNDS.**

**THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO FINDS AND
RECITES THAT:**

1. The Regional Transportation District (“RTD”) board of directors has submitted a question to the eligible electors of RTD at an election to be held on November 5, 2024. This ballot measure (designated as 7A) provides that, without imposing any new tax or increasing any tax rate, RTD is authorized to continue to collect, retain and spend all revenues it receives from whatever sources without regard to the limitations set forth in the Taxpayer’s Bill of Rights (“TABOR”) in Article X, Section 20 of the Colorado Constitution.
2. In 1999, voters exempted RTD from TABOR’s revenue and spending limitations through the period required to pay certain bond debt. RTD will pay off this bond debt in November 2024, which will subject much of RTD’s TABOR-applicable revenue, except the .4% sales and use tax levied for RTD’s FasTracks Project to TABOR’s growth limitations beginning in 2025.
3. TABOR growth limitations will limit the annual allowable growth in RTD’s revenue collection beginning in 2025. Revenue collected in excess of these TABOR limits must be returned to taxpayers.
4. RTD provides critical services as a public transit provider for Boulder as well as part or all of eight counties and 31 municipalities in the Denver-Boulder metro area.
5. Public transit and the services provided by RTD are critical to meeting many of our region’s and state’s goals, including (1) providing affordable, equitable transportation options that advance access to opportunity by providing access to jobs, school, medical appointments and other services; (2) contributing to the county’s and state’s efforts to achieve their air quality, climate, and affordable housing goals; (3) providing affordable transportation options for seniors, people with disabilities and lower income residents.
6. Public transit is 10 times safer than traveling by car.

RESOLUTION:

The Boulder City Council hereby supports and urges a YES vote on measures 7A which will authorize RTD to continue to collect, retain and spend all revenues it receives from whatever sources without regard to the limitations of TABOR.

ADOPTED this 10th day of October 2024.

CITY OF BOULDER, COLORADO

Aaron Brockett, Mayor

Attest:

Elesha Johnson, City Clerk



COVER SHEET

MEETING DATE

October 10, 2024

AGENDA ITEM

Second reading and consideration of a motion to adopt Ordinance 8652 designating the property at 3300 Penrose Pl., City of Boulder, Colorado, to be known as the Geological Society of America, as an individual landmark under Chapter 9-11, "Historic Preservation," B.R.C. 1981; and setting forth related details

PRIMARY STAFF CONTACT

Marcy Gerwing, Principal Preservation Planner

REQUESTED ACTION OR MOTION LANGUAGE

Motion to adopt Ordinance 8652 designating the property at 3300 Penrose Pl., City of Boulder, Colorado, to be known as the Geological Society of America, as an individual landmark under Chapter 9-11, "Historic Preservation," B.R.C. 1981; and setting forth related details

ATTACHMENTS:

Description

- **Item 3A - 2nd Rdg. Ord 8652 3300 Penrose Place Individual Landmark Designation**



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: October 10, 2024

AGENDA TITLE

Second reading and consideration of a motion to adopt Ordinance 8652 designating a portion of the property at 3300 Penrose Pl., City of Boulder, Colorado, to be known as the Geological Society of America, as an individual landmark under Chapter 9-11, “Historic Preservation,” B.R.C. 1981; and setting forth related details.

Owner: Housing Authority, City of Boulder / Applicant: Leah Loostrom, Coburn Partners

PRESENTERS

Nuria Rivera-Vandermyde, City Manager
Mark Woulf, Assistant City Manager
Brad Mueller, Director of Planning and Development Services
Kristofer Johnson, Comprehensive Planning Senior Manager
Chris Reynolds, Deputy City Attorney, City Attorney’s Office
Marcy Gerwing, Principal Historic Preservation Planner
Clare Brandt, Historic Preservation Planner

EXECUTIVE SUMMARY

The purpose of this agenda item is for City Council to consider second reading of an ordinance designating a portion of the property at 3300 Penrose Pl. as an individual landmark under the city’s Historic Preservation Ordinance. The council must determine whether the proposed individual landmark designation of the property meets the purposes and standards of the Historic Preservation Ordinance (*Sections 9-11-1 and 9-11-2, B.R.C. 1981*). This includes that the landmark designation:

- 1. Will promote the public health, safety, and welfare by protecting, enhancing, and perpetuating buildings, sites, and areas of the city reminiscent of past eras, events, and persons important in local, state, or national history or providing significant examples of architectural styles of the past.*

2. *Will develop and maintain appropriate settings and environments for such buildings, sites, and areas to enhance property values, stabilize neighborhoods, promote tourist trade and interest, and foster knowledge of the city's living heritage.*

3. *Will draw a reasonable balance between private property rights and the public interest in preserving the city's cultural, historic, and architectural heritage by ensuring that demolition of buildings and structures important to that heritage will be carefully weighed with other alternatives and that alterations to such buildings and structures and new construction will respect the character of each such setting, not by imitating surrounding structures, but by being compatible with them.*

The property owners are in support of the designation. If approved, this ordinance (see [Attachment A](#)), would result in the designation of the property as an individual landmark. The findings are included in the ordinance. A second reading for this designation is a quasi-judicial public hearing.

STAFF RECOMMENDATION

Suggested Motion Language:
 Staff requests council consideration of this matter and action in the form of the following motion:

Motion to adopt Ordinance 8652 designating a portion of the property at 3300 Penrose Pl., City of Boulder, Colorado, to be known as the Geological Society of America, as an individual landmark under Chapter 9-11, "Historic Preservation," B.R.C. 1981; as well as adopt the staff memorandum dated Sept. 5, 2024 as the findings and conclusions of council, and setting forth related details.

LANDMARKS BOARD ACTIONS & FEEDBACK

On August 7, 2024, the Landmarks Board voted **5-0** to recommend that the City Council designate a portion of the property at 3300 Penrose Pl. as a local historic landmark, to be known as the Geological Society of America, finding that it meets the standards for individual landmark designation in Sections 9-11-1 and 9-11-2, B.R.C. 1981.

PUBLIC FEEDBACK

Two members of the public spoke at the designation hearing.

ANALYSIS

Code Criteria for Review

Section 9-11-6(b), *Council Ordinance Designating Landmark or Historic District*, of the historic preservation ordinance specifies that in its review of an application for local landmark designation, the council must consider "whether the designation meets the purposes and standards in Subsections 9-11-1(a) and Section 9-11-2, *City Council May Designate Landmarks and Historic Districts*, B.R.C. 1981, in balance with the goals and

policies of the Boulder Valley Comprehensive Plan.” The City Council shall approve by ordinance, modify and approve by ordinance, or disapprove the proposed designation.

9-11-1, *Legislative Intent, B.R.C. 1981* states:

- (a) The purpose of this chapter is to promote the public health, safety, and welfare by protecting, enhancing, and perpetuating buildings, sites, and areas of the city reminiscent of past eras, events, and persons important in local, state, or national history or providing significant examples of architectural styles of the past. It is also the purpose of this chapter to develop and maintain appropriate settings and environments for such buildings, sites, and areas to enhance property values, stabilize neighborhoods, promote tourist trade and interest, and foster knowledge of the city’s living heritage.
- (b) The City Council does not intend by this chapter to preserve every old building in the city but instead to draw a reasonable balance between private property rights and the public interest in preserving the city’s cultural, historic, and architectural heritage by ensuring that demolition of buildings and structures important to that heritage will be carefully weighed with other alternatives and that alterations to such buildings and structures and new construction will respect the character of each such setting, not by imitating surrounding structures, but by being compatible with them.
- (c) The City Council intends that in reviewing applications for alterations to and new construction on landmarks or structures in a historic district, the Landmarks Board shall follow relevant city policies, including, without limitation, energy-efficient design, access for the disabled, and creative approaches to renovation.

9-11-2, *City Council may Designate Landmarks and Historic Districts, B.R.C. 1981* states:

- (a) Pursuant to the procedures in this chapter the City Council may by ordinance:
 - (1) Designate as a landmark an individual building or other feature or an integrated group of structures or features on a single lot or site having a special character and historical, architectural, or aesthetic interest or value and designate a landmark site for each landmark;
 - (2) Designate as a historic district a contiguous area containing a number of sites, buildings, structures or features having a special character and historical, architectural, or aesthetic interest or value and constituting a distinct section of the city;
 - (3) Designate as a discontinuous historic district a collection of sites, buildings, structures, or features which are contained in two or more geographically separate areas, having a special character and historical, architectural, or aesthetic interest or value that are united together by historical, architectural, or aesthetic characteristics; and
 - (4) Amend designations to add features or property to or from the site or district.

Upon designation, the property included in any such designation is subject to all the requirements of this code and other ordinances of the city.



Figure 1. Southeast elevation, in 1978¹ showing the main building entrance (left) and current image (right).

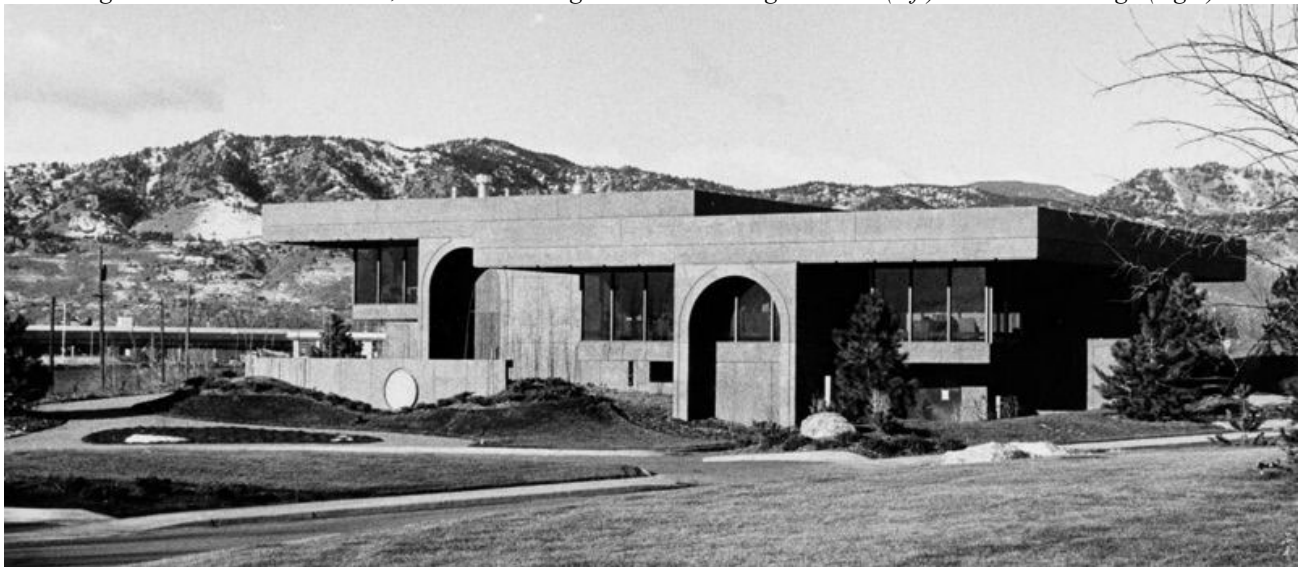


Figure 2. 3300 Penrose Pl. shortly after construction in 1972 showing the character-defining features including the cantilevered flat roof with deep overhangs and waffle-style soffit, deeply inset arched doorways with massive wood doors, undulating surrounding landscaping, ribbon window openings, and integrated retaining walls and hardscape features.²

¹ Wendy, Charles. "A lovely architectural specimen graces Boulder." March 26, 1978. Daily Camera *Focus*, Boulder Colorado.

² "Photo 2 - 3300 Penrose Place" 23 December 1972. Call No. 207-13-45. Carnegie Library for Local History. <https://localhistory.boulderlibrary.org/islandora/object/islandora%3A28259>



Figure 3. Left: 1972 view of front entry and Geological Society seal at the southeast elevation.³ Right: Similar front entry view (southeast elevation) in 2024.



Figure 4. Top: Northeast (facing Penrose Place) elevation, 1972.⁴ Bottom: existing elevation from same location showing intersecting buildings and flat roof, 2024.

Summary of Significance

To assist in the interpretation of the historic preservation ordinance, the Landmarks Board adopted an administrative regulation in 1975 establishing [Significance Criteria for](#)

³ Cleveland, Jerry. "A Headquarters with a Geological Look." Sept. 3, 1972. Daily Camera *Focus*, Boulder Colorado.

⁴ "Open House Friday at New Geological Society Center." Oct. 19, 1972. Daily Camera, Boulder.

[Individual Landmarks](#) (link). For additional information on the history of the property, please see the [August 7, 2024 Landmarks Board Memorandum](#) (link).

ANALYSIS:

A. Would the designation protect, enhance, and perpetuate a property reminiscent of a past era(s), event(s), and person(s) important in local, state, or national history in Boulder or provide a significant example of architecture of the past?

Staff considers, and the Landmarks Board found, that the proposed designation of a portion of the property at 3300 Penrose Pl. will protect, enhance, and perpetuate a property reminiscent of a past era of history and preserve an important example of Boulder’s historic architecture.

B. Does the proposed application develop and maintain appropriate settings and environments for such buildings, sites, and areas to enhance property values, stabilize neighborhoods, promote tourist trade and interest, and foster knowledge of the City’s living heritage?

Staff considers, and the Landmarks Board found, that the proposed designation will maintain an appropriate setting and environment for the building and site, and enhance property values, stabilize the neighborhood, promote tourist trade and interest, and foster knowledge of the city’s living heritage.

HISTORIC SIGNIFICANCE:

Summary: The building located at 3300 Penrose Pl. meets the following historic significance criteria:

1. Date of Construction: 1972

Elaboration: The building was designed for the Geological Society of America as the headquarters for the national organization and opened on Oct. 20, 1972.

2. Association with Persons or Events: Geological Society of America

Elaboration: The building was purpose-designed by the Geological Society of America as the headquarters for the national organization. The Geological Society of America was formed in 1888 and is the oldest national society of earth scientists. The organization moved from New York to Boulder in 1967.⁵

3. Distinction in the Development of the Community: The relocation of the Geological Society and construction of permanent headquarters was part of the trend of federal and private institutions establishing locations in Boulder after World War II. This trend included the construction of the National Bureau of Standards Central Radio Propagation Laboratory—now the National Institute of Standards and Technology (NIST)—in 1954 and the establishment of the University Corporation for Atmospheric Research in 1959. The National Center for Atmospheric Research’s

⁵ “Open House Friday at New Geological Society Center.” Oct. 19, 1972. Daily Camera, Boulder CO.

Mesa Laboratory was designed by modernist architect I. M. Pei in 1961 and constructed in 1967 in a similar Brutalist style.

- 4. Recognition by Authorities:** Rocky Mountain Chapter of the American Concrete Institute award, 1973; Boulder Modern Architecture Survey, 2000; Historic Boulder, Inc.

Elaboration: Voted “the outstanding concrete building erected in Colorado in 1972” by the Rocky Mountain Chapter of the American Concrete Institute for “mirroring the natural, outdoors science of geology.”⁶ Noted as eligible for the National Register of Historic Places based on a 2000 Survey.⁷

ARCHITECTURAL SIGNIFICANCE:

Summary: The building at 3300 Penrose Pl. meets the following architectural significance criteria.

- 1. Recognized Period or Style:** Brutalist

Elaboration: A series of horizontal, broadly cantilevered concrete planes, each one larger than the one below, are supported by projecting vertical arched slabs, which are visually connected only by mullions and glass.

- 2. Architect or Builder of Prominence:** Everett and Zeigel, architects; Fagre Construction Co., contractor; Floyd Tanaka of THK Associates of Denver and John R. Frankhouser, landscape architects.

Elaboration: Art Everett of the firm Everett and Zeigel, designed the building. Everett was a co-founding member of Everett Zeigel Architects in 1964, along with business partner Alan Zeigel. Everett is considered one of Boulder’s “masters of local Modernism.”⁸ His other architectural works in Boulder (with Zeigel) include the Pearl Street Mall, which won a national design award; 175 Bellevue Drive (1967);⁹ and the National State Bank (1650 Canyon Blvd., demolished 2019).¹⁰

- 3. Artistic Merit:** From a *Daily Camera* article: “One of the loveliest buildings in Boulder is the Geological Society of America, quietly gracing the landscape at 3300 Penrose Pl. ... The exterior appearance of the building is characterized by the strong horizontal roof lines tied to the earth by majestic arches. ... This is one

⁶ April 8, 1973. Boulder Daily Camera. Carnegie Library for Local History.

⁷ Wray, Diane “3300 Penrose Place historic building inventory record.” June 1, 2000. Call No. 780 Penrose 3300. Carnegie Library for Local History, Boulder. <https://localhistory.boulderlibrary.org/islandora/object/islandora%3A28414>

⁸ Palia, Michael, Leonard Segal, Diane Wray “Modern Architectural Structures in Boulder: 1947-1977.” 2000. <https://localhistory.boulderlibrary.org/islandora/object/islandora%3A94995>

⁹ “Art Everett: A Boulder Architecture Icon.” <https://www.modboulder.com/advice/art-everett-a-boulder-architecture-icon>

¹⁰ “Mid-Century Modern Architecture in Boulder, CO.” PocketSights. <https://pocketsights.com/tours/tour/Boulder-Mid-Century-Modern-Architecture-in-Boulder-CO-Central-7973>

of Boulder's most attractive and interesting buildings and offers visitors the uncommon experience of enjoying natural history as an artform."¹¹

- 4. Example of the Uncommon:** Constructed as a permanent geology exhibit
Elaboration: The building itself mirrors “the natural, outdoors science of geology” through the architect’s unusual choice of exposed local aggregate concrete and curtain walls of glass. Additional artifacts on the building exterior and around the grounds also contribute to the intent that the building “bring the outdoors in and take the indoors out.”¹²

In addition, “reinforced concrete was cast in place using plywood forms sprayed with a retardant to cause the cement in the concrete to remain unset on the surface. When the forms were removed the concrete was washed down, the aggregate of tiny rocks and pebbles was exposed, creating an interesting textured surface and a collection of specimens especially fascinating to a geologist.”¹³

- 5. Indigenous Qualities:** “The gravel used in the concrete came from the flood plain of Boulder Creek and consists of fragments of rocks torn from the giant mountains by glaciers, frost, running water, and other mechanical weathering processes, then worn and rounded during their journey to the plains via Boulder Creek and its tributaries. Virtually all of the rock types that make up the Colorado Front Range can be found in the walls. Naturally, fragments of the harder and more durable rocks and minerals predominate - granite, gneiss, quartz, chert, and the like. But it takes only a little looking to find specimens of red-brown shales and sandstones of the Flatirons, of black obsidian glass from extinct volcanoes, and of ancient mica schists that were once sediments and were squeezed and contorted very early in geologic history. There are even a few minerals of copper and other ores to be seen in places, though we have yet to find a nugget of gold. As if to prove that geology is up to date, there is at least one fragment of man-made porcelain embedded in the lobby floor! Perhaps it was once a dish in some prospector's cabin in the early days of mining in Colorado.”¹⁴

ENVIRONMENTAL SIGNIFICANCE:

Summary: The building located at 3300 Penrose Pl. meets the following environmental significance criteria.

¹¹ Jameson, Barbara. “A lovely Architectural Specimen Graces Boulder.” March 26, 1978. Daily Camera *Focus*, Boulder CO.

¹² “Open House Friday at New Geological Society Center.” Oct. 19, 1972. Daily Camera, Boulder CO.

¹³ Kinne, Nancy. “Design of GSA building complements earth’s symmetry, texture and color.” May 30, 1982. Daily Camera *Focus*, Boulder CO.

¹⁴ Eckel, Edwin B. “A Guide for Visitors: Headquarters Building: The Geological Society of America.” 1974. The Geological Society of America, Inc.

1. **Site Characteristics:** Park-like setting with integrated geological “exhibits” originally designed by landscape architect Floyd Tanaka of THK Associates of Denver and John R. Frankhouser.
2. **Compatibility with Site:** The scale and massing of the building and its overall site characteristics are compatible with its surroundings.
3. **Geographic Importance:** The site was initially chosen for its view and “understanding that the new building would be a part of a well-planned, thoroughly landscaped office park. ... not only provide an exceptionally functional and pleasing home, but also will add substantially to the beauty of the approach to Boulder from the northeast along the Longmont Diagonal.”¹⁵
4. **Environmental Appropriateness:** Site specific design, including the design of the landscaping, hardscaping around the building and the building itself.
Elaboration: The sidewalk is “paved with pebbles delivered by Pleistocene glaciers,”¹⁶ and the Geological Society installed geologic specimens within the grounds. Those that remain include the Geological Society Seal, giant clam shell birdbath, sundial carved in a polished slab of serpentine, the bronze benchmark, “GSA-1 1973,” the “Swedish Blue Pearl” stone handles on the front door, garnet rock monolith, and granite blocks on each side of the building entrance.
5. **Area Integrity:** The area was subdivided in 2013¹⁷ but has retained the intended park-like setting.

Landmark Name

Staff and the Landmarks Board recommend the property be known as the **Geological Society of America**. This is consistent with the Landmark Board’s Guidelines for Names of Landmarked Structures and Sites (1988) and the National Register of Historic Places Guidelines for Designation. See [Guidelines for Names of Landmarked Structures and Sites](#) (link).

Boundary Analysis

Staff recommends that the boundary be established to encompass the original portion of the 1972 building, views from the public right-of-way, and exclude the contemporary development on the site. This is consistent with current and past practices and the National Register Guidelines for establishing landmark boundaries. This proposed boundary is supported by the property owners.

ALTERNATIVES

¹⁵ “Geological Society Plans National Headquarters Building for Boulder.” Dec. 19, 1970. Daily Camera, Boulder, CO.

¹⁶ Stolzenburg, William. “Geologists look back – and forward – in time.” Oct. 27, 1988. Daily Camera *Discovery*, Boulder.

¹⁷ Boulder County Records. “Diagonal Park Replat A.” Jan. 30, 2013. <https://boulder.co.publicsearch.us/doc/186271108>

Modify the Application: The City Council may modify the landmark boundary and landmark name.

Deny the Application: If the City Council finds the application does not meet the criteria for landmark designation, it would vote to deny the application.

ATTACHMENTS

Attachment A – Ordinance 8652

Attachment B – [Significance Criteria for Individual Landmarks](#) (1975) (link)

Attachment C – [August 7, 2024 Landmarks Board Memorandum](#) (link)

ORDINANCE 8652

AN ORDINANCE DESIGNATING A PORTION OF THE PROPERTY AT 3300 PENROSE PL., CITY OF BOULDER, COLORADO, ALSO KNOWN AS THE GEOLOGICAL SOCIETY OF AMERICA, A LANDMARK UNDER CHAPTER 9-11, "HISTORIC PRESERVATION," B.R.C. 1981, AND SETTING FORTH RELATED DETAILS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. The City Council enacts this ordinance pursuant to its authority under Chapter 9-11, "Historic Preservation," B.R.C. 1981, to designate as a landmark a property having a special character or special historic, architectural, or aesthetic interest or value.

Section 2. The City Council finds that: 1) on May 8, 2024, the property owners submitted a landmark designation application for the property; 2) the Landmarks Board held a public hearing on the proposed designation on Aug. 7, 2024, and recommended that the City Council approve the proposed designation.

Section 3. The City Council also finds that upon public notice required by law, the City Council held a public hearing on the proposed designation on Oct. 10, 2024, and upon the basis of the presentations at that hearing finds that the property at 3300 Penrose Pl. possesses special historic and architectural value warranting its designation as a landmark.

Section 4. The characteristics of the subject property that justify its designation as a landmark are: 1) its historic significance for its date of construction in 1972 for the Geological Society of America as the headquarters for the national organization; for its association with the Geological Society of America for more than 50 years; its distinction as part of the trend of federal and private institutions establishing locations in Boulder after World War II.; its recognition by authorities including "the outstanding concrete building erected in Colorado in 1972" by the Rocky Mountain

1 Chapter of the American Concrete Institute, and by Historic Boulder, Inc.; and 2) its architectural
 2 significance as an example of Brutalist architecture, evidenced by series of horizontal, broadly
 3 cantilevered concrete planes, each one larger than the one below, are supported by projecting vertical
 4 arched slabs, which are visually connected only by mullions and glass; though its association with Art
 5 Everett of Everett and Zeigel, architects who designed the building and considered Boulder’s “masters
 6 of local Modernism”; Fagre Construction Co., contractor and Floyd Tanaka of THK Associates of
 7 Denver and John R. Frankhouser, landscape architects; as an example of the uncommon as the building
 8 itself mirrors “the natural, outdoors science of geology” through the architect’s unusual choice of
 9 exposed local aggregate concrete and curtain walls of glass and the concept of a permanent geology
 10 exhibit with artifacts on the building exterior and around the grounds; and for the use of local materials;
 11 and 3) its environmental significance in a park-like setting chosen for its view and the site specific
 12 design, including the design of the landscaping, hardscaping around the building and the building
 13 itself.

15 Section 5. The City Council further finds that the foregoing landmark designation is
 16 necessary to promote the public health, safety, and welfare of the residents of the city.

17 Section 6. There is hereby created as a landmark the property located at 3300 Penrose Pl.,
 18 also known as the Geological Society of America, whose legal landmark boundary encompasses a
 19 portion of the legal lots upon which it sits:

20 LEGAL DESCRIPTION

21 LOT 1 DIAGONAL PARK REPLAT A

22 as depicted in the proposed landmark boundary map, attached hereto as Exhibit A.

1 Section 7. The City Council directs that the Planning and Development Services
2 Department give prompt notice of this designation to the property owner and cause a copy of this
3 ordinance to be recorded as described in Subsection 9-11-6(d), B.R.C. 1981.

4 Section 8. The City Council deems it appropriate that this ordinance be published by title
5 only and orders that copies of this ordinance be made available in the office of the City Clerk for
6 public inspection and acquisition.

7 INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY
8 TITLE ONLY THIS 19th day of September 2024.

10 _____
11 Aaron Brockett,
12 Mayor

12 Attest:

13 _____
14 City Clerk

15
16 READ ON SECOND READING, PASSED AND ADOPTED, this 10th day of October
17 2024.

19 _____
20 Aaron Brockett,
21 Mayor

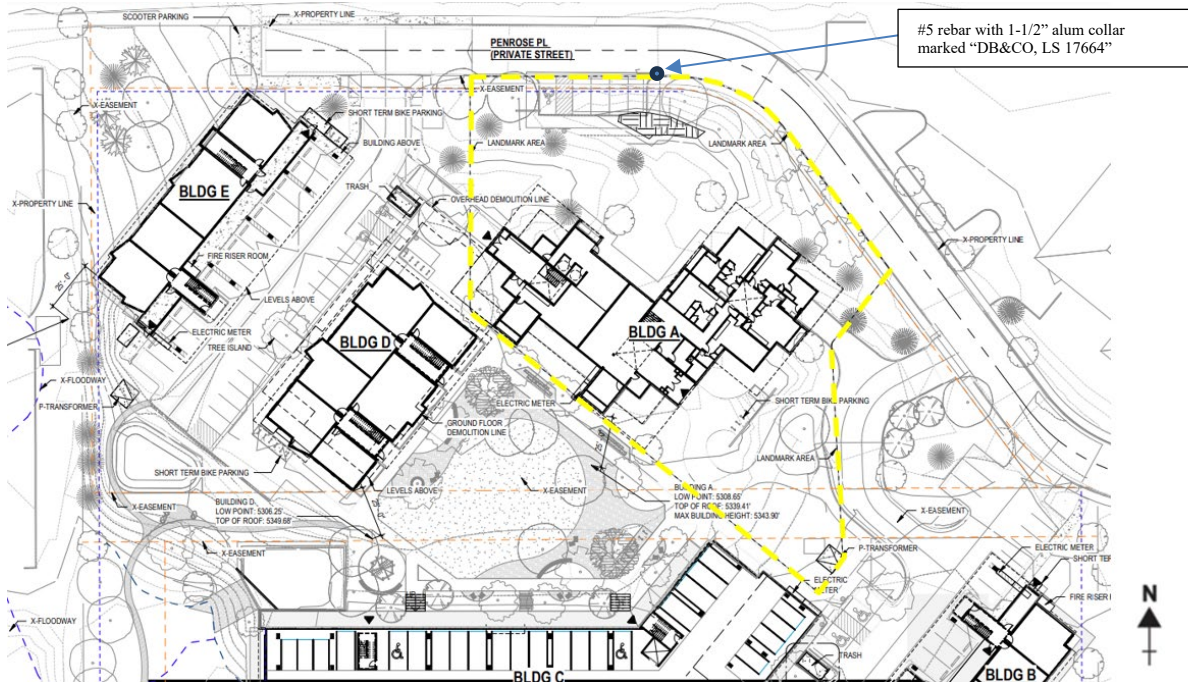
21 Attest:

22 _____
23 City Clerk

Exhibit A – Landmark Boundary Map for 3300 Penrose Pl.

**3300 Penrose Pl., Boulder, Colorado
LOT 1 DIAGONAL PARK REPLAT A**

Starting from the found #5 rebar with 1-1/2” alum collar marked “DB&CO, LS 17664” (found to the north of the building and at the south side of Penrose Place at the point the curve resolves and the street heads west), the boundary extends west 95’5 feet and then south 111’11 feet (measured in plan). The boundary then parallels the eave line of the southwest face of the building for 215’5 feet heading southeast. The boundary then parallels the southeast face of the building for 18’8 feet heading northeast before running north for 99’5 feet. At that point the boundary parallels the southeast face of the building for 41’6 feet northeast to the south edge of Penrose Place. The boundary then follows Penrose Place to the point of beginning. This boundary encompasses the 1972 building and excludes the contemporary development on the site, as depicted by the yellow dotted line in Exhibit A.





COVER SHEET

MEETING DATE

October 10, 2024

STUDY SESSION ITEM

Introduction, first reading and consideration of a motion to order published by title only Ordinance 8664 adding a new Chapter 12-6, "Minimum Wage," B.R.C. 1981, setting a local City of Boulder minimum wage to be competitive and responsive to current and future needs of its community; and setting forth related details

PRIMARY STAFF CONTACT

Taylor Reimann

REQUESTED ACTION OR MOTION LANGUAGE

Motion to introduce and order published by title only Ordinance 8664 adding a new Chapter 12-6, "Minimum Wage," B.R.C. 1981, setting a local City of Boulder minimum wage to be competitive and responsive to current and future needs of its community; and setting forth related details

ATTACHMENTS:

Description

- ▣ **Item 3B - Minimum Wage Memo**



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: October 10, 2024

AGENDA TITLE

Introduction, first reading and consideration of a motion to order published by title only Ordinance 8664 adding a new Chapter 12-6, "Minimum Wage," B.R.C. 1981, setting a local City of Boulder minimum wage to be competitive and responsive to current and future needs of its community; and setting forth related details

PRESENTERS

Nuria Rivera-Vandermyde, City Manager
Teresa Taylor Tate, City Attorney
Laurel Witt, Assistant City Attorney II
Pam Davis, Assistant City Manager
Joel Wagner, Finance Deputy Director
Ryan Hanschen, Community Engagement Manager
Taylor Reimann, Senior Program Manager Circular Economy
Meggs Valliere, City Council Program Manager
Brooks Fordham, Legal Intern

EXECUTIVE SUMMARY

The purpose of this item is for City Council to consider an ordinance to create a local City of Boulder minimum wage that is higher than the state's minimum wage. The minimum wage is the lowest amount of money that an employer can legally pay an employee. In the United States it is described as a per hour rate, and defining these wage floors is done through legislation. While the federal minimum wage is \$7.25 per hour, rates vary widely across states and local communities. Minimum wage for the state of Colorado and the city of Boulder is currently \$14.42 per hour.

Several Boulder County communities (Cities of Longmont, Lafayette, Louisville, and the Town of Erie) collectively explored an increase to the local minimum wage in their respective communities, as allowed by state law. A multijurisdictional group of staff from each of the five municipalities as well as representatives from various community groups worked together to conduct a third-party economic analysis and community engagement initiative to assess current economic conditions and understand community sentiment. Following that collective study, the city of Boulder is the only community that has chosen to pursue council consideration of a local minimum wage.

Proposed Ordinance 8664 (**Attachment A**) is included for council consideration. The ordinance follows council direction at the August 22, 2024 study session and subsequent discussion at the September 5, 2024 regular meeting. Council directed staff to prepare an ordinance increasing the minimum wage by an 8% annual increase each year over three years in 2025, 2026 and 2027, and then increasing the minimum wage yearly thereafter in line with the Consumer Price Index for All Urban Consumers (Denver-Aurora-Lakewood). Under this proposal, Boulder’s minimum wage would be \$15.57 in 2025. Additional policy details associated with a local minimum wage, including the option to exclude unemancipated minors, is included for consideration in the proposed ordinance.

COUNCIL ACTION

Suggested Motion Language:

Staff has provided the following motion for council consideration:

Motion to introduce and order published by title only Ordinance 8664 adding a new Chapter 12-6, “Minimum Wage,” B.R.C. 1981, setting a local City of Boulder minimum wage to be competitive and responsive to current and future needs of its community; and setting forth related details.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic – Instituting a regional minimum wage will have impacts on individuals and households and macroeconomic impacts on the business community and regional economy. These impacts were explored in the economic analysis report and discussed at the [August 22, 2024](#) study session. They include:
 - Macroeconomic indicators such as population growth, unemployment, and inflation, and
 - More-detailed examinations of employment, worker, and household characteristics.
- Social – The social impacts of an increased minimum wage are complex and interdependent with the economic impacts explored above. Feedback from community engagement increased our understanding of the social impacts to individuals and the community at large.

- Unique impacts of increased minimum wage on small businesses and specific industries, such as:
 - Small businesses that are likely operating on narrow profit margins prior to minimum wage implementation,
 - Childcare providers that are more likely to employ younger minimum wage workers,
 - Agricultural businesses requiring significant manual labor,
 - Restaurants that are more likely to see increased gaps in earnings between tipped and non-tipped labor, and
 - Nonprofits that may have to increasingly rely on volunteer labor and fundraising to maintain services.
- The legacies of institutional racism and inequity have led to substantial correlations between racial identity, educational and employment opportunities, wealth generation, and earning potential, which may result in differential positive or negative impacts on different groups of people. The demographics of minimum wage workers compared to all workers include disproportionate representations among people under that age of 24, people that identify as female, people in BIPOC communities (especially those that identify as Hispanic and Latino), and college students.
- Concern about the phenomenon known as the “benefit cliff,” wherein increased wages push individuals and families above the income eligibility limits for safety net benefits programs in which they are enrolled, and their additional income is insufficient to backfill and/or exceed the value of their lost benefits. The benefit cliff phenomenon would only impact individuals who are currently enrolled in benefits and whose incomes increase above eligibility guidelines – many individuals who are eligible for benefits are not currently enrolled. Economic analysis, the literature review, and feedback from community engagement received mixed and sometimes contradictory evidence and feedback on this topic. Each households’ income situation is unique and it’s difficult to make any accurate generalizations.
- Balancing the needs of different individuals working in roles that are paid the minimum wage; for example, acknowledging the needs of adults with families vs. unemancipated minors who all earn the same minimum wage, and balancing those needs with the interests and priorities of the business community.

OTHER IMPACTS

- Fiscal – Increasing the minimum wage will have direct fiscal impact to the city’s budget, as some of the city’s employees would have wage changes. Staff revised the forecast of direct effects of an increased minimum wage, as well as the effects of wage compression from what was presented during the August study session to account for the proposal to increase the minimum wage by 8% each of the next three years. The budgetary impact is less significant than study session estimates in the short-term but grows to an estimated \$429,000-\$919,000 ongoing increase by 2030. Providing public notice of a minimum wage raise will also require a

communications campaign, which will have a budget impact depending on the scope of the campaign.

- Staff time – Implementation needs for the proposed minimum wage ordinance will require additional staff time but the impact is not known at this time, and whether it could be addressed through existing staff workloads. Initial implementation actions would require:
 - Notifying the Colorado Department of Labor and Employment, directing community members to state resources for enforcement and complaints, and a public communications campaign
 - Ensuring annual wage increases are reflected in city employee compensation structures and policies.
 - Receiving and processing wage theft claims submitted to the city. The city’s community relations staff do not have any information about whether or not a change in minimum wage would affect the number of claims received in the future, or how many claims would potentially engage the Human Relations Commission in its quasi-judicial role.

RESPONSES TO QUESTIONS FROM COUNCIL

Following the August 22 study session, staff received several council questions:

1. Multiple questions were submitted regarding sales tax exemptions for the restaurant industry as a tool to help offset increased labor costs related to a minimum wage increase. Examples include a rebate of the food service tax and a sales tax exemption for mandatory service charges related to staffing. In general, staff does not recommend sales tax exemptions as a tool to provide business subsidies for the following reasons:

- Sales tax is not an operating cost of businesses. Sales Tax is a tax that is paid by the consumer and is held in trust by businesses for the sole use and benefit of the city, until remitted at month end.
- The 0.15% Food Service Tax is dedicated to promotion of tourism, so refunding or eliminating it would reduce funding for activities that bring visitors to Boulder.
- Mandatory service charges are widely taxed by municipalities, and the administrative burden of documenting and verifying that the charges were passed directly to staff and not diverted for other business purposes would be high for both businesses and the city.
- A blanket sales tax exemption or rebate does not account for different restaurant business models, since sales tax is calculated on net taxable sales. For example, a fast-food chain with high automation could benefit more than a small local sit-down restaurant, despite having lower payroll costs as a percentage of total operating costs.
- Exemptions or rebates like the examples above would only benefit one subset of employers. Other industries that have large number of potentially affected workers such as Educational Services, Health Care, and Social Assistance do not have revenue models that would benefit from a tax rebate or exemption.
- Finally, creating business subsidies through tax exemptions lacks transparency and is difficult to change if economic or business conditions evolve. Once a tax

exemption is enacted, the revenue is lost into the future and is difficult to quantify for the community. A more transparent model would be the creation of a business subsidy program that is approved in the annual budget process.

2. Do we know how many people who live in the City of Boulder are earning minimum wage? Of those people, how many are earning minimum wage and not a student or minor, or otherwise put, relying on minimum wage as their source of income for an extended period of time?

- Limitations in our data prevent a direct and a precise answer, but we have some information to consider related to this question.
 - We can't quantify the number of people earning the minimum wage in Boulder, but about 37% of Boulder's employment is in low-wage industries such as service, retail, and others.
 - An estimated 31% of the City of Boulder's population is currently enrolled in college, and regionally, college students comprise 37% of minimum wage earners versus 16% of the workforce overall. Approximately half of all college students earn the minimum wage across the region. Specifically, working college students earn a median hourly wage of \$15.44.
 - Unemancipated minors represent a small share of the workforce in the region (2%) and emancipated minors comprise less than 1%. About 7% of unemancipated minors are working, and 57% of those earn the minimum wage. Unemancipated minors who earn the minimum wage are most likely to live in households with two adults (60% of all working unemancipated minors).

3. Do we have an idea of the rate of increase in rent for affordable housing?

- One could infer that low-income households living in affordable housing are more likely to be minimum wage earners, than are people in market rate homes. But not everyone who lives in affordable housing, earns minimum wage. Some have no employment income, others earn minimum wage, and still others earn above minimum wage as hourly or salaried employees. We do not have any specific data available.
- Affordable housing rent is based on income levels (by area median income, or AMI), often up to 50-60% AMI, that can be comprised of wages and/or other forms of income. It is likely that most minimum wage-earning households would be safely within that AMI range, and therefore not likely to risk losing housing.
- For context, the 2024 AMI charts for Boulder Housing Partners apartment eligibility is here: [Are you eligible? - Boulder Housing Partners](#)
- An increase in income for minimum wage earners may impact their rent, but so might any other change in employment, including the number of jobs they currently hold or the number of hours worked.
- Rent amounts vary based on the development and landlord. Staff cannot predict how rent amounts may change in future years.

4. If we raise minimum wage and set raises for the years 2 and 3, will those the written to be binding or can future councils overturn them?

- The city council cannot limit the authority of a future city council to amend an ordinance. The minimum wage ordinance could be subject to change if a future city council were to amend the ordinance.

5. Is it possible to describe the increase as 5% plus inflation, maintaining a variable?

- Yes, though we would need to add an upper limit (15% or \$1.75) on the total amount allowed to be increased per year, as this is the highest amount permitted by the state law.

BOARD AND COMMISSION FEEDBACK

The Human Relations Commission received multiple presentations on the minimum wage project along with opportunities to provide feedback on project deliverables.

- At the beginning of the project, Commissioners encouraged studying impacts experienced in neighboring communities that have already raised the minimum wage, such as Denver.
- In July of 2024 Commissioners received a presentation on the draft engagement report. In general, they shared positive feedback on the completeness and quality of the report, and they were particularly interested in ways of mitigating disproportionate impacts on small businesses, as well as unique impacts on industries such as restaurants, agriculture, and health care settings. They also had specific questions on the relative equity impacts of no action versus passing a new policy on BIPOC community members, and what other solutions might be available to address affordability challenges in the community.

PUBLIC FEEDBACK

Detailed community engagement feedback was summarized in the study session memo from [August 22, 2024](#), including full reports listed in the attachments. Since early August several community members have used the council contact form and made testimony at public comment periods to share their opinions on a new minimum wage. The Special Meeting on October 10, 2024 will be the first public hearing opportunity on this item.

BACKGROUND

Following the adoption of state [House Bill 19-1210](#) which lifts the preemption on local minimum wage laws, communities across Colorado began exploring an increase to their local minimum wage. To date, new laws have been adopted in three communities – Denver, Edgewater, and unincorporated Boulder County.

Several Boulder County communities (Cities of Longmont, Lafayette, Louisville, and the Town of Erie) collectively explored an increase to the local minimum wage in their respective communities, as allowed by state law. A multijurisdictional group of staff from each of the five municipalities as well as representatives from various community groups

worked together to conduct a third-party economic analysis and community engagement to assess current economic conditions and understand community sentiment.

Over the last two and a half years, the Boulder City Council has held several discussions and received staff updates on the topic:

- On May 3, 2022, council supported Council Member Folkerts' participation in a Regional Minimum Wage Working Group forming through the Boulder County Consortium of Cities (discussion, no materials).
- On May 25, 2023, council voted to join Regional Minimum Wage Working Group (discussion, no materials).
- On August 24, 2023, council affirmed their participation in the working group (discussion, no materials).
- On [March 21, 2024](#), council received an information item update.
- On [August 22, 2024](#), council held a study session to consider the findings from community engagement and the economic analysis and determine whether to pursue a local ordinance to raise the minimum wage in the city of Boulder in 2025. A summary of that discussion is included in the [September 19, 2024](#), study session summary.

ANALYSIS

During the study session on August 22, 2024 and subsequent council discussion on September 5, 2024, staff received council direction on most elements needed for a new minimum wage, which are reflected in the proposed ordinance in **Attachment A**:

- All council members were supportive of increasing the minimum wage in 2025.
- Council directed staff to develop an ordinance to raise the minimum wage, with an 8% annual increase each year over three years in 2025, 2026 and 2027, and then increase the minimum wage yearly thereafter in line with the Consumer Price Index for All Urban Consumers (Denver-Aurora-Lakewood). Under this proposal, Boulder's minimum wage would be \$15.57 in 2025.
- Additional council direction included majority support for exempting independent contractors; and unanimous support for indexing with the CPI-U (Denver-Aurora-Lakewood) and using state enforcement.
- Council did not reach consensus on exempting unemancipated minors. The proposed ordinance is drafted to exclude unemancipated minors from an increased minimum wage. See the analysis section below for additional details and options.
- Some council members were interested in what direction comes out of other council and trustee meetings across the region.

The following provides an analysis on the exemption option for unemancipated minors, which is relevant to the city's personnel budget impact, as well as updates on the council/trustee direction from other meetings with the city councils of Longmont, Lafayette, Louisville, and the Town of Erie's Board of Trustees.

Exemption for Unemancipated Minors

The state legislation is silent on local minimum wage ordinances for unemancipated minors, which gives the city flexibility in addressing that dimension of policy.

A person under the age of 18 and still under the legal custody of a parent/guardian is considered an unemancipated minor. The state law requires minimum wage to be paid to adults and emancipated minors but is silent, meaning the law allows local jurisdictions to exempt, unemancipated minors from a higher local minimum wage. CDLE is willing to enforce a minimum wage ordinance that includes unemancipated minors, if that is the direction council provides in the proposed ordinance.

Denver allows a reduction to 85% of the local minimum wage only for city-certified youth employment program work. Edgewater's ordinance is silent on unemancipated minors, which means any employee working four or more hours, including any minors, are subject to the city's local minimum wage. Boulder County includes minors in its local minimum wage, including unemancipated minors. For additional information, **Attachment B** includes a list of state laws regarding minimum wage for minors.

Council has three options related to how to address unemancipated minors:

1. Do not apply the minimum wage to unemancipated minors (how the current ordinance is drafted)
2. Apply the minimum wage to all persons, including unemancipated minors.
3. Apply the minimum wage to all persons, but with a reduction in the minimum wage amount for certain youth employment for unemancipated minors such as how Denver's minimum wage works. Any reduction must not result in pay less than the state minimum wage

Subminimum Wage and Tipped Industries

Local governments do not have the authority to adjust how a new policy would treat tipped workers. In the context of a minimum wage policy, state level action would be needed to adjust or create flexibility regarding tipped workers. Outside of a minimum wage policy, council could consider other business incentives to mitigate impacts on tipped industries. As discussed above, staff does not recommend industry-specific tax rebates or exemptions.

Minimum Wage and City Personnel Budget Impact

As an employer, the City of Boulder would be subject to a change in minimum wage. While the minimum wage applies to all employees, it is most relevant for positions not covered by the city's living wage policy, which provides a higher wage for all standard full time, part time, or temporary employees as well as to city contracts related to custodial, landscaping and emergency service responders. The living wage does not apply to seasonal and varied positions. Examples of the types of positions directly impacted include entry-level positions (lifeguards, junior ranger crews, recreation instructor). The Parks and Recreation and Open Space & Mountain Parks departments predominantly

employ 14–18-year-olds in these roles to help deliver city services and programs. The state minimum wage applies to these positions at \$14.42/hour, not the city’s living wage.

Since the August 22, 2024 study session, staff has revised the five-year forecast for the fiscal impact of increasing the minimum wage to \$15.57/hour in 2025 and reaching \$19.84 by 2030. Staff modeled the direct effects of an increased minimum wage, as well as the effects of wage compression (which accounts for an increase in pay ranges for titles related to those directly affected by minimum wage). Staff estimates below assume the inclusion of unemancipated minors. If the ordinance is adopted to exclude unemancipated minors it would reduce estimated budget impacts. As reflected in the below tables, the budgetary impact is less significant in the short-term but grows to an estimated \$429,000-\$919,000 in 2030. Staff has built in a minimum wage increase for city personnel into the proposed 2025 budget, if the council chooses to proceed with a minimum wage.

Estimated Fiscal Impact 2025-2030 - Direct Increase						
Services	2025	2026	2027	2028	2029	2030
Parks & Recreation	\$9,000	\$42,000	\$136,000	\$193,000	\$263,000	\$335,000
Open Space	\$0	\$26,000	\$55,000	\$67,000	\$79,000	\$91,000
Utilities	\$0	\$0	\$0	\$0	\$2,000	\$3,000
Total	\$9,000	\$68,000	\$191,000	\$260,000	\$344,000	\$429,000

Estimated Fiscal Impact 2025-2030 - Direct Increase + Address Wage Compression						
Services	2025	2026	2027	2028	2029	2030
Parks & Recreation	\$113,000	\$322,000	\$547,000	\$638,000	\$732,000	\$825,000
Open Space	\$5,000	\$26,000	\$55,000	\$67,000	\$79,000	\$91,000
Utilities	\$0	\$0	\$0	\$0	\$2,000	\$3,000
Total	\$118,000	\$348,000	\$602,000	\$705,000	\$813,000	\$919,000

Updates on Actions from Regional Partners

The City Councils of Longmont, Lafayette, Louisville, and the Town of Erie’s Board of Trustees received similar reports on the findings from community engagement and the economic analysis. A summary of that feedback and direction is included below:

- Longmont ([August 27, 2024](#)) – Longmont’s Council did not give direction to move forward with an ordinance for 2025. General comments included the desire for more community engagement, suggesting the issue should be referred to the ballot, and a desire to learn more about the pressures on the business community. No follow up discussions have been scheduled yet.
- Lafayette ([September 3, 2024](#)) – Lafayette’s Council did not give formal direction to move forward with an ordinance for 2025 but council was interested in more engagement and analysis with Lafayette residents and business owners, particularly to determine the “breaking point” for businesses while also providing

benefit to low-wage workers. No follow up discussions have been scheduled, and future effort would be considered in their 2025 workplan.

- Louisville ([Sept 10, 2024](#)) – Louisville’s City Council did not take action, nor was formal direction given to staff to draft an ordinance related to minimum wage in Louisville. A majority of Council expressed interest in a regional approach. No follow up discussions have been scheduled.
- Erie ([Sept 17, 2024](#)) – Erie’s Town Council decided they were not interested in pursuing a higher local minimum wage at this time. They were interested in pursuing other avenues for establishing economic equity within the Town.

NEXT STEPS

Second reading of Ordinance 8664 is tentatively scheduled on the regular meeting consent agenda for November 7, 2024.

ATTACHMENTS

A – Proposed Ordinance 8664

B – State Laws Regarding Minimum Wages for Minors

ORDINANCE 8664

AN ORDINANCE ADDING A NEW CHAPTER 12-6, "MINIMUM WAGE," B.R.C. 1981, SETTING A LOCAL CITY OF BOULDER MINIMUM WAGE TO BE COMPETITIVE AND RESPONSIVE TO CURRENT AND FUTURE NEEDS OF ITS COMMUNITY; AND SETTING FORTH RELATED DETAILS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. A new Chapter 12-6, "Minimum Wage," B.R.C. 1981, is hereby added to read as follows:

Chapter 6 – Minimum Wage

12-6-1. – Purpose and Legislative Intent.

- (a) Purpose. The purpose of this chapter is to recognize the importance of addressing living affordability in the city of Boulder; to ensure all workers within the city are paid a sufficient wage relative to the cost of living; to do so in a manner that is mindful of the larger market in which the city is situated; and to administer a local minimum wage requirement in a manner that respects, serves, and protects the interests of both employers and employees within the city.
- (b) Legislative Intent. The City Council recites the following legislative findings and statements of intent that were taken into consideration in the adoption of this chapter:
 - (1) The City Council of the City of Boulder recognizes that the cost of living in Boulder exceeds the average cost of living in the state of Colorado.
 - (2) Despite the statewide minimum wage increases, the present rate does not adequately provide enough financial support for the health and wellbeing of the city’s working residents.
 - (3) According to a 2024 study conducted by ECONorthwest, twenty-two percent of city residents live below the Federal Poverty Level and approximately thirty-seven percent of employment in the city of Boulder is in low-wage industries, including service and retail industries.

- 1 (4) To address this concern, the City of Boulder seeks to raise the local wage to an
2 amount that aids working residents within the city to afford basic living necessities.
3 Doing so will allow for greater prosperity for workers in Boulder and combat
4 economic and social inequities, as well as racial and gender wage gaps.
- 5 (5) Raising the minimum wage would place the city on par with other local
6 jurisdictions within the state which have raised their wages to increase affordability.
- 7 (6) The state of Colorado allows local jurisdictions to establish a minimum wage for
8 individuals performing work while physically within the jurisdiction under Title 29,
9 Article 1, Part 14 of the Colorado Revised Statutes. Pursuant to this statute, the City
10 of Boulder has the authority to set a minimum wage exceeding the state minimum
11 wage as long as the city abides by the state’s qualifications and restrictions on
12 applicability.
- 13 (7) Enforcement of this chapter shall be through the Colorado Department of Labor and
14 Employment.
- 15 (8) Addressing the minimum wage for the working residents of the city of Boulder is a
16 matter of significant local concern.

12-6-2. – Definitions.

13 *Employee or Worker* means an adult or emancipated minor performing, or expected to
14 perform, four or more hours of work for an employer in any given week within the city. The
15 terms *employee* or *worker* does not include:

- 16 (1) a person traveling through the city’s jurisdiction from a point of origin outside of
17 the city to a destination outside of the city, with no employment-related or
18 commercial stops in the city, except for refueling or the employee’s personal meals
19 or errands; or
- 20 (2) a person providing volunteer services that are uncompensated except for
21 reimbursement of expenses such as meals, parking or transportation; or
- 22 (3) an independent contractor, as defined in federal law.

23 *Employer* means an individual, person, partnership, firm, corporation, association,
24 organization or any other person, group, collective or entity that employs one or more
25 employees, or any successor thereof.

Food and beverage worker means a worker for any business or enterprise that prepares and
offers for sale food or beverages for consumption either on or off an employer’s physical
premises.

Tips means an optional verifiable sum presented directly and customarily by customers as a
gratuity in recognition of some service performed for customers by the person receiving the tip.
Tips include, but are not limited to:

- 1 (1) tips received directly from customers;
- 2 (2) tips received electronically from employers;
- 3 (3) tips received from other employees through tip-sharing arrangements;
- 4 (4) charged tips, like credit and debit card charges, that are distributed to employees by employers; and
- 5 (5) noncash forms of tips, including tickets, passes, or other goods or commodities that customers give to employees.

6 *Work* means any services performed physically within the geographic boundaries of the city on behalf of or for the benefit of an employer whether on an hourly, piecework, commission, time, task, or other basis.

8 **12-6-3. – Minimum Wage Required.**

- 9 (a) Every employer must ensure its employees are paid not less than the City of Boulder Minimum Wage. An increase in the City of Boulder Minimum Wage takes effect on the same date as a secured increase to the statewide minimum wage required under section 15 of article XVII of the state constitution.
- 10 (b) The City of Boulder Minimum Wage is as follows, exclusive of fringe benefits and any other deductions or credits, except as otherwise described in this chapter:
 - 11 (1) Beginning January 1, 2025: \$15.57 per hour;
 - 12 (2) Beginning January 1, 2026: \$16.82 per hour;
 - 13 (3) Beginning January 1, 2027: \$18.17 per hour;
 - 14 (4) Beginning January 1, 2028, and on January 1 of each subsequent calendar year, the City of Boulder Minimum Wage shall increase by an amount corresponding to the prior year increase, if any, in the Consumer Price Index, for all items, published annually for the Denver-Aurora-Lakewood Area.
- 15 (c) Tips regularly and actually received by a food and beverage worker may be applied to an employer's obligation to pay the food and beverage worker the City of Boulder Minimum Wage. However, no more than \$3.02 per hour in tip income ("Tip Credit") may be used to partially offset payment of this wage.
- 16 (d) Nothing in this chapter shall lessen any other obligation applicable to an employer to pay a minimum wage under any other law, rule, or regulation, including but not limited to federal and state minimum wage laws or that arise from or in connection with federal or state funding. In the event of a conflict with any other applicable wage requirement, the greater wage rate must be paid.

1 **12-6-4. – Employer Responsibilities.**

- 2 (a) Employers must post notice with letters no less than one inch high of the currently effective
 3 City of Boulder Minimum Wage in a prominent place that is easily accessible to all
 4 employees. Employers must display the posting in English and Spanish. If the display of a
 5 physical notice is not feasible, including the situation when an employee does not have a
 6 regular workplace or job site, employers must provide the required information on an
 7 individual basis, in an employee’s primary language, in paper or electronic form that is
 8 reasonably conspicuous and accessible. Notice shall include how to contact the Colorado
 9 Department of Labor and employment to file a complaint.
- 7 (b) Employers must make, retain, and make available to the city or to the Colorado Department
 8 of Labor and Employment, upon request, payroll records adequate to determine compliance
 9 with this chapter for a minimum of three years for each record.

10 **12-6-5. – Violations; Enforcement; Penalties.**

- 11 (a) It is unlawful and a violation of this chapter to commit, authorize, allow, aid, abet, or
 12 conceal a violation of this chapter.
- 13 (b) The Colorado Department of Labor and Employment is fully authorized to investigate and
 14 issue orders to remedy violations of this chapter.
- 15 (c) Any person claiming to be aggrieved by a violation of this chapter may file or pursue a
 16 complaint with the Colorado Department of Labor and Enforcement against an employer
 17 alleged to have violated this chapter within two years of any alleged violation, except that
 18 violations under this chapter for a willful violation may be brought within three years after
 19 the date of the violation. Nothing in this chapter shall preclude an individual from pursuing
 20 or participating in any other enforcement action or other remedy available under state of
 21 Colorado law.
- 18 (d) A violation of this chapter shall be considered sufficient “cause” to suspend or revoke a city
 19 business license pursuant to the procedures set forth in Section 4-1-10, “Revocation or
 20 Suspension of Licenses,” of this code.

21 **12-6-6. – City Manager Rules.**

22 The city manager is authorized to adopt rules and regulations necessary to interpret,
 23 further define or implement the provisions of this chapter.

24 Section 2. This Ordinance is necessary to protect the public health, safety, and welfare of
 25 the residents of the City and covers matters of local concern.

Section 3. The City Council deems it appropriate that this Ordinance be published by title
only and orders that copies of this Ordinance be made available in the office of the city clerk for
public inspection and acquisition.

INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY
TITLE ONLY this 10th day of October 2024.

Aaron Brockett,
Mayor

Attest:

City Clerk

READ ON SECOND READING, PASSED AND ADOPTED this 7th day of November
2024.

Aaron Brockett,
Mayor

Attest:

City Clerk

States Laws Regarding Minimum Wages for Minors

Federal Fair Labor Standards Act

The FLSA allows for limited exceptions to the mandatory federal minimum wage, including exceptions for students and youth.

- 29 U.S.C. §206(g); Allows for an employer to pay a person under twenty years old a wage of 4.25 an hour for the first ninety consecutive calendar days. This applies regardless of occupation.
- 29 U.S.C. §214; Allows for certain exceptions for an employer to pay subminimum wages for full-time students in specific occupations and apprentices/learners. This rule also lays out the potential fields that are exempt from the FLSA entirely (such as part-time babysitting, news delivery workers, and workers at camps or recreational facilities that are open part of the year).
 - Importantly, though, this section (§214) does not specify students as minors and is supposed to apply regardless of age. Still, many of these jobs are held by minors and so I thought to include this section as a reference.

Alaska- No law regarding wages for unemancipated minors.

- Alaska Statt. §23.10.055(a)(11) provides that an individual under 18 years of age employed on a part-time basis not more than 30 hours in a week may be paid less than the state minimum wage.

Arizona- No law regarding wages for unemancipated minors.

- A.R.S. §23-326 allows for special licenses for a lower wage than the state minimum due to age or physical or mental capacity.

Arkansas- No law regarding wages for unemancipated minors.

California- No law regarding wages for unemancipated minors.

Connecticut- No law regarding wages for unemancipated minors.

- Conn. Gen. Stat. § 31-58a allows for minors in limited fields of agriculture and government to be paid lower wages

Delaware- No law regarding wages for unemancipated minors.

D.C.- No law regarding wages for unemancipated minors.

Florida- No law regarding wages for unemancipated minors.

- Allows for same youth exemptions as the federal Fair Labor Standards Act

Hawaii- No law regarding wages for unemancipated minors.

- Allows for same youth exemptions as the federal Fair Labor Standards Act

Illinois- No law regarding wages for unemancipated minors.

- 820 ILCS 105/4; Makes Minimum wage for minors employed at part-time is \$12/hour.

Maine- No law regarding wages for unemancipated minors.

Maryland- No law regarding wages for unemancipated minors.

- Md. Labor and Employment Code Ann. § 3-413; Minors paid a minimum of 85% the minimum wage.

Massachusetts- No law regarding wages for unemancipated minors.

- 454 CMR 27.06; Allows for student minors to be paid no less than 80% of the state's minimum wage.

Michigan – No law regarding wages for unemancipated minors.

- MCLS § 408.934b; Allows for minors under 18 to be paid 85% of the state's minimum wage

Minnesota – No law regarding wages for unemancipated minors.

- Minn. Stat. 177.23; Allows for sub-minimum wages to be paid for employed minors in certain fields.

Missouri – No law regarding wages for unemancipated minors.

Montana – No law regarding wages for unemancipated minors.

- M.C.A. §39-3-406; Limited exceptions or occupations where minors can be paid sub-minimum wages.

Nebraska – No law regarding wages for unemancipated minors.

Nevada - No law regarding minimum wage for unemancipated minors.

New Jersey – No law regarding minimum wage for unemancipated minors.

New Mexico – No law regarding minimum wage for unemancipated minors.

New York – No law regarding minimum wage for unemancipated minors.

Ohio - No law regarding minimum wage for unemancipated minors.

- Oh. Const. Art. II, § 34a; Allows minors under the age of 16 to be paid only the federal minimum wage.

Oregon – No law regarding minimum wage for unemancipated minors.

Rhode Island – No law regarding minimum wage for unemancipated minors.

- R.I. Gen. Laws § 28-12-3.1; Allows for minors under 16 to be paid sub-minimum wages.

South Dakota – No law regarding minimum wage for unemancipated minors.

Vermont – No law regarding minimum wage for unemancipated minors.

- 21 V.S.A. § 383; Allows student minors to be paid minimum wages.

Virginia – No law regarding minimum wage for unemancipated minors.

- Va. Code Ann. § 40.1-28.9; Minors under 16 are exempt from the state minimum wage.

Washington – No law regarding minimum wage for unemancipated minors.

- Wash. Admin. Code § 296-125-043; Allows minors under 16 to be paid sub-minimum wages.

West Virginia – No law regarding minimum wage for unemancipated minors.

- W. Va. Code § 21-5C-1; Allows for minors who are students to be paid sub-minimum wages.



COVER SHEET

MEETING DATE

October 10, 2024

AGENDA ITEM

Regional Working Group on homelessness goals update and discussion

PRIMARY STAFF CONTACT

NA

ATTACHMENTS:

Description

No Attachments Available