

Resolution No. 2016-11-04

**RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS
(2017)**

The Board of Directors of Cascade Metropolitan District No. 1 (the "Board"), County of El Paso, Colorado (the "District") held a special meeting at 8015 Severy Road, Cascade, Colorado, on Tuesday, November 29, 2016, at the hour of 5:30 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2017 BUDGET

Proof of Publication

THE TRANSCRIPT
Colorado Springs, Colorado

STATE OF COLORADO, } ss.
COUNTY OF EL PASO }

I, Jenifer Furda, Publisher, or the undersigned Authorized Agent of the Publisher, do solemnly swear that I am the Publisher, or Authorized Agent of the Publisher of The Transcript; that the same is a tri-weekly newspaper and published in the County of El Paso, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

26, OCTOBER, A.D. 2016.

And that the last publication of said notice was in the issue of said newspaper dated:

26, OCTOBER, A.D. 2016.

In witness whereof, I have hereunto set my hand this 26th day of October, A.D. 2016.

Jenifer Furda
Publisher/Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 26th day of October, A.D. 2016.

Robyn Kirk
Notary Public

ROBYN KIRK
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20114063677
MY COMMISSION EXPIRES OCTOBER 5, 2019

NOTICE OF PUBLIC HEARING
ON THE PROPOSED 2017
BUDGET

AND
NOTICE OF PUBLIC HEARING
ON THE AMENDED 2016 BUDGET
NOTICE IS HEREBY GIVEN that a proposed 2017 budget has been submitted to the Board of Directors (the "Board") of the CASCADE METROPOLITAN DISTRICT NO.1 (the "District"). A copy of the proposed budget is on file in the office of Schooler & Associates, Inc., 20 Boulder Crescent Street, Suite 200, Colorado Springs, Colorado, where the same is open for public inspection.

NOTICE IS FURTHER GIVEN that an amendment to the 2016 budget has been submitted to the District. A copy of the proposed amended budget is on file in the office of Schooler & Associates, Inc., 20 Boulder Crescent Street, Suite 200, Colorado Springs, Colorado, where the same is open for public inspection.

Such proposed budget and amended budget will be considered at a public hearing during a meeting of the District to be held at Cascade Fire Station, 8015 Severy Road, Cascade, Colorado, on November 29, 2016 at 5:30 P.M. Any interested elector of the District may file any objections to the proposed budget or amended budget at any time prior to final adoption of the budget and amended budget by the governing body of the District.

BY ORDER OF THE
BOARD OF DIRECTORS:
CASCADE METROPOLITAN
DISTRICT NO.1

White Bear Ankele Tanaka & Waldron
Attorneys at Law
Publication Date: October 26, 2016
Published in The Transcript
DT30404

Thereupon, Director Spaulding introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2017 AND ENDING ON THE LAST DAY OF DECEMBER 2017.

WHEREAS, the Board has authorized its treasurer, accountant and/or legal counsel to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on Tuesday, November 29, 2016, interested electors were given the opportunity to file or register any objections to said proposed budget and no written objections were filed prior to the public hearing; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-101, *et seq.*, C.R.S., as applicable, and Article X, § 20 of the Colorado Constitution.

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

Section 1. Summary of 2017 Revenues and 2017 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2017, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. The budget as submitted, amended, attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year

2017. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 2 shall be deemed ratified by the Board.

Section 3. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2017 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2017 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2017 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2017 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of El Paso County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto and incorporated herein, are hereby appropriated for the purposes thereof and no other.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Heer.

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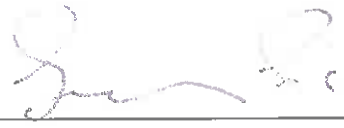
ADOPTED THIS 29TH DAY OF NOVEMBER, 2016.

CASCADE METROPOLITAN DISTRICT NO. 1



Officer of District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

STATE OF COLORADO
COUNTY OF EL PASO
CASCADE METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a District meeting held on Tuesday, November 29, 2016, at 8015 Severy Road, Cascade, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 29th day of November, 2016.



EXHIBIT A

BUDGET DOCUMENT

BUDGET MESSAGE

BUDGET MESSAGE
(Pursuant to § 29-1-103(1)(e), C.R.S.)

Cascade Metropolitan District No. 1

The attached 2017 Budget for Cascade Metropolitan District No. 1 includes these important features:

- The primary sources of revenue for the District are fees, rates, tolls, penalties and charges.
- The District anticipates the receipt of grant proceeds on a match basis for water system improvements
- No increase to commercial and residential rates and fees
- Continued operations and management at 2016 levels
- Continued purchase of treated water from Colorado Springs Utilities
- Continued maintenance of the system to insure ongoing levels of service to existing customers
- No expectation of new service extensions
- Continued development of a capital construction plan and construction of priority projects with the use of borrowed and grant capital
- Payment of debt service obligations

The budgetary basis of accounting timing measurement method used is:

- Cash basis
- Modified accrual basis
- Encumbrance basis
- Accrual

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

The services to be provided/delivered during the budget year are the following:

- Potable water to customers
-

- Contracted legal and management services including state required reporting, financial and accounting reports, billing and other services
 - Operations including required monitoring, testing, repair and other operational activities as well as payroll and other employment training and expenses
 - Continued accomplishment of requirements pursuant to a settlement agreement with Colorado Springs Utilities and other parties
 - Engineering design and consultation to develop capital construction planning aspects for public water system improvements
-

CASCADE METROPOLITAN DISTRICT NO. 1
2016 AMENDED BUDGET and 2017 BUDGET Approved 11-29-16
GENERAL FUND

| | 2015 ACTUAL | 2016 AMENDED | 2016 BUDGET | 2017 BUDGET |
|---|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: BEGINNING BALANCE | \$ 21,079.00 | \$ 98,289.56 | \$ 98,289.56 | \$ 103,989.55 |
| REVENUES | | | | |
| WATER SERVICE USAGE | \$ 265,095.40 | \$ 265,000.00 | \$ 226,440.00 | \$ 226,440.00 |
| WATER SERVICE FEE | \$ 88,198.40 | \$ 100,000.00 | \$ 79,794.00 | \$ 79,794.00 |
| WATER SERVICE BULK | \$ - | \$ 22,432.88 | \$ - | \$ 13,000.00 |
| PIPELINE SURCHARGE | \$ 128,977.32 | \$ 66,812.40 | \$ 66,812.40 | \$ 66,812.40 |
| LATE FEES | \$ 6,770.00 | \$ 3,650.23 | \$ 2,000.00 | \$ 2,000.00 |
| TAP FEES | \$ - | \$ 15,000.00 | \$ - | \$ 15,000.00 |
| WATER PROVISION FEE | \$ 61,201.66 | \$ - | \$ - | \$ - |
| INTEREST INCOME | \$ 39.90 | \$ 26.91 | \$ 20.00 | \$ 20.00 |
| MISCELLANEOUS INCOME | \$ 16,036.00 | \$ 6,077.57 | \$ - | \$ - |
| TRANSFER FROM PROJECT FUND | \$ 333,890.87 | \$ - | \$ - | \$ - |
| TOTAL REVENUES | \$ 900,209.55 | \$ 478,999.99 | \$ 375,066.40 | \$ 403,066.40 |
| TOTAL FUNDS AVAILABLE | \$ 921,288.55 | \$ 577,289.55 | \$ 473,355.96 | \$ 507,055.95 |
| EXPENSES | | | | |
| PAYROLL ACCOUNTING | \$ 39,679.69 | \$ 2,500.00 | \$ 1,300.00 | \$ 1,800.00 |
| AUDIT | \$ 18,625.00 | \$ 8,500.00 | \$ 7,500.00 | \$ 8,500.00 |
| BANK FEES | \$ 393.46 | \$ 1,500.00 | \$ 300.00 | \$ 1,500.00 |
| ELECTION | \$ 394.00 | \$ 1,500.00 | \$ 3,000.00 | \$ - |
| INSURANCE/SDA DUES | \$ 8,439.35 | \$ 8,500.00 | \$ 8,000.00 | \$ 8,500.00 |
| DUES, FEES, & SUBSCRIPTIONS | \$ 809.41 | \$ 600.00 | \$ 300.00 | \$ 350.00 |
| LEGAL | \$ 65,926.44 | \$ 45,000.00 | \$ 65,000.00 | \$ 55,000.00 |
| SPECIAL LITIGATION COUNSEL | \$ 9,581.81 | \$ 2,000.00 | \$ - | \$ - |
| MANAGEMENT/ACCOUNTING | \$ - | \$ 60,000.00 | \$ 60,000.00 | \$ 60,000.00 |
| MANAGEMENT | \$ 22,541.00 | \$ - | \$ - | \$ - |
| ENGINEERING | \$ - | \$ - | \$ - | \$ - |
| MISCELLANEOUS | \$ 5,386.57 | \$ 500.00 | \$ - | \$ - |
| PAYROLL TAXES | \$ 6,486.57 | \$ 4,500.00 | \$ 4,500.00 | \$ 5,000.00 |
| CHEMICAL & SUPPLIES | \$ 415.00 | \$ 2,500.00 | \$ 1,000.00 | \$ 2,000.00 |
| OPERATION LABOR | \$ 39,613.99 | \$ 42,500.00 | \$ 42,500.00 | \$ 49,000.00 |
| LOCATES | \$ - | \$ 600.00 | \$ 600.00 | \$ 600.00 |
| REPAIRS & MAINTENANCE | \$ 55,743.39 | \$ 18,000.00 | \$ 10,000.00 | \$ 15,000.00 |
| TELEPHONE/UTILITIES EXPENSE | \$ 1,982.83 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| VEHICLE EXPENSE | \$ 1,018.04 | \$ 3,500.00 | \$ 1,000.00 | \$ 1,000.00 |
| WATER PURCHASE EXPENSE | \$ 171,997.50 | \$ 250,000.00 | \$ 216,000.00 | \$ 216,000.00 |
| WATER QUALITY TESTING EXPENSE | \$ 1,838.69 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 |
| METER SOFTWARE & HARDWARE | \$ - | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| WEBSITE | \$ - | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| ENGINEERING/SURVEY | \$ 39,655.00 | \$ 12,100.00 | \$ - | \$ 5,000.00 |
| OFFICE SUPPLIES & POSTAGE | \$ 271.24 | \$ 3,000.00 | \$ 500.00 | \$ 3,000.00 |
| CONTINGENCY | \$ - | \$ - | \$ 45,855.96 | \$ 68,805.95 |
| PAYOFF OF OUTSTANDING DEBT | \$ 333,890.87 | \$ - | \$ - | \$ - |
| TOTAL EXPENSES | \$ 824,689.85 | \$ 473,300.00 | \$ 473,355.96 | \$ 507,055.95 |
| OTHER FINANCING SOURCES | | | | |
| TRANSFERS OUT - DEBT SERVICE | \$ 21,354.85 | | | |
| GENERAL FUND: ENDING BALANCE | \$ 75,243.85 | \$ 103,989.55 | \$ - | \$ - |
| EMERGENCY RESERVE: State Required at 3% | \$ 24,740.70 | \$ 14,199.00 | \$ 14,200.68 | \$ 15,211.68 |

CASCADE METROPOLITAN DISTRICT NO. 1
2016 AMENDED BUDGET and 2017 BUDGET Approved 11-29-16
DEBT SERVICE FUND

| | 2015 ACTUAL | 2016 AMENDED | 2016 BUDGET | 2017 BUDGET |
|---|------------------------|----------------------|----------------------|----------------------|
| DEBT SERVICE FUND: BEGINNING BALANCE | \$ - | \$ 3,115.00 | \$ 3,115.00 | \$ 63,452.64 |
| REVENUE | | | | |
| TRANSFER IN - GENERAL FUND | \$ 21,354.85 | | | |
| DEBT SERVICE WATER FEE | \$ 159,570.28 | \$ 346,874.56 | \$ 346,874.56 | \$ 346,874.56 |
| AOS FEES | | | | \$ 6,000.00 |
| BOND PROCEEDS | \$ 1,013,775.20 | | | |
| SERIES 2015 COST OF ISSUANCE | \$ 82,100.00 | | | |
| INTEREST INCOME | \$ 487.56 | \$ 2,278.08 | | |
| TOTAL REVENUE | <u>\$ 1,277,287.89</u> | <u>\$ 349,152.64</u> | <u>\$ 349,989.56</u> | <u>\$ 416,327.20</u> |
| EXPENSES | | | | |
| SERIES 2015A INTEREST | \$ 95,412.22 | \$ 199,700.00 | \$ 199,700.00 | \$ 199,700.00 |
| SERIES 2015A PRINCIPAL | | | | \$ 30,000.00 |
| SERIES 2015B INTEREST | \$ 39,416.67 | \$ 82,500.00 | \$ 82,500.00 | \$ 82,500.00 |
| SERIES 2015B PRINCIPAL | | | | \$ 15,000.00 |
| SERIES 2015 BANK FEES | \$ 136.40 | \$ 3,500.00 | \$ 3,000.00 | \$ 3,500.00 |
| CARL TURSE BOND PAYMENTS | \$ 69,150.18 | | | |
| DOLA - INTEREST PAYMENT | \$ 41,307.13 | | | |
| DOLA - LOAN PAYMENTS | \$ 504,296.86 | | | |
| CSU UTILITY INTEREST EXPENSE | | | | |
| CSU DEBT | \$ 399,021.03 | | | |
| PAYOFF OF OUTSTANDING DEBT | | | | |
| BOND COSTS OF ISSUANCE | \$ 81,473.34 | | | |
| TOTAL EXPENSES | <u>\$ 1,230,213.83</u> | <u>\$ 285,700.00</u> | <u>\$ 285,200.00</u> | <u>\$ 330,700.00</u> |
| DEBT SERVICE: ENDING BALANCE | <u>\$ 47,074.06</u> | <u>\$ 63,452.64</u> | <u>\$ 64,789.56</u> | <u>\$ 85,627.20</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| SERIES 2015A DEBT SERVICE RESERVE FUND | \$ 368,001.63 | \$ 368,001.63 | \$ 367,700.00 | \$ 367,700.00 |

CASCADE METROPOLITAN DISTRICT NO. 1
2016 AMENDED BUDGET and 2017 BUDGET Approved 11-29-16
ENTERPRISE CAPITAL PROJECT FUND

| | 2015 ACTUAL | 2016 AMENDED | 2016 BUDGET | 2017 BUDGET |
|--|------------------------|------------------------|------------------------|------------------------|
| CAPITAL PROJECT FUND | | | | |
| SERIES 2015A&B CAPITAL FUND: BEGINNING BALANCE | | \$ 3,084,145.00 | \$ 3,084,145.00 | \$ 2,787,609.63 |
| REVENUES-SERIES 2015 BOND PROCEEDS | \$ 4,510,607.00 | | | |
| TRANSFER IN FROM COST OF ISSUANCE | | | | |
| INTEREST INCOME | \$ 3,529.54 | \$ 14,879.13 | \$ 6,000.00 | \$ 6,000.00 |
| TOTAL REVENUES | \$ 4,514,136.54 | \$ 14,879.13 | \$ 6,000.00 | \$ 6,000.00 |
| TOTAL REVENUE & FUND BALANCE | \$ 4,514,136.54 | \$ 3,099,024.13 | \$ 3,090,145.00 | \$ 2,793,609.63 |
| EXPENSES | | | | |
| CAPITAL IMPROVEMENTS | | | \$ 2,779,510.50 | \$ 2,203,475.63 |
| LEGAL | \$ 6,509.50 | \$ 10,000.00 | \$ 10,000.00 | \$ 30,000.00 |
| ENGINEERING/INSPECTIONS | \$ 67,483.86 | \$ 298,414.50 | \$ 298,414.50 | \$ 550,000.00 |
| BANK FEES | \$ 966.39 | \$ 3,000.00 | \$ 2,220.00 | \$ 2,220.00 |
| MISCELLANEOUS | | | | \$ 7,914.00 |
| TRANSFER TO GENERAL FUND | \$ 333,890.87 | | | |
| TRANSFER TO DEBT SERVICE FUND | \$ 1,013,775.20 | | | |
| TOTAL EXPENSES | \$ 1,422,625.82 | \$ 311,414.50 | \$ 3,090,145.00 | \$ 2,793,609.63 |
| CAPITAL FUND: ENDING BALANCE | \$ 3,091,510.72 | \$ 2,787,609.63 | \$ - | \$ - |

CASCADE METROPOLITAN DISTRICT NO. 1
2016 AMENDED BUDGET and 2017 BUDGET Approved 11-29-16
GRANT CAPITAL PROJECT FUND

| | 2015 ACTUAL | 2016 AMENDED | 2016 BUDGET | 2017 BUDGET |
|---|----------------|------------------------|------------------------|------------------------|
| GRANT PROJECT FUND | | | | |
| BEGINNING BALANCE | | \$ 1,707,914.00 | \$ 1,507,914.00 | \$ 1,707,914.00 |
| REVENUES | | | | |
| GRANT PROCEEDS | | \$ - | \$ - | \$ - |
| INTEREST INCOME | | \$ - | \$ - | \$ - |
| TOTAL REVENUES | \$ - | \$ - | \$ - | \$ - |
| TOTAL REVENUE & FUND BALANCE | \$ - | \$ 1,707,914.00 | \$ 1,507,914.00 | \$ 1,707,914.00 |
| EXPENSES | | | | |
| CAPITAL IMPROVEMENTS | | | \$ 1,350,000.00 | \$ 1,707,914.00 |
| LEGAL | | | \$ 10,000.00 | |
| ENGINEERING | | | \$ 140,000.00 | |
| MISCELLANEOUS | | | \$ 7,914.00 | |
| TOTAL EXPENSES | \$ - | \$ - | \$ 1,507,914.00 | \$ 1,707,914.00 |
| GRANT FUND: ENDING BALANCE | \$ - | \$ 1,707,914.00 | \$ - | \$ - |