

**CASCADE METROPOLITAN DISTRICT NO. 1  
FREQUENTLY ASKED QUESTIONS  
AS OF JANUARY 2021**

**WHAT IS THE CASACDE METROPOLITAN DISTRICT NO. 1?**

The Cascade Metropolitan District No. 1 (the “District”) is a special district that was organized on November 16, 2004, along with Cascade Metropolitan District No. 2 (the “District No. 2”), by an Order and Decree issued by the El Paso County District Court after an election of the eligible electors authorizing its organization. It is a public entity that is authorized to own, operate and maintain public improvements and impose taxes and/or fees to pay for such services, improvements and its administrative costs. This FAQ relates only to the District as District No. 2 is composed of different, unrelated Directors, and the interests and activities of the Districts are now substantially separate.

The governing document of the District is the Consolidated Service Plan for Cascade Metropolitan District No. 1 and No. 2, which was approved by the El Paso County Board of County Commissions on September 2, 2004 by Resolution No. 04-367 and as amended on March 3, 2015 by Resolution No. 15-99 (collectively, the “Service Plan”). In addition to the parameters within the Service Plan, the District operates pursuant to Title 32 of the Colorado Revised Statutes, also known as the Special District Act, and various other Colorado State statutes.

**HOW IS THE DISTRICT GOVERNED?**

The District is governed by a five-member elected Board of Directors (the “Board”). The next regular election for the Board will be held on May 3, 2022. If you wish to run for a position, you must first be qualified as an eligible elector which means you must: (1) either be an owner, or the spouse or civil union partner of an owner, (in an individual capacity) of taxable property interests within the legal boundaries of the District; a resident of the District; or have an option to purchase property within the District which obligates you to pay taxes; and (2) be registered to vote in the State of Colorado. You must then submit a self-nomination and acceptance form to the District’s Designated Election Official before the deadline of 5:00 pm on February 25, 2022. Information regarding the self-nomination forms and submittal deadlines will be published during the early part of 2022 in accordance with Colorado election laws.

**ARE DIRECTORS PAID?**

Directors may be paid for their services pursuant to the parameters within Sections 32-1-902(3)(1)(I) & (II), C.R.S. which caps the compensation at not more than \$100 per meeting, for a yearly total not to exceed \$1,600 for Directors serving terms of office starting prior to January 1, 2018 and not to exceed \$2,400 for Directors serving terms of office starting on or after January 1, 2018.

At the current time, the Directors have elected not to be paid.

**HOW MUCH DEBT DOES THE DISTRICT HAVE?**

On June 9, 2015, the District issued a total of \$5,000,000 in bonds in the form of the Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and Series 2015B (collectively, the “Bonds”). The Bonds are scheduled to mature on December 1, 2036; however, this maturity date is subject to change if the Bonds are refinanced. The current outstanding amount of the Bonds is approximately \$4,805,000 and the Board may consider a refinance in 2023.

The funds associated with these Bonds are not related to the debt that occurred as a result of the embezzlement. That debt was consolidated with prior loan payments and paid in full prior to the repairs and improvements associated with the conversion of the District's water distribution system. Rather, the funds for these Bonds were utilized to replace approximately sixty percent of the water mains within the District, to upgrade the circulation and pressure maintenance of the system, to replace valves and to acquire easements for new and existing water mains. In addition to the Bonds, the District utilized \$1,700,000 in DOLA grants for the work, all of which was necessary in order to reduce water losses and to meet the construction standards required by Colorado Springs Utilities.

### **WAS THE DISTRICT'S WATER DISTRIBUTION SYSTEM TRANSFERRED TO COLORADO SPRINGS UTILITIES?**

Conversion of the District's water distribution system to Colorado Springs Utilities occurred on December 1, 2020. What this means is that Colorado Springs Utilities now owns and operates the water distribution system within the boundaries of the District and is responsible for providing water services to the residents of the District.

Your monthly water usage fees, as of December 1, 2020 forward, are due to Colorado Springs Utilities. These fees should not be confused with the District's ongoing monthly fees to repay the District's debt and to pay for ongoing administrative services of the District, as discussed below.

Any questions and/or issues relating to water services should now be directed to Colorado Springs Utilities at (719) 448-4800 or you may search their website at [www.CSU.org](http://www.CSU.org) for useful information and answers to frequently asked questions.

### **DO I STILL NEED TO PAY THE DISTRICT A MONTHLY FEE SINCE COLORADO SPRINGS UTILITIES NOW PROVIDES WATER?**

Yes, you still need to pay a monthly fee to the District.

The District did not dissolve with the conversion of the water distribution system to Colorado Springs Utilities and will not be permitted to do so until such time as the debt incurred for the required improvements to the infrastructure to increase reliability and reduce leaks has been repaid in full. To repay this debt, and for ongoing administration functions necessary to remain in compliance with Colorado law, the District will continue to impose and collect ongoing monthly fees pursuant to the authority granted to it in Section 32-1-1001-(1)(j), C.R.S.

### **WHAT IS THE CURRENT MONTHLY DISTRICT FEE?**

The monthly fee for 2021 is \$89.50 which consists of \$81.16 for repayment of the debt and \$8.34 for administrative expenses. The administrative portion of the fee covers such items as annual compliance required by Colorado law, billing services, accounting, management, and legal services. Payments of your monthly fees should be sent to: *Cascade Metropolitan District No. 1, Post Office Box 1479, Colorado Springs, Colorado 80901* for receipt by the 5<sup>th</sup> of each month. You may also provide payments online at [www.cascademd1.colorado.gov](http://www.cascademd1.colorado.gov). The District also offers automatic check withdrawal services. For questions relating to billing, please call the District's management company, Walker Schooler District Managers, at (719) 900-5821.

While the monthly fee is not currently anticipated to change greatly over time, it may do so depending on the needs of the District and whether or not the District decides to refinance the debt. Around October of each year,

the Board meets, at a public meeting, to set the rates for the upcoming year and will notify residents of such rates.

### **WHAT HAPPENS IF I DON'T PAY THE MONTHLY FEE TO THE DISTRICT?**

Failure to pay your ongoing monthly fee will result in the District imposing late fees and interest and pursuing collection actions. These actions may include certifying the delinquency to the El Paso County Treasurer for collection with yearly taxes (which may include charges assessed by the Treasurer in an amount of thirty percent (30%) of the delinquency, or thirty dollars (\$30), whichever is greater), filing a lien on the delinquent property, and sending the delinquent account to the District's attorney for collections and foreclosure. The District incurs administrative and legal fees, as well as costs, for such collection actions and seeks to collect these amounts in addition to collection of the underlying delinquent fees. Authority for these actions is found in Colorado statutes. Specifically, Section 32-1-1001(1)(j)(I), C.R.S. provides that the District's lien is perpetual and may be foreclosed upon; Section 32-1-1101(e), C.R.S. allows the District to certify delinquent accounts to the County Treasurer; Section 29-1-1102, C.R.S. authorizes the District to impose late fees; and Section 32-1-1006(d), C.R.S. allows the District to impose interest on delinquent accounts.

### **WHEN AND WHERE ARE THE DISTRICT MEETINGS HELD?**

The District meets on the fourth Tuesday of each month at 5:30 pm and all meetings are open to the public. Special Meetings may also be held as needed. Notices of regular and special meetings are posted on the District's website (<https://cascademd1.colorado.gov/>) at least 24 hours in advance of any meeting or may be posted physically within the boundaries of the District. Due to unforeseen circumstances, meetings are subject to cancellation and it is anticipated that, due to the conversion of the water distribution system to Colorado Springs Utilities as discussed above, the District may move to as few as two meetings per year (i.e., July and October) in the future. To avoid inconvenience, any interested parties are encouraged to verify the status of an upcoming meeting with the District's Manager (contact information set forth below).

Due to COVID-19 and the Governor's order to protect the health and welfare of the citizens of Colorado, meetings are currently being held via tele/videoconference platform, currently GoTo Meeting. Information for each tele/videoconference meeting can be found on the posted agenda.

### **NEED MORE INFORMATION?**

More information regarding the District may be obtained from the District's Manager: Kevin Walker, Walker Schooler District Managers, 614 N. Tejon Street, Colorado Springs, Colorado 80903; (719) 447-1777; [kevin.w@wsdistricts.co](mailto:kevin.w@wsdistricts.co); [www.WSDistricts.co](http://www.WSDistricts.co).

