

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CASCADE METROPOLITAN DISTRICT NO. 1  
HELD APRIL 28, 2020**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 28<sup>th</sup> day of April 2020 at 5:30 p.m. via tele and video conference. The meeting was open to the public.

**Directors in Attendance Were:**

Mike Whittemore  
Susan Soloyanis  
Jim Borden  
Mike Herr  
Troy Eason

**Also in Attendance Were:**

Kevin Walker, Walker Schooler District Managers

1. **Call to Order:** President Whittemore called the meeting to order at 5:30 p.m.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:** President Whittemore 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. Mr. Walker 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:** Mr. Walker noted there were additional easements to accept in Management Matters. Director Herr moved to approve the Agenda; seconded by Director Borden. Motion passed unanimously.
4. **Consent Agenda Items:**
  - a. Acknowledge Manager's Report
  - b. Approval of Board Meeting Minutes from the special meeting held on February 22, 2020 Meeting
  - c. Ratification and Approval of Payables for the period ending April 24, 2020 in the amount of:

General Fund:	\$
Capital Projects Fund:	\$
Grant Capital Projects Fund:	\$
<u>Debt Service Fund:</u>	<u>\$</u>
Total	\$

- d. Acceptance of Unaudited Financial Statements as of March 31, 2020, the schedule of cash position updated as of March 31, 2020 and bank statements
- e. Adoption of Resolution No. 2020-04-01: Declaring emergency procedures and Authorizing Teleconferencing for Regular and Special Meetings
- f. Adoption of Resolution No. 2020-04-02: Suspension of New Late Fees
- g. Adoption of Resolution No. 2020-04-03: Establishing an Electronic Signature Policy

Director Herr noted he completed the reconciliations for the money market account for the past two months, but Ms. Hardekopf said there was an issue with the checking account reconciliations which she should be able to have done this week. Mr. Walker explained the issue is with a return check that we do not know who it was and problems with First Bank. Director Herr suggested looking at the check images that are usually provided. Director Soloyanis moved to approve the Consent Agenda minus item b. Approval Board Meeting Minutes from the special meeting held on February 22, 2020 Meeting; seconded by Director Borden. Motion passed unanimously.

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

**6. Management Matters:**

- a. Update on Turnover to CSU: Mr. Walker reported that water loss information was sent to GMS for them to complete the official AWWA water report.

Director Soloyanis discussed the list of things that need to be completed as part of the conversion. She discussed service agreements and that CSU will send letters and fliers asking customers to call CSU to set up their water service. Director Soloyanis provided CSU with contact information in case customers do not respond to set up service. Director Soloyanis discussed common service agreements and those customers who share a service line or stop valve with a neighbor. CSU wants those customers to sign an agreement acknowledging the fact that they and their neighbor must decide who is responsible if their service line breaks. CSU wants to write up the agreements and send them to us to get them signed by the customers. Director Soloyanis said she wants to refuse to do so because that requirement is not listed in the system improvements required report. It has never been brought up before that we had to have a written agreement by those customers. Director Soloyanis requested permission to deny CSU's request. The Board discussed the history of the combined lines. The Board agreed to speak with legal to make sure they are in the right position.

Director Soloyanis discussed that CSU is writing an operational agreement between the District and CSU. It will cover the installation of meters and allowing CSU to enter customer's homes for installation. It will also set forth how they will provide billing information. She noted we are just waiting to receive the agreement from CSU's legal, but it should be relatively straight forward. Director Soloyanis discussed meters that are installed vertically as opposed to horizontally which is CSU's standard. She took photos for CSU and

they will take care of having a plumber dig them out and place them horizontally.

- i. Backflow: Mr. Walker reported they have sent CSU backflow information and are waiting to hear back on if it was adequate.
  - ii. Easements – 8190 Chipita Park and 8176 W. Hwy 24: Director Soloyanis reported they have made tremendous progress on easements. She discussed the Novitiate line and that the District would like to privatize the line. CSU is concerned that one of the customers on the end of Outpost is actually fed off the Novitiate line, but GMS believes there is a separate service line for that customer. CSU has requested that we test the customer's line with the Novitiate line to make sure it is separate. Director Herr moved to approve the easements for 8190 Chipita Park Road and 8176 W. Hwy 24; seconded by Director Borden. Motion passed unanimously.
  - iii. Other matters: Director Soloyanis discussed CSU's additional construction items; hydrant redundant line on Chipita Park Road, one stop-box repair and the meter installation. The meter installation will start at the beginning of August. We will be the first customers to receive the new generation remote-read meters. Director Soloyanis noted installation has been delayed by manufacturing issues and they will not install meters until we have completed all the easements according to CSU. Director Herr thanked Director Soloyanis for all her time spent on this.
- b. ATT lease agreement update: Mr. Walker updated the Board that they have put the issue of access back on ATT, and they have just now figured out they do not have access. Mr. Walker discussed the prescriptive right easement in place since they have been using the road for 30 years. The Board discussed that they believed the District did have an easement. Mr. Walker said, according to Mr. Anderson, he did not record an easement. Director Soloyanis noted the fire department uses that road as well. Mr. Walker explained there is an easement for the water line itself, but for the issue of access it could be expensive to take it to court. Mr. Walker and ATT are speaking to residents to see if they can come to a financial agreement for the easement. Mr. Walker discussed the option of choosing another location for the tower but noted that ATT really likes the current location. The Board discussed the possibility of inclusion of land into the District.
  - c. Other management matters: Mr. Walker noted his office will be open from 9:00 am to 12:00 pm this week and it was posted on the website as well.

- 7. Operations Matters:** Director Borden noted there was a water main leak again last week that has been repaired. The Board discussed needing to locate the meter at the end of Heizer. Mr. Walker noted that Mr. Kilik asked him to bring up a customer on Martindale who keeps having trouble with the freezing of their meter which is in a meter pit. They believe the meter pit is too shallow. Director Soloyanis noted the problem is the customer owns the meter pit. President Whittemore said he received a request for help on this as well. The Board discussed the customer owns the meter pit and is responsible for the maintenance. The Board confirmed it is

a horizontal meter, so CSU will not do anything with that meter. President Whittemore said he will call the customer back and explain the District has not updated the meter or done anything else to the meter pit, and it would be their responsibility. Director Soloyanis stated that Mr. Kilik has been incredibly responsive and has really helped a lot. President Whittemore agreed that he has been very impressive lately.

- 8. Financial Matters:** Mr. Walker discussed the communication from Mr. Nicholas and Mr. Matlos who has been looking at the District's options for refinancing. There are two options, the District can issue \$5.7 Million in debt that is taxable and converts to tax-exempt financing in the 3.8 – 3.9% interest range. The money would go in the bank so that it will defease the bonds in 2023. Mr. Walker noted they are talking about changes to the tax code as a result of this emergency that might allow the issue of bonds that are tax-exempt to pay off bonds that are tax-exempt, but at the moment that is not the case. The District would basically issue new bonds that are taxable and put the money in the bank to pay off the bonds in 2023, and then go another 30 years to 2046 or 2049 and the payments would be in the range of \$330,000 annually which is less than what we are raising currently. It would be fixed, and the District would not have the problem of paying \$78 per month and still having to come up with a new refinancing in 2035 when the District owes a large balloon payment. Mr. Walker said these options achieve what the District is trying to accomplish, and from a financial standpoint they are good options for the District. Mr. Walker discussed if they chose the first option, it would give the District \$20,000 in net income to operate the District going forward without changing the \$78 fee. The Board discussed with the transition to CSU, the average user will be saving around \$25 per month. The Board discussed the District's finances and Director Soloyanis noted that CSU is keeping track of the construction costs they are covering that we agreed to do and they will be requesting the money at the end of the year. The Board discussed that they will essentially liquidate and pay back CSU minus what it takes to operate the District. The remaining debt on CSU's part will eventually be written off. Mr. Walker expressed concerns with starting the process with \$0 in the bank. Director Soloyanis said they will not take it all and there will be discussions with CSU about what funds the District needs to operate. The Board discussed management costs and potential income from the ATT lease. Mr. Walker noted they may be able to collect money to cover the District's audits if it is just for the debt service. Mr. Walker discussed certain improvements that will need to be funded and legal expenses to get to the final bond issuance. Mr. Walker recommended if the Board would like to pursue this further, to hold a special meeting where the bond underwriter and legal are on the phone to further discuss. The Board agreed and directed Mr. Walker to schedule a special meeting.

Mr. Walker reported that late payments have been average, but there may be an increase in late payments due to COVID -19.

- 9. Legal Matters:** There was no discussion.

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

- 11. Other Business:**

- a. Next Meeting— Scheduled for May 26, 2020 at 5:30 PM

**12.Adjournment:** Director Herr moved to adjourn; seconded by Director Eason. Motion passed unanimously at 6:30 p.m.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 28, 2020 MINUTES OF  
THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS  
SIGNING BELOW:

\_\_\_\_\_  
Mike Whitemore

\_\_\_\_\_  
Mike Herr

\_\_\_\_\_  
Troy Eason

\_\_\_\_\_  
James Borden

\_\_\_\_\_  
Susan Soloyanis