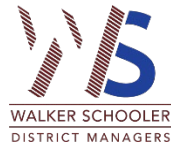


# Cascade Metropolitan District No. 1

614 N. Tejon Street  
Colorado Springs, Colorado 80903



December 8, 2020

To: Cascade Metropolitan District No. 1 Account Holders and Residents  
From: Cascade Metropolitan District No. 1 Board of Directors and District Manager  
Re: December 1, 2020 Turnover to CSU and ongoing operations

The Board of Directors of the Cascade Metropolitan District (CMD) are pleased to confirm that the District's assets and operations were successfully turned over as planned to Colorado Springs Utilities (CSU) on December 1, 2020.

The Board decided to pursue the CSU turnover option after analysis of several other options. The completion of this action is the culmination of more than 7 years of planning, construction and effort by many people and organizations. We wish to thank each for their labors, energy, and certainly your patience, our account holders and residents.

You should have received communication from CSU by this time. If you have any questions for CSU, please contact them at (719) 448-4800 or seek information on their website [www.CSU.org](http://www.CSU.org).

The Board's expectation is that the cost to the majority of the District's residents and rate payers will be reduced for operations, maintenance and water use. That was one of the motivations for the decision several years ago.

As we have communicated in the past, this does not mean that the District is no longer in existence. In order to accomplish the task of turnover to CSU, the District issued bonds that are required to be paid by the District until 2036.

Starting in January of 2021, the District is obligated to bill and collect for a debt service fee which has been a part of your regular billing (and has not increased over the last 5 years), as well as an administrative fee that is substantially reduced from that collected previously. Billing will continue to be sent monthly and payable in the same manner you are accustomed to in the past (e.g., check, ACH, credit card, through the website, etc.)

At its meeting in November, the Board adopted a 2021 budget and established a monthly debt service fee of \$81.16 (a 4% increase) and an administrative fee of \$8.34 for a total billing of \$89.50 per month for the year. This increase will allow the District to collect enough funds to meet our annual costs as well as meet the long-term payments required by the bonds.

The Board will continue with a late payment collection policy that is similar to the previous policies which includes:

- due date at the end of each month
- late payment fee of \$15 for each month that the payment is late
- November certification of the past due accounts for collection by the County Treasurer with property taxes
  - Includes a District charge of \$150, and
  - Treasurer's fee that is currently 30% of the past due amount.

Our District Manager's contact information is still the same and feel free to contact them if you have any questions.

Thank you.

Board of Directors of CMD1

Cascade Metropolitan District  
(719)-447-1777