

**MINUTES OF A REGULAR BOARD MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD FEBRUARY 15, 2023**

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 15th day of February 2023 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
Kevin Walker, WSDM District Managers
Stacy Mast, Stifel Public Finance (“Stifel”)

Luke Pastor, Resident

- 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. Approval of Agenda:** The Board approved the agenda as written.
- 4. Consent Agenda Items:**
 - a. Approval of Board Meeting Minutes from the regular meeting on October 26, 2022
 - b. Ratification and Approval of Payables through the period ending February 15, 2023 in the amount of:

General Fund: \$ 7,993.15
Debt Service Fund: \$18,174.77
Total \$26,167.92
 - c. Acceptance of Unaudited Financial Statements as of January 31, 2023, the schedule of cash position updated as of January 31, 2023, and bank statements
 - d. Approval of Resolution Designating Meeting Notice Posting Location

The Board approved the Consent Agenda Items as presented.

- 5. Consideration of items removed from Consent Agenda:** None.

6. Management Matters

- a. Discuss Status of Post-conversion Requirements: President Soloyanis reviewed with the Board the remaining post-conversion requirements in relation to the transition of the water system to Colorado Springs Utilities. The District anticipates receiving a request from Colorado Springs Utilities regarding costs associated with the easements they obtained in relation to the water system conversion project.
- b. Review of Payment Status and Collections: Mr. Walker requested the Board table this item and noted he will send the collection status report by email.
 - i. Current Billings
 - ii. Collections
- c. Update on Disposition of Assets: Mr. Walker updated the Board on the disposition of assets. Mr. Walker reported he is working on two other properties that need to be conveyed out, and the City is in the process of finalizing the quitclaim deed.
 - i. Water Tank Shed: Mr. Walker informed the Board that the demolition of the water tank shed was completed.
 - ii. Storage Tank on Pyramid Mountain: There is no update on the storage tank.
- d. Discuss Annual Report on the Service Plan: Ms. Hartung noted that Ms. Harris is preparing the annual report on the service plan that is due February 28th. President Soloyanis noted she sent a query to DOLA regarding the future of the District and what changes can be made now that it no longer provides a service to the community other than servicing the bond debt, but a lot of money is spent on district requirements that may no longer apply. Mr. Walker offered assistance and will pursue a lead with the Treasurer's office regarding this issue.

7. Legal Matters

- a. Review and Consider Approval of Resolution Approving the Conveyance of Two Properties to El Paso County: Director Campbell moved to approve the Resolution Approving the Conveyance of Two Properties to El Paso County; seconded by Director Borden. Motion passed unanimously.
- b. Review and Ratification of approval of Quitclaim Deed to El Paso County for Hagerman Avenue and Portion of Forest Road: Director Herr moved to ratify the approval of Quitclaim Deed to El Paso County for Hagerman Avenue and Portion of Forest Road; seconded by Director Campbell. Motion passed unanimously.
- c. Review and consider approval of First Amendment to 2023 Annual Administrative Resolution: Director Herr moved to approve the First Amendment to 2023 Annual Administrative Resolution; seconded by Director Campbell. Motion passed unanimously.
- d. Discuss and Consider Engagement of Special Counsel for Collection Matters: The Board discussed the engagement of special counsel for collection matters since Ms. Hartung's firm no longer provides collection services moving forward. She noted that her firm will still provide collection services as it relates to certifications. Ms. Hartung recommended the Directors review the proposals individually and report back at the next meeting.
- e. Discuss Beisel Lawsuit and Notice of Dismissal Without Prejudice: The Board discussed the dismissal of the Beisel lawsuit. The plaintiff withdrew the case and dismissed it without prejudice meaning they can refile. Ms. Hartung noted that a stipulation has been prepared for when it is refiled.

- f. Discuss Letter from resident O’Laughlin: President Soloyanis discussed the response to the letter from resident O’Laughlin.
- g. Discuss May 2, 2023 Election: Ms. Hartung provided an update on the May 2, 2023 Election. The existing Directors have submitted Self-Nomination forms and they have been deemed sufficient.

8. Financial Matters

- a. Review Cascade Bond Rate Study: Stacy Mast with Stifel provided a presentation regarding refunding both series of bonds into one series. The 2015 bonds are non-rated, and changing the rating would expand the investor base and would achieve a lower interest rate. The earliest time for refunding is 90 days prior to December 1st, so pricing bonds in August is a possibility. The Board discussed that they are not ready for a special engagement letter yet, and requested this item be on the May agenda for further discussion.
- b. Discuss Late Fee Waiver for 4630 Fountain Ave: The Board discussed the late fee waiver request for 4630 Fountain Avenue. Mr. Walker explained the history of the property and that a closing statement and a change of service was requested in May 2022. Apparently, the closing did not occur in May, but the records were changed. WSDM did not have the new owner’s information from the closing that took place in August which resulted in a backlog of missed payments and late fees. Luke Pastor explained the first bill he received was forwarded to him in January and his realtor confirmed that the seller’s agent and title company never provided information about the district fee. He asked how long residents have been paying the district fee. The Board explained that the bonds were issued in 2015 and the fees have been collected since then. The Board explained that the title company and realtors are required to disclose the information to buyers. Ms. Hartung noted there are four Fee Resolutions that have been recorded with the County Clerk and Recorder that the title company should have discovered and disclosed. Mr. Walker confirmed the previous owner paid the district fees and was aware of them. Mr. Walker will bill the previous owner for the missed payments during the time between May and August 2022. Mr. Pastor thanked the Board and commented he will contact his realtor and title company regarding the new information.

9. Public Comment

- a. 4630 Fountain Avenue, Luke Pastor. Remove Late Fees 8/12/22 to Present: There was no additional discussion.

10. Other Business

- a. Next Meeting – Scheduled for May 23, 2023, at 5:30 PM.

11. Adjournment: The Board adjourned the meeting at 6:30 PM.

Respectfully submitted,

By: _____
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 15, 2023 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