

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CASCADE METROPOLITAN DISTRICT NO. 1  
HELD NOVEMBER 27, 2018**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 27th day of November 2018, at 5:30 p.m., at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado. The meeting was open to the public.

**Directors in Attendance Were:**

Susan Soloyanis  
Mike Herr  
Troy Eason  
James Borden  
Mike Whittemore (arrived at 6:13 p.m.)

**Also in Attendance Were:**

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law (via telephone)  
Mark Hornberger, GMS  
Andre Kilik, District employee (arrived at 5:45 p.m.)  
Dwayne Schorman, District employee  
Kevin Walker, Walker Schooler District Managers  
Kristina Kulick, Walker Schooler District Managers  
Members of the public (see sign-in sheet attached)

1. **Call to Order:** The meeting was called to order at 5:33 p.m. by Director Soloyanis. The Board noted that President Whittemore would arrive later in the meeting.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:** Director Soloyanis confirmed a quorum. The Board discussed the requirements pursuant to Colorado law to disclose any potential or existing conflicts of interest to the Board of Directors and to the Secretary of State. Ms. Tanaka reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. No additional disclosures were noted.
3. **Approval of Agenda:** Director Borden moved to approve the Agenda; seconded by Director Herr. Motion passed unanimously.
4. **Consent Agenda Items:**
  - a. Acknowledge Operations Report
  - b. Acknowledge Manager's Report
  - c. Approval of Board Meeting Minutes from the October 23, 2018 Meeting

- d. Approval of Payables for the period ending November 27, 2018 in the amount of:

General Fund:	\$ 17,699.60
Capital Projects Fund:	\$ 211,070.22
Grant Capital Projects Fund:	\$ 127,747.91
<u>Debt Service Fund:</u>	<u>\$ 22,128.55</u>
Total	\$ 378,646.28

- e. Acceptance of Unaudited Financial Statements as of October 31, 2018, the schedule of cash position updated as of October 31, 2018 and bank statements
- f. Approval of Requisition No. 41 to UMB Bank, as Trustee, for payment of Working Capital Project funds from Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and 2015 B
- g. Adoption of Resolution No. 2018-11-01: Annual Administrative Resolution
- h. Adoption of Resolution No. 2018-11-02: Personal Data Privacy Policy
- i. Approval of Updated Engagement Letter with WHITE BEAR ANKELE TANAKA & WALDRON for General Counsel Services
- j. Approval and Renewal of Consultant Agreements for 2019 Services (copies of all agreements available upon request; no changes in scope or fees unless otherwise noted):
- WSDM, LLC for Management, Accounting and Billing Services
  - Meyer & Sams, Inc., d/b/a GMS, Inc., Consulting Engineers for Engineering Services
  - Lamb Plumbing & Excavating, Inc., for Plumbing and Excavation Services

Director Herr noted he reconciled the last two months of bank statements and everything was accurate. Director Herr moved to accept the Consent Agenda as presented; seconded by Director Borden. Motion passed unanimously.

**5. Consideration of items removed from Consent Agenda: None.**

**6. Management Matters:**

- a. CSU Discussion and General Project Update: Director Soloyanis updated the Board and said that today was the last day of the asphalt. The operation was shutting down for the winter including the creek crossing and some pipe lengths out of the street near the popcorn shop. Director Soloyanis said they will not be doing anymore services and they are finished on Timber Lane. For the coming season, the major things left to do are finish the creek crossing, finish services along the frontage road and on Outpost and Ute, finish hooking up the PRV, cut off the storage tank and, finally, Rampart Terrace.

Director Soloyanis noted that the letter went out to CSU and it should not be a surprise to them. Director Soloyanis said we look forward to a meeting with CSU in December or January and getting issues resolved before Spring. The Board discussed that there are 6 to 8 weeks of work planned for the Spring. Director Borden has asked for them to get a price for demo of the park pump house but

still waiting to hear back. The leak has been fixed under the drainage structure on Pyramid Mountain caused during construction when the County and FEMA built the culvert. Director Borden said the 2-inch line on Timber Lane is off, as well as the line on Gardner and the line running down Topeka.

The Board feels like a lot has been accomplished this past year. Director Eason asked about current as-builts. Mr. Hornberger says he will make sure everything is up to date. Director Soloyanis said we still need to have the main by Mr. Schoreman's opened all winter unfortunately to prevent it from freezing. The Board discussed the damaged stop box on Outpost and that the sale did not close, so they will need to reassess the situation since it is a sensitive issue. Director Herr thanked Director Soloyanis for her work on this project. Mr. Kilik arrived at 5:45 p.m.

- b. Easements: Mr. Hornberger said the homeowner on Timber Lane did sign his easement. Director Soloyanis confirmed the homeowner owns the meter pit and infrastructure, but not the meter. She added that when CSU takes over, every meter will need to be replaced but this is a project that CSU will tackle.
- c. Project Contractor Pay Request:
  - 1. GMS Bond Payable - \$46,906.93
  - 2. RMS Bond Payable - \$164,113.89
  - 3. RMS Grant Payable - \$127,747.91

Mr. Hornberger reviewed the pay requests. Director Soloyanis pointed out the correction on the GMS Bond Payable to \$46,906.93 from \$46,906.33. Director Eason moved to approve the pay requests; seconded by Director Soloyanis. Motion passed unanimously.

- d. Other management matters: Director Borden said the service cards are not going to be easy to do. He said he asked CSU to print out a GIS map, and it was discovered that the addresses are incorrect. Director Soloyanis suggested asking CSU about this when we meet with them since it is their GIS. She is also not convinced the meter cards are needed or useful. All that they need to know is where the stop box is, and she is willing to explain this to CSU. Director Herr asked what the cost for us would be to do the cards. Director Soloyanis said it depends on who we have do it, but it seems like it is unnecessary. Mr. Kilik and Mr. Hornberger discussed having Calvin draw them up to show exactly how he wants them done. Director Borden thinks if they had the handheld that might help. Mr. Kilik noted if there is a foot of snow the handheld won't find it.
7. **Operations Matters:** Mr. Kilik discussed 8176 West Highway 24. Mr. Walker said he spoke to the homeowner today and that he was unhappy with the District regarding the communication as the work on the service progressed. Mr. Kilik explained that the homeowner asked him if he could turn the valve on himself and he told him he could do it but be sure to not overturn it.

## **8. Financial Matters:**

- a. Public Hearing on the 2018 Budget Amendment and Adoption of Resolution No. 2018-11-03: Director Soloyanis opened the public hearing. Ms. Tanaka noted that notice of the public hearing was published in accordance with Colorado law and reported that no written objections were received prior to the hearing. Mr. Walker reviewed the proposed amendment with the Board. There being no public comment, the public hearing was closed. Director Herr moved to adopt Resolution No. 2018-11-03 and adopt the 2018 budget amendment; seconded by Director Eason. Motion passed unanimously.
- b. Public Hearing on 2019 Budget and Adoption of Resolution No. 2018-11-04: Adopting Budget, Imposing Mill Levy and Appropriating Funds: Director Soloyanis opened the public hearing. Ms. Tanaka noted that notice of the public hearing was published in accordance with Colorado law and reported that no written objections were received prior to the hearing. Mr. Walker reviewed the proposed budget with the Board. Mr. Walker said it is just like last year's budget except projecting a smaller expenditure for personnel due to not having the construction project and water loss has improved and it will modify the water service fee into one fee instead of two, but projecting same amount of income as next year. The District is going into this year with \$70,000 cash which is substantially better than when we started.

Director Eason asked about what happens when we turn over to CSU and we are just operating as a bond fund and what happens if we default on the bonds. Ms. Tanaka said they will set the rates at the necessary amount to pay the debt service on the bonds and if that is not set appropriately, the bonds will be in default. If people are not paying their fees, then the District will certify those accounts for collection with taxes. Director Soloyanis asked if the County could take that over. Ms. Tanaka said no, but the court could appoint a receiver if the Board failed or refused to perform this duty. She noted that it would likely result in the bonds taking longer to pay and additional fees being paid by the community. Ms. Tanaka said it would be in the Board's best interest to have a few people stay on the Board to ensure that the annual obligations are met and to ensure the District remains in compliance with Colorado law. Director Soloyanis asked if we are currently collecting enough money to pay off the bonds, management costs and legal costs. Ms. Tanaka said yes, right now the District collects sufficient fees to cover these costs; however, the debt service costs will change over time and the operational costs will likely reduce significantly which will result in a change in the fee over time. Mr. Walker said the payment would be enough to stay current and there is a large payment due 30 years from now, but it is so far in the future it may get refinanced and go longer or we may be able to collect money to repay it. President Whittemore arrived at 6:13 p.m. Director Soloyanis would like a discussion in the future about this issue so the Board can be educated on how the District is going to pay off the bonds. Ms. Tanaka noted that the bonds contain a 10 year call protection which precludes the prepayment of the bonds in most

circumstances. Director Eason asked if we could use the sale of assets for payment of the loan. Ms. Tanaka said we could take the funds from the sale of assets and place the revenues in the debt service fund but once it is in the debt service fund it cannot come out to be used for any other purpose. Mr. Walker and Ms. Tanaka would review the situation in the coming year in preparation for this occurrence. Ms. Tanaka noted that there are also operational reserve requirements to keep in mind. Mr. Walker added that the debt service fund balance is increasing so that is a positive. The Board closed the public hearing. Director Borden moved to adopt the Resolution No. 2018-11-04; seconded by Director Herr. Motion passed unanimously.

- c. Approval of Engagement Letter with Biggs Kofford, PC for 2018 Audit Services: Director Soloyanis moved to approve the engagement letter with Biggs Kofford, PC for 2018 Audit Services, subject to revisions requested by legal counsel, and authorized the Manager to negotiate the fee; seconded by Director Eason. Motion passed unanimously.

**9. Legal Matters:** Ms. Tanaka had no updates.

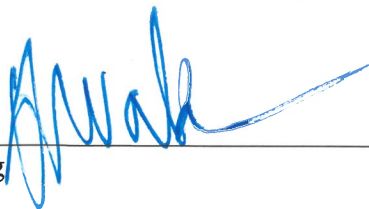
**10. Public Comment:** There was no public comment.

**11. Other Business:**

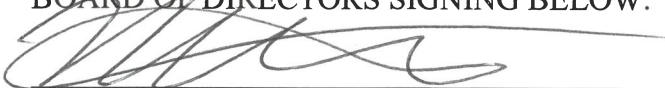
- a. Next Meeting— Scheduled for December 25, 2018 at 5:30 p.m. Consider cancelling or rescheduling – Mr. Hornberger said there may be a small pay request next month. Ms. Tanaka said they can appoint a committee to approve this and then it can be ratified at the next meeting. The Board decided to cancel December's meeting.

**12. Adjournment:** The meeting was adjourned at 6:23 p.m.

Respectfully submitted,  
By: \_\_\_\_\_  
Secretary for the Meeting



THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 27, 2018  
MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE  
BOARD OF DIRECTORS SIGNING BELOW:




Mike Whittemore

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Mike Herr



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Troy Eason



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James Borden



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Susan Soloyanis

# CASCADE METROPOLITAN DISTRICT NO. 1

Please print the requested information below. If you wish to address the Board during public comment, please indicate that by checking the box under the public comment column. Public comment will be taken in the order they appear on this sheet. Public comment is limited to three (3) minutes.

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