



INTER-CANYON FIRE PROTECTION DISTRICT
MEETING OF DIRECTORS AGENDA
ICFPD Station 3, Zoom Webinar Option
February 9, 2022

1. Call to Order
2. Changes to Agenda
3. Approval of Absences
4. Acknowledge Guests
5. Approval of the minutes of the January 12, 2021, meeting.
6. CFO Report
 - a. Financial Reports
7. Chiefs Report
8. Officers Report
 - a. Fuels Crew presentation
9. Building Committee Report
10. Professional Consultants Report - none
11. Unfinished business
 - a. Addendum to Hilldale Pines Replacement Project Agreement
12. New business and special orders
13. Executive session, if needed
14. Public input (for matters not otherwise on the agenda/3-minute time limit/no disrupting, pursuant to Section 18 9 108, C.R.S.)

Consistent with provisions of Section 18 9 108, C.R.S., district residents wishing to make a comment will have three minutes to speak and are asked to keep comments on topic and respectful.
15. Adjournment. (to be followed by signing of documents)

**INTER-CANYON FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS MEETING
MINUTES OF MEETING
ICFPD Station 3, Zoom Webinar Option
8445 S Highway 285, Morrison, CO 80465
February 9, 2022**

1. Call to Order:

The ICFPD Board meeting was called to order by Mike Swenson at 6:06 pm. Mike welcomed members, guests and the Fuels Crew & Suppression Module team present.

2. Changes to Agenda

Director Dmitry Pantyukhin requests a few minutes for a statement. Mike Swenson agrees to provide time on the agenda under New Business.

3. Approval of Absences

Board Members Present:

Mike Swenson, President
Kerry Prielipp, Treasurer
Bob Scott, Secretary
Dmitiry Pantyukhin, Director - Via Zoom link
Jackie White, Director

Excused Absence:

None

4. Guests Present

Ann Imse
Gayla Logan
Barbara Davis
Nicole LeRoux
Elk Creek & ICFPD Fuels crew & Suppression module
Ben Moses – fuels lead
Ayle Wezeman – Module Senior
Jayson Papenfus – Module & Fuels Officer
Lucas Knecht – Module Squad Boss
Billy Gage – Assistant Module Lead
Kelleigh McConnaughey – Mitigation Specialist

5. Approval of Minutes

MOTION: There was a motion by Bob Scott with a second by Kerry Prielipp to approve the minutes from the January 12, 2021, Board Meeting. The motion passed unanimously.

6. Treasurer's Report by Kerry Prielipp

6a. Financial Report

Kerry Prielipp reviewed the January 2022 balance sheet and went over the Profit and Loss. He stated as of the end of January 2022 the bank balance was about \$1.9 million with no significant outstanding receivables or payables. Revenues appeared higher due to grant revenue and not tax income received last month. The bulk of the annual taxes are expected mostly in the month of May. He reviewed the expenditures and stated they appeared to be all in line across the various stations. Kerry noted that there were three pay cycles in January this year which created a higher expenditure as compared with the budget. ICPDF spent approximately \$141,000.00 and received \$118,000.00. He confirmed the report showing there are POs outstanding for some radios needed. Bob Scott added we are paid in full on all balances to the radio program at this time.

MOTION: There was a motion by Bob Scott with a second by Jackie White to approve the January 12, 2022, Treasurer's Report. The motion passed unanimously.

7. Chief's Report

a. Chief Shirlaw

Communications –

Legal did review the KNS quote and made some notations as to alignment with state guidelines and potential issues down the line. Attorney states that contract is standard for its type and provided an addendum to address the said notations. KNS will review and at first look is okay with the legal addendum.

Bob Scott asked if they would amend the current document to show the correct district title and signing entities. Chief Shirlaw states this is in process, and he is anticipating the final document any time.

Mt Lindo work is complete and ready for the microwave installation.

Tower 5 is still in limbo with permits.

Consolidation report-

The district fire chiefs continue to meet and recently toured the North Fork district to look at apparatus, equipment, resources, etc. Mike Swenson and Jackie White have volunteered to represent ICPDF in the consolidation evaluation meetings with board members from the other districts. Bob Scott is the backup if needed.

ICFPD is very busy so far this year. Calls have doubled from the stats of last year. We are still getting 6-8 volunteers out per call.

8. Officers Report

a. Wildland Captain Mandl

Community Wildfire Protection Plan (CWPP) – created a survey with a link for public comment and review which is due to close the morning of 2.10.22. Surveys will then be reviewed to look for any major changes and if all is ok then we can go for signing the plan directly.

Introduction of the winter Fuels Crew and Suppression Module for an operations presentation.

FUELS CREW & SUPPRESSION MODULE PRESENTATION

Mitigation specialist Kelleigh McConnaughey gave a synopsis of her background. Stated the community ambassador program is having a great response both in community and one on one meetings. Year to date there have been 7 home assessments completed with another 38 appointments scheduled. Last year there were 138 for the entire year.

There was discussion with the board regarding the available programs to move chips/slash off properties and out of district once mitigation efforts are completed by homeowners. Homeowners are recommended to seek out county and district sponsored programs for removal of their biomass.

Fuels Crew Lead Ben Moses gave a synopsis of his background. Introduction of the joint Elk Cree and Inter-Canyon joint Fuels Crew and Suppression Module. Presentation include what this specialized team is, what they do, the benefits of the crew, their extensive training and the varied roles they fill for both districts.

Presentation -

Need: evaluating ignition fuels and how to suppress comes from the mountain communities heavily populated with people, standing forest with state parks throughout and evidence of past close calls in every area. Need includes an organized plan to mitigate these areas for attack of a wildfire event.

How: CWPP is being adopted as governing document. It identifies greatest areas of risk and assists with project planning for mitigation.

Synchronicity: The team works in tandem with the suppression module which allows them to operate together as an engine crew or each as a separate entity. This means they can be utilized in many ways for various situations.

Services provided: The community chipping program was a great success in 2021 reaching 19,000 residents and empowering homeowners to assist in the execution of the CWPP. Also provided an excellent outreach and educational tool. Already several inquiries as to the 2022 program.

Various mitigation projects allow for planning and executing the most benefits to the areas most at risk and also restores forest health to those areas which aids in suppression.

Combined team is funded by grants provided to a joint effort between ICFPD and ECFPD

New program – fuel sampling program in development. Involves gathering information from various areas and identifying fuel types to determine risk. Samples specific sites that best display what is needed to understand how our areas are affected by water location, brush and fire. Indicates trends in how moisture levels change and provides information to make staffing decisions accordingly. Program is based on district specific locales as opposed to general information derived from surrounding and different fuel areas. Scientific, specific and providing invaluable information to the defense of our area.

Crew trains to be a wildland resource but also as a supplement to station resources. Crew provides leadership and direction to the volunteer response and also serve in all-hazard situations to supplement response.

Review of Fuels Crew summary of 2021 operations statistics.

9. Building Committee Report –

Chief Shirlaw states we are in somewhat of holding pattern. Adam with F & D is reaching out to the bids received to evaluate and discuss potential value engineering. Bob Scott stated for the record that the second bid that came in was for \$ 7.2 million solely for Station 3. He also gave a reminder that even providing that all things align smoothly, and providing the proposed plan falls within our budget, the very soonest possible start time would not be sooner than spring of 2023. Chief Shirlaw says this is a slight pause with a look to moving forward shortly.

10. Professional Consultants Report – None

11. Unfinished Business – None

a. Addendum to KNS Hilldale Pines Replacement Project Agreement

The addendum has been reviewed and pending acceptance by KNS will be included with the executed contract. Waiting on receipt of that revised document for signing from KNS directly.

b. New Business and Special Orders

- a. Dmitry Pantyukhin, Director – Statement: Due to health issues and working professionally, he must step down from his director position effective tonight. Mike Swenson said thank you for your service and please take care, you will be missed.
- b. Offer has been made to a joint fleet mechanic – who has accepted. This will be a shared resource with the Elk Creek district, he is expected to start later this month. He comes with extensive experience to our fleet specific vehicles and looks to develop the mechanical program into the future.

12. Executive session, not needed

13. Public Input (for matters not otherwise on the agenda/3-minute time limit/no disrupting, pursuant to Section 18 9 108, C.R.S.)

Guest Ann Imse - would like to make board aware of the COSWAP grant she thinks would benefit the district and would potentially build on nearby projects. Grant is for mitigation projects. She is hoping our districts will jump on this as she sees it as an opportunity.

14. Adjournment

There being no further business before the Board, the meeting was adjourned at 7:37pm.

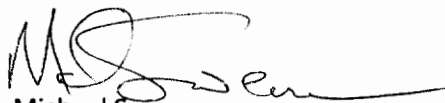
Minutes by Toni Lucero, Office Administrator

Submitted by:



Bob Scott
Secretary
ICFPD Board of Directors

Approved by:



Michael Swenson
President
ICFPD Board of Directors

Attachments:

1. Meeting Agenda
2. Treasurer's Report
3. Chief's Report
4. Legal review notes and
Proposed Addendum to KNS Hilldale Pines Replacement Project Agreement

Inter-Canyon Fire Protection District

Balance Sheet Comparison

As of January 31, 2022

	TOTAL		
	AS OF JAN 31, 2022	AS OF JAN 31, 2021 (PY)	CHANGE
ASSETS			
Current Assets			
Bank Accounts			
100-000 Cash	1,888,695.26	2,045,020.78	-156,325.52
Total Bank Accounts	\$1,888,695.26	\$2,045,020.78	\$ -156,325.52
Accounts Receivable			
120-000 Accounts Receivable	1,411,604.52	1,411,604.52	0.00
Total Accounts Receivable	\$1,411,604.52	\$1,411,604.52	\$0.00
Other Current Assets			
140-143 Prepaid Insurance	19,785.45	19,785.45	0.00
Total Other Current Assets	\$19,785.45	\$19,785.45	\$0.00
Total Current Assets	\$3,320,085.23	\$3,476,410.75	\$ -156,325.52
Fixed Assets			
170-000 Capital Assets	2,769,783.97	2,769,783.97	0.00
Total Fixed Assets	\$2,769,783.97	\$2,769,783.97	\$0.00
Other Assets			
185-000 Deferred Outflow	466,602.00	466,602.00	0.00
Total Other Assets	\$466,602.00	\$466,602.00	\$0.00
TOTAL ASSETS	\$6,556,471.20	\$6,712,796.72	\$ -156,325.52

Inter-Canyon Fire Protection District

Balance Sheet Comparison

As of January 31, 2022

	TOTAL		
	AS OF JAN 31, 2022	AS OF JAN 31, 2021 (PY)	CHANGE
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
200-200 Accounts Payable	-382.50	9,825.39	-10,207.89
Total Accounts Payable	\$ -382.50	\$9,825.39	\$ -10,207.89
Other Current Liabilities			
200-208 Accrued Interest	0.00	0.00	0.00
200-209 Deferred Revenue	1,382,375.85	1,382,375.85	0.00
200-225 Accrued Liabilities	2,462.91	2,462.91	0.00
200-226 Capital Lease - 3	0.00	0.00	0.00
200-230 Accrued PTO	5,202.83	5,202.83	0.00
Total Other Current Liabilities	\$1,390,041.59	\$1,390,041.59	\$0.00
Total Current Liabilities	\$1,389,659.09	\$1,399,866.98	\$ -10,207.89
Long-Term Liabilities			
210-360 Captial Lease - 3	0.00	0.00	0.00
210-399 Net Pension Oblgation	786,351.00	786,351.00	0.00
280-000 Deferred Inflows	77,086.00	77,086.00	0.00
Total Long-Term Liabilities	\$863,437.00	\$863,437.00	\$0.00
Total Liabilities	\$2,253,096.09	\$2,263,303.98	\$ -10,207.89
Equity			
290-291 Equity	3,155,777.20	3,155,777.20	0.00
290-300 Net Assets - Prior Year	1,034,046.52	1,034,046.52	0.00
290-999 Designated-Current	0.00	0.00	0.00
320-000 Unrestricted Net Assets	126,667.49	320,478.61	-193,811.12
Net Income	-13,116.10	-60,809.59	47,693.49
Total Equity	\$4,303,375.11	\$4,449,492.74	\$ -146,117.63
TOTAL LIABILITIES AND EQUITY	\$6,556,471.20	\$6,712,796.72	\$ -156,325.52

Inter-Canyon Fire Protection District

Profit and Loss

January 2022

	TOTAL	
	JAN 2022	JAN 2022 (YTD)
Income		
300-000 Revenues	112,488.72	112,488.72
300-660 Donated Funds	6,080.00	6,080.00
Total Income	\$118,568.72	\$118,568.72
GROSS PROFIT	\$118,568.72	\$118,568.72
Expenses		
400-000 Administrative	2,184.15	2,184.15
425-101 Payroll & Benefits	77,873.24	77,873.24
500-000 FireFighting	9,405.64	9,405.64
550-550 EMS Services	903.81	903.81
600-000 FF Apparatus/Equip Maintenance	2,284.01	2,284.01
660-000 Firefighter General Expenses	826.88	826.88
670-000 Station 1	2,879.91	2,879.91
680-000 Station 2	368.70	368.70
690-000 Station 3	2,210.66	2,210.66
691-000 Station 4	407.05	407.05
692-000 Station 5	224.29	224.29
700-000 Communications	6,826.48	6,826.48
900-000 Capital Expenditures	25,290.00	25,290.00
Total Expenses	\$131,684.82	\$131,684.82
NET OPERATING INCOME	\$ -13,116.10	\$ -13,116.10
NET INCOME	\$ -13,116.10	\$ -13,116.10

Inter-Canyon Fire Protection District

Budget vs. Actuals: FY_2022 - FY22 P&L

January 2022

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
300-000 Revenues	112,488.72	12,565.62	99,923.10	895.21 %
300-502 Specific Ownership Taxes		0.00	0.00	
300-570 Inter-Governmental Revenues		0.00	0.00	
300-660 Donated Funds	6,080.00	0.00	6,080.00	
Total Income	\$118,568.72	\$12,565.62	\$106,003.10	943.60 %
GROSS PROFIT	\$118,568.72	\$12,565.62	\$106,003.10	943.60 %
Expenses				
400-000 Administrative	3,220.65	11,882.00	-8,661.35	27.11 %
425-101 Payroll & Benefits	84,512.39	60,680.00	23,832.39	139.28 %
500-000 FireFighting	9,450.74	8,920.00	530.74	105.95 %
550-550 EMS Services	1,053.81	3,769.00	-2,715.19	27.96 %
600-000 FF Apparatus/Equip Maintenance	2,284.01	9,877.00	-7,592.99	23.12 %
660-000 Firefighter General Expenses	826.88	200.00	626.88	413.44 %
665-000 Auxiliary Operations		0.00	0.00	
66900 Reconciliation Discrepancies		0.00	0.00	
670-000 Station 1	3,134.60	3,389.76	-255.16	92.47 %
680-000 Station 2	542.24	1,765.25	-1,223.01	30.72 %
690-000 Station 3	2,297.33	2,930.00	-632.67	78.41 %
691-000 Station 4	931.57	1,756.00	-824.43	53.05 %
692-000 Station 5	361.18	900.00	-538.82	40.13 %
700-000 Communications	7,677.99	10,087.15	-2,409.16	76.12 %
800-900 Pension-State Contribution		0.00	0.00	
800-902 Pension-Contribution GOVT-WIDE		0.00	0.00	
900-000 Capital Expenditures	25,290.00	0.00	25,290.00	
Total Expenses	\$141,583.39	\$116,156.16	\$25,427.23	121.89 %
NET OPERATING INCOME	\$ -23,014.67	\$ -103,590.54	\$80,575.87	22.22 %
NET INCOME	\$ -23,014.67	\$ -103,590.54	\$80,575.87	22.22 %

Inter-Canyon Fire Protection District

Open Purchase Orders Detail

All Dates

DATE	NUM	VENDOR	PRODUCT/SERVICE	ACCOUNT	QTY	RECEIVED QTY	BACKORDERED QTY	TOTAL AMT	RECEIVED AMT	OPEN BALANCE
BK KNG2 P25 VHF Portable Radio										
11/08/2021	1007	First Responder Communications	BK KNG2 P25 VHF Portable Radio	700-753 Communications:Portable Radio New/Replace	10.00	0.00	10.00	18,750.00	0.00	18,750.00
11/08/2021	1007	First Responder Communications	BK KNG2 P25 VHF Portable Radio	700-753 Communications:Portable Radio New/Replace	1.00	0.00	1.00	95.00	0.00	95.00
Total for BK KNG2 P25 VHF Portable Radio					11.00	0.00	11.00	\$18,845.00	\$0.00	\$18,845.00
Not Specified										
09/20/2021	1002	Rocky Mountain Generator		900-375 Capital Expenditures:Station 5 Radio Tower				13,107.00	0.00	13,107.00
09/20/2021	1002	Rocky Mountain Generator		900-372 Capital Expenditures:Station 4 Radio Tower				13,107.00	0.00	13,107.00
12/09/2021	1009	Stryker Medical		900-377 Capital Expenditures:Apparatus:Medical Equipment				43,500.00	0.00	43,500.00
12/09/2021	1010	Daniel Hatlestad		550-551 EMS Services:EMS Training/Certification				1,110.00	0.00	1,110.00
Total for Not Specified								\$70,824.00	\$0.00	\$70,824.00
TOTAL					11.00	0.00	11.00	\$89,669.00	\$0.00	\$89,669.00

Inter-Canyon Fire Protection District

A/P Aging Summary

As of January 31, 2022

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
CEBT	6,639.15					\$6,639.15
CORE Electric Cooperative	173.54					\$173.54
EBS of Colorado (A COMVRS CO)	45.10					\$45.10
Eldorado Artesian Springs, Inc	28.02					\$28.02
Interconnected Technologies LLC	1,036.50					\$1,036.50
Peggy Lucatuorto	38.75					\$38.75
Rachel Shirlaw	140.00					\$140.00
Rebecca Fuller	150.00					\$150.00
Republic Services #535	245.58					\$245.58
Verizon Wireless	469.01					\$469.01
Xcel Energy	550.42					\$550.42
TOTAL	\$9,516.07	\$0.00	\$0.00	\$0.00	\$0.00	\$9,516.07

Inter-Canyon Fire Protection District

100-106 First Bank Checking, Period Ending 01/31/2022

RECONCILIATION REPORT

Reconciled on: 02/01/2022

Reconciled by: kwood@icfpd.net

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	282,105.74
Checks and payments cleared (54).....	-78,995.74
Deposits and other credits cleared (8).....	55,017.20
Statement ending balance.....	<u>258,127.20</u>
Uncleared transactions as of 01/31/2022.....	-113,520.68
Register balance as of 01/31/2022.....	144,606.52

Details

Checks and payments cleared (54)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
12/14/2021	Bill Payment			-407.40
12/14/2021	Bill Payment			-1,480.00
12/14/2021	Bill Payment			-87.34
01/03/2022	Bill Payment			-2,018.76
01/03/2022	Bill Payment			-9,331.50
01/03/2022	Bill Payment			-70.00
01/10/2022	Expense			-8,836.80
01/10/2022	Bill Payment			-1,000.00
01/10/2022	Bill Payment			-3,315.00
01/10/2022	Bill Payment			-27.27
01/10/2022	Bill Payment			-595.00
01/10/2022	Bill Payment			-153.60
01/10/2022	Bill Payment			-516.68
01/10/2022	Bill Payment			-337.88
01/10/2022	Bill Payment			-142.90
01/10/2022	Bill Payment			-246.41
01/10/2022	Bill Payment			-1,912.93
01/10/2022	Bill Payment			-25.10
01/10/2022	Bill Payment			-131.03
01/10/2022	Bill Payment			-70.00
01/10/2022	Bill Payment			-753.82
01/10/2022	Bill Payment			-1,120.00
01/10/2022	Bill Payment			-17.16
01/10/2022	Bill Payment			-676.05
01/11/2022	Expense			-2,723.63
01/14/2022	Bill Payment			-25.10
01/21/2022	Expense			-65.66
01/21/2022	Bill Payment			-188.66
01/21/2022	Bill Payment			-122.50
01/21/2022	Expense			-145.70
01/21/2022	Bill Payment			-225.24
01/21/2022	Bill Payment			-85.30
01/21/2022	Bill Payment			-404.69
01/24/2022	Expense			-11,379.22
01/24/2022	Expense			-976.11
01/24/2022	Expense			-105.29
01/24/2022	Expense			-3,431.64
01/24/2022	Bill Payment			-175.07
01/24/2022	Bill Payment			-29.99
01/24/2022	Bill Payment			-100.08
01/24/2022	Bill Payment			-1,506.60
01/24/2022	Bill Payment			-406.82

Date:	Amount:	Description:	Total:
12/30/2021	\$76.34	Fuel for command vehicle	\$3,282.50
12/30/2021	\$1,526.75	Safeway, year end holiday gift cards	
1/4/2022	\$420.38	Blue Sky Plumbing, furnace work station 3	
1/5/2022	\$76.13	Fuel for command vehicle	
1/10/2022	\$40.94	Amazon	
1/11/2022	\$96.01	Lindo Mexico resturant, welcome lunch for admin	
1/13/2022	\$41.80	Zoom	
1/13/2022	\$189.63	CostCo, supplies for station 1	
1/14/2022	\$250.00	Colorado State Fire Chiefs organization, dues	
1/14/2022	\$90.00	QuickBooks Online	
1/17/2022	\$275.64	Bluehost	
1/20/2022	\$64.50	Moose Hill Cantina, lunch for West Metro training	
1/20/2022	\$85.13	Fuel for command vehicle	
1/30/2022	\$49.25	Santiagos Mexican resturante, thank you to dispatch	

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
01/24/2022	Bill Payment			-40.00
01/24/2022	Bill Payment			-48.75
01/24/2022	Expense			-324.72
01/25/2022	Expense			-521.11
01/25/2022	Expense			-5,852.32
01/28/2022	Expense			-91.98
01/28/2022	Expense			-744.44
01/28/2022	Expense			-1,110.18
01/28/2022	Expense			-9,026.36
01/28/2022	Expense			-196.46
01/31/2022	Expense			-35.00
01/31/2022	Expense			-5,634.49
Total				-78,995.74

Deposits and other credits cleared (8)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
01/10/2022	Deposit			6,079.46
01/13/2022	Deposit			200.57
01/14/2022	Deposit			639.47
01/20/2022	Transfer			832.47
01/20/2022	Deposit			1,733.63
01/26/2022	Deposit			472.33
01/27/2022	Deposit			1,559.27
01/28/2022	Deposit			43,500.00
Total				55,017.20

Inter-Canyon Fire Protection District

100-107 First Bank Savings, Period Ending 01/31/2022

RECONCILIATION REPORT

Reconciled on: 02/01/2022

Reconciled by: kwood@icfpd.net

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	11,264.29
Interest earned.....	0.09
Checks and payments cleared (0).....	0.00
Deposits and other credits cleared (0).....	0.00
Statement ending balance.....	<u>11,264.38</u>

Register balance as of 01/31/2022..... 11,264.38

Inter-Canyon Fire Protection District

100-105 ColoTrust Account, Period Ending 01/31/2022

RECONCILIATION REPORT

Reconciled on: 02/01/2022

Reconciled by: kwood@icfpd.net

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	1,732,780.62
Interest earned.....	43.74
Checks and payments cleared (0).....	0.00
Deposits and other credits cleared (0).....	0.00
Statement ending balance.....	<u>1,732,824.36</u>

Register balance as of 01/31/2022.....1,732,824.36

**ADDENDUM TO
HILLDALE PINES REPLACEMENT PROJECT
AGREEMENT**

THIS ADDENDUM (“Addendum”) modifies the Hilldale Pines Replacement Project – Modified – Final, Quote #430015, Version 2 and associated Terms and Conditions (“Agreement”) between KNS Communications Consultants (“KNS”) and Inter-Canyon Fire Protection District, a quasi-municipal corporation and political subdivision of the State of Colorado (“District,” and together with KNS, the “Parties,” or either of the Parties individually, the “Party”), and is effective as of the same date as the Agreement.

In consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the District and KNS hereby modify the Agreement as follows:

1. Terms of Addendum Controlling. The Parties expressly intend and agree that this Addendum is hereby incorporated into the Agreement and the terms herein shall modify and control the terms in the Agreement. Any inconsistency between the terms of this Addendum and the terms of the Agreement shall be resolved in favor of the terms contained in this Addendum.

2. Qualifications on Obligations to Pay. No partial payment shall be final acceptance or approval of that part of the Agreement paid for or shall relieve the KNS of any of its obligations under this Agreement. Notwithstanding any other terms of this Agreement, the District may withhold any payment to KNS if any one or more of the following conditions exists:

(a) KNS is in default of any of its obligations under this Agreement.

(b) Any part of such payment is attributable to services that are not performed according to this Agreement. The District will pay for any portion of the services performed according to this Agreement.

(c) KNS has failed to make payments promptly to any third-party used to perform any portion of the equipment, supplies, or services hereunder for which the Principal has made payments to the Contractor.

3. Workers Compensation Insurance. During the Term of the Agreement, KNS shall maintain in full force and effect a policy of workers compensation insurance to the extent required by law for KNS’s employees.

4. Time of Commencement and Completion of Services. The services to be performed pursuant to this Agreement shall be initiated no later than _____.

Services shall be completed no later than _____, 20__ . Any extensions of the time limit set forth above must be agreed upon in writing by the Parties.

5. Independent Contractor. The services to be performed by KNS are those of an independent contractor and not of an employee or partner of the District. KNS is obligated to pay federal and state income tax on any moneys earned pursuant to the Agreement. Neither KNS nor its employees, if any, are entitled to workers' compensation benefits from the District for the performance of the services specified in the Agreement.

6. Limitation on District Indemnity. Any obligation of the District to indemnify, defend, or hold harmless KNS is deleted. Notwithstanding any provision in the Agreement, the District does not waive and shall retain all of the immunities, protections, rights, procedures, and limitations provided to the District under the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S.

7. Limitation on Damages. Under no circumstances shall the District be liable to KNS for special, punitive, indirect or consequential damages suffered by KNS arising out of or in connection with the Agreement including, without limitation, lost profits, loss of use, or loss of opportunity.

8. Annual Appropriation. Pursuant to Article X, Section 20 of the Colorado Constitution and Section 29-1-110, C.R.S., the District's obligations hereunder are subject to the annual appropriation of funds necessary for the performance thereof, which appropriations will be made in the sole discretion of the District's Board of Directors.

9. Taxes. The District is a governmental entity and is therefore exempt from state and local sales and use tax. The District will not pay for or reimburse any sales or use tax that may not directly be imposed against the District. KNS shall use the District's sales tax exemption for the purchase of any and all products and equipment on behalf of the District.

10. Compliance with Laws. KNS will familiarize itself and comply with all laws applicable to the project.

11. Illegal Aliens. KNS certifies that KNS shall comply with the provisions of Section 8-17.5-101, *et seq.*, C.R.S. KNS shall not knowingly employ or contract with an illegal alien to perform work under the Agreement or enter into an agreement with a subcontractor that knowingly employs or contracts with an illegal alien. KNS represents, warrants and agrees that it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program described in Section 8-17.5-101, C.R.S. KNS shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job

applicants while the public contract for services is being performed. If KNS obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, KNS shall: (i) notify the subcontractor and the District within three (3) days that KNS has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three (3) days of receiving such notice, the subcontractor does not stop employing or contracting with the illegal alien, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien. KNS shall comply with all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment. If KNS fails to comply with any requirement of Section 8-17.5-102(2), C.R.S., the District may terminate the Agreement for breach, and KNS shall be liable for actual and consequential damages to the District. If KNS participates in the Department Program, KNS shall provide the affirmation required under Section 8-17.5-102(5)(c)(II), C.R.S., to the District.

12. Early Termination by District. Notwithstanding the time periods contained herein, the District may terminate this Agreement at any time without cause by providing written notice of termination to KNS. Such notice shall be delivered at least three (3) days prior to the termination date contained in said notice unless otherwise agreed in writing by the Parties. In the event of any such early termination by the District, KNS shall be paid for services rendered prior to the date of termination, subject only to the satisfactory performance of KNS's obligations under this Agreement. KNS shall also be paid for equipment and supplies that have been installed in compliance with the Agreement. To the extent possible KNS shall cancel any unfilled orders for equipment and supplies and shall return to the manufacturer or supplier any equipment and supplies that have not been installed, subject to the District paying any cancellation or restocking charges to the manufacturer or supplier. Any equipment and supplies that have been installed or that are not returnable and not installed for which the District has paid shall be the property of the District. Such payments shall be the Contractor's sole right and remedy for such termination.

13. Counterparts, Electronic Signatures and Electronic Records. This Addendum may be executed in two counterparts, each of which shall be an original, but all of which, together, shall constitute one and the same instrument. The Parties consent to the use of electronic signatures and agree that the transaction may be conducted electronically pursuant to the Uniform Electronic Transactions Act, § 24-71.3-101 *et seq.*, C.R.S. The Agreement, and any other documents requiring a signature, may be signed electronically by either Party. The Parties agree not to deny the legal effect or enforceability of the Agreement, solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the Agreement in the form of an electronic record, a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature on

the grounds that it is an electronic record or an electronic signature or that it is not in its original form or is not an original.

IN WITNESS WHEREOF, the Parties hereto have executed this Addendum to be

Sales Tax

Counter any problematic clauses in Agreement]

KNS:

By: _____
Name: _____
Title: _____
Date: _____

DISTRICT, a quasi-municipal corporation

By: _____
Name: _____
Title: _____
Date: _____