

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

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

Directors in Attendance Were:

Mike Whittemore
Jim Borden
Mike Herr
Troy Eason

Also in Attendance Were:

Braden Hammond, BiggsKofford
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 noted that they were unable to file disclosures, but he spoke with legal and given that the Board will not be deciding anything it was deemed okay.
3. **Approval of Agenda:** Director Borden moved to approve the Agenda; seconded by Director Herr. Mr. Walker requested to move the Audit discussion up earlier in the meeting. Motion passed unanimously.
4. **Consent Agenda Items** (These items are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless requested, in which event, the item will be removed from Consent Agenda and considered in the Regular Agenda)
 - a. Acknowledge Manager's Report
 - b. Approval of Board Meeting Minutes from the special meeting held on May 26, 2020 Meeting
 - c. Ratification and Approval of Payables for the period ending May 22, 2020 in the amount of:

General Fund:	\$28,157.84
Capital Projects Fund:	\$ 333.12
Grant Capital Projects Fund:	\$
<u>Debt Service Fund:</u>	<u>\$31,949.79</u>

Total \$60,440.75

d. Acceptance of Unaudited Financial Statements as of June 30, 2020 the schedule of cash position updated as of June 30, 2020 and bank statements.

Director Eason moved to approve the Consent Agenda; seconded by Borden. Motion passed unanimously.

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

6. Management Matters:

- a. Update on Turnover to CSU: Director Borden reported that the target date for turnover to CSU is November 1st or 2nd. Utility Board met with CSU last week at a closed-door meeting, and they presented this matter and the Board affirmed this process. They will start on the hydrants on Chipita Park Road right away and starting August 3rd, CSU will start calling customers to make appointments to exchange meters. Director Borden discussed that Bryan McCormick wants to add \$14 a month to the existing \$80 per month bill to cover some of their expenses. Mr. Walker explained last week the CSU Board met in executive session, so the District was not invited and today, he received a note from Mr. McCormick asking the Board to discuss repayment. Mr. Walker had calculated the leftover funds to turnover to CSU would be roughly \$35,000. CSU says the total amount for remaining improvements is \$250,000 with the 3 sources - district funds, sale of assets from the District such as small properties the District owns like the water tank and triangle building. The last source of funds is a repayment schedule funded by a surcharge, but Mr. Walker had not heard yet of the \$14 a month on our bill. Mr. Walker discussed if the leftover funds are considered debt or a multi-year obligation, the District could not take that on without a Service Plan change. Mr. Walker noted if CSU put the surcharge on their bill, it would not be an issue. The Board discussed the 50% Out of City surcharge and how that should be covering the remaining funds. The Board discussed keeping the customers informed on the upcoming turnover schedule.
 - i. Easements: There were no easements.
 - ii. End of year cash position: There was no additional discussion.
 - iii. Meter replacement project: The meter replacement project starts in August and will run through September. They hope to have it completed on October 1, 2020.
- b. 2021 Budget: There was no additional discussion.
- c. Trail construction project: Mr. Walker discussed the construction of the regional trail through Cascade in 2021. They informed us they would like to have discussions about what conflicts their trail may have with our facilities. CSU is aware and took responsibility for removing all the facilities whenever the trail construction requires it. The Board discussed the possibility of renting the triangle building.
- d. Other management matters: There was no discussion.

7. Operations Matters

- a. Director Borden noted that RMS is planning to work on the warranty work in September.

8. Financial Matters:

- a. Audit Draft and 2021 budget preliminary discussions: Mr. Hammond presented the draft audit to the Board and noted due to Coronavirus, they are slightly behind but expect to have the Audit filed with the State by July 31st. He explained they are preparing to issue an unqualified opinion which is the clean opinion and the same the District has had for the past several years. Mr. Hammond pointed out the District's cash position is down \$600,000 and that primarily relates to capital asset purchases during 2019 and paying down accounts payable in 2019. The District's net position increased by \$700,000 and that is primarily related to income statement. Revenues were similar to last year, but expenses were down significantly. Overall, it looked like a very good year for the District. Mr. Hammond asked about the status of the energy grant and CSU turnover project. President Whittemore explained they have filed for all the available funds in the grant and they are in the process of closing it out with DOLA. President Whittemore discussed the CSU turnover and the target date is November 1, 2020. They are working through the resolution of some financials involving outstanding work that will be done by CSU. President Whittemore explained the District will remain functional to serve the revenue bond repayment and the operations will be managed by CSU. Director Herr moved to approve the draft Audit for 2019 as presented; seconded by Director Eason. Motion passed unanimously. Mr. Hammond left the meeting.
- b. Rates and Charges changes: Mr. Walker explained the Board will need to have a hearing to establish the new rate schedule to remove all the other charges except for the debt service fee. The Board discussed an incentive for autopayments. Mr. Walker noted the hearing will be held during the November Board meeting.

9. Legal Matters: There was no discussion.

10. Public Comment: Mr. Walker noted he had a conversation with a resident about putting in a new service line. He is currently on a shared service line and would like to run his own line and connect to an old service line to the pipe in Severy. Mr. Walker explained to him that it would be at his expense and we would be responsible for installing the tap, but Mr. Walker will confirm.

The Board discussed Mr. Lachena regarding the PRV and how he is wanting the District to pay for damage to his water heater and crawl space from the lack of a PRV causing pressure issues in his house. He also wants the District to pay for running a new service line because years ago, a District Contractor crimped his line and ruined it causing flooding. President Whittemore requested that he come to the meeting to present and put his request in writing. He said he preferred to discuss it, but he did not show up to the meeting tonight. The Board noted he had the opportunity to come discuss it.

Director Herr discussed a conversation he had with a realtor in the area, and she requested more information to be provided on the water district. Mr. Walker confirmed that all the water bills are disclosed and noted they could add more information to the website that explains in addition to water they are responsible for bond repayment.

11. Other Business:

- a. Next Meeting— Scheduled for August 25, 2020 at 5:30 PM: President Whittemore noted he will not be available for the August meeting.

12. Adjournment: The Board adjourned the meeting at 6:30 PM.

Respectfully submitted,

By: _____
Secretary for the Meeting

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

Mike Whittemore

Mike Herr

Troy Eason

James Borden

Susan Soloyanis