

**RESOLUTION OF THE BOARD OF EDUCATION
OF
DOUGLAS COUNTY SCHOOL DISTRICT RE-1**

**AUTHORIZING SUIT AGAINST
COLORADO SCHOOL DISTRICTS SELF INSURANCE POOL**

WHEREAS, Douglas County School District RE-1 (“District”) purchased policy number 1801-20-00021 from the Colorado School Districts Self Insurance Pool (“CSDSIP”), effective from July 1, 2020 to July 1, 2021 which granted broad liability coverage to the District including a duty to defend the District against claims alleging negligence, misfeasance, malfeasance or nonfeasance (“Liability Insurance Policy”); and

WHEREAS, on September 9, 2020, the Milestone Academy (“Milestone”) and American Charter Development, LLC (“ACD”) filed a Complaint in the United States District Court for the District of Colorado, civil action number 1:20-cv-02927-SKC, against the District which involves the attempted development of a charter school building and operation of a charter school (“Milestone’s Complaint”); and

WHEREAS, Milestone’s Complaint includes four claims for relief: 1) Deprivation of Right of Due Process; 2) Breach of Contract; 3) Breach of Covenant of Good Faith and Fair Dealing; 4) Promissory Estoppel, and seeks an award of monetary damages to Milestone and ACD, attorneys’ fees, pre and post judgment interest, and any other such relief that the Court deems just and equitable; and

WHEREAS, the District provided timely notice of Milestone’s and ACD’s claims against it and demanded that CSDSIP provide the District with a defense and indemnity against these claims; and

WHEREAS, on December 18, 2020, CSDSIP sent the District a coverage denial letter regarding Milestone’s and ACD’s claims; and

WHEREAS, on January 20, 2021, the District’s counsel sent a response to the December 18, 2020 coverage denial, contesting the denial and demanding a defense; and

WHEREAS, the District’s January 20, 2021 response letter contained a detailed analysis of Colorado case law regarding the interpretation of insurance contracts that supported CSDSIP’s duty to defend the District against the claims alleged in Milestone’s Complaint; and

WHEREAS, On February 25, 2021, CSDSIP sent another denial of coverage under its Liability Insurance Policy to the District continuing to dispute that coverage under the Liability Insurance Policy was triggered by the Milestone Complaint; and

WHEREAS, the District continues to assert that CSDSIP is obligated to provide the District with a defense and indemnity against the claims brought in Milestone’s Complaint.

NOW THEREFORE, BE IT RESOLVED that the Board of Education of the Douglas County School District RE-1 (the “Board”) authorizes the following:

That a lawsuit be brought against CSDSIP asserting claims for breach of contract, statutory violations and a declaratory judgment that the Liability Insurance Policy covers the District for the claims asserted in Milestone’s Complaint and seeking such other and further relief to which the District may be entitled.

NOW, BE IT FURTHER RESOLVED that execution of this Resolution is conclusive evidence of the Board’s approval of this action and of the authority granted herein.

Adopted and approved this 22nd day of June, 2021 by a vote of 6-0.



DOUGLAS COUNTY SCHOOL DISTRICT RE-1

David Ray

By _____
David Ray, President, Board of Education

Elizabeth Hanson

By _____
Elizabeth Hanson, Secretary, Board of Education