CASCADE METROPOLITAN DISTRICT NO. 1
AGENDA
SPECIAL BOARD MEETING

Tuesday, January 26, 2021
5:30 P.M.

Due to Executive Orders issued by Governor Polis, and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Health and Environment, and the risk posed by COVID 19,

via tele/video conferencing and can be joined through the directions below:

Please join the meeting from your computer, tablet or smartphone.
https://global.gotomeeting.com/join/496521085

You can also dial in using your phone.
United States (Toll Free): 1 877 309 2073
United States: +1 (571) 317-3129

Access Code: 496-521-085

Public invited to attend

Board of Directors

Mike Whittemore, President	Term Expires May 2023
Mike Herr, Secretary/Treasurer	Term Expires May 2023
Troy Eason, Assistant Secretary	Term Expires May 2022
Susan Soloyanis, Assistant Secretary	Term Expires May 2023
James Borden, Assistant Secretary	Term Expires May 2022

AGENDA

1. **Call to Order**

2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures**

3. **Approval of Agenda**

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 **(enclosure)**
   b. Approval of Board Meeting Minutes from the special meeting on December 15, 2020 **(enclosure)**
   c. Ratification and Approval of Payables for the period ending September 18, 2020 **(enclosure)** in the amount of:

General Fund:	$	34.575.25
Capital Projects Fund:	$	
Grant Capital Projects Fund:	$	
Debt Service Fund:	$	21.665.93
Total	$	56,241.18

   d. Acceptance of Unaudited Financial Statements as of December 31, 2020 the schedule of cash

position updated as of December 31, 2020 and bank statements **(enclosure)**

e. Approval of Resolution No. 2021-01-01 Designating the District's Website For The Online Posting Of Meeting Notices And 24-Hour Posting Location **(enclosure)**

4. Consideration of items removed from Consent Agenda

5. Management Matter

a. Review of payment status and collections
b. Review and comment on FAQ's **(to be distributed)**
c. Discuss status of post-conversion requirements

6. Financial Matters

7. Legal Matters

d. Review and consider for adoption Resolution No. 2021-01-02 Amending and Restating the District's Collection Resolution (enclosed)
e. Discuss notice to increase fees.

8. Public Comment (Items Not on the Agenda Only. Comments limited to 3 minutes per person and taken in Order In Which They Appear on Sign-Up Sheet)

9. Other Business

a. Next Meeting— Scheduled for February 23, 2021 at 5:30 PM

10. Adjournment

WALKER SCHOOLER
DISTRICT MANAGERS

MEMORANDUM

TO: CASCADE METROPOLITAN DISTRICT BOARD OF DIRECTORS
FROM: REBECCA HARDEKOPF, ASSISTANT DISTRICT MANAGER
SUBJECT: MONTHLY MANAGERS REPORT FOR JANUARY 27, 2020 BOARD MEETING
DATE: JANUARY 20, 2021
CC: JENNIFER GRUBER TANAKA
BOARD PACKET

Management matters

- Update of Website for meetings and monthly maintenance.
- Facilitate communications with Residents about the Colorado Springs Utilities Take over of water service provider.
- Worked with staff on several customer service issues, late payments, and debt service fee questions.
- Coordinated move-in and move-out adjustments, as needed.
- Working on |CSU Repayment Agreement followup.
- FAQ with attorney
- Mill Levy Certification, Map, Budget and transparency notice filing for DOLA
- Insurance adjustments

Billing

- New bills sent January 7, 2021
- The month of December activity:
  - There were 0 move-in/move outs in December
  - Produced 42 late reminder letters as of January 15, 2021
  - Average for past year was 22 – 25. Resolution rate was near 100% for 2020

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD DECEMBER 15, 2020

A special meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 15th day of December 2020 at 5:30 p.m. via tele and video conference. The meeting was open to the public.

The meeting was held via zoom due to Executive Orders issued by Governor Polis, and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Health and Environment, and the threat posed by the COVID-19 coronavirus.

Directors in Attendance Were:
Mike Whittemore
Jim Borden
Mike Herr
Susan Soloyanis
Troy Eason (arrived late)

Also in Attendance Were:
Heather Hartung, Esq., White Bear Ankele Hartung & Waldron, Attorneys at Law
Kevin Walker, Walker Schooler District Managers

1. **Call to Order:** President Whittemore called the meeting to order at 5:32 p.m.

2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:** President Whittemore confirmed a quorum of the Board was present. Board members each confirmed there were no additional disclosures at this time. Director Soloyanis moved to excuse Director Eason's absence; seconded by President Whittemore. Motion passed unanimously.

3. **Approval of Agenda:** Director Eason joined the meeting. After review, Director Herr moved to approve the Agenda as presented; seconded by Director Soloyanis. Motion passed unanimously.

4. **Consent Agenda Items:**
    a. Approval of Board Meeting Minutes from the special meeting held on November 15, 2020
    b. Ratification and Approval of Payables for the period ending December 10, 2020 in the amount of:

General Fund:	$40,446.44
Capital Projects Fund:	$
Grant Capital Projects Fund:	$

Debt Service Fund:	$21,665.63
Total	$62,112.37

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

Director Soloyanis moved to approve 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. Recap of Turnover to CSU: Mr. Walker reported on the completion of the turnover of the District's water system to CSU on December 1, 2020 Director Soloyanis discussed the repayment agreement with CSU and explained the best-case scenario is the District receives a $120,000 credit and may owe CSU roughly $135,000, or as much as $250,000. CSU did confirm they will communicate with the District on the Easement process moving forward. The Board thanked Mr. Walker for his role in negotiations with CSU. Mr. Walker also thanked Mrs. Hartung for her role in the turnover.
   b. "Going forward" discussion: Director Soloyanis discussed District property and items inside the triangle building that need to be removed and disposed of. She noted multiple old meters that Mr. Kilik has offered to recycle as well as a truck he has offered to purchase. The Board discussed auctioning off some of the District property through a third-party company. The Board also discussed the small parcels of land, the triangle building and the water tank and land that is owned by the District and the option of selling it to adjacent property owners. The Board agreed to continue this discussion at the next Board meeting and moving forward.
      i. Billing communication review: Mr. Walker discussed the letter that was mailed to customers communicating to them about the Cascade Metropolitan District bill they will receive starting in January 2021. Mrs. Hartung discussed the new collection process in case of non-payment which includes the option of a lien that can be foreclosed upon as well as certifying them to the Treasurer or having her office attempt to collect. Director Borden moved to direct Mrs. Hartung to draft a new resolution outlining the District's collection process pursuant to statutes; seconded by Director Soloyanis. Motion passed unanimously. Mr. Walker confirmed the District has done well in terms of payments, and only 2 or 3 customers are overdue.

7. **Operations Matters:** Mr. Walker noted that Mr. Kilik received his bonus and was very grateful and thanked the Board. As of now, Mr. Kilik is on an as-needed hourly basis for the District.

8. **Financial Matters:**
    a. Review of 2021 final budget, cash position: Mr. Walker presented the review of the 2021 final budget and the District's cash position. Mr. Walker noted the District has adequate cash to get through the year and the District is doing better than he projected financially. Director Soloyanis noted a charge from legal regarding mill levy tracking, but the District does not have a mill levy. Mr. Walker explained the District files a mill levy certification showing a 0 mill levy, but he will look into what the charges are for.

9. **Legal Matters:**
    a. Ratify documents for the CSU Turnover: Director Eason moved to ratify documents for the CSU Turnover; seconded by Director Borden. Motion passed unanimously.
        i. Bill of Sale
        ii. Assignment of Easements
        iii. Officer's Certificate
        iv. Seller's Affidavit
        v. Resolution Approving Conversion
        vi. Resolution Abandoning Water Right
        vii. Permanent Easement Agreements for Meter 509 and 510
        viii. Repayment Agreement
        ix. Statement of Authority
    b. Discuss collection procedures: There was no additional discussion.

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

11. **Other Business:**
    a. Next Meeting— Scheduled for January 26, 2021 at 5:30 PM

12. **Adjournment:** Director Herr moved to adjourn the meeting at 6:54 p.m.; seconded by Director Eason. Motion passed unanimously.

Respectfully submitted,

By: _____

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL DECEMBER 15, 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

Cascade Metropolitan District

PAYMENT REQUEST

1/26/2021

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
Black Hills Energy	5810	12/30/2020	$ -		$ -	Credit
Colorado Springs Utilities	1063295574	2/4/2021	$ 22,354.98		$ 22,354.98	Auto Pay
Crossroads Asphalt Paving	173	12/16/2020	$ 1,500.00		$ 1,500.00	
First Bank	5248	12/10/2020	$ 168.88		$ 168.88	
Mailing Services Inc.	14653	12/22/2020	$ 220.00		$ 220.00	
Olson Plumbing & Heating Co	89195	12/21/2020	$ 424.63		$ 424.63	
SGS Accutest	52160123551	12/23/2020	$ 205.95		$ 205.95	
T. Charles Wilson	9299	11/19/2020	$ 775.00		$ 775.00	
Walker Schooler District Managers	6657	12/31/2020	$ 5,352.60		$ 5,352.60	
White Bear Ankele Tanaka & Waldron	13987	12/31/2020	$ 3,379.71		$ 3,379.71	
White Bear Ankele Tanaka & Waldron	13957	12/31/2020	$ 193.50		$ 193.50	
TOTAL			$ 34,575.25	$-	$ 34,575.25	

BOND FUND ACCOUNT

Description	Date	Amount	Comments
UMB Bank - Series 2015A & 2015B Interest	2/1/2021	$ 21,665.93	February Payment
TOTAL		$ 21,665.93	

CAPITAL FUND ACCOUNT

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
					$ -	
					$ -	
TOTAL			$ -		$ -	

TOTAL FOR ALL FUNDS $ 56,241.18

_____, President

4:46 PM
01/19/21
Accrual Basis

Cascade Metropolitan District No. 1
Profit & Loss Budget vs. Actual
January through December 2020

	Jan - Dec 20	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Property Taxes				
Current Year	72.10			
Spec Own	1,201.65			
Total Property Taxes	1,273.75			
1-505 · Water Sales	248,317.21	225,000.00	23,317.21	110.4%
1-507 · Bulk Water Sales	13,021.93	15,000.00	-1,978.07	86.8%
1-508 · Water Service Charge	167,869.17	140,000.00	27,869.17	119.9%
1-510 · Late Fees	2,833.26			
1-516 · Backflow Noncompliance Fee	445.55	2,000.00	-1,554.45	22.3%
1-517 · Tap Fees	15,000.00			
1-560 · Interest Income	117.61	150.00	-32.39	78.4%
2-510 · Debt Service Water Fee	336,244.11	337,132.80	-888.69	99.7%
2-515 · AOS Fee	4,680.01	3,985.20	694.81	117.4%
2-530 · Malcom Restitution	277.97			
2-560 · Interest Income-Debt	3,298.44	4,000.00	-701.56	82.5%
3-570 · Grant Revenue	75,395.00			
Total Income	868,774.01	727,268.00	141,506.01	119.5%
Expense				
Treasurer's Collection Fee	0.00			
1-612 · Accounting	0.00	2,500.00	-2,500.00	0.0%
1-615 · Audit	8,250.00	8,250.00	0.00	100.0%
1-618 · Bank Fees	1,573.14	1,800.00	-226.86	87.4%
1-635 · Election	632.43	3,000.00	-2,367.57	21.1%
1-670 · Insurance/SDA Dues	3,766.47	10,000.00	-6,233.53	37.7%
1-672 · Dues, Fees & Subscriptions	175.00	1,500.00	-1,325.00	11.7%
1-675 · Legal	34,005.64	40,000.00	-5,994.36	85.0%
1-681 · Management/Accounting	60,000.00	60,000.00	0.00	100.0%
1-693 · Payroll Taxes	2,785.55	4,000.00	-1,214.45	69.6%
1-710 · Chemical and Supplies	110.20	1,500.00	-1,389.80	7.3%
1-715 · Operation Labor	35,330.00	45,000.00	-9,670.00	78.5%
1-718 · Locates	285.00			
1-720 · Repairs and Maintenance	28,021.54	8,000.00	20,021.54	350.3%
1-725 · Telephone/Utilities	633.24	2,000.00	-1,366.76	31.7%
1-730 · Vehicle Expense	51.00	1,000.00	-949.00	5.1%
1-735 · Water Purchase	195,094.26	225,000.00	-29,905.74	86.7%
1-740 · Water Quality Testing	1,672.67	1,500.00	172.67	111.5%
1-745 · Meter Software and Hardware	0.00	1,000.00	-1,000.00	0.0%
1-755 · Engineering/Survey	0.00	1,000.00	-1,000.00	0.0%
1-760 · Office Supplies/Postage	4,500.56	5,000.00	-499.44	90.0%
2-617 · Bank Fees - Debt Service	3,328.49			
2-900 · Interest Expense CMD A 2015	97,475.00	194,950.00	-97,475.00	50.0%
2-905 · Interest Expense CMD B 2015	40,150.00	80,300.00	-40,150.00	50.0%
3-617 · Bank Fees - Capital	0.00	4,500.00	-4,500.00	0.0%
3-650 · Capital Improvements				
3-685 · Engineering - Capital	15,782.48			
Total 3-650 · Capital Improvements	15,782.48			
3-675 · Legal - Capital	11,568.83			
3-770 · Inspections	250.00			
66000 · Payroll Expenses	2,100.00			
Total Expense	547,541.50	701,800.00	-154,258.50	78.0%
Net Ordinary Income	321,232.51	25,468.00	295,764.51	1,261.3%
Net Income	321,232.51	25,468.00	295,764.51	1,261.3%

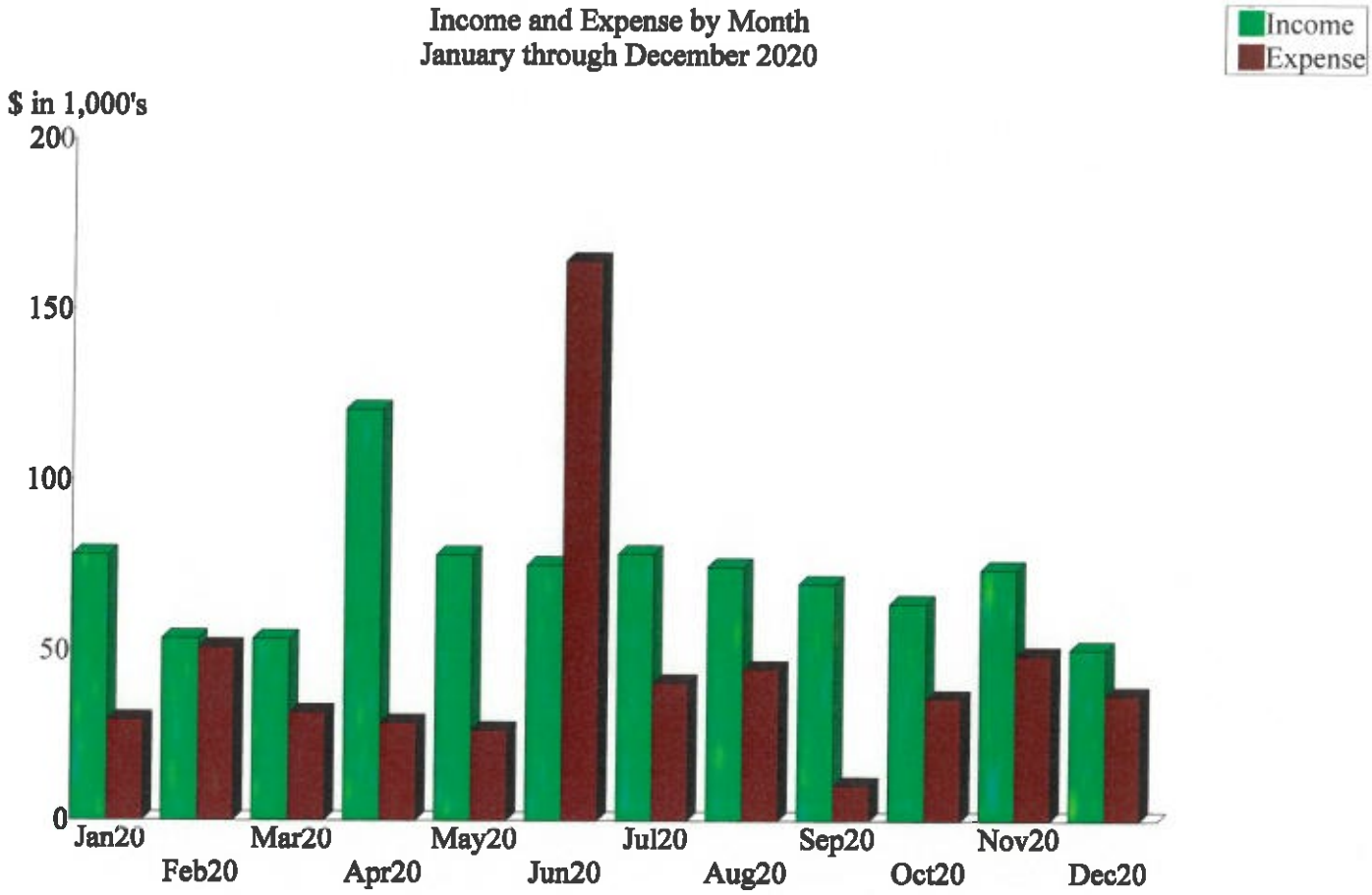
Cascade Metropolitan District No. 1
Balance Sheet
As of December 31, 2020

		Dec 31, 20
ASSETS		
Current Assets		
Checking/Savings		
1996 Checking		49,353.19
2002 Savings		157,644.26
2-1050 · UMB Interest 143222.1		165,572.47
2-1055 · UMB Reserve 143222.3		368,225.74
2-1060 · UMB Principal 143222.2		55,005.68
Total Checking/Savings		795,801.34
Accounts Receivable		
1-1200 · Accounts Receivable		77,854.07
1-1210 · Allowance for Doubtful Accounts		-5,000.00
Total Accounts Receivable		72,854.07
Total Current Assets		868,655.41
Fixed Assets		
3-1310 · Improvements		1,203,843.82
3-1315 · Infrastructure		3,520,619.61
3-1320 · Water Distribution System		300,000.00
3-1400 · Accumulated Depreciation		-490,730.49
3-763 · Design Costs		859,586.93
Total Fixed Assets		5,393,319.87
TOTAL ASSETS		**6,261,975.28**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable		-7,083.49
Total Accounts Payable		-7,083.49
Other Current Liabilities		
1-320 · Prepaid Charges		5,706.16
2-346 · Accrued Int 2015A		16,841.67
2-347 · Accrued Int 2015B		6,875.00
24000 · Payroll Liabilities		
CO Unemployment	-358.90	
Employee Taxes	-137.00	
24000 · Payroll Liabilities - Other	978.00	
Total 24000 · Payroll Liabilities		482.10
Total Other Current Liabilities		29,704.93
Total Current Liabilities		22,621.44
Long Term Liabilities		
Bonds Payable 2015A		3,400,000.00
Bonds Payable 2015B		1,460,000.00
2-2500 · Premium on Bonds		-8,659.08
2-251 · Issue Discount 2015B		-11,250.00
2-2510 · Amoritzation on Bond Premium		-2,483.10
2-252 · Underwriters Discount 2015A		-52,500.00
2-253 · 2015A Underwriter Discount		11,009.13
2-254 · Underwriters Discount 2015B		-22,500.00
2-255 · 2015B Underwriters Discount		5,491.35
2-524 · Series 2015A-Reoffering Prem.		46,657.00
2-610 · Series 2015A-Issue Discount		4,274.09
Total Long Term Liabilities		4,830,039.39
Total Liabilities		4,852,660.83

Cascade Metropolitan District No. 1
Balance Sheet
As of December 31, 2020

	Dec 31, 20
Equity	
3-3200 · Invested In Capital Assets	1,171,413.00
30000 · Opening Balance Equity	-180,464.08
32000 · Retained Earnings	97,133.02
Net Income	321,232.51
Total Equity	1,409,314.45
TOTAL LIABILITIES & EQUITY	6,261,975.28

Income and Expense by Month
January through December 2020

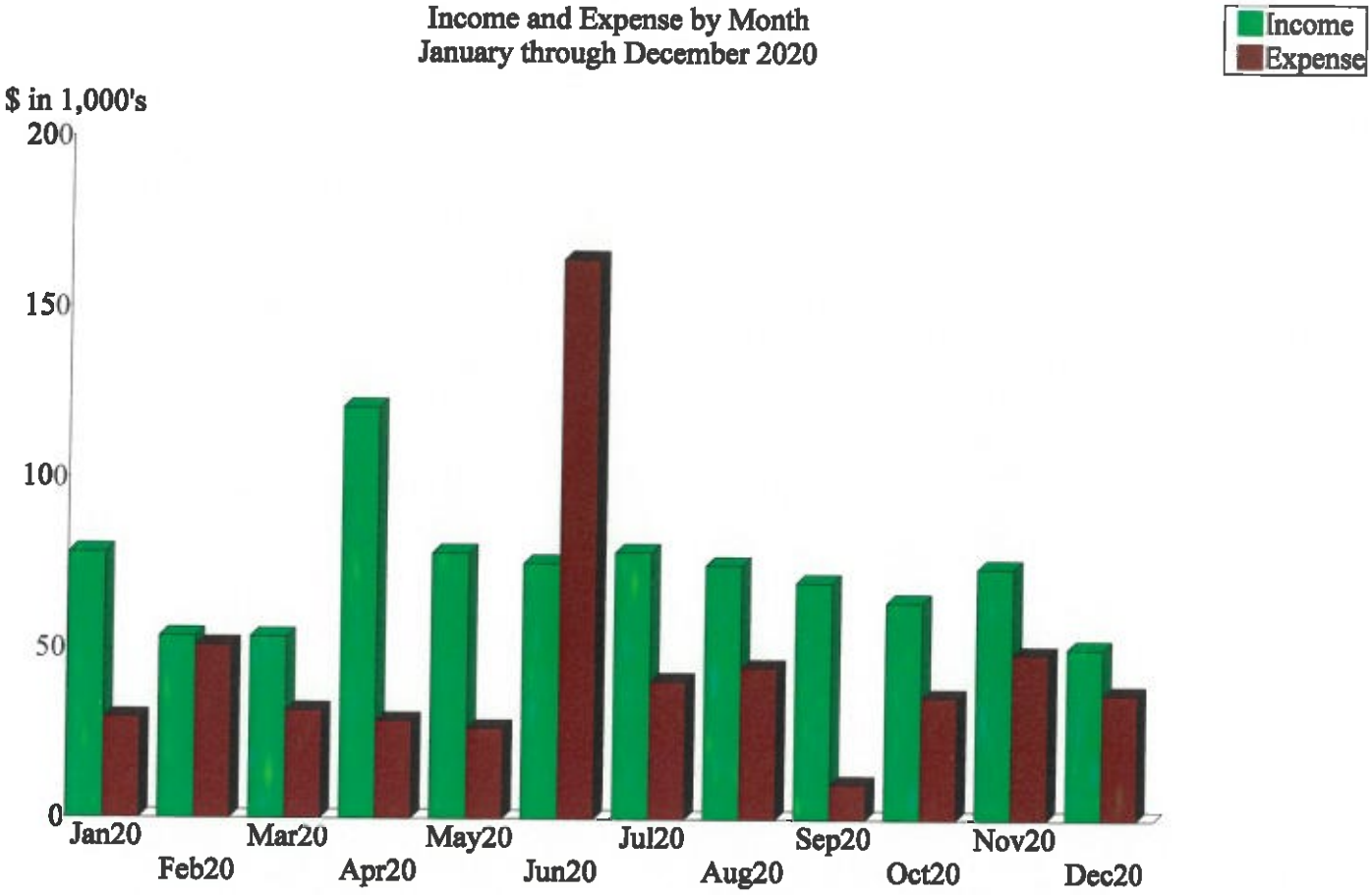


Income Summary
January through December 2020

2-510 · Debt Service Water Fee	38.70%
1-505 · Water Sales	28.58
1-508 · Water Service Charge	19.32
3-570 · Grant Revenue	8.68
1-517 · Tap Fees	1.73
1-507 · Bulk Water Sales	1.50
2-515 · AOS Fee	0.54
2-560 · Interest Income-Debt	0.38
1-510 · Late Fees	0.33
Property Taxes	0.15
Other	0.10
Total	$868,774.01

By Account

Income and Expense by Month
January through December 2020



Expense Summary
January through December 2020

1-735 · Water Purchase	35.63%
2-900 · Interest Expense CMD A 2015	17.80
1-681 · Management/Accounting	10.96
2-905 · Interest Expense CMD B 2015	7.33
1-715 · Operation Labor	6.45
1-675 · Legal	6.21
1-720 · Repairs and Maintenance	5.12
3-650 · Capital Improvements	2.88
3-675 · Legal - Capital	2.11
1-615 · Audit	1.51
Other	3.99
Total	$547,541.50

By Account

RESOLUTION NO. 2021-01-01

RESOLUTION
OF THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1

DESIGNATING THE DISTRICT'S WEBSITE FOR THE ONLINE POSTING OF MEETING NOTICES AND 24-HOUR POSTING LOCATION

WHEREAS, the Cascade Metropolitan District No. 1 (the "**District**") is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 24-6-402(1)(a), C.R.S., the District is a local public body and subject to the provisions of §§ 24-6-401, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-903(2) and § 24-6-402(2)(c), C.R.S., the District shall be considered to have given full and timely notice to the public if notice of the meeting is posted, with specific agenda information if available, on a public website of the District no less than twenty-four (24) hours prior to the meeting; and

WHEREAS, pursuant to § 24-6-402(2)(c), C.R.S., the District shall make the notice posted on the public website accessible at no charge to the public, consider linking the notice to any appropriate social media accounts of the District, and, to the extent feasible, make the notices searchable by type of meeting, date of meeting, time of meeting, agenda contents, and any other category deemed appropriate by the District; and

WHEREAS, pursuant to § 24-6-402(2)(c), C.R.S., the District shall designate a place within the boundaries of the local public body at which it may post a notice no less than twenty-four (24) hours in advance of the meeting in the event that the District is unable to post the notice online due to exigent or emergency circumstances.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. Pursuant to § 24-6-402(2)(c), C.R.S., the Board hereby designates Colorado.gov/cascademd as the website at which notices of District meetings will be posted twenty-four (24) hours in advance.

2. Pursuant to § 24-6-402(2)(c), C.R.S., the Board hereby designates the following location for the posting of its meeting notices twenty-four (24) hours in advance in the event that the District is unable to post notice on the District's website:

Ute Pass Library, located at 8010 Severy Road, Cascade, CO 80809

ADOPTED THIS 26TH DAY OF JANUARY, 2021.

CASCADE METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado

_____
Officer of the District

ATTEST:

_____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

_____
General Counsel to the District

[Signature Page to Resolution Designating the 24-Hour Posting Location.]

RESOLUTION NO. 2021-01-02

AMENDED AND RESTATED RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE METROPOLITAN DISTRICT NO. 1

Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges

---

WHEREAS, Cascade Metropolitan District No. 1 (the "**District**") is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board of Directors of the District (the "**Board**") is authorized to fix and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District (collectively, the "**Fees**") to properties within and without (each property individually referred to herein as the "**Property**") the District's boundaries; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., until paid, the Fees shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanics' liens; and

WHEREAS, pursuant to § 32-1-1001(1)(e), C.R.S., the Board may, in addition to any other collection activities authorized, may elect to certify a delinquent account to the County Treasurer for collection with the District's *ad valorem* property taxes; and

WHEREAS, by this Resolution (the "**Resolution**"), the District desires to set forth guidelines for the processing and collection of unpaid and/or delinquent Fees imposed by the District, together with any and all Late Fees, Interest, Penalties and Costs of Collections (each defined separately in this Resolution), (collectively, the "**Delinquent Fees and Charges**"); and

WHEREAS, notwithstanding anything in this Resolution to the contrary, the guidelines set forth in this Resolution are intended to create orderly and fair procedures for the processing and collection of Delinquent Fees and Charges and any deviation from the guidelines shall not affect the status of the Lien (as defined below) in any way.

WHEREAS, on December 3, 2019, the Board adopted the Resolution of the Board of Directors of the Amended and Restated Resolution of the Board of Directors of the Cascade Metropolitan District No. 1 Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges (the "**Prior Policy**"), and the Board desires to adopt this Resolution to amend and restate the Prior Policy in its entirety.

NOW, THEREFORE, the Board hereby RESOLVES:

1. **Statement of Lien Guidelines:**

a. ***Perpetual Lien***. Pursuant to § 32-1-1001(1)(j)(I), C.R.S., all Delinquent Fees and Charges shall constitute a perpetual lien on and against the Property served by the District (the "**Lien**"). All such Liens shall, to the fullest extent permitted by law, have priority over all other liens of record affecting the Property and shall run with the Property and remain in effect until paid in full. All Liens contemplated herein may be foreclosed as authorized by law at such time as the District, in its sole discretion, may determine.

i. Notwithstanding the foregoing, the guidelines set forth in this Resolution are intended to create orderly and fair procedures for the processing and collection of Delinquent Fees and Charges and to provide additional notice to interested parties, including, but not limited to, title companies and the Property owner. In the event any or all of the guidelines set forth in this Resolution are not followed, such deviation shall not affect the status of the Lien in any way. Further, the Board may waive any guidelines set forth in this Resolution and may amend them from time to time as it deems necessary.

b. ***District's Manager Procedures***. The District's Manager, Accountant or Billing Agent (any of which are referred to herein as the "**Manager**") is responsible for collecting Fees imposed by the District against the Property. In the event payment of Fees is delinquent, the Manager may perform the procedures listed below. The Fees are considered delinquent when they have not been paid by their corresponding due date (the "**Delinquent Account**"):

i. *Fifteen (15) Calendar Days Past Due:* A delinquent payment "Reminder Letter" may be sent to the address of the last known owner or occupant of the Property according to the Manager's records. In the event the above mailing is returned as undeliverable, the Manager may send a second copy of the Reminder Letter to: (1) the Property; and (2) the address of the last known owner of the Property as found in the real property records of the County Assessor's Office (the "**Assessor**") for the County in which the District is located (collectively, the "**Property Address**"). Said Reminder Letter may: (1) request prompt payment; (2) notify the Property owner that a Reminder Letter Fee, and a Late Fee in the amounts set forth in this Resolution have been assessed; and (3) reference the url address of the District's webpage where this Resolution is displayed, if available and requested by the Board.

ii. *Fifteen (15) Calendar Days From the Postmark Date of the Reminder Letter:* A "Warning Letter" may be sent to the Property Address: (1) requesting prompt payment; (2) warning of further legal action should the Property owner fail to pay the total amount due and owing; and (3) referencing the url address of the District's webpage where this Resolution is displayed, if available. Along with the Warning Letter, a copy of the most recent account ledger reflecting the total amount due and owing to the District according to the records of the Manager may also be sent.

iii. *Ten (10) Calendar Days from the Postmark Date of the Warning Letter*: Regardless of whether the Manager has performed the tasks outlined in Section 1(b) of this Resolution, the Manager may refer the Delinquent Account to the District's General Counsel (the "**General Counsel**"). At the time of such referral, the Manager may be requested to provide General Counsel with copies of all notices and letters sent pursuant to Section 1(b), if any, as well as a copy of the most recent ledger for the Delinquent Account.

c. ***General Counsel Procedures.*** Upon referral of a Delinquent Account from the Manager, General Counsel may perform the following:

i. *Upon Referral of the Delinquent Account From the Manager:* A "Demand Letter" may be sent to the Property Address, notifying the Property owner that the Property has been referred to General Counsel for further collections enforcement, including but not limited to, the certification of delinquent Fees and Charges to the County Treasurer (**"Treasurer"**) for collection. The Demand Letter may include notice of the District's intention to adopt, at a public meeting held after receipt of notice by the Property owner, a resolution certifying to the Treasurer delinquent Fees and Charges for collection pursuant to § 31-1-11101(e), C.R.S. Along with the Demand Letter, a copy of the most recent ledger reflecting the total amount due and owing the District according to the records of the Manager may also be sent.

ii. *No Sooner than Thirty (30) Calendar Days from the Postmark Date of the Demand Letter:* A Notice of Intent to File a Statement of Lien, along with a copy of the statement of lien to be filed, may be sent to the Property Address of the Delinquent Account notifying the Property owner that a statement of lien will be recorded with the clerk and recorder of the County where the Property is located (the **"Clerk and Recorder"**) within no sooner than ten (10) days from the postmark date of the Notice of Intent to File a Statement of Lien.

iii. *No Sooner than Ten (10) Calendar Days from the Postmark Date of the Notice of Intent to File a Statement of Lien:* A Statement of Lien for the total amount due and owing as of the date of the Statement of Lien may be recorded against the Property with the Clerk and Recorder no sooner than ten (10) days from the postmark date of the Notice of Intent to File a Statement of Lien is sent to the Property. Notwithstanding the amount due and owing reflected on the Statement of Lien, all Delinquent Fees and Charges will continue to accrue on the Delinquent Account and will run with the Property until the total amount due and owing the District is paid in full.

iv. *Certification of Fees:* General Counsel may, pursuant to § 32-1-1101(e), C.R.S., certify delinquent fees and Charges to the Treasurer to be collected.

d. ***Foreclosure or Bankruptcy.*** In circumstances where the Property is being foreclosed upon or where the owner of the Property has declared or is declaring bankruptcy and notice of such bankruptcy action has been provided to the District, the Manager may be permitted, in his or her discretion, to refer the Delinquent Account directly to General Counsel in order to avoid unnecessary, costly and time consuming procedures. Upon referral of the Delinquent Account to General Counsel, General Counsel may, in his or her discretion, immediately file a Statement of Lien on the Property. Further, when a Delinquent Account has a balance of One Thousand Five Hundred Dollars ($1,500.00) or greater, General Counsel is authorized to commence foreclosure action against the Property.

2. **Late Fees:**

a. Late Fees are assessed on the Property for failure to make timely payments of Fees. Late Fees are applied, regardless of whether the Fees are assessed on a one-time, monthly, quarterly, semi-annual, annual, or any other basis.

b. Late Fees are assessed on the Property **Fifteen (15) calendar days from the payment due date.** Pursuant to § 29-1-1102, C.R.S., such Late Fee may be charged by either of the following two methods, whichever is greater:

i. One Late Fee of Fifteen Dollars ($15.00) may be assessed on the Property per each assessment or installment of Fees not fully paid prior to the Fifteenth (15) calendar day following the payment due date; or

ii. In lieu of Section 2(b)(i) above, a Late Fee of Five Percent (5%) per month, commencing on the Fifteenth (15) calendar day following the payment due date, and each month thereafter, may be charged on unpaid Fees until the Late Fee equals Twenty Five Percent (25%) of all outstanding Fees.

c. Partial payment of any outstanding Delinquent Fees and Charges will not prevent the imposition of Late Fees pursuant to this Section 2.

d. Payments received will be applied to the balance due in the following order of priority: (1) Late Fees; (2) Interest; (3) Costs of Collections; (4) Legal Fees and Costs; (5) the earliest imposed and unpaid Fees; (6) any successive unpaid Fees in chronological order from the earliest unpaid Fees to the most recently imposed Fees.

e. No penalty will be assessed on the Property for a credit balance resulting from the prepayment and/or overpayment of Fees. Such credit balances will be carried forward on the account with all subsequent Fees and Delinquent Fees and Charges being deducted until such time as the credit balance is depleted. A Property carrying a credit balance may be assessed Late Fees as provided herein at such time as the credit balance is insufficient to pay the entire amount of Fees due and owing the District.

3. **Interest:** Interest charges accrue on all delinquent Fees at the maximum statutory rate of Eighteen Percent (18%) per annum. Interest shall not accrue and be charged on Late Fees, Interest or Costs of Collections. §31-1-1006(d) C.R.S.

4. **Penalties:** May be charged on Delinquent Accounts at a rate determined by the Board and may include, but are not limited to, pro-rated costs associated with collection efforts on behalf of the District for all Delinquent Accounts combined.

5. **Account User Fee:** May be charged on an account at a rate determined by the Board.

6. **Costs of Collections:**

a. Include, but are not limited to, attorneys' fees and all costs, fees and charges associated with the processing and/or collection of Delinquent Fees and Charges, including the following fixed rates and hourly fees and costs:

i. *Action Fees.* The following fixed rate fees are charged to a Delinquent Account once the corresponding action has been taken by either the Manager or General Counsel:

- *Reminder Letter Fee:* Ten Dollars ($10.00) per Reminder Letter. This action is typically performed by the Manager.

- *Warning Letter Fee:* Ten Dollars ($10.00) per Warning Letter sent. This action is typically performed by the Manager.

- *Return Check Fee:* Twenty Dollars ($20.00) per returned payment.

- *Attorney Transfer Fee:* Thirty Dollars ($30.00) per Delinquent Account transferred from the Manager to General Counsel. This action is performed by the Manager.

- *Demand Letter Fee:* One Hundred Fifty Dollars ($150.00) per Demand Letter sent. This action is performed by General Counsel.

- *Follow up Demand Letter Fee:* Fifty Dollars ($50.00) per Follow up Demand Letter sent. This action is performed by General Counsel.

- *Notice of Intent to File a Statement of Lien Fee:* One Hundred Twenty Dollars ($120.00) per Notice of Intent to File a Statement of Lien sent. This action is performed by General Counsel.

- *Lien Recording Fee:* One Hundred Fifty Dollars ($150.00) per each lien recorded on the Property. This action is performed by General Counsel.

- *Payment Plan Fee:* Two Hundred Fifty Dollars ($250.00) per Payment Plan prepared. This action is performed by General Counsel.

- *Default Letter Fee:* Seventy Dollars ($70.00) per Default Letter prepared. This action is performed by General Counsel.

- *Monitoring Bankruptcy Fee:* One Hundred Dollars ($100.00) for monitoring Chapter 7 bankruptcies. Three Hundred and Fifty Dollars ($350.00) for monitoring Chapter 13 or Chapter 11 bankruptcies. These actions are performed by General Counsel.

- *Monitoring Public Trustee Foreclosure Fee:* Two Hundred Dollars ($200.00) per Public Trustee Foreclosure action monitored. This action is performed by General Counsel.

- *Attorney Reminder Letter Fee:* One Hundred Dollars ($100.00) per Reminder Letter. This action is performed by General Counsel.

- *Certificate of Status Fee:* One Hundred Dollars ($100.00) per Status Letter prepared. This action is performed by General Counsel.

- *Foreclosure Warning Letter Fee:* One Hundred Dollars ($100.00) per Foreclosure Warning Letter prepared. This action is performed by General Counsel.

- *Lien Release Fee:* One Hundred Fifty Dollars ($150.00) per lien that is released. This action is performed by General Counsel. It is recommended that the Lien Release Fee be charged to the Delinquent Account at the same time as the Lien Recording Fee.

ii. *Account Certification Costs.* In accordance with § 32-1-1101 (e), C.R.S., the Treasurer is authorized to charge a just and reasonable amount for certification and collection of a Delinquent Account on the District's behalf (the **"Treasurer's Collection fee"**). The District may charge a Certification Fee in an amount equal to the anticipated Treasurer's Collection Fee to be charged to a Delinquent Account after all District collection fees and hourly attorney fees as set forth herein have been charged to the account, and before certification of the Delinquent Account to the Treasurer.

iii. *Attorney Hourly Fees and Costs.* Upon transfer of a Delinquent Account to General Counsel, all hourly attorneys' fees and costs, including, but not limited to, litigation and expert witness fees and costs, litigation guarantees, service of process and/or publications incurred by the District to collect or defend the Delinquent Fees and Charges are assessed to the Delinquent Account and become part of the perpetual Lien on the Property. All such hourly attorneys' fees and costs shall be reasonable.

iv. *Recovery of Costs of Collections.* In accordance with § 29-1-1102(8), C.R.S., nothing in this Resolution shall be construed to prohibit the District from recovering all Costs of Collections whether or not outlined above.

7. **Waiver of Late Fees, Interest and Costs of Collections:**

a. The Manager and General Counsel each have authority and discretion to waive or reduce portions of the Delinquent Account attributable to Late Fees and Interest. Such action is permitted if either the Manager or General Counsel, in its discretion, determines that such waiver or reduction will facilitate the payment of Delinquent Fees and Charges. Notwithstanding the foregoing, neither the Manager nor General Counsel shall have the authority to waive Late Fees and Interest which, in the aggregate, exceeds One Thousand Dollars ($1,000.00). In such case, the person or entity owing in excess of One Thousand Dollars ($1,000.00) in Late Fees and Interest combined and requesting such a waiver shall first submit a request, in writing, to the Board, and the Board may make the determination in its sole discretion.

b. Neither the Manager nor General Counsel is authorized to waive any portion of the Fees or Costs of Collections. Should the Property owner desire a waiver of such Fees and/or Costs of Collections, s/he may submit a written request to the Board and the Board may make the determination in its sole discretion.

c. Any waiver or reduction of Late Fees or Interest granted pursuant to Sections 6(a) or (b) hereof shall not be construed as a waiver or reduction of future Late Fees and Interest, or as the promise to waive or reduce future Late Fees or Interest. Nor shall any such

waiver or reduction be deemed to bind, limit, or direct the future decision making power of the Board, Manager, or General Counsel, whether related to the Property in question or other properties within the District.

8. **Payment Plans:** The Manager and General Counsel each have the authority to enter into or establish payment plans for the repayment of a Delinquent Account. Should the Manager or General Counsel elect not to enter into a payment plan with the Property owner, the Property owner may submit a written request to the Board and the Board may make the determination in its sole discretion.

9. **Certification of Account to County Treasurer:** Pursuant to § 31-1-101(1)(e). C.R.S., the Board may elect to certify any Delinquent Fees and Charges satisfying the criteria established therein to the County Treasurer for collection with the Districts *as valorem* property taxes. The certification process may be in addition to or in lieu of any procedures set forth in this Resolution in the Board's sole discretion. The fees for the certification process shall be in accordance with Colorado law and County Policy.

10. **Acceleration and Decelerations of Fees:** The District reserves the right to accelerate and call due an entire unpaid annual Fee on any delinquent account. Such acceleration shall result in the entire unpaid annual Fee being due to the District immediately. The District also reserves the right to decelerate any accelerated Fee.

11. **Ratification of Past Actions:** All acts, omissions, waivers and/or payment plans heretofore undertaken by the Manager or General Counsel that would otherwise have been authorized by or not required by this Resolution are hereby affirmed, ratified and made effective as of the date said acts, omissions, waivers and/or payment plans occurred.

12. **Additional Actions:** The Board directs its officers, staff and consultants to take such additional actions and execute such additional documents as are necessary to give full effect to the intention of this Resolution.

13. **Deviations:** The District may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

14. **Supersedes Prior Resolutions:** This Resolution shall supersede and replace in their entirety all prior resolutions addressing the processing and/or collection of Delinquent Fees and Charges, including the Prior Policy. To the extent that any term or provision in this Resolution conflicts with any term or provision in a previously enacted and valid resolution of the District, the term or provision in this Resolution shall prevail.

15. **Severability:** If any term, condition or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such term, condition or provision shall not affect any other provision contained in this Resolution, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

16. **Savings Provision**: The failure to comply with the procedures set forth herein shall not affect the status of the Delinquent Fees and Charges as a perpetual Lien subject to foreclosure in accordance with law. Failure by the Manager, General Counsel or other authorized representative to take any action in accordance with the guidelines provided herein shall not invalidate subsequent efforts to collect the Delinquent Fees and Charges.

[Remainder of page intentionally left blank, signature page follows.]

ADOPTED this 26th day of January, 2021.

CASCADE METROPOLITAN DISTRICT
NO. 1

By: _____
Officer of the District

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

_____
General Counsel to the District