

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

Tuesday, April 27, 2021
5:30 P.M.

Due to Executive Orders issued by Governor Polis, and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Public Health and Environment, and the risk posed by COVID 19, via tele/video conferencing and can be joined through the directions below:

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

<https://global.gotomeeting.com/join/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

Mike Whittemore, President	Term Expires May 2023
Mike Herr, Secretary/Treasurer	Term Expires May 2023
Troy Eason, Assistant Secretary	Term Expires May 2022
Susan Soloyanis, Assistant Secretary	Term Expires May 2023
James Borden, Assistant Secretary	Term Expires May 2022

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 Consent Agenda and considered in the Regular Agenda)
 - a. Acknowledge Manager's Report (**enclosure**)
 - b. Approval of Board Meeting Minutes from the special meeting on March 23, 2021 (**enclosure**)
 - c. Ratification and Approval of Payables for the period ending April 15, 2021 (**enclosure**) in the amount of:

General Fund:	\$	4,768.23
<u>Debt Service Fund:</u>	\$	<u>21,665.93</u>
Total	\$	26,434.16
 - d. Acceptance of Unaudited Financial Statements as of March 31, 2021 the schedule of cash position updated as of March 31, 2021 and bank statements (**enclosure**)

4. Consideration of items removed from Consent Agenda

5. Management Matters

- a. CSU Progress update

- b. Review of payment status and collections
- c. Discuss status of post-conversion requirements
- d. Plan and progress on Disposition of assets

6. Financial Matters

7. Legal Matters

8. Public Comment (Items Not on the Agenda Only. Comments limited to 3 minutes per person and taken in Order In Which They Appear on Sign-Up Sheet)

9. Other Business

- a. Discuss Next Meeting Scheduled for May 25, 2021 at 5:30 PM.

10. Adjournment

DRAFT

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD MARCH 23, 2021**

A special meeting of the Board of Directors (the “Board”) of the Cascade Metropolitan District No. 1 (the "District") was duly held on Tuesday, the 23rd day of March 2021 at 5:30 p.m. The special meeting was held via teleconference due to the State of Emergency declared by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Public Health & Environment and the threat posed by the COVID-19 coronavirus. The special meeting was open to the public.

Directors in Attendance Were:

Mike Whittemore
Jim Borden
Mike Herr
Susan Soloyanis
Troy Eason

Also in Attendance Were:

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

1. **Call to Order:** President Whittemore called the meeting to order at 5:30 p.m.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:** President Whittemore confirmed a quorum of the Board was present and that each Director had confirmed their qualifications to serve. Director Eason disclosed his interest in purchasing the Triangle Building.
3. **Approval of Agenda:** Mr. Walker requested an executive session in order for the Board to receive legal advice pursuant to 24-6-402(4)(a) and 24-6-402(4)(b), C.R.S, C.R.S. as it relates to the sale of District assets and a potential legal claim against the District after discussion on item 6.c., Plan and Progress on Disposition of Assets. Director Herr moved to approve the Agenda as amended; seconded by Director Eason. Motion passed unanimously.
4. **Consent Agenda Items:**
 - a. Acknowledge Manager’s Report
 - b. Approval of Board Meeting Minutes from the special meetings on January 26, 2021 and February 23, 2021
 - c. Ratification and Approval of Payables for the period ending February 19, 2021 in the amount of:

General Fund:	\$9,112.38
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Debt Service Fund:	\$21,665.93
Total	\$30,778.31

- d. Acceptance of Unaudited Financial Statements as of February 28, 2021 the schedule of cash position updated as of February 28, 2021 and bank statements

Mr. Walker noted both the January and February Minutes were amended by Ms. Hartung and distributed to the Board today. Director Herr confirmed he reconciled last month's bank statements. Director Herr moved to approve the Consent Agenda as presented; seconded by Director Eason. Motion passed unanimously.

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

6. Management Matters:

- a. Review of payment status and collections: Mr. Walker reported that 26 reminder letters were sent, and 12 accounts have been delinquent longer than 30 days with one being disputed.
 - i. Collection process – filing of liens and Treasurer certifications: Mr. Walker discussed the Board's current process for collecting on delinquent accounts. Currently, warning letters are sent, and a \$15 fee is charged each month for late payments. Accounts that are longer than 6 months delinquent and more than \$150 can be certified to the Treasurer for collection with taxes.

Ms. Hartung presented another collection option for the Board to consider that would result in the filing of a lien. The process of filing the lien would include a demand letter, the notice of intent letter, followed by filing of the lien. The legal fees associated with this work are charged at a flat rate pursuant to the District's collection policy.. Ms. Hartung recommended the Board not waive the legal fees and costs incurred if they were to negotiate a settlement. Ms. Hartung noted a high success rate for collection with the initial demand letter. Director Soloyanis expressed support for pursuing collections up until foreclosure. She noted that certifying with the Treasurer can take up to 18 months for collection, and the District has a fiscal responsibility. Director Herr agreed with Director Soloyanis and suggested they notify the account holders and make the collection process and costs very clear. Mr. Walker noted the Treasurer charges a 30% fee for certifications that is collected by them in addition to their outstanding balance. The Board directed Mr. Walker to send one more letter with a copy of the Collection Resolution that outlines the collection process in detail in an attempt to collect on the 11 outstanding accounts. Ms. Hartung recommended sending the letters via USPS regular mail and explained it is deemed received if not returned.

- b. Discuss status of post-conversion requirements: Mr. Walker reported that CSU approved the \$100,000 in credits to the District. CSU is still proceeding with their easements and making progress. Mr. Walker confirmed the District has completed all of the post-conversion requirements and CSU will start the fire hydrant project in June or July.
- c. Plan and progress on Disposition of assets: Mr. Walker reported he spoke to the County attorney today regarding the two right of way parcels and discussed waiving the title commitments for the District. Mr. Walker discussed the two parcels on Pyramid Mountain and noted they do not have fire hydrants or facilities and title commitments have been ordered. Once clean titles are verified, they will be offered to the adjacent property owners as discussed at prior meetings. Mr. Walker discussed the water tank site and reported that introductions have been made with the adjacent property owner. Mr. Walker discussed the District property inside the Topeka pump house that could be sold via national online auction that is available through the Special District Association.

7. Financial Matters: There was no discussion.

8. Legal Matters: There was no discussion.

9. Public Comment: There was no public comment.

10. Other Business:

- a. Next Meeting— Scheduled for April 27, 2021 at 5:30 PM

11. Executive Session: Ms. Hartung confirmed that Director Eason will be present for the litigation executive session, and he will excuse himself from the executive session when the Board discusses the sale of the property.

Upon motion of Director Soloyanis, seconded by Director Herr, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 6:24 P.M. for the purpose of: discussing or considering the purchase, acquisition, lease, transfer or sale of any real, personal, or other property interest §24-6-402(4)(a), C.R.S and receiving legal advice pursuant to §24-6-402(4)(b), C.R.S. related to the sale of assets and a potential claim against the District. Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the portion of this executive session that, in the opinion of the District’s attorney, constitutes privileged attorney-client communication pursuant to § 24-6-402(4)(b), C.R.S. Also pursuant to § 24-6-402(4), C.R.S., the Board did not adopt any proposed policy, position, resolution, rule, regulation or take formal action during execution session. The Board reconvened in regular session at 6:34 P.M.

Director Herr moved to approve the plan to auction the building through a closed bid process.; seconded by Director Borden. Motion passed unanimously. Director Eason was excused.

12. Other Business: None

13.Adjournment: The Board adjourned the meeting at 6:36 p.m.

Respectfully submitted,

By: _____
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH 23, 2021 MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:

Mike Whittemore

Mike Herr

Troy Eason

James Borden

Susan Soloyanis

**ATTORNEY STATEMENT
REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION**

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney

representing Cascade Metropolitan District No. 1, I attended the executive session meeting Cascade Metropolitan District No. 1 convened at 6:24 PM on March 23, 2021 for the sole purpose of discussing the potential sale of the certain District's assets and a potential legal claim against the District as authorized by 24-6-402(4)(a) and 24-6-402(4)(b), C.R.S. I further attest it is my opinion that a portion of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record of the portion that constituted a privileged attorney-client communication, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(b), C.R.S. or Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Heather L. Hartung, Esq.

Cascade Metropolitan District
PAYMENT REQUEST
 4/27/2021
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
Black Hills Energy	03/31/2021	4/20/2021	\$ 19.45		\$ 19.45	Credit
Mailing Services Inc	14978	3/16/2021	\$ 219.84		\$ 219.84	
Mailing Services Inc	15098	4/13/2021	\$ 221.88		\$ 221.88	
Walker Schooler District Managers	6708	3/31/2021	\$ 2,922.77		\$ 2,922.77	
White Bear Ankele Tanaka & Waldron	15109	3/31/2021	\$ 1,285.29		\$ 1,285.29	
White Bear Ankele Tanaka & Waldron	4-Sep	3/31/2021	\$ 99.00		\$ 99.00	
TOTAL			\$ 4,768.23	\$-	\$ 4,768.23	

BOND FUND ACCOUNT

Description	Date	Amount	Comments
UMB Bank - Series 2015A & 2015B Interest	5/1/2021	\$ 21,665.93	May Payment
TOTAL		\$ 21,665.93	

CAPITAL FUND ACCOUNT

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
					\$ -	
					\$ -	
TOTAL			\$ -		\$ -	

TOTAL FOR ALL FUNDS

\$ 26,434.16

_____, President

Cascade Metropolitan District No. 1
Profit & Loss Budget vs. Actual
January through March 2021

	Jan - Mar 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Property Taxes				
Current Year	0.00			
Spec Own	0.00			
Total Property Taxes	0.00			
1-505 · Water Sales	5,259.87			
1-506 · Operations Administrative Fee	17,830.43	41,382.00	-23,551.57	43.1%
1-507 · Bulk Water Sales	34.00			
1-509 · Revenue-Collection Charges	0.00	5,000.00	-5,000.00	0.0%
1-510 · Late Fees	1,844.40	250.00	1,594.40	737.8%
1-516 · Backflow Noncompliance Fee	54.45			
1-560 · Interest Income	11.03			
2-510 · Debt Service Fee	91,282.13	346,715.52	-255,433.39	26.3%
2-515 · AOS Fee	291.75			
2-530 · Malcom Restitution	314.18			
2-560 · Interest Income-Debt	91.84	4,000.00	-3,908.16	2.3%
Total Income	117,014.08	397,347.52	-280,333.44	29.4%
Expense				
Treasurer's Collection Fee	0.00			
1-614 · Billing and Customer Service	4,000.00	24,000.00	-20,000.00	16.7%
1-615 · Audit	0.00	8,500.00	-8,500.00	0.0%
1-618 · Bank Fees	463.41	100.00	363.41	463.4%
1-670 · Insurance/SDA Dues	3,528.02	1,000.00	2,528.02	352.8%
1-672 · Dues, Fees & Subscriptions	0.00	250.00	-250.00	0.0%
1-675 · Legal	9,628.05	20,000.00	-10,371.95	48.1%
1-676 · Special Litigation Counsel	0.00			
1-680 · Management	3,875.00	7,500.00	-3,625.00	51.7%
1-683 · Accounting/ Bookkeeping	500.01	2,000.00	-1,499.99	25.0%
1-684 · Expense-Collection Charges	0.00	5,000.00	-5,000.00	0.0%
1-693 · Payroll Taxes	55.84			
1-715 · Operation Labor	730.00			
1-720 · Repairs and Maintenance	106.32			
1-725 · Telephone/Utilities	22.40			
1-729 · CSU Settlement	0.00	35,000.00	-35,000.00	0.0%
1-735 · Water Purchase	42,044.40			
1-760 · Office Supplies/Postage	1,126.44			
2-617 · Bank Fees - Debt Service	20.61			
2-900 · Interest Expense CMD A 2015	0.00	193,050.00	-193,050.00	0.0%
2-905 · Interest Expense CMD B 2015	0.00	79,475.00	-79,475.00	0.0%
3-617 · Bank Fees - Capital	0.00	4,500.00	-4,500.00	0.0%
66000 · Payroll Expenses	0.00			
Total Expense	66,100.50	380,375.00	-314,274.50	17.4%
Net Ordinary Income	50,913.58	16,972.52	33,941.06	300.0%
Other Income/Expense				
Other Expense				
3-771 · Other Expense	0.00	10,000.00	-10,000.00	0.0%
Total Other Expense	0.00	10,000.00	-10,000.00	0.0%
Net Other Income	0.00	-10,000.00	10,000.00	0.0%
Net Income	50,913.58	6,972.52	43,941.06	730.2%

Cascade Metropolitan District No. 1

04/21/21

Balance Sheet

Accrual Basis

As of March 31, 2021

	<u>Mar 31, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
1995 Checking	71,133.83
2002 Savings	134,347.62
2-1050 · UMB Interest 143222.1	92,958.15
2-1055 · UMB Reserve 143222.3	368,317.58
2-1060 · UMB Principal 143222.2	5.02
Total Checking/Savings	<u>666,762.20</u>
Accounts Receivable	
1-1200 · Accounts Receivable	77,854.07
1-1210 · Allowance for Doubtful Accounts	-5,000.00
Total Accounts Receivable	<u>72,854.07</u>
Total Current Assets	<u>739,616.27</u>
Fixed Assets	
3-1310 · Improvements	1,203,843.82
3-1315 · Infrastructure	3,520,619.61
3-1320 · Water Distribution System	300,000.00
3-1400 · Accumulated Depreciation	-490,730.49
3-763 · Design Costs	859,586.93
Total Fixed Assets	<u>5,393,319.87</u>
TOTAL ASSETS	<u><u>6,132,936.14</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	6,691.02
Total Accounts Payable	<u>6,691.02</u>
Other Current Liabilities	
1-320 · Prepaid Charges	5,706.16
2-346 · Accrued Int 2015A	16,087.50
2-347 · Accrued Int 2015B	6,622.92
24000 · Payroll Liabilities	
CO Unemployment	-384.36
Employee Taxes	-137.00
24000 · Payroll Liabilities - Other	18.00
Total 24000 · Payroll Liabilities	<u>-503.36</u>
Total Other Current Liabilities	<u>27,913.22</u>
Total Current Liabilities	<u>34,604.24</u>
Long Term Liabilities	
Bonds Payable 2015A	3,360,000.00
Bonds Payable 2015B	1,445,000.00
2-2500 · Premium on Bonds	-8,659.08
2-251 · Issue Discount 2015B	-11,250.00
2-2510 · Amoritzation on Bond Premium	-2,483.10
2-252 · Underwriters Discount 2015A	-52,500.00
2-253 · 2015A Underwriter Discount	11,009.13
2-254 · Underwriters Discount 2015B	-22,500.00
2-255 · 2015B Underwriters Discount	5,491.35
2-524 · Series 2015A-Reoffering Prem.	46,657.00
2-610 · Series 2015A-Issue Discount	4,274.09
Total Long Term Liabilities	<u>4,775,039.39</u>
Total Liabilities	<u>4,809,643.63</u>

4:20 PM

04/21/21

Accrual Basis

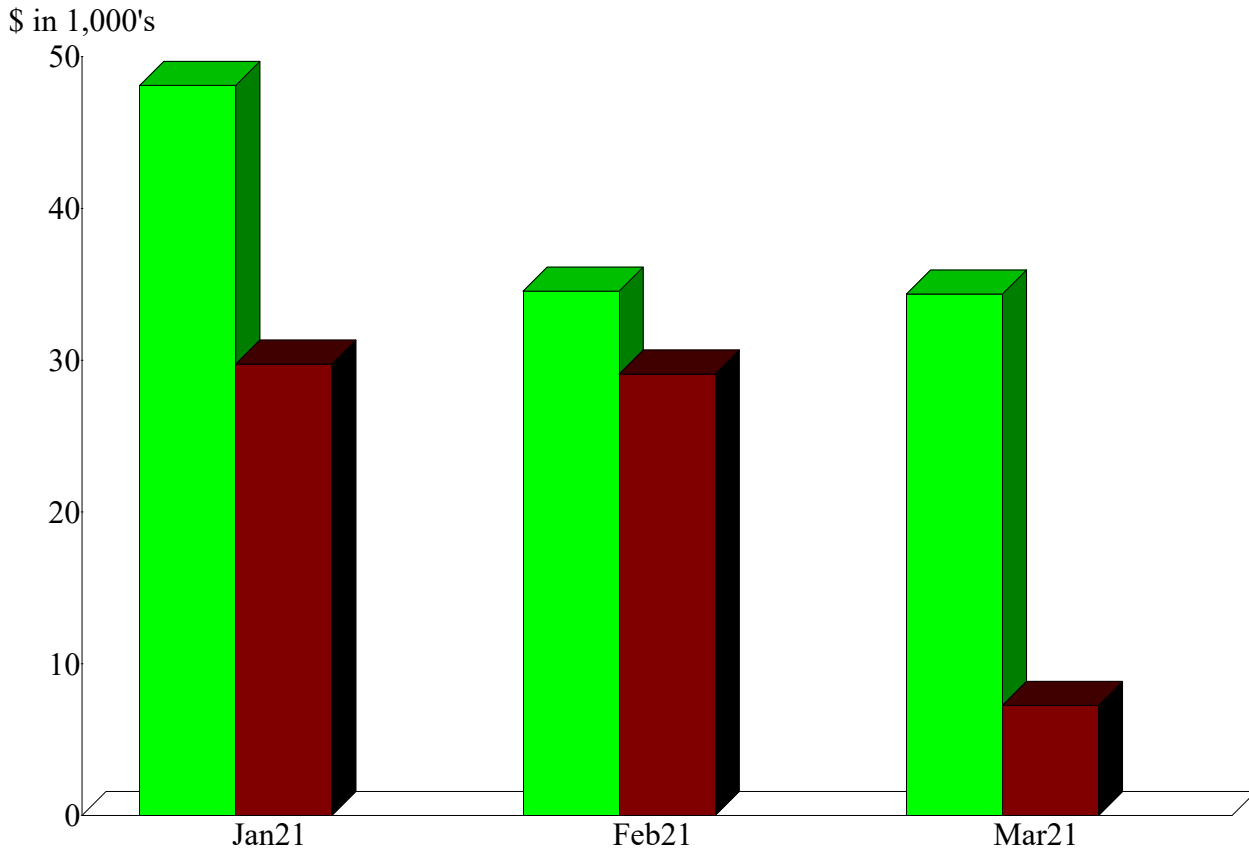
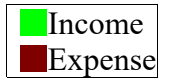
Cascade Metropolitan District No. 1

Balance Sheet

As of March 31, 2021

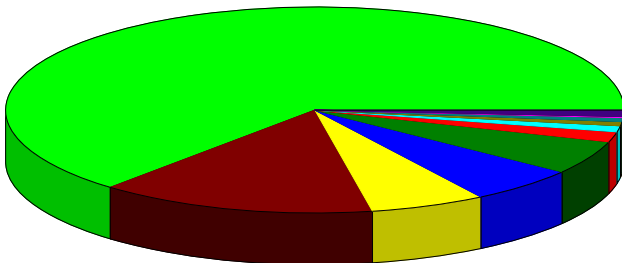
	<u>Mar 31, 21</u>
Equity	
3-3200 · Invested in Capital Assets	1,171,413.00
30000 · Opening Balance Equity	-180,464.08
32000 · Retained Earnings	281,430.01
Net Income	50,913.58
Total Equity	<u>1,323,292.51</u>
TOTAL LIABILITIES & EQUITY	<u><u>6,132,936.14</u></u>

Income and Expense by Month January through March 2021



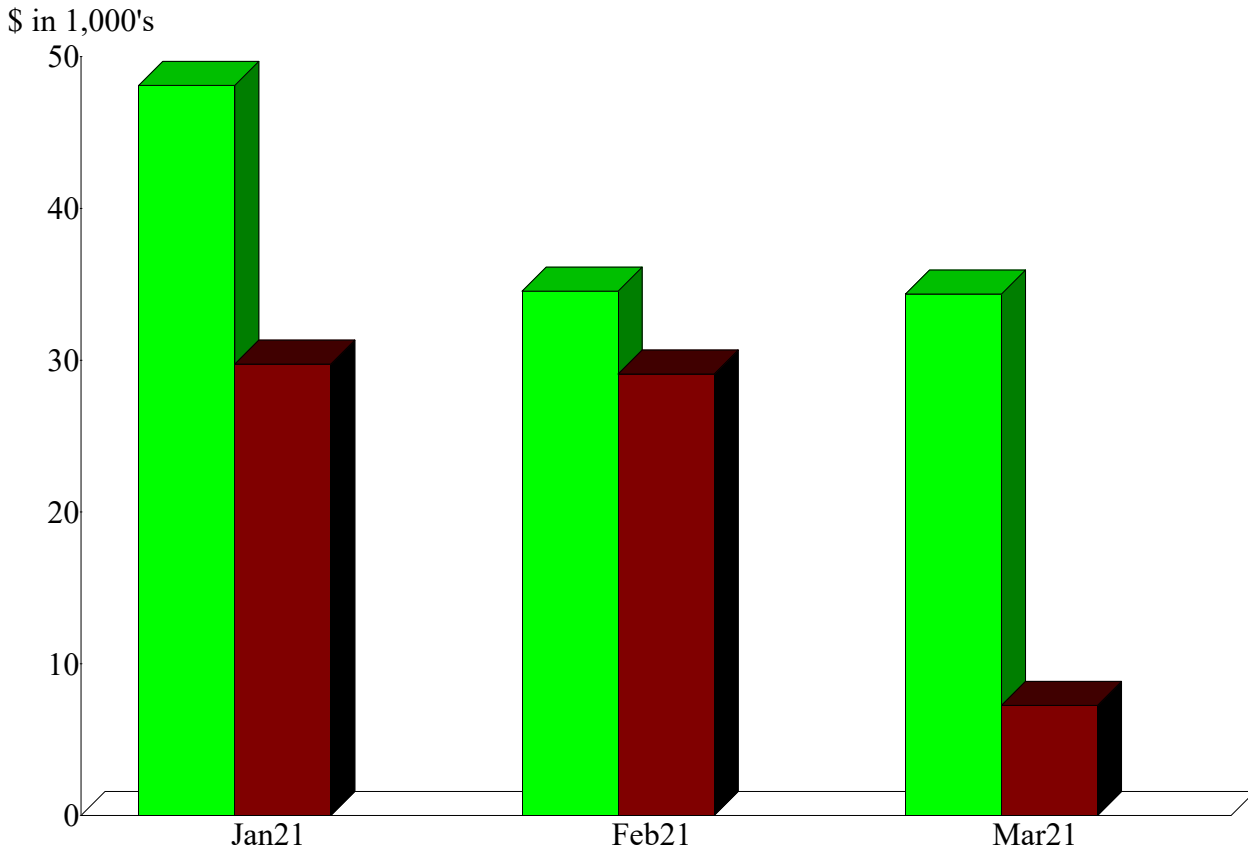
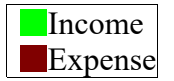
Expense Summary January through March 2021

1-735 · Water Purchase	63.61%
1-675 · Legal	14.57
1-614 · Billing and Customer Service	6.05
1-680 · Management	5.86
1-670 · Insurance/SDA Dues	5.34
1-760 · Office Supplies/Postage	1.70
1-715 · Operation Labor	1.10
1-683 · Accounting/ Bookkeeping	0.76
1-618 · Bank Fees	0.70
1-720 · Repairs and Maintenance	0.16
Other	0.15
Total	\$66,100.50



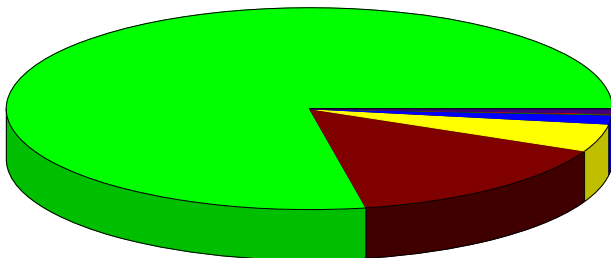
By Account

Income and Expense by Month
January through March 2021



Income Summary
January through March 2021

2-510 · Debt Service Fee	78.01%
1-506 · Operations Administrative Fee	15.24
1-505 · Water Sales	4.50
1-510 · Late Fees	1.58
2-530 · Malcom Restitution	0.27
2-515 · AOS Fee	0.25
2-560 · Interest Income-Debt	0.08
1-516 · Backflow Noncompliance Fee	0.05
1-507 · Bulk Water Sales	0.03
1-560 · Interest Income	0.01
Property Taxes	0.00
Total	\$117,014.08



By Account