



CASCADE METROPOLITAN DISTRICT NO. 1 NOTICE OF REGULAR MEETING AND AGENDA

Tuesday, October 25, 2022
5:30 P.M.

This meeting will be held via teleconferencing and can be joined through the directions below:

Please join my meeting from your computer, tablet or smartphone.

<https://meet.goto.com/808805133>

You can also dial in using your phone.

United States: [+1 \(408\) 650-3123](tel:+14086503123)

Access Code: 808-805-133

Public invited to attend

Board of Directors

Board Of Directors	Title	Term
Susan Soloyanis	President	May 2023
Mike Herr	Secretary/ Treasurer	May 2023
Karole Campbell	Assistant Secretary	May 2025
James Borden	Assistant Secretary	May 2025
Erin Sullivan	Assistant Secretary	May 2023

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 the Consent Agenda and considered in the Regular Agenda)

a. Approval of Board Meeting Minutes from the regular meeting on July 26, 2022 (**enclosure**)

b. Ratification and Approval of Payables through the period ending October 25, 2022 (**enclosure**) in the amount of:

General Fund:	\$	4,911.30
<u>Debt Service Fund:</u>	\$	<u>33,254.73</u>
Total	\$	38,166.03

c. Acceptance of Unaudited Financial Statements as of September 30, 2022, the schedule of cash position updated as of September 30, 2022, and bank statements (**enclosure**)

5. Consideration of items removed from the Consent Agenda

6. Management Matters

- a. Discuss status of post-conversion requirements
- b. Review of payment status and collections
 - i. Current billings
 - ii. Collections

- c. Update on disposition of assets
 - i. Pump Station removed
 - ii. Properties counties may be interested in taking over
 - iii. Water Tank Shed
 - iv. Storage Tank on Pyramid Mountain

7. Legal Matters

- a. Review and consider approval of Calling May 2023 Election Resolution (**enclosure**)
- b. Review and consider approval of 2023 Annual Administrative Resolution (**enclosure**)
- c. Review and consider approval of Third Amendment to the Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges – Adoption of New Fee Schedule (**enclosure**)
- d. Review and consider approval of WSDM – District Management Engagement Letter (**enclosure**)
- e. Review and consider approval of BiggsKofford 2022 Audit Engagement Letter (**enclosure**)

8. Financial Matters

- a. Review and consider approval of Certifying Delinquent Debt Service Fees, Administrative Fees, Rates, Tolls, Penalties, and Charges to El Paso County Treasurer for Collection Resolution (**enclosure**)
- b. Conduct Public Hearing on 2023 Budget and Consider Adoption of Resolution Adopting 2023 Budget and Appropriating Funds (**enclosure**)
- c. Review Cascade Bond refinance Memo (**enclosure**)
- d. Discuss legal fee waiver for 8420 Aspenglow

9. Public Comment (Items not on the Agenda Only. Comments limited to 3 minutes per person and taken in order in which they appear)

10. Other Business

- a. Next Meeting – January 24, 2023, at 5:30 PM
- b. 2023 Meeting Dates – January 24, 2023, May 23, 2023, July 18, 2023, and October 24, 2023, at 5:30pm via teleconference.

11. Adjourn



**MINUTES OF A REGULAR BOARD MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD JULY 26, 2022**

A regular meeting of the Board of Directors (the “Board”) of the Cascade Metropolitan District No. 1 (the "District") was duly held on Tuesday, the 26th day of July 2022 at 5:30 p.m. The meeting was held via teleconference. The meeting was open to the public.

Directors in Attendance Were:

Susan Soloyanis
Jim Borden
Mike Herr
Erin Sullivan
Karole Campbell

Also in Attendance Were:

Heather Hartung, Esq., White Bear Ankele Hartung & Waldron, Attorneys at Law
Rebecca Hardekopf, Walker Schooler District Managers
Kevin Walker, Walker Schooler District Managers
Braden Hammond, BiggsKofford

1. **Call to Order:** President Soloyanis called the meeting to order at 5:30 PM.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:** Ms. Hartung confirmed a quorum of the Board was present and that each Director had confirmed their qualifications to serve. Ms. Hartung confirmed the Directors’ conflicts of interest were properly filed.
3. **Election of Officers:** Director Herr moved to keep the Director’s positions the same and appoint Karole Campbell as Assistant Secretary; seconded by Director Sullivan. Motion passed unanimously.
4. **Approval of Agenda:** Director Herr moved to approve the Agenda as written; seconded by Director Campbell. Motion passed unanimously.
5. **Consent Agenda Items:**
 - a. Approval of Board Meeting Minutes from the regular meeting on April 26, 2022
 - b. Ratification and Approval of Payables for the period ending July 26, 2022 in the amount of:

General Fund:	\$ 5,721.94
<u>Debt Service Fund:</u>	<u>\$ 33,254.73</u>
Total	\$ 38,976.67
 - c. Acceptance of Unaudited Financial Statements as of June 30, 2022, the schedule of cash position updated as of June 30, 2022, and bank statements
 - d. Ratification of Resolution Approving the Sale of Real Property

Director Herr moved to approve the Consent Agenda as presented; seconded by Director Campbell. Motion passed unanimously. Director Herr noted he has reconciled the bank statements through June 30, 2022.

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

7. Review and Consider Acceptance of the 2021 Audit: Mr. Hammond with BiggsKofford presented the 2021 Audit. He expects to issue a clean opinion which is the highest level of assurance. Mr. Hammond noted a correction that reflects missed water purchases and operating income from 2020 that was an error by BiggsKofford. After review, Director Borden moved to accept the 2021 Audit; seconded by Director Herr. Motion passed unanimously. Mr. Hammond confirmed the Audit will be submitted by the deadline of July 31, 2022.

8. Management Matters

- a. Discuss status of post-conversion requirements: The Board discussed the status of post-conversion requirements including the easements that were received by Colorado Springs Utilities. Mr. Walker noted they are still working on one more easement due to title issues. Mr. Walker recommended the Board prepare to discuss the possibility of refinancing the bonds after the first of the year.
- b. Review of payment status and collections
 - i. Current billings: Ms. Hardekopf reported on July billings.
 - ii. Collections: 6 accounts have liens and will be filed with the Treasurer in October. 7 accounts are delinquent and will be turned over to legal counsel next month if payment is not received.
- c. Update on disposition of assets
 - i. Pump Station removed: Mr. Walker reported that Mr. Kilik is in the process of removing the pump station.
 - ii. Properties counties may be interested in taking over: Mr. Walker explained the County Engineer was removed from office and replaced, so he is contacting the replacement to catch them up and discuss this item.
 - iii. Water Tank Shed: The water tank shed has been removed.
 - iv. Storage Tank on Pyramid Mountain: There is no activity on the storage tank, but the nearby property owner, Mr. Walstad, is working on platting the land around his house.
 - v. Status of Closing on Triangle Building: Mr. Walker reported the closing was completed and the District received \$66,000 for the sale of the Triangle Building.
- d. Discuss Meeting options for 2023: The Board discussed 2023 meetings and agreed to schedule meetings in January, May for the Election, July for the Audit, and in October for the annual resolutions and budget. Ms. Hartung noted the Board could schedule special meetings if needed.
- e. Discuss Legal Counsel attendance for Meetings: President Soloyanis commented that it is helpful to have legal counsel attend Board meetings to answer questions. She noted it does not cost the District as much as it used to now that meetings are held virtually. Director Borden agreed with President Soloyanis. Director Herr commented that it is essential when legal opinion and advice is needed, but if there is not a need it could be a way to save on

costs. Ms. Hartung explained that she will be providing information on the Election at the January meeting, finalizing the Election at the May meeting, providing comments on the Audit in July, and discussions on refunding and preparing for the next year at the October meeting. She recommends that she attend those four meetings. President Soloyanis moved to continue to have legal counsel attend the four Board meetings a year; seconded by Director Borden. Motion passed unanimously.

9. Review CMD Board Action Plan: President Soloyanis discussed how the Board will move forward. She noted that she hoped the Board could be turned over to a governmental entity such as the County Assessor but that may not be possible. President Soloyanis commented that come next May, she is not interested in serving on the Board to collect debt. Director Campbell reported that she and Mr. Walker will meet with the County Commissioner next week to discuss the Election.

10. Legal Matters

- a. Discuss Notice of Intent to Increase Fees for 2023: Ms. Hartung reported that she has prepared the required notice of intent to increase fees for 2023 to be discussed at the October meeting. District Management will post the notice on the District’s website.
- b. Review Status Report for June 2022: Ms. Hartung reported that any accounts that need to be certified to the County will be done later in the year.
- c. Discuss 2022 Legislative Memorandum: Ms. Hartung presented the 2022 Legislative Memorandum.
- d. Discuss Funds to be Received from Sale of Triangle Building Being Earmarked for District’s Debt: Ms. Hartung confirmed the funds received from the sale of the Triangle Building can be earmarked for the District’s debt. She noted that once the funds are put into the debt service fund, they cannot be moved out of the account. President Soloyanis commented that she feels very strongly about honoring the wishes of the buyer who made a generous offer specifically to help reduce the debt burden. After discussion, Director Borden moved to transfer the funds from the sale of the Triangle building to the bond fund; seconded by President Soloyanis. Motion passed unanimously.

11. Financial Matters: There was no discussion.

12. Public Comment: There was no public comment.

13. Other Business

- a. Next Meeting – Scheduled for October 25, 2022, at 5:30 PM.

14. Adjournment: The Board adjourned the meeting at 6:25 PM.

Respectfully submitted,

By: _____
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 26, 2022 MINUTES OF THE

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

Mike Herr

James Borden

Susan Soloyanis

Erin Sullivan

Karole Campbell



Cascade Metropolitan District
PAYMENT REQUEST
8/16/2022
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Mailing Services Inc	16751	6/20/2022		
Mailing Services Inc	16833	7/8/2002		
Walker Schooler District Managers	7130	7/31/2022	2,909.52	
White Bear Ankele Tanaka & Waldron	23545	7/31/2022	2,049.00	
White Bear Ankele Tanaka & Waldron	23578	7/31/2022	773.00	
TOTAL			5,731.52	

BOND FUND ACCOUNT

Description	Date	Amount	Comments
UMB Bank - Series 2015A & 2015B Interest	9/1/2022	\$ 33,254.73	August
TOTAL		\$ 33,254.73	

TOTAL FOR ALL FUNDS

\$ 38,986.25

_____, President

Cascade Metropolitan District

PAYMENT REQUEST

9/15/2022

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Biggs Kofford	107988	7/28/2022	8,825.00	
Colorado Special Districts Prop & Liab Pool	23WC-61409-0449	8/26/2022	450.00	
Mailing Services Inc	16963	8/17/2022	245.43	
Walker Schooler District Managers	7158	8/31/2022	2,797.42	
White Bear Ankele Tanaka & Waldron	24013	8/31/2022	561.34	
White Bear Ankele Tanaka & Waldron	24048	8/31/2022	418.00	
TOTAL			13,297.19	

BOND FUND ACCOUNT

Description	Date	Amount	Comments
UMB Bank - Series 2015A & 2015B Interest	9/10/2022	\$ 33,254.73	September
TOTAL		\$ 33,254.73	

TOTAL FOR ALL FUNDS

\$ 46,551.92

_____, President

Cascade Metropolitan District

PAYMENT REQUEST

10/19/2022

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Mailing Services Inc	17058	9/9/2022	219.29	
Walker Schooler District Managers	7193	9/30/2022	3,021.68	
White Bear Ankele Tanaka & Waldron	24561	9/30/2022	1,120.33	
White Bear Ankele Tanaka & Waldron	24596	9/30/2022	550.00	
TOTAL			4,911.30	

BOND FUND ACCOUNT

Description	Date	Amount	Comments
UMB Bank - Series 2015A & 2015B Interest	10/10/2022	\$ 33,254.73	October
TOTAL		\$ 33,254.73	

TOTAL FOR ALL FUNDS

\$ 38,166.03

_____, President



Cascade Metropolitan District No. 1

Balance Sheet

10/19/22

As of September 30, 2022

Accrual Basis

	<u>Sep 30, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
1995 Checking	44,739.20
2002 Savings	106,669.02
2-1050 · UMB Interest 143222.1	158,275.38
2-1055 · UMB Reserve 143222.3	369,958.06
2-1060 · UMB Principal 143222.2	76,107.53
Total Checking/Savings	<u>755,749.19</u>
Accounts Receivable	
1-1200 · Accounts Receivable	20,139.56
1-1210 · Allowance for Doubtful Accounts	-5,000.00
Total Accounts Receivable	<u>15,139.56</u>
Total Current Assets	<u>770,888.75</u>
TOTAL ASSETS	<u>770,888.75</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	5,935.64
Total Accounts Payable	<u>5,935.64</u>
Other Current Liabilities	
1-320 · Prepaid Charges	6,358.16
Total Other Current Liabilities	<u>6,358.16</u>
Total Current Liabilities	<u>12,293.80</u>
Long Term Liabilities	
Bonds Payable 2015A	3,310,000.00
Bonds Payable 2015B	1,430,000.00
Total Long Term Liabilities	<u>4,740,000.00</u>
Total Liabilities	<u>4,752,293.80</u>
Equity	
3-3200 · Invested in Capital Assets	-4,192,805.87
30000 · Opening Balance Equity	-180,464.08
32000 · Retained Earnings	183,222.08
Net Income	208,642.82
Total Equity	<u>-3,981,405.05</u>
TOTAL LIABILITIES & EQUITY	<u>770,888.75</u>

Cascade Metropolitan District No. 1

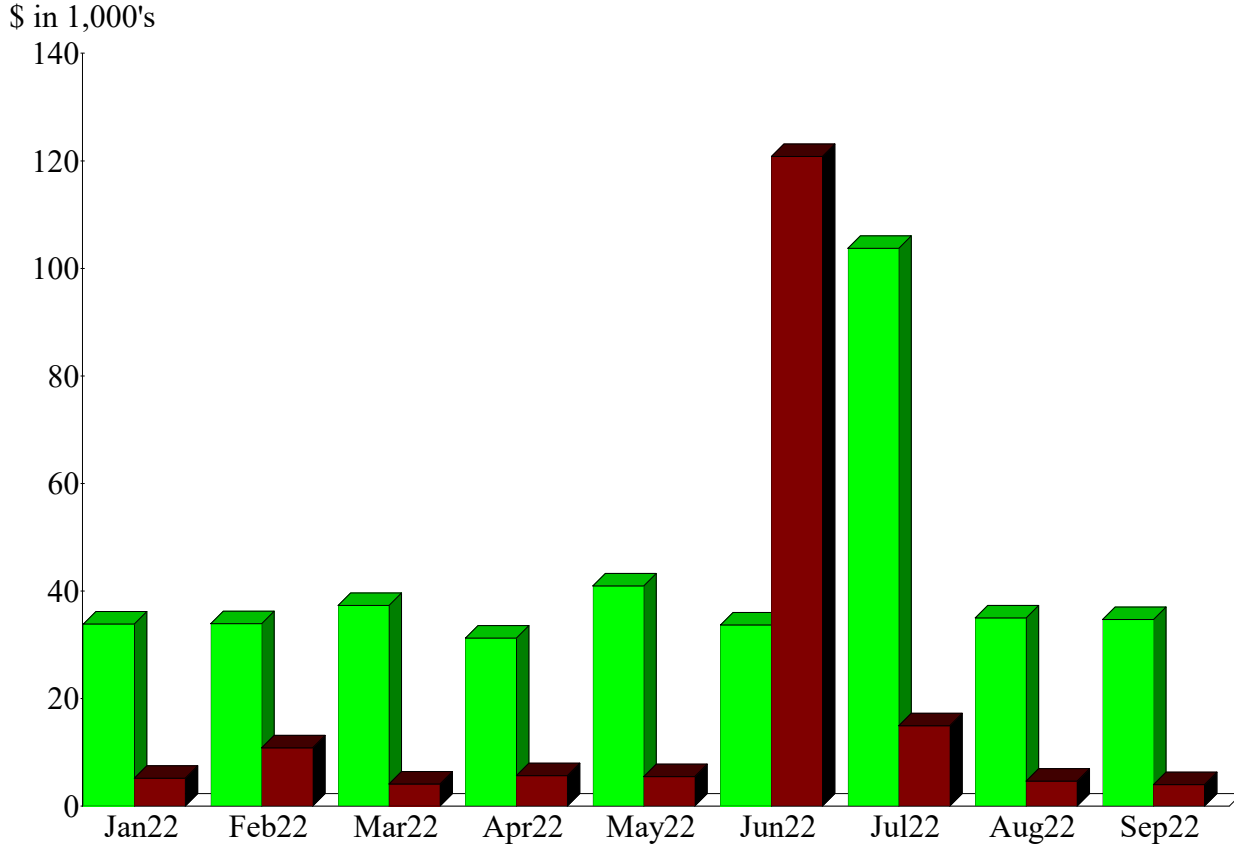
Profit & Loss Budget vs. Actual

January through September 2022

	TOTAL				
	Sep 22	Jan - Sep 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
1-506 · Operations Administrative Fee	5,027.40	48,484.69	42,000.00	6,484.69	115.44%
1-509 · Revenue-Collection Charges	0.00	0.00	5,000.00	-5,000.00	0.0%
1-510 · Late Fees	359.06	3,724.06	2,500.00	1,224.06	148.96%
1-560 · Interest Income	17.63	56.49	100.00	-43.51	56.49%
2-510 · Debt Service Fee	28,072.38	261,198.74	330,000.00	-68,801.26	79.15%
2-530 · Malcom Restitution	0.00	643.44			
2-560 · Interest Income-Debt	1,228.61	3,891.11	300.00	3,591.11	1,297.04%
Total Income	<u>34,705.08</u>	<u>317,998.53</u>	<u>379,900.00</u>	<u>-61,901.47</u>	<u>83.71%</u>
Expense					
1-614 · Billing and Customer Service	2,000.00	18,000.00	24,000.00	-6,000.00	75.0%
1-615 · Audit	0.00	8,825.00	9,000.00	-175.00	98.06%
1-618 · Bank Fees	145.35	1,410.55	1,800.00	-389.45	78.36%
1-635 · Election	0.00	3,572.66	2,500.00	1,072.66	142.91%
1-670 · Insurance/SDA Dues	0.00	450.00	2,500.00	-2,050.00	18.0%
1-672 · Dues, Fees & Subscriptions	0.00	557.61	250.00	307.61	223.04%
1-675 · Legal	0.00	10,447.04	10,000.00	447.04	104.47%
1-680 · Management	625.00	5,625.00	7,500.00	-1,875.00	75.0%
1-683 · Accounting/ Bookkeeping	166.67	1,500.03	2,000.00	-499.97	75.0%
1-684 · Expense-Collection Charges	550.00	7,119.00	5,000.00	2,119.00	142.38%
1-685 · Miscellaneous	0.00	0.00	10,000.00	-10,000.00	0.0%
1-729 · CSU Settlement	0.00	0.00	35,000.00	-35,000.00	0.0%
1-760 · Office Supplies/Postage	449.30	3,102.13	3,600.00	-497.87	86.17%
1-920 · Bad Debt Expense	0.00	0.00	2,500.00	-2,500.00	0.0%
2-617 · Bank Fees - Debt Service	66.47	3,148.19	3,500.00	-351.81	89.95%
2-900 · Interest Expense CMD A 2015	0.00	79,447.50	190,675.00	-111,227.50	41.67%
2-905 · Interest Expense CMD B 2015	0.00	32,703.00	78,650.00	-45,947.00	41.58%
Total Expense	<u>4,002.79</u>	<u>175,907.71</u>	<u>388,475.00</u>	<u>-212,567.29</u>	<u>45.28%</u>
Net Ordinary Income	<u>30,702.29</u>	<u>142,090.82</u>	<u>-8,575.00</u>	<u>150,665.82</u>	<u>-1,657.04%</u>
Other Income/Expense					
Other Income					
Other Income					
Gain on Sale of Assets	0.00	66,552.00	7,500.00	59,052.00	887.36%
Total Other Income	<u>0.00</u>	<u>66,552.00</u>	<u>7,500.00</u>	<u>59,052.00</u>	<u>887.36%</u>
Total Other Income	<u>0.00</u>	<u>66,552.00</u>	<u>7,500.00</u>	<u>59,052.00</u>	<u>887.36%</u>
Net Other Income	<u>0.00</u>	<u>66,552.00</u>	<u>7,500.00</u>	<u>59,052.00</u>	<u>887.36%</u>
Net Income	<u><u>30,702.29</u></u>	<u><u>208,642.82</u></u>	<u><u>-1,075.00</u></u>	<u><u>209,717.82</u></u>	<u><u>-19,408.63%</u></u>

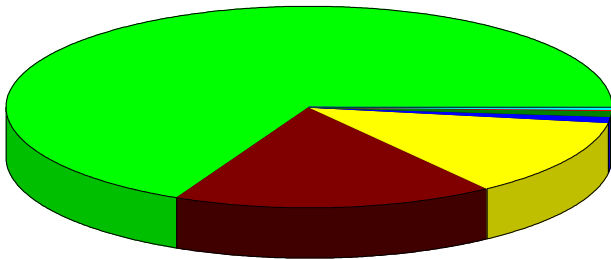
Income and Expense by Month
January through September 2022

Income
Expense



Income Summary
January through September 2022

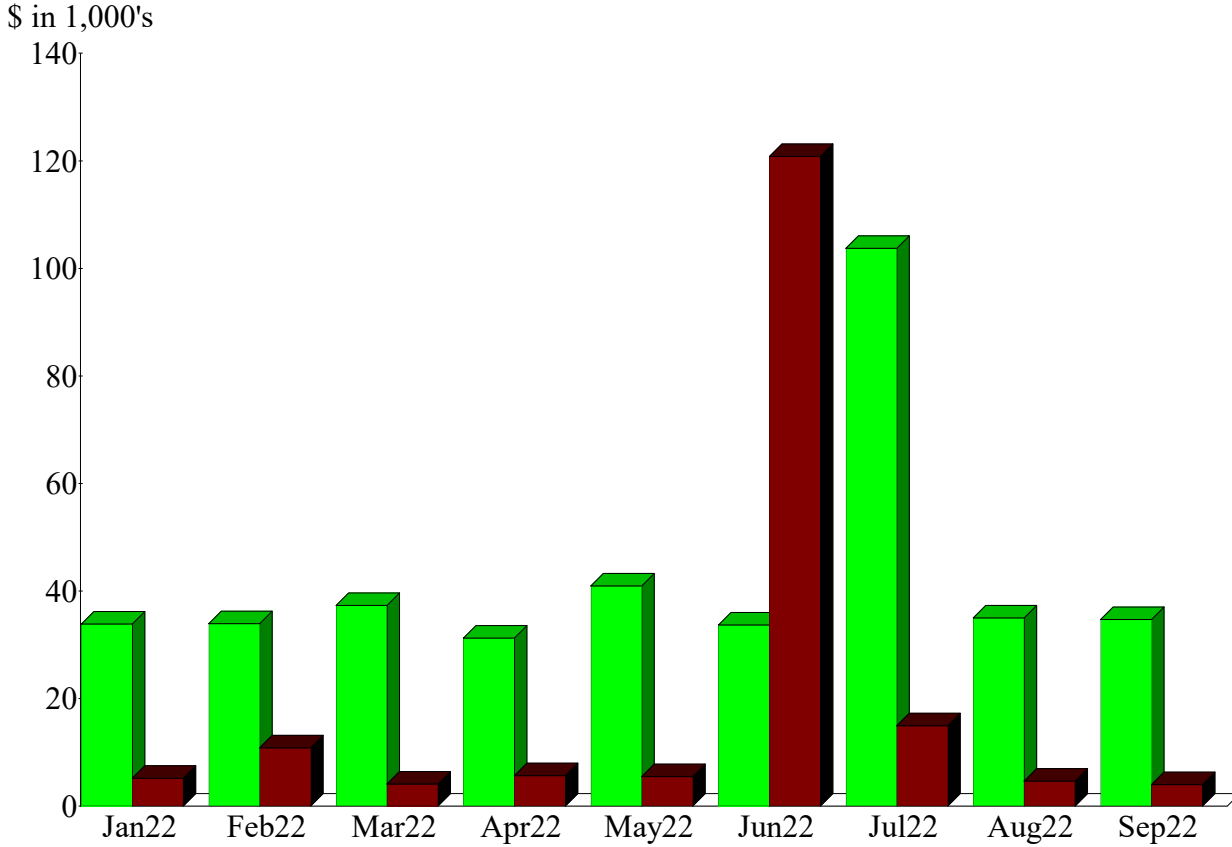
2-510 · Debt Service Fee	67.92%
Other Income	17.31
1-506 · Operations Administrative Fee	12.61
2-560 · Interest Income-Debt	1.01
1-510 · Late Fees	0.97
2-530 · Malcom Restitution	0.17
1-560 · Interest Income	0.01
Total	\$384,550.53



By Account

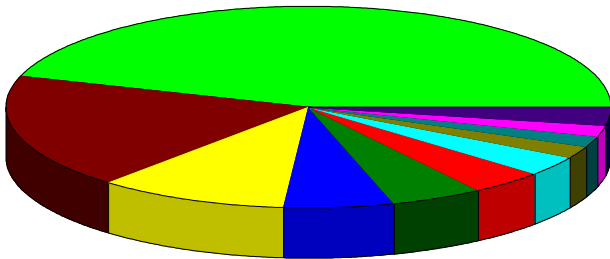
Income and Expense by Month
January through September 2022

Income
Expense



Expense Summary
January through September 2022

2-900 · Interest Expense CMD A 2015	45.16%
2-905 · Interest Expense CMD B 2015	18.59
1-614 · Billing and Customer Service	10.23
1-675 · Legal	5.94
1-615 · Audit	5.02
1-684 · Expense-Collection Charges	4.05
1-680 · Management	3.20
1-635 · Election	2.03
2-617 · Bank Fees - Debt Service	1.79
1-760 · Office Supplies/Postage	1.76
Other	2.23
Total	\$175,907.71



By Account



**RESOLUTION OF BOARD OF DIRECTORS
CALLING ELECTION**

CASCADE METROPOLITAN DISTRICT NO. 1

§§ 32-1-804, 1-1-111(2), 1-13.5-1103(1), and 1-13.5-513(1), C.R.S.

At a meeting of the Board of Directors (the “**Board**”) of the Cascade Metropolitan District No. 1 (the “**District**”), it was moved to adopt the following Resolution:

WHEREAS, the District was organized as a special district pursuant to §§ 32-1-101, *et seq.*, C.R.S. (the “**Special District Act**”); and

WHEREAS, the District is located entirely within El Paso County, Colorado (the “**County**”); and

WHEREAS, pursuant to § 32-1-804, C.R.S., the Board governs the conduct of regular and special elections for the District; and

WHEREAS, the Board anticipates holding a regular election on May 2, 2023, for the purpose of electing directors, and desires to take all actions necessary and proper for the conduct thereof (the “**Election**”); and

WHEREAS, the Election shall be conducted pursuant to the Special District Act, the Colorado Local Government Election Code and the Uniform Election Code of 1992, to the extent not in conflict with the Colorado Local Government Election Code, including any amendments thereto, and shall also comply with Article X, § 20 of the Colorado Constitution (“**TABOR**”), as necessary; and

WHEREAS, pursuant to § 1-1-111(2), C.R.S., the Board is authorized to designate an election official (the “**Designated Election Official**”) to exercise authority of the Board in conducting the Election; and

WHEREAS, pursuant to § 1-13.5-513(1), C.R.S., the Board can authorize the Designated Election Official to cancel the Election upon certain conditions.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The Board hereby calls the Election for the purpose of electing directors. The Election shall be conducted as an independent mail ballot election in accordance with §§ 1-13.5-1101, *et seq.*, C.R.S.
2. The Board names Ashley B. Frisbie of the law firm White Bear Ankele Tanaka & Waldron as the Designated Election Official for the Election. The Designated Election Official shall

act as the primary contact with the County and shall be primarily responsible for ensuring the proper conduct of the Election.

3. Without limiting the foregoing, the following specific determinations also are made:
 - a. The Board hereby directs general counsel to the District to approve the final form of the ballot to be submitted to the eligible electors of the District and authorizes the Designated Election Official to certify those questions and take any required action therewith.
 - b. The Board hereby determines that: in addition to emailing to each registered elector at the email address provided by the county, or if no email is provided, by mailing to the household of each registered elector, notice of the call for nominations will be provided by posting on the District's website.
 - c. The Board hereby directs general counsel to the District to oversee the general conduct of the Election and authorizes the Designated Election Official to take all action necessary for the proper conduct thereof and to exercise the authority of the Board in conducting the Election, including, but not limited to, causing the call for nominations; appointment, training, and setting compensation of election judges and a board of canvassers, as necessary; all required notices of election, including notices required pursuant to TABOR; printing of ballots; supervision of the counting of ballots and certification of election results; and all other appropriate actions.

4. The District shall be responsible for the payment of any and all costs associated with the conduct of the Election, including its cancellation, if permitted.

5. The Board hereby ratifies any and all actions taken to date by general counsel and the Designated Election Official in connection with the Election.

6. The Board hereby authorizes and directs the Designated Election Official to cancel the Election and to declare the candidates elected if, at the close of business on the sixty-third day before the Election, or at any time thereafter, there are not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates, and so long as the only ballot questions are for the election of candidates. The Board further authorizes and directs the Designated Election Official to publish and post notice of the cancellation as necessary and file such notice and cancellation resolutions with the County Clerk and Recorder and with the Division of Local Government, as required. The Designated Election Official shall also notify the candidates that the Election was canceled and that they were elected by acclamation.

7. This Resolution shall remain in full force and effect until repealed or superseded by subsequent official action of the Board.

[Remainder of Page Intentionally Left Blank]

ADOPTED THIS 25th DAY OF OCTOBER 2023.

CASCADE METROPOLITAN DISTRICT NO. 1

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 Calling Election



CASCADE METROPOLITAN DISTRICT NO. 1
ANNUAL ADMINISTRATIVE RESOLUTION
(2023)

WHEREAS, Cascade Metropolitan District No. 1 (the “**District**”), was organized as a special district pursuant to an Order and Decree of the District Court in and for the County of El Paso, Colorado (the “**County**”); and

WHEREAS, the Board of Directors (the “**Board**”) of the District, has a duty to perform certain obligations in order to assure the efficient operation of the District and hereby directs its consultants to take the following actions.

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

1. The Board directs the District Manager to cause an accurate map of the District’s boundaries to be prepared in accordance with the standards specified by the Division of Local Government (“**Division**”) and to be filed in accordance with §32-1-306, C.R.S.

2. The Board directs the District Manager to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of the name of the chairman of the Board, the contact person, telephone number, and business address of the District, as required by §32-1-104(2), C.R.S.

3. The Board directs the District Manager to prepare and file with the Division, within thirty (30) days of a written request from the Division, an informational listing of all contracts in effect with other political subdivisions, in accordance with §29-1-205, C.R.S.

4. The Board directs the District’s accountant to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§11-58-101, et seq., C.R.S.

5. The Board directs the District Manager to: (a) obtain proposals for auditors to be presented to the Board; (b) cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and (c) cause the audit to be filed with the State Auditor by July 31, or by the filing deadline permitted under any extension thereof, all in accordance with §§29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by §29-1-604, C.R.S., the Board directs the District’s accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31, in accordance with §29-1-604, C.R.S.

6. The Board directs the District Manager, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, to cause to be submitted to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District the District’s audit report or a copy of its application for exemption from audit in accordance with §29-1-606(7), C.R.S.

7. The Board directs the District's accountant to submit a proposed budget to the Board by October 15 and prepare the final budget and budget message, including any amendments thereto, if necessary. The Board directs the District Manager to schedule a public hearing on the proposed budget and/or amendments and post or publish notices thereof and directs legal counsel to file the budget, budget resolution, and budget message with the Division on or before January 30, all in accordance with §§29-1-101, et seq., C.R.S.

8. The Board directs the District's accountant to monitor all expenditures and, if necessary, to notify the District's legal counsel, Manager, and the Board when expenditures are expected to exceed appropriated amounts. The Board directs legal counsel to prepare all budget amendment resolutions and directs the District Manager to schedule a public hearing on a proposed budget amendment and post or publish notices thereof and file the amended budget with the Division on or before the date of making such expenditure or contracting for such expenditure, all in accordance with §§29-1-101, et seq., C.R.S.

9. The Board directs legal counsel to cause the preparation of the Unclaimed Property Act report and submission of the same to the State Treasurer by November 1 if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with §38-13-110, C.R.S.

10. The Board directs the District's accountant to prepare the mill levy certification form and directs legal counsel to file the mill levy certification form with the Board of County Commissioners on or before December 15, in accordance with §39-5-128, C.R.S.

11. The Board directs that all legal notices shall be published in accordance with §32-1-103(15), C.R.S.

12. The Board determines that its directors shall receive compensation for their services as directors subject to the limitations set forth in §§32-1-902(3)(a)(I) & (II), C.R.S.

13. The District hereby acknowledges, in accordance with §32-1-902, C.R.S., the following officers for the District:

Chairman/President:	Susan Soloyanis
Secretary/Treasurer:	Mike Herr
Assistant Secretary:	James Borden
Assistant Secretary:	Erin Sullivan
Assistant Secretary:	Karole Campbell
Recording Secretary:	District Manager

14. The Board hereby determines that each member of the Board shall, for any potential or actual conflicts of interest, complete conflicts of interest disclosures and directs legal counsel to file the conflicts of interest disclosures with the Board and with the Colorado Secretary of State at least seventy-two (72) hours prior to every regular and special meeting of the Board, in

accordance with §32-1-902(3)(b) and §18-8-308, C.R.S. Written disclosures provided by Board members required to be filed with the governing body in accordance with §18-8-308, C.R.S. shall be deemed filed with the Board when filed with the Secretary of State. Additionally, at the beginning of each year, each Board member shall submit information to legal counsel regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide legal counsel with any revisions, additions, corrections, or deletions to said conflicts of interest disclosures.

15. The Board confirms its obligations under §24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition, includes elected and appointed officers.

16. The Board hereby appoints the District Manager as the official custodian for the maintenance, care and keeping of all public records of the District, in accordance with §§24-72-202, et seq., C.R.S. The Board hereby directs its legal counsel, accountant, manager and all other consultants to adhere to the Colorado Special District Records Retention Schedule as adopted by the District.

17. The Board directs the District Manager to post notice of all regular and special meetings in accordance with §32-1-903(2) and §24-6-402(2)(c), C.R.S. The Board hereby designates <https://cascademd1.colorado.gov> as the District's website for the posting of its regular and special meeting notices. The Board also hereby designates, unless otherwise designated by the Board, the Ute Pass Library as the location the District will post notices of meetings in the event of exigent or emergency circumstances which prevent the District from posting notice of the meeting on the District's website. The Board directs the District Manager to provide the website address set forth above to the Department of Local Affairs for inclusion in the inventory maintained pursuant to §24-32-116, C.R.S.

18. The Board determines to hold regular meetings on January 24, May 23, July 18 and October 24, 2023 at 5:30 p.m., by telephone, electronic, or other means not including physical presence. All notices of meetings shall designate whether such meeting will be held by electronic means, at a physical location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable.

19. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in §24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.

20. For the convenience of the electors of the District, and pursuant to its authority set forth in §1-13.5-1101, C.R.S., the Board hereby deems that all regular and special elections of the District shall be conducted as independent mail ballot elections in accordance with §§1-13.5-1101, et seq., C.R.S., unless otherwise deemed necessary and expressed in a separate election resolution adopted by the Board.

21. Pursuant to the authority set forth in §1-1-111, C.R.S., the Board hereby appoints Ashley B. Frisbie, of the w firm of WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law, as the Designated Election Official (the “DEO”) of the District for any elections called by the Board, or called on behalf of the Board by the DEO, and hereby authorizes and directs the DEO to take all actions necessary for the proper conduct of the election, including, if applicable, cancellation of the election in accordance with §1-13.5-513, C.R.S.

22. In accordance with §1-11-103(3), C.R.S., the Board hereby directs the DEO to certify to the Division the results of any elections held by the District and, pursuant to §32-1-1101.5(1), C.R.S., to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the district and file a copy of such certification with the Division of Securities.

23. The Board directs legal counsel to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with §32-1-1604, C.R.S.

24. Pursuant to the authority set forth in §24-12-103, C.R.S., the Board hereby designates, in addition to any officer of the District, Kevin Walker of Walker Schooler District Managers, as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

25. The Board directs the District Manager to cause the preparation of and filing with the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, if requested, the application for quinquennial finding of reasonable diligence in accordance with §§32-1-1101.5(1.5) and (2), C.R.S.

26. The Board directs the District Manager to cause the preparation of and the filing with the Board of County Commissioners or the governing body of any municipality in which the District is located, the Division, the State Auditor, the County Clerk and Recorder, and any interested parties entitled to notice pursuant to §32-1-204(1), C.R.S., an annual report in accordance with §32-1-207(3)(c), C.R.S.

27. The Board directs the District Manager to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District’s liability, in accordance with §§24-10-115, et seq., C.R.S. The Board directs the District’s accountant to pay the annual SDA membership dues, agency fees, and insurance premiums, as applicable, in a timely manner. The Board appoints the District Manager as its proxy for the SDA Annual meeting for voting and quorum purposes.

28. The Board hereby opts to include elected or appointed officials as employees within the meaning of §8-40-202(1)(a)(I)(A), C.R.S., and hereby directs the District Manager to obtain workers’ compensation coverage for the District.

29. The Board hereby directs legal counsel to prepare the disclosure notice required by §32-1-809, C.R.S., and to disseminate the information to the electors of the District accordingly.

Further, the Board hereby designates the following website as the District's official website for the purposes thereof: cascademd1.colorado.gov.

30. The Board hereby directs the District Manager to prepare and record with the County Clerk and Recorder updates to the disclosure statement notice and map required by §32-1-104.8, C.R.S., if additional property is included within the District's boundaries.

31. In accordance with §38-35-109.5(2), C.R.S, the District hereby designates the President of the Board as the official who shall record any instrument conveying title of real property to the District within thirty (30) days of any such conveyance.

32. The Board hereby affirms the adoption of the corporate seal in substantially the form appearing on the signature page of this resolution in accordance with §32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any District resolution, proceeding or other document to "affix" the District seal thereto, including for the purpose of satisfying any applicable State law, shall be satisfied by manual impression or print, facsimile reproduction or electronic reproduction, or inclusion of the image of such seal. Without limiting the foregoing, any electronic production or reproduction of the image of the seal shall constitute an electronic record of information, as defined in the Uniform Electronic Transactions Act, and the Board hereby authorizes its use in accordance with the authority provided by §24-71.3-118, C.R.S.

33. The Board directs the District's accountant to prepare and submit the documentation required by any continuing disclosure obligation signed in conjunction with the issuance of debt by the District.

34. The Board directs legal counsel to monitor and inform the Board of any legislative changes that may occur throughout the year.

[Remainder of Page Intentionally Left Blank, Signature Page Follows]

ADOPTED THIS 25TH DAY OF OCTOBER 2022.

(SEAL)

DISTRICT:

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

By: _____
Officer of the District

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

CERTIFICATION OF RESOLUTION

I hereby certify that the foregoing constitutes a true and correct copy of the resolution of the Board adopted at a meeting held on October 25, 2022, via teleconference.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 25th day of October 2022.

SEAL

Signature

Printed Name



**THIRD AMENDMENT
TO THE
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF
CASCADE METROPOLITAN DISTRICT NO. 1**

**CONCERNING THE IMPOSITION OF VARIOUS FEES, RATES, PENALTIES AND
CHARGES**

(Adoption of New Fee Schedule)

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)(h), C.R.S., the Board of Directors of the District (the “**Board**”) shall have the management, control and supervision of all the business and affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the District is authorized to fix and impose and, from time to time, increase or decrease fees, rates, tolls, penalties and charges for services or facilities furnished by the District which, until paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the District was the provider of water services to residents and owners within and outside of the District’s boundaries; and

WHEREAS, on June 9, 2015, the District issued bonds in the form of the *Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and Series 2015B* (collectively, the “**Bonds**”); and

WHEREAS, the District utilized the Bonds to improve the District’s water distribution system, reduce water losses and to meet the construction standards required by Colorado Springs Utilities; and

WHEREAS, the District’s water distribution system was converted to Colorado Springs Utilities on December 1, 2020 (the “**Conversion**”); and

WHEREAS, the District did not dissolve with the Conversion and will not be permitted to do so until such time as the debt incurred for the required improvements to the infrastructure has been repaid in full; and

WHEREAS, to repay the debt, and for ongoing administration functions necessary to remain in compliance with Colorado law, the District is required to continue to impose and collect ongoing monthly debt service fees (the “**Debt Service Fee**” or “**Monthly Debt Service Fee**”) and monthly administrative fees (the “**Administrative Fee**” or “**Monthly Administrative Fee**”); and

WHEREAS, pursuant to §32-1-1001(2), C.R.S., the Board, as a governing body that previously furnished domestic water or sanitary sewer services directly to residents and property owners within or outside of the District, may fix or increase fees, rates, tolls, penalties or charges for domestic water or sanitary sewer services only after consideration of the action at a public meeting held at least thirty (30) days after providing notice stating that the action is being considered and stating the date, time and place of the meeting at which the action is being considered; and

WHEREAS, on February 23, 2021, the Board of Directors adopted, after complying with §32-1-1001(2), C.R.S, the Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges, which was amended on June 22, 2021 by that First Amendment to the Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges – Adoption of New Fee Schedule, which was also adopted after complying with §32-1-1001(2), C.R.S, which was amended on October 26, 2021 by that Second Amendment to the Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges – Adoption of New Fee Schedule, which was also adopted after complying with §32-1-1001(2), C.R.S, (collectively, the “**Fee Resolution**”); and

WHEREAS, pursuant to § 32-1-1001(2)(a)(IV), C.R.S., on September 1, 2022, the Board provided the required thirty (30) days’ notice by posting the notice on a publicly accessible section of the District’s website; and

WHEREAS, the Board has determined that modification to the Schedule of Fees in the Fee Resolution is necessary and in the best interests of the District, present and future property owners within the District and the properties served by the District.

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

1. SCHEDULE OF FEES - AMENDMENT: The schedule of fees set forth in Exhibit A of the Fee Resolution is replaced in its entirety by the schedule of fees set forth in **Exhibit A** to this Resolution, which is attached hereto and incorporated herein by this reference.
2. PRIOR PROVISIONS EFFECTIVE. Except as specifically amended hereby, all the terms and provisions of the Fee Resolution shall remain in full force and effect.
3. PRIOR FEES. Any fees, rates, tolls penalties or charges due under the Fee

Resolution, to the extent outstanding and unpaid, shall remain in effect until fully paid and shall not be eliminated hereby.

4. THE PROPERTY. This Resolution shall apply to all property within the District's boundaries, including, but not limited to, the property set forth in **Exhibit B**, attached hereto and incorporated herein, and any additional property included into the District after the date of this Resolution.
5. EFFECTIVE DATE. This Resolution shall become effective on January 1, 2023.

Remainder of Page Intentionally Left Blank. Signature Page to Follow.

APPROVED AND ADOPTED this 25th day of October, 2022.

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

Officer of the District

ATTEST:

Officer of the District

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

EXHIBIT A

Schedule of Fees and Charges

Adopted and Effective January 1, 2023

MONTHLY DEBT SERVICE FEE: \$87.78

MONTHLY ADMINISTRATIVE FEE: \$8.34

The Due Date for the monthly Debt Service Fee and monthly Administrative Fee, a total of \$96.12, is the last day of the month following the month for which the Debt Service Fee and Administrative Fee are billed.

ACCOUNT USER FEE Cost to District

The Due Date for the Account User Fee is fifteen (15) days from the date invoiced.

TRANSFER FEE \$50.00/Transfer

The Due Date for the Transfer Fee is at closing or within fifteen (15) days from the Transfer, whichever occurs first.

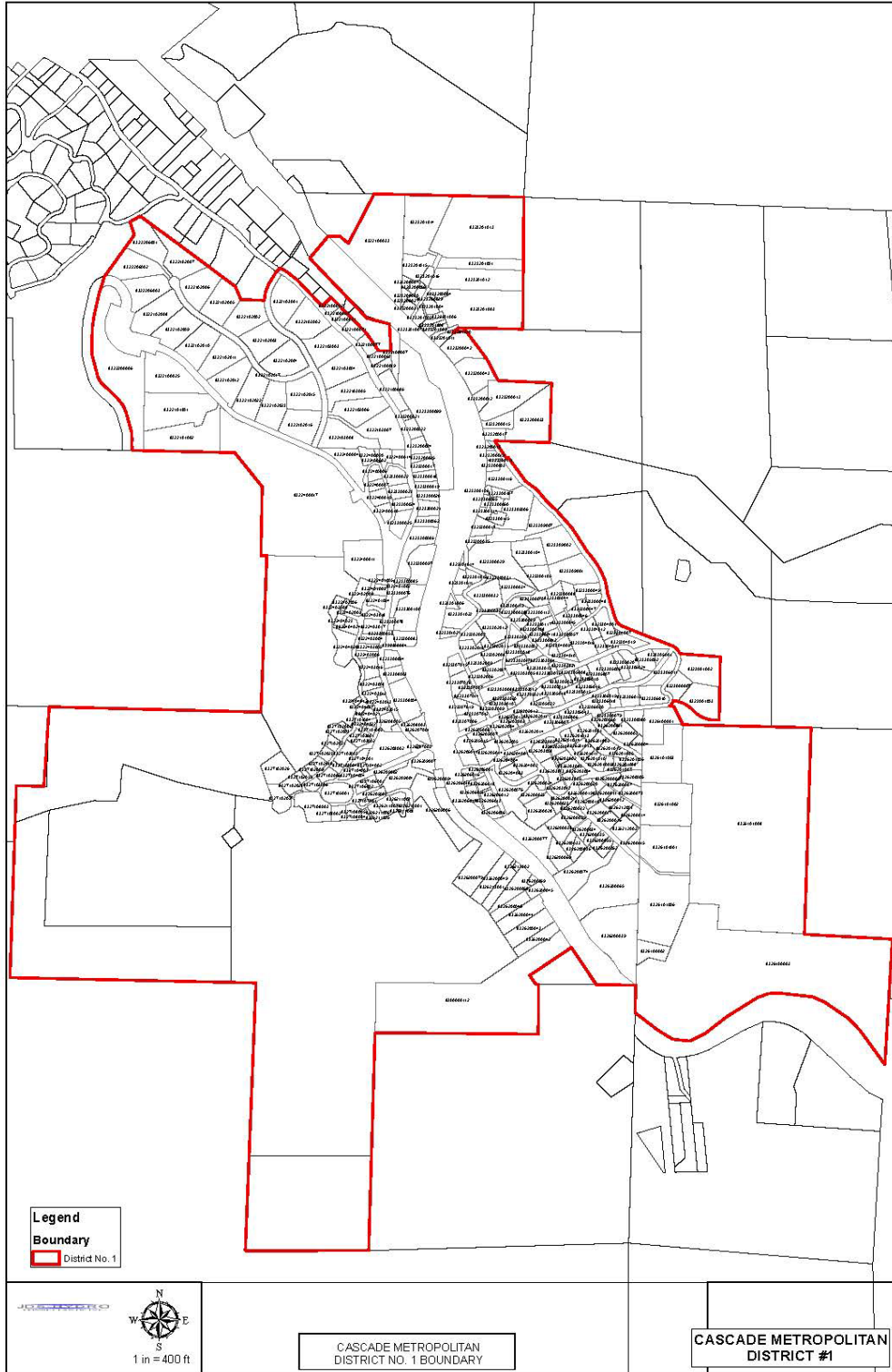
The Monthly Debt Service Fee, Monthly Administrative Fee and Transfer Fee are imposed upon each Residential Unit, Commercial Unit and each developable Lot within the District Boundaries and each Lot Out of District Boundaries for which the Out of District Boundaries Capital Investment Fee has been paid, all regardless of whether any structure is constructed or existing on the Lot; provided, however, that the Monthly Debt Service Fee shall not be imposed upon properties which are not developable and which are either designated as undevelopable by El Paso County or on which development is or has been restricted pursuant to a permanent use restriction or other similar designation by El Paso County.

PAYMENTS: Payment for the Monthly Debt Service Fee, Monthly Administrative Fee, Account User Fee and Transfer Fee shall be made payable to the Cascade Metropolitan District No. 1 and sent to the following address for receipt by the Due Date:

Cascade Metropolitan District No. 1
Post Office Box 1479
Colorado Springs, Colorado 80901

EXHIBIT B

THE PROPERTY





RE: Annual Engagement Letter

This agreement constitutes a Statement of Work (“SOW”) to the Original Service Agreement made by and between WSDM – District Managers and Cascade Metropolitan District No. 1 (“the District”). This engagement letters serves as a renewal to the service provided or additional service to be provided as prescribed below.

Management Services

1. Meeting and Reporting Services—WSDM will continue to provide in the following services:
 - (a) Coordinate Board meetings, prepare and distribute meeting agenda. Preparation, filing and posting of legal notices required in conjunction with the meeting.
 - (b) Ensure meeting notices are properly and timely posted.
 - (c) Contact Board members 72 hours prior to a scheduled meeting to ensure a quorum will be present. In the event of a cancelation of a meeting, contact and advise all parties of the cancelation and any changes to the meeting date, time and place, if available.
 - (d) Meeting packets will be distributed by U.S. Mail and/or email, as determined by the Board
 - (e) Prepare for and attend regular and special meetings of the Board.
 - (f) Draft, revise and finalize the minutes of the meeting and circulate for review and comment to ensure all statutory requirements have been met.
 - (g) Prepare and maintain a record of all Board members, consultants and vendors. Direct and oversee all service providers, consultants and employees.
 - (h) Prepare and make annual compliance filings (but not judicial filings) with the various State and County officials, as required. Coordinate review and approval of annual compliance filings with the attorney.
 - (i) Respond to inquiries made by various officials, property owners or consultants in a timely and professional manner.
 - (j) Maintain the official records of the District and service as official custodian for same pursuant to the Colorado Open Records Act.
 - (k) Monitor requirements pertaining to HB 1343 (Illegal Aliens).
 - (l) Insurance administration, including evaluating risks, comparing coverage, process claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence. Ensure that all District contractors and subcontractors maintain required coverage for the District's benefit. Obtain quotes for insurance annually.

- ~~2. Elections—Service as a Designated Election Official for district elections with familiarity with various election laws, including, but not limited to the Special District Act, the Colorado Local Government Election Code, the Uniform Election~~

~~Code of 1992, to the extent not in conflict with the Colorado Local Government Election Code, and Article X, § 20 of the Colorado Constitution ("TABOR")~~

- ~~3. Construction Oversight— Extensive construction best management experience. Principals have funded and managed over \$100,000,000 in public infrastructure including roads, water, wastewater, electric, gas, telecommunications and stormwater facilities.~~
4. Website Administration – extensive experience with creating and updating District websites, specifically including the State Internet Portal Authority funded sites.
*Different district websites under current management website www.wsdistricts.co
- ~~5. Employee management— management of full or part time employees including Operators in Responsible Control (ORC), field and operations employees, administrative employees, part time seasonal employees, Certified Pool Operators, etc. Maintain compliance with Human Resource aspects like; labor statutes, insurance, training, safety, etc. issues. Also, automated payroll services~~
- ~~6. Covenant enforcement and HOA style management— WSDM manages covenant enforcement services as staff and management of Architectural Control Committees including inspections, review of proposed improvements, management of fines, and other enforcement action.~~

Accounting and bookkeeping

1. Standard Services— Our professional services include the following (with a Certified Public Accountant):
 - (a) Accounting
 1. Prepare monthly, quarterly and annual financial statements for inclusion in monthly meeting packets.
 2. Reconcile monthly bank statements and trustee statements.
 3. Coordinate bank account setup and maintenance of signature cards.
 4. Prepare and file Continuing Disclosure Notices with the Trustee and other required parties. Coordinate review with legal counsel.
 - ~~5. Coordinate capital project draws and requisitions.~~
 6. Reconcile bonds and other debt service payment obligations for accuracy and timely payments.
 7. Respond to bondholder and other interested parties' requests for financial information.
 8. Review all payments of claim prior to release to ensure funds are available.
 9. Monthly review of all expenditures and coordinate preparation and distribution of same with the manager for the District to prevent exceeding budgeted and appropriated expenditures.
 - (b) Accounts Payable
 1. Receive and review invoices for accuracy and appropriateness for payment. Code the invoices in accordance with the budgeted line item.
 2. Prepare issuance of checks to be presented to the Board for approval and signatures. The claims list should be included in the monthly meeting packets.
 - ~~3. Prepare funding requests, if required.~~
 4. Release checks to vendors when all approvals and funding have been received.

- (c) Accounts Receivable
 - 1. Process deposit of revenues.
 - 2. Process bank charges and other miscellaneous accounts receivable matters.
- (d) Financial Projections
 - 1. Multi-year forecasting.
 - ~~2. Utility consumption and water rate analysis.~~
 - 3. Commercial billing analysis and rate structure.
- (e) Budgets
 - 1. Prepare annual budget and budget message for approval by the Board and coordinate with legal counsel for same.
 - 2. Prepare or assist in the preparation of supplemental and/or amended budgets and accompanying documents, if required.
- (f) Audits
 - 1. Obtain proposals for conduct of audit for consideration at budget hearing meeting. Proposals should be included in the meeting packet.
 - 2. Coordinate and participate in audit bids, engagements, fieldwork and audit draft review.
 - 3. Assist the auditor in performing the annual audit, to accomplish timely completion and filing by statutory deadline.
- (g) Bonds
 - 1. Monitor and comply with Bond documents, State Statute, and Auditing requirements
 - 2. Transfer debt obligated funds to correct Reserve Funding accounts as applicable
 - 3. Coordinate principal and interest payments as required by the governing documents.
 - 4. Coordinate with Bond counsel to issue bonds as directed by the Board of Directors
 - 5. Coordinate the proper compliance filing including but not limited to the DLG-30, etc.
- ~~(h) Developer Reimbursements~~
 - ~~1. Monitor and comply with Developer Reimbursement agreements and Auditing requirements~~
 - ~~2. Coordinate principle and interest payments required by the Reimbursement agreement~~

Billing and Collection

- 1. Standard Services—WSDM currently utilizes Continental Utility Solutions, Inc. (CUSI) billing software system. This system is compatible with the Automatic Meter Reading (AMR), Badger Beacon systems as well as state of the art integration with direct payment options (Customer Web Portals, ACH, and Credit Card). In addition:
 - ~~(a) Provide resolution of re-reads for meter reads, if necessary.~~
 - ~~(b) Customize billing system to download meter readings directly into accounting software to allow for automatic updates to customer accounts.~~
 - (c) Produce and transmit customer invoices to a mailing facility or perform the mailing in house, whichever is more economical.
 - (d) Process and make daily deposits of all receipts mailed directly to the billing company, as necessary.
 - (e) Communicate with customers and transmit Automated Clearing House ("ACH") authorization forms allowing the District to initiate an ACH withdrawal of the customer bill directly from their checking or savings account. Initiate ACH batches using dual controls.
 - (f) Coordinate and provide correspondence regarding terminations, delinquencies,

- payment plans and shut-off notices in compliance with the District's collection policies and in coordination with the District's legal counsel.
- (g) Process payoff requests from title company for closings and set up new ownership information.
- (h) Collect transfer fee due upon the transfer of and account or property.
- (i) Process payment arrangements for customers facing economic hardship at the direction of the Board.
- (j) Process and transmit delinquent notices.
- ~~(k) Process shutoff notices and direct the District's operator to proceed with shutoff.~~
- (l) Certify delinquent accounts with the County, as applicable, in coordination with the District's legal counsel.
- (m) Coordinate processing of statements of liens with the District's legal counsel, and release of liens as accounts are paid current.
- (n) Respond to customer calls and inquiries in a timely and professional manner.
- ~~(o) Track tap fee payments.~~

Customer Service

We will continue to provide phone, email, social media, and text messaging response to customer inquiries, questions, requests for information etc. As well we will continue utilizing our 24-emergency number and work with monitoring of security cameras as needed, etc.

Hourly Rates

Principal	\$ 225.00
Senior Manager	\$ 180.00
Senior Accountant	\$ 190.00
Assistant Manager	\$ 150.00
Bookkeeper	\$ 75.00
Administrative/ Supporting Staff	\$ 50.00

not to exceed contractual limit of **\$2,500/ monthly*

Thank you,

Kevin Walker,
President of WSDM – District Managers

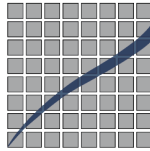
APPROVED AS SIGNED:

Signature

Title

Date





BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

October 13, 2022

Cascade Metropolitan District No. 1
Board of Directors
Via email: sue.g@wsdistricts.co

We are pleased to confirm our understanding of the services we are to provide for Cascade Metropolitan District No. 1 ("District") as of and for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the business-type activities and the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2022. Accounting principles generally accepted in the United States of America ("US GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A") to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by US GAAP and will be subjected to certain limited procedures, but will not be audited:

- You have informed us that the MD&A will be omitted. Our report will be modified accordingly.

We have also been engaged to report on supplementary information ("SI") other than RSI that accompanies the District's financial statements, as applicable. We will subject the SI to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS, and will provide an opinion on it in relation to the basic financial statements as a whole.

- Schedule of revenues and expenditures – budget and actual
- Reconciliation of amounts from budgetary basis to cash basis, as applicable

In connection with our audit of the basic financial statements, we will read any other information included with the financial statements and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

We understand that the following people or entities will use these financial statements for the enumerated purposes:

USER

PURPOSE

State of Colorado

To assist with regulatory oversight

Management

To provide assurance on the financial statements to enhance management decision-making

El Paso County

To aid in regulatory oversight

You agree that you will discuss the suitability of this presentation with us if you intend to submit these financial statements to other users or to any of the identified users for different purposes.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with US GAAP; and report on the fairness of the SI referred to above when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with US GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with US GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may also request representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

If circumstances occur which, in our professional judgment, prevent us from completing the audit or forming opinions on the financial statements, we retain the right to withdraw from the engagement without issuing opinions or report, as permitted by our professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures – Internal Control

We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance any matters related to internal control that are required to be communicated under professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District’s compliance with the provisions of applicable laws, regulations contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Other Services

We will also prepare the financial statements of the entity in conformity with US GAAP based on information provided by you. We will perform the services in accordance with applicable professional standards.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with US GAAP with the oversight of those charged with governance.

Management is responsible for making drafts of the financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial

statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

With regard to including the auditor's report in an offering document, you agree that the aforementioned auditor's report, or reference to BiggsKofford, P.C., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for the preparation of the SI in conformity with US GAAP. You agree to include our report on the SI in any document that contains, and indicates that we have reported on, the SI. You also agree to include the audited financial statements with any presentation of the SI that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for the presentation of the SI in accordance with US GAAP; (2) you believe the SI, including its form and content, is fairly presented in accordance with US GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the SI.

You agree to assume all management responsibilities for the other services listed above and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically or on your internet website(s), you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

You agree that you will not use our firm's name or the name of an employee of the firm in a communication containing a financial presentation without the written permission of our firm. If you do use our firm name or the name of an employee of the firm in a communication containing a financial presentation, you agree to include an "accountant's report" or a "disclaimer" on the financial presentation(s) which we specify. Further, you agree to provide us with printers' proofs or masters of any document that contains our firm name or the name of an employee of the firm and a financial presentation for our review and approval before printing/publishing of the document. You also agree to provide us with a copy of the final reproduced material that contains either our firm's name and/or the name of an employee of the firm and a financial presentation for our approval before it is distributed.

We value each and every one of our clients as well as each and every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request that you not solicit our employees to work for you. You agree that if you or your agents do hire one of our employees within three months of when they last worked for BiggsKofford, we will be due a finder's fee equal to 50% of the greater of the annual salary they were earning as of their last day of employment or their starting salary with the District. Payment will be due within 10 days of your receipt of our invoice. To ensure that our independence is not impaired under the *AICPA Code of Professional Conduct*, you agree to inform the engagement principal before entering into any substantive employment discussions with any of our personnel.

You understand that we provide clients with services specifically focused on identifying and addressing deficiencies in internal controls, and on searching for the existence of fraud within the entity. If you would like us to perform these services, we would be happy to discuss that opportunity with you. However, you acknowledge that those services are outside the scope of this engagement and are not included in the fees detailed below.

It is our policy to retain engagement documentation for a period of at least five years, after which time we may commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement. The balance of our engagement file, other than the compiled financial statement, which we will provide you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony related to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates for the time we expend in connection with such response, and to reimburse us for all related out-of-pocket costs incurred.

You and BiggsKofford, P.C. both agree that any dispute that may arise from this engagement will, prior to resorting to litigation, be submitted for mediation before the American Arbitration Association. Both parties further agree that any such mediation shall be administered within El Paso County Colorado and the results of any such mediation shall be binding upon agreement of each party to be bound. Further, both parties agree that any potential legal action between you and BiggsKofford, P.C. shall be resolved in El Paso County District Court according to Colorado law. Our engagement ends on delivery of our audit report and any claim made concerning our services will be limited to the fees charged for those services. You agree to indemnify, defend, and hold BiggsKofford and its owners, heirs, executors, personal representatives, successors, and assigns harmless from any liability and costs resulting from knowing misrepresentations by management.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all parties.

We want you to clearly understand that this type of financial statement presentation is not designed for, and should not be used for, any purpose subject to regulation by the United States Securities and Exchange Commission ("SEC") or the securities division of any state.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of BiggsKofford, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Colorado Office of the State Auditor or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of BiggsKofford, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to Colorado Office of the State Auditor or its designee. The Colorado Office of the State Auditor or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Braden Hammond is the engagement principal and is responsible for supervising the engagement and for signing the report or authorizing another individual to sign it.

Our fees for this engagement are not contingent on the results of our services. We estimate that our fees for these services will be \$9,325. You will also be billed for travel and other out-of-pocket expenses. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep you informed of any problems we encounter, and our fees will be adjusted accordingly. Our invoices for these fees will be rendered semi-monthly as work progresses and are payable on presentation. Any remaining balance will be due upon delivery of your financial statements. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenses through the date of the termination.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the board of directors of the District. Circumstances may arise in which our report may differ from its expected content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report or, if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, **PLEASE INITIAL EACH PAGE, SIGN THE LAST PAGE**, and return a copy to us.

Sincerely,

BiggsKofford, P.C.

BiggsKofford, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Cascade Metropolitan District No. 1.

Officer signature: _____ Title: _____ Date: _____



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

**CERTIFYING DELINQUENT DEBT SERVICE FEES, ADMINISTRATIVE FEES, RATES,
TOLLS, PENALTIES AND CHARGES TO EL PASO COUNTY TREASURER FOR
COLLECTION**

WHEREAS, the Cascade Metropolitan District No. 1 (the “District”) was duly organized and validly exists pursuant to and in accordance with the Special District Act, §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board of Directors of the District (the “Board”) is empowered to fix and from time to time increase or decrease certain fees, rates, tolls, penalties or charges for services, programs or facilities furnished by the District; and

WHEREAS, the District was the provider of water services to residents and owners within and outside of the District’s boundaries; and

WHEREAS, on June 9, 2015, the district issued bonds in the form of the *Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and Series 2015B* (collectively, the “Bonds”); and

WHEREAS, the District utilized the Bonds to improve the District’s water distribution system, reduce water losses and to meet the construction standards required by Colorado Springs Utilities; and

WHEREAS, the District’s water distribution system was converted to Colorado Springs Utilities on December 1, 2020 (the “Conversion”); and

WHEREAS, the District did not dissolve with the Conversion and will not be permitted to do so until such time as the debt incurred for the required improvements to the infrastructure has been repaid in full; and

WHEREAS, to repay the debt, and for ongoing administration functions necessary to remain in compliance with Colorado law, the District is required to impose and collect ongoing monthly debt service fees (the “Debt Service Fee”) and monthly administrative fees (the “Administrative Fee”); and

WHEREAS, pursuant to §32-1-1101(1)(e), C.R.S., the District is permitted to have certain delinquent fees, rates, tolls, penalties, charges or assessments made or levied by the District certified to the El Paso County Treasurer (the “County Treasurer”) for collection in the same manner as taxes; and

WHEREAS, the properties reflected on **Exhibit A**, attached hereto and incorporated herein by this reference (the "Delinquent Properties"), are delinquent in their Debt Service and Administrative Fees by at least six (6) months and by more than One Hundred Fifty Dollars (\$150); and

WHEREAS, the Delinquent Properties have outstanding delinquent fees rates, tolls, penalties, charges or assessments in the amounts set forth in **Exhibit A** (the “Delinquent Fees”); and

WHEREAS, pursuant to §32-1101(1)(e), C.R.S., the District may elect, by resolution, at a public meeting held after receipt of notice by the Delinquent Properties, to certify the Delinquent Fees to the County Treasurer for collection; and

WHEREAS, on September 13, 2022, the District provided notice to the Delinquent Properties through written correspondence deposited in the United States mail; and

WHEREAS, the Board hereby considers the adoption of this Resolution at a public meeting, which meeting has been properly noticed in accordance with Colorado law; and

WHEREAS, the District, by this Resolution, desires to certify the Delinquent Fees to the County Treasurer for collection.

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

1. CERTIFICATION OF DELINQUENT FEES. The Board hereby elects to have the Delinquent Fees certified to the County Treasurer to be collected and paid over by the County Treasurer in the same manner as taxes are authorized to be collected and paid over pursuant to § 39-10-107, C.R.S. The Board hereby directs the District’s Manager to certify to the County Treasurer the Delinquent Fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the “Certification”). Such Delinquent Fees shall be certified by no later than the deadline established by the County Treasurer in order to comply with State statutory and County certification deadlines.

[Remainder of Page Intentionally Left Blank].

ADOPTED THIS 25th DAY OF OCTOBER, 2022.

**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

EXHIBIT A
Delinquent Properties and Delinquent Fees

Street Address	Property Description	Past Due	Collection Fee	Total
4675 Fountain Avenue	Assessor Parcel # 8323300078	\$1,910.00	\$200.00	\$2,110.00
8302 Chipita Park Rd	Assessor Parcel # 8322100077	\$1,537.00	\$200.00	\$1,737.00
7865 W Highway 24	Assessor Parcel # 8326200043	\$818.03	\$200.00	\$1,018.03



RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2023

The Board of Directors of Cascade Metropolitan District No. 1 (the “**Board**”), County of El Paso, Colorado (the “**District**”), held a regular meeting via teleconference on October 25, 2022, 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.

[Remainder of Page Intentionally Left Blank]

NOTICE AS TO PROPOSED 2023 BUDGET

WHEREAS, the Board has designated its accountant 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 and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023. 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 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2023 budget year, there is hereby levied a tax of

0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

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 in the budget attached hereto are hereby appropriated.

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.

[Remainder of Page Intentionally Left Blank]

ADOPTED THIS 25TH DAY OF OCTOBER 2022.

DISTRICT:

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

By: _____
Officer of the District

Attest:

By: _____

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 by a majority of the Board at a District meeting held via teleconference on October 25, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 25th day of October 2022.

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 2023 Budget for Cascade Metropolitan District No. 1 includes these important features:

- The 2023 Budget reflects a debt service fee established to repay debt issued in 2015 and the costs to administer the billing, collection and payment to facilitate this scope of work.
- The primary sources of revenue for the District are fees, penalties, and charges.

The Budgetary basis of accounting timing measurement method used is:

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

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 is paid.

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

- Contracted legal and management services including state required reporting, financial and accounting reports, billing and other services.
- Accounting and bookkeeping, billing, collection and related services.

**CASCADE METROPOLITAN DISTRICT NO. 1
AMENDED 2022 and ADOPTED 2023 BUDGET
GENERAL FUND**

	2021 ACTUAL	2022 ACTUAL	2022 BUDGET	2023 BUDGET
GENERAL FUND: BEGINNING BALANCE	\$ 187,203.26	\$ 134,422.25	\$ 134,422.25	\$ 80,872.25
REVENUES				
OPERATIONS ADMINISTRATIVE FEE (\$8.34/MONTH/ACCOUNT)	\$ 56,266.20	\$ 43,457.29	\$ 42,000.00	\$ 42,000.00
COLLECTION CHARGES	\$ 4,490.00	\$ 643.44	\$ 5,000.00	\$ 5,000.00
WATER SERVICE BULK	\$ 34.00	\$ -	\$ -	\$ -
LATE FEES	\$ 6,017.74	\$ 3,500.00	\$ 2,500.00	\$ 2,500.00
BACKFLOW NON-COMPLIANCE FEE	\$ 54.45	\$ -	\$ -	\$ -
MISCELLANEOUS INCOME	\$ 275.20	\$ -	\$ -	\$ -
GAIN ON SALE OF ASSETS	\$ 8,332.52	\$ 66,552.00	\$ 10,000.00	\$ -
INTEREST INCOME	\$ 22.97	\$ 38.86	\$ 100.00	\$ 100.00
TOTAL REVENUES	\$ 75,493.08	\$ 114,191.59	\$ 59,600.00	\$ 49,600.00
TOTAL FUNDS AVAILABLE	\$ 262,696.34	\$ 248,613.84	\$ 194,022.25	\$ 130,472.25
EXPENSES				
BILLING AND CUSTOMER SERVICE MANAGEMENT	\$ 24,000.00	\$ 16,000.00	\$ 24,000.00	\$ 24,000.00
ACCOUNTING AND BOOKKEEPING	\$ 7,500.00	\$ 5,000.00	\$ 7,500.00	\$ 4,000.00
CSU SETTLEMENT	\$ 2,000.04	\$ 1,333.36	\$ 2,000.00	\$ 2,000.00
COLLECTION CHARGES	\$ -	\$ -	\$ 35,000.00	\$ 35,000.00
AUDIT	\$ -	\$ 6,569.00	\$ 5,000.00	\$ 5,000.00
BANK FEES	\$ 8,400.00	\$ 8,825.00	\$ 9,000.00	\$ 9,000.00
ELECTION	\$ 1,845.50	\$ 1,265.00	\$ 1,800.00	\$ 1,800.00
INSURANCE/SDA DUES	\$ -	\$ 3,572.66	\$ 2,500.00	\$ 4,000.00
DUES, FEES, & SUBSCRIPTIONS	\$ 6,197.02	\$ 450.00	\$ 2,500.00	\$ 2,500.00
LEGAL / LEGAL RELATING TO COLLECTIONS	\$ 250.00	\$ 557.61	\$ 250.00	\$ 450.00
COST OF SALES	\$ 27,909.47	\$ 10,447.04	\$ 10,000.00	\$ 10,000.00
PAYROLL TAXES	\$ 2,344.82	\$ -	\$ 2,500.00	\$ 2,500.00
OPERATION LABOR	\$ 55.84	\$ -	\$ -	\$ -
REPAIRS & MAINTENANCE	\$ 730.00	\$ -	\$ -	\$ -
TELEPHONE/UTILITIES EXPENSE	\$ 106.32	\$ -	\$ 2,500.00	\$ 2,500.00
WATER PURCHASE EXPENSE	\$ 587.37	\$ -	\$ -	\$ -
OFFICE SUPPLIES & POSTAGE	\$ 42,044.00	\$ -	\$ -	\$ -
CONTINGENCY	\$ 4,303.71	\$ 2,652.83	\$ 3,600.00	\$ 3,600.00
TOTAL EXPENSES	\$ 128,274.09	\$ 56,672.50	\$ 113,150.00	\$ 111,350.00
OTHER				
TRANSFERS IN - GRANT CAPITAL PROJECT FUND				
TRANSFER OUT TO DEBT SERVICE FUND		\$ 66,552.00		
GENERAL FUND: ENDING BALANCE	\$ 134,422.25	\$ 191,941.34	\$ 80,872.25	\$ 19,122.25
EMERGENCY RESERVE: State Required at 3%	\$ 3,848.22	\$ 1,700.18	\$ 3,394.50	\$ 3,340.50

**CASCADE METROPOLITAN DISTRICT NO. 1
AMENDED 2022 and ADOPTED 2023 BUDGET
DEBT SERVICE FUND**

	2021 ACTUAL	2022 ACTUAL	2022 BUDGET	2023 BUDGET
DEBT SERVICE FUND: BEGINNING BALANCE	\$ 472,773.18	\$ 462,526.14	\$ 462,526.14	\$ 450,001.14
REVENUE				
TRANSFER IN - GENERAL FUND		\$ 66,552.00		
DEBT SERVICE WATER FEE (\$87.78/MONTH)	\$ 327,889.52	\$ 233,126.36	\$ 330,000.00	\$ 382,000.00
AOS FEES	\$ 1,161.30	\$ -	\$ -	\$ -
MALCOM RESTITUTION	\$ 1,055.87	\$ -	\$ -	\$ -
INTEREST INCOME	\$ 215.08	\$ 2,662.50	\$ 300.00	\$ 3,000.00
TOTAL REVENUE	\$ 330,321.77	\$ 302,340.86	\$ 330,300.00	\$ 385,000.00
EXPENSES				
SERIES 2015A INTEREST	\$ 193,050.00	\$ 190,675.00	\$ 190,675.00	\$ 188,300.00
SERIES 2015A PRINCIPAL	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 60,000.00
SERIES 2015B INTEREST	\$ 79,475.00	\$ 78,650.00	\$ 78,650.00	\$ 77,824.00
SERIES 2015B PRINCIPAL	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
SERIES 2015 BANK FEES	\$ 3,043.81	\$ 3,081.72	\$ 3,500.00	\$ 3,500.00
CONTINGENCY			\$ 5,000.00	\$ 5,000.00
TOTAL EXPENSES	\$ 340,568.81	\$ 342,825.00	\$ 342,825.00	\$ 349,624.00
DEBT SERVICE: ENDING BALANCE	\$ 462,526.14	\$ 462,526.14	\$ 450,001.14	\$ 485,377.14
OTHER FINANCING SOURCES (USES)				
SERIES 2015A DEBT SERVICE RESERVE FUND	\$ 367,766.00			



To: Cascade Metropolitan District No. 1 (the “District”)
 CC: Kevin Walker, District Manager
 From: Stifel
 Date: September 1, 2022
 Subject: Water Enterprise Revenue Bonds, Series 2015 Refinancing Opportunity

MEMO

The District can refinance its outstanding Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A (the “2015A Bonds”) and its Enterprise Revenue Refunding and Improvement Bonds, Series 2015B (the “2015B Bonds”) (collectively the “2015 Bonds”) on a tax-exempt basis in about a year, Stifel has updated the District’s refunding opportunity. **Based on current market conditions, the District may have the opportunity to produce net present value savings of \$390,119.**

The 2015 Bonds were issued in the aggregate principal amount of \$5,000,000, with balloon payments in 2035 and 2036. The 2015 Bonds have an optional redemption feature (first date to pay off the bonds) of 12/1/2023. Per the IRS Rules, the District can refund its outstanding bonds on a tax-exempt basis 90-days prior to the call date. Depending on market conditions, this means the District could potentially price a tax-exempt bond refunding in July or August of 2023 with a closing of September 4, 2023.

Based upon the District’s credit characteristics, Stifel anticipates the District could receive an investment grade rating of at least “BBB-.” If we can achieve an investment grade rating for the District, the interest rate on the new bonds could be much lower compared to a non-rated financing, which is assumed in our below refunding analysis.

Refunding Analysis¹: Detailed below, Stifel has run two different refunding structures, which can help the District achieve the following goals:

1. lower the interest rate;
2. maintain or lower the payments; and
3. eliminate the balloon payments in 2035 and 2036.

With these goals, Stifel has looked at two different refunding structures. Both scenarios assume all outstanding 2015 Bonds are refunded, the debt service reserve fund from the 2015 Bonds (estimated to be \$367,700) is contributed to the refunding, and bond insurance and a surety policy in lieu of cash funding a reserve fund are assumed to lower the borrowing cost for the refunding.

1. Lower the District’s annual payment from approximately \$360,000 to \$285,000, using a 30-year amortization; or
2. Keep the annual payment the same at approximately \$360,000, which results in a 20-year amortization.

Refunding Results:	Scenario 1 (30-year Amortization)	Scenario 1 (20-year Amortization)
Refunded Par Amount	\$4,600,000	\$4,600,000
Refunding Par Amount	\$4,320,000	\$4,250,000
True Interest Cost	4.55%	4.20%
Average Annual Payment	\$287,500	\$364,250
Total Repayment Cost	\$8,321,800	\$6,673,194
Net Present Value Savings (%)	\$198,767	\$390,119
Net Present Value Savings (\$)	4.32%	8.48%

These plans are presented to give the District an idea of how the refunding bonds could be structured. Please let us know if you would like us to prepare other refinancing plans. I would be happy to join a discussion about the refinancing at your earliest convenience.

¹ Notes: 1. Preliminary and subject to change. 2. The use of the ‘BBB-’ rating is estimated based on the credit characteristics of the District. 3. Interest rate assumptions are based on current market conditions and similar credits. 4. Issuer’s actual results may differ, and Stifel makes no commitment to underwrite at these levels. 5. Costs of issuance and underwriter’s discount are estimates for discussion purposes.

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