

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.

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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.

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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: DocuSigned by:
Susan Soloyanis
A96ABB29A1E843B...
Officer of the District

Attest:

By: DocuSigned by:
Jim Borden
A96ABB29A1E843B...

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

DocuSigned by:
Heather Hartung
BE3B118B0F44AF3...
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.

DocuSigned by:
Rebecca Hardkopf
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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	\$ 263,594.15	\$ 210,813.14	\$ 210,813.14	\$ 200,530.78
REVENUES				
OPERATIONS ADMINISTRATIVE FEE (\$8.34/MONTH/ACCOUNT)	\$ 56,266.20	\$ 62,520.03	\$ 42,000.00	\$ 42,000.00
COLLECTION CHARGES	\$ 4,490.00	\$ -	\$ 5,000.00	\$ 5,000.00
WATER SERVICE BULK	\$ 34.00	\$ -	\$ -	\$ -
LATE FEES	\$ 6,017.74	\$ 4,791.75	\$ 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	\$ 179.67	\$ 100.00	\$ 100.00
TOTAL REVENUES	\$ 75,493.08	\$ 134,043.45	\$ 59,600.00	\$ 49,600.00
 TOTAL FUNDS AVAILABLE	 \$ 339,087.23	 \$ 344,856.59	 \$ 270,413.14	 \$ 250,130.78
EXPENSES				
BILLING AND CUSTOMER SERVICE MANAGEMENT	\$ 24,000.00	\$ 22,000.00	\$ 24,000.00	\$ 24,000.00
ACCOUNTING AND BOOKKEEPING	\$ 7,500.00	\$ 6,875.00	\$ 7,500.00	\$ 4,000.00
CSU SETTLEMENT	\$ 2,000.04	\$ 1,833.37	\$ 2,000.00	\$ 2,000.00
COLLECTION CHARGES	\$ -	\$ -	\$ 35,000.00	\$ 100,000.00
AUDIT	\$ -	\$ 7,712.00	\$ 5,000.00	\$ 5,000.00
BANK FEES	\$ 8,400.00	\$ 8,825.00	\$ 9,000.00	\$ 9,000.00
ELECTION	\$ 1,845.50	\$ 3,426.08	\$ 1,800.00	\$ 1,800.00
INSURANCE/SDA DUES	\$ -	\$ 3,572.66	\$ 2,500.00	\$ 10,000.00
DUES, FEES, & SUBSCRIPTIONS	\$ 6,197.02	\$ 2,666.00	\$ 2,500.00	\$ 2,500.00
LEGAL	\$ 250.00	\$ 557.61	\$ 250.00	\$ 450.00
COST OF SALES	\$ 27,909.47	\$ 13,827.62	\$ 10,000.00	\$ 10,000.00
PAYROLL TAXES	\$ 2,344.82	\$ -	\$ 2,500.00	\$ -
OPERATION LABOR	\$ 55.84	\$ -	\$ -	\$ -
REPAIRS & MAINTENANCE	\$ 730.00	\$ -	\$ -	\$ -
COST TO REMOVE PUMP HOUSE	\$ 106.32	\$ 2,950.00	\$ 2,500.00	\$ -
TELEPHONE/UTILITIES EXPENSE	\$ 587.37	\$ -	\$ -	\$ 10,000.00
WATER PURCHASE EXPENSE	\$ 42,044.00	\$ -	\$ -	\$ -
OFFICE SUPPLIES & POSTAGE	\$ 4,303.71	\$ 3,528.47	\$ 3,600.00	\$ 3,600.00
CONTINGENCY	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00
TOTAL EXPENSES	\$ 128,274.09	\$ 77,773.81	\$ 113,150.00	\$ 187,350.00
OTHER				
TRANSFERS IN - GRANT CAPITAL PROJECT FUND				
TRANSFER OUT TO DEBT SERVICE FUND		\$ 66,552.00		
GENERAL FUND: ENDING BALANCE	\$ 210,813.14	\$ 200,530.78	\$ 157,263.14	\$ 62,780.78
EMERGENCY RESERVE: State Required at 3%	\$ 3,848.22	\$ 2,333.21	\$ 3,394.50	\$ 5,620.50

**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	\$ 423,335.10	\$ 413,088.06	\$ 413,088.06	\$ 499,930.81
REVENUE				
TRANSFER IN - GENERAL FUND		\$ 66,552.00		
DEBT SERVICE WATER FEE (\$87.78/MONTH)	\$ 327,889.52	\$ 347,194.75	\$ 330,000.00	\$ 382,000.00
AOS FEES	\$ 1,161.30	\$ -	\$ -	\$ -
MALCOM RESTITUTION	\$ 1,055.87	\$ 1,354.60	\$ -	\$ -
INTEREST INCOME	\$ 215.08	\$ 9,157.49	\$ 300.00	\$ 3,000.00
TOTAL REVENUE	\$ 330,321.77	\$ 424,258.84	\$ 330,300.00	\$ 385,000.00
EXPENSES				
SERIES 2015A INTEREST	\$ 193,050.00	\$ 190,476.67	\$ 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	\$ 78,513.42	\$ 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	\$ 3,426.00	\$ 3,500.00	\$ 3,500.00
CONTINGENCY			\$ 5,000.00	\$ 5,000.00
TOTAL EXPENSES	\$ 340,568.81	\$ 337,416.09	\$ 342,825.00	\$ 349,624.00
DEBT SERVICE: ENDING BALANCE	\$ 413,088.06	\$ 499,930.81	\$ 400,563.06	\$ 535,306.81
OTHER FINANCING SOURCES (USES)				
SERIES 2015A DEBT SERVICE RESERVE FUND	\$ 367,766.00			