

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

Tuesday, June 22, 2021
5:30 P.M.

Due to the threat posed by the COVID-19 coronavirus, 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://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 board meeting on April 27, 2021 (**enclosure**)
 - c. Ratification and Approval of Payables for the period ending June 22, 2021 (**enclosure**) in the amount of:

General Fund:	\$ 8,437.13
<u>Debt Service Fund:</u>	<u>\$</u>
Total	\$ 8,437.13
 - d. Acceptance of Unaudited Financial Statements as of May 31, 2021 the schedule of cash position updated as of May 31, 2021 and bank statements (**enclosure**)
- 4. Consideration of items removed from Consent Agenda**
- 5. Management Matters**
 - a. Review of payment status and collections
 - i. Current billings

- ii. Collections
- b. Discuss status of post-conversion requirements
- c. Plan and progress on Disposition of assets

6. Financial Matters

- a. 2022 budget planning – projected increase in fee
- b. Review draft audit (to be distributed)

7. Legal Matters Consider for Adoption Resolution 2021-06-01, First Amendment to the Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges – Adoption of New Fee Schedule (enclosure)

8. Public Comment (Items Not on the Agenda Only. Comments limited to 3 minutes per person)

9. Other Business

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

10. Adjournment



WALKER SCHOOLER
DISTRICT MANAGERS

MEMORANDUM

TO: CASCADE METROPOLITAN DISTRICT BOARD OF DIRECTORS
FROM: REBECCA HARDEKOPF, ASSISTANT DISTRICT MANAGER
SUBJECT: MONTHLY MANAGERS REPORT FOR JUNE 22, 2021 BOARD MEETING
DATE: JUNE 18, 2021
CC: HEATHER HARTUNG
BOARD PACKET

Management matters

- Update of Website for meetings and monthly maintenance.
- Worked with staff on several customer service issues, late payments, and debt service fee questions.
- Coordinated move-in and move-out adjustments, as needed.
- Start the process of switching accounts from Renters to Owners.
- Coordinate asset distribution (truck, meters, triangle building, etc.)
- Remove gas meter and cancel Gas service at Triangle building
- Coordinate collections with Legal Counsel

Billing

- Billing sent June 8, 2021
- Collection's activity:
 - 13 Demand letters filed by Legal Counsel to date
 - 1 property paid
 - 1 property legal property description being determined on ledger
 - 22 Reminder letters sent on 6/15/2021
 - 3 Ongoing reminder letters sent on 6/15/2021
 - If no payment by 7/1/2021 they will be turned over to legal counsel
 - Warning letters will be sent on 6/30/2021

**MINUTES OF A BOARD MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD APRIL 27, 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 27th day of April 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:

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:** Mr. Walker called the meeting to order at 5:32 p.m.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:** Mr. Walker confirmed a quorum of the Board was present and that each Director had confirmed their qualifications to serve. Mrs. Hartung confirmed the Director’s conflicts of interest were properly filed.
3. **Approval of Agenda:** Director Herr moved to approve the Agenda and excuse President Whittemore; seconded by Director Borden. Motion passed unanimously.
4. **Consent Agenda Items:**
 - a. Acknowledge Manager’s Report
 - b. Approval of Board Meeting Minutes from the special meeting on March 23, 2021
 - c. Ratification and Approval of Payables for the period ending April 15, 2021 in the amount of:

General Fund:	\$	4,768.23
<u>Debt Service Fund:</u>	<u>\$</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

Director Herr reported he completed the reconciliation of the account. Director Soloyanis moved to approve the Consent Agenda; seconded by Director Borden. Motion passed unanimously.

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

6. Management Matters:

- a. CSU Progress update: Mr. Walker reported that CSU is making progress on their real estate agenda. At the City Council meeting today, they were to hold a hearing to allow CSU to condemn Mr. Apothecar's property, but it was removed from their agenda. Director Soloyanis reported that CSU is starting work on the redundant feed hydrants on Chipita Park Road, and they also repaired a valve they broke yesterday.
- b. Review of payment status and collections: Mr. Walker reported that one user is getting on a payment plan, and 10 late payers remain. As of May 1st, the 10 late payers will be turned over to legal for collection.
- c. Discuss status of post-conversion requirements: Mr. Walker confirmed the District has fulfilled its requirements with CSU.
- d. Plan and progress on Disposition of assets: Mr. Walker reported the legal descriptions and warranty deed were submitted to the Title company for title reports. The title reports are required to give the right-of-way pieces to the County. Mr. Walker discussed the 2 pieces of property that are adjacent to the roadways that do not have any improvements. Mr. Walker will contact the adjacent property owners to see if they are interested once he receives the title commitment. He noted they are still waiting on the title commitment for the Triangle Building and then the bid package will be sent out. Dumpsters were rented to clean out the shed, and the old meters will be listed for sale. The District's truck needed a new battery, and once it can be started it will go up for auction. Mr. Walker had no updates on the tank site.

7. Financial Matters: Mr. Walker reported the District Audit should be completed in early June. Mr. Walker will present a detailed budget summary to the Board at the next meeting. Mr. Walker explained the water bill paid on January 1, 2021 was for November 2020, and the bookkeeping software will not book it for November.

8. Legal Matters: Mrs. Hartung had no updates.

9. Public Comment: There was no public comment.

10. Other Business: Next Meeting Scheduled for May 25, 2021 at 5:30 PM. The Board agreed to cancel the May meeting if there are no pressing issues to discuss. Director Herr commented that the new check signing process is very convenient and he likes the process.

11. Adjournment: The Board adjourned the meeting at 5:54 p.m.

Respectfully submitted,

By:

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 27, 2021 MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:

Mike Whitemore

Mike Herr

Troy Eason

James Borden

Susan Soloyanis

Cascade Metropolitan District
PAYMENT REQUEST
6/16/2021
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
Apprentice Personnel	58268	5/22/2021	172.00		\$ 172.00	
Black Hills Energy	05/28/2021	6/17/2021	1.97		\$ 1.97	
CDPHE	FGD20200342	6/2/2021	250.00		\$ 250.00	
Riley Walker	114-11992091	5/24/2021	151.50		\$ 151.50	
UMB Bank, N.A.	143222.1	6/8/2001	3,000.00		\$ 3,000.00	
Walker Schooler District Managers	6806	5/31/2021	3,072.65		\$ 3,072.65	
Walker Schooler District Managers	3962225	6/1/2021	400.00		\$ 400.00	Paid Waste Connection with CC
White Bear Ankele Tanaka & Waldron	15869	4/30/2021	559.68		\$ 559.68	
White Bear Ankele Tanaka & Waldron	16211	5/31/2021	829.33		\$ 829.33	
TOTAL			\$ 8,437.13	\$-	\$ 8,437.13	

TOTAL FOR ALL FUNDS

\$ 8,437.13

_____, President

Cascade Metropolitan District No. 1
Balance Sheet
As of May 31, 2021

ASSETS

Current Assets

Checking/Savings

1995 Checking	73,345.85
2002 Savings	146,751.14
2-1050 · UMB Interest 143222.1	136,296.74
2-1055 · UMB Reserve 143222.3	368,339.37
2-1060 · UMB Principal 143222.2	5.02

Total Checking/Savings 724,738.12

Accounts Receivable

1-1200 · Accounts Receivable	69,436.82
1-1210 · Allowance for Doubtful Accounts	-5,000.00

Total Accounts Receivable 64,436.82

Total Current Assets 789,174.94

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 5,393,319.87

TOTAL ASSETS **6,182,494.81**

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

20000 · Accounts Payable	44,715.34
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Total Accounts Payable 44,715.34

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

Total Other Current Liabilities 28,416.58

Total Current Liabilities 73,131.92

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 · Amortization 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 4,775,039.39

Total Liabilities 4,848,171.31

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	61,944.57

Total Equity 1,334,323.50

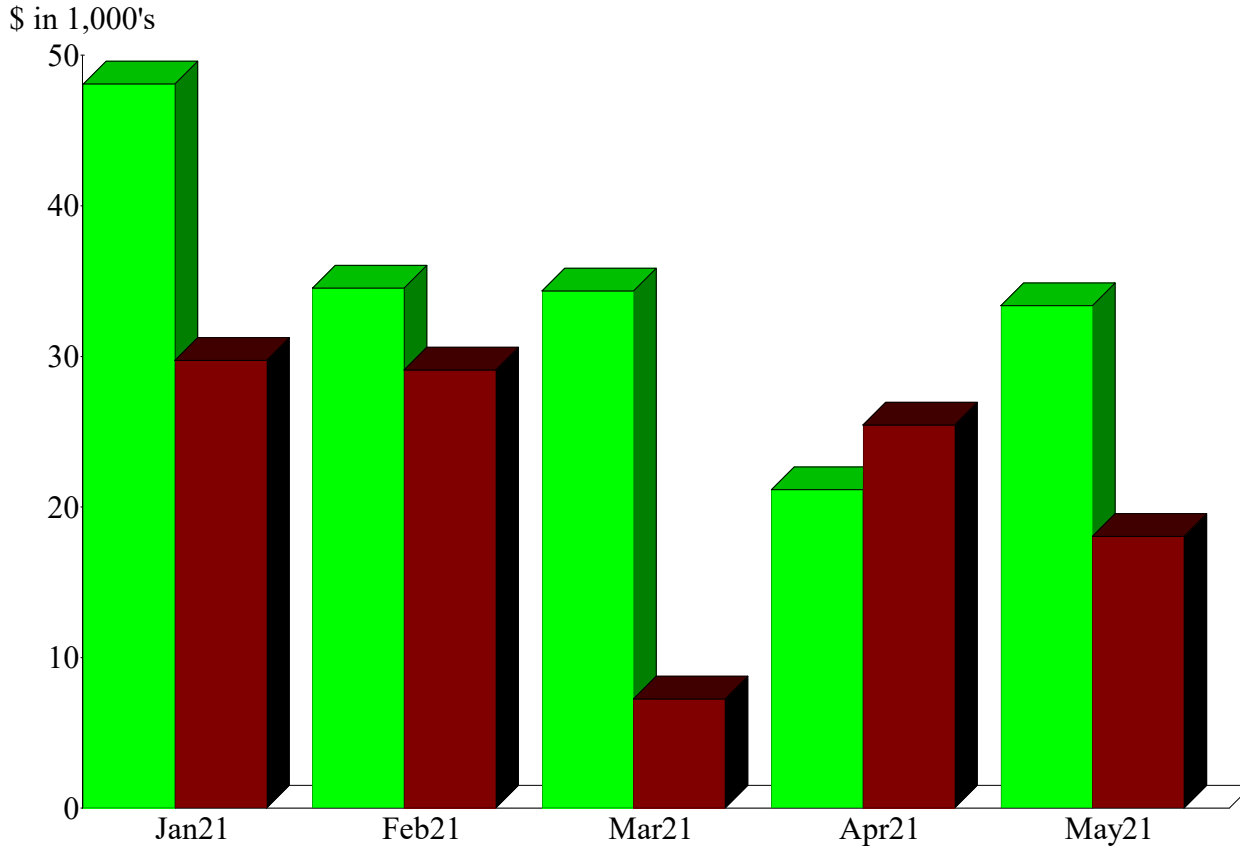
TOTAL LIABILITIES & EQUITY **6,182,494.81**

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

	TOTAL				
	May 21	Jan - May 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
1-505 · Water Sales	32,967.65	37,173.35			
1-506 · Operations Administrative Fee	0.00	23,218.41	41,382.00	-18,163.59	56.11%
1-507 · Bulk Water Sales	0.00	-9,921.31			
1-509 · Revenue-Collection Charges	0.00	0.00	5,000.00	-5,000.00	0.0%
1-510 · Late Fees	0.00	2,137.10	250.00	1,887.10	854.84%
1-516 · Backflow Noncompliance Fee	0.00	54.45			
1-560 · Interest Income	3.27	17.65			
2-510 · Debt Service Fee	0.00	86,663.72	346,715.52	-260,051.80	25.0%
2-515 · AOS Fee	0.00	291.75			
2-530 · Malcom Restitution	386.09	797.44			
2-560 · Interest Income-Debt	21.62	135.50	4,000.00	-3,864.50	3.39%
Total Income	<u>33,378.63</u>	<u>140,568.06</u>	<u>397,347.52</u>	<u>-256,779.46</u>	<u>35.38%</u>
Expense					
1-614 · Billing and Customer Service	2,000.00	8,000.00	24,000.00	-16,000.00	33.33%
1-615 · Audit	0.00	0.00	8,500.00	-8,500.00	0.0%
1-618 · Bank Fees	141.24	747.18	100.00	647.18	747.18%
1-670 · Insurance/SDA Dues	0.00	3,428.02	1,000.00	2,428.02	342.8%
1-672 · Dues, Fees & Subscriptions	0.00	0.00	250.00	-250.00	0.0%
1-675 · Legal	829.33	11,017.06	20,000.00	-8,982.94	55.09%
1-680 · Management	625.00	5,125.00	7,500.00	-2,375.00	68.33%
1-683 · Accounting/ Bookkeeping	166.67	833.35	2,000.00	-1,166.65	41.67%
1-684 · Expense-Collection Charges	0.00	0.00	5,000.00	-5,000.00	0.0%
1-685 · Miscellaneous	2,172.82	2,172.82			
1-693 · Payroll Taxes	0.00	55.84			
1-715 · Operation Labor	0.00	730.00			
1-720 · Repairs and Maintenance	0.00	106.32			
1-725 · Telephone/Utilities	1.97	57.37			
1-729 · CSU Settlement	0.00	0.00	35,000.00	-35,000.00	0.0%
1-735 · Water Purchase	0.00	42,044.40			
1-760 · Office Supplies/Postage	236.26	1,704.38			
2-617 · Bank Fees - Debt Service	7.59	35.75			
2-900 · Interest Expense CMD A 2015	0.00	0.00	193,050.00	-193,050.00	0.0%
2-905 · Interest Expense CMD B 2015	0.00	0.00	79,475.00	-79,475.00	0.0%
3-617 · Bank Fees - Capital	0.00	0.00	4,500.00	-4,500.00	0.0%
Total Expense	<u>6,180.88</u>	<u>76,057.49</u>	<u>380,375.00</u>	<u>-304,317.51</u>	<u>20.0%</u>
Net Ordinary Income	<u>27,197.75</u>	<u>64,510.57</u>	<u>16,972.52</u>	<u>47,538.05</u>	<u>380.09%</u>
Other Income/Expense					
Other Income					
Other Income					
2-511 · Reserve - Debt Service Fee	0.00	30,971.83			
Total Other Income	<u>0.00</u>	<u>30,971.83</u>			
Total Other Income	0.00	30,971.83			
Other Expense					
Suspense Account - Bond Payment	11,871.90	33,537.83			
3-771 · Other Expense	0.00	0.00	10,000.00	-10,000.00	0.0%
Total Other Expense	<u>11,871.90</u>	<u>33,537.83</u>	<u>10,000.00</u>	<u>23,537.83</u>	<u>335.38%</u>
Net Other Income	<u>-11,871.90</u>	<u>-2,566.00</u>	<u>-10,000.00</u>	<u>7,434.00</u>	<u>25.66%</u>
Net Income	<u><u>15,325.85</u></u>	<u><u>61,944.57</u></u>	<u><u>6,972.52</u></u>	<u><u>54,972.05</u></u>	<u><u>888.41%</u></u>

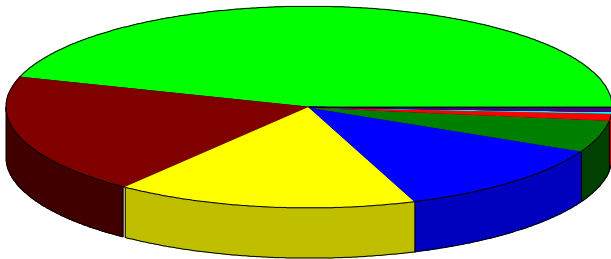
Income and Expense by Month
January through May 2021

Income
Expense



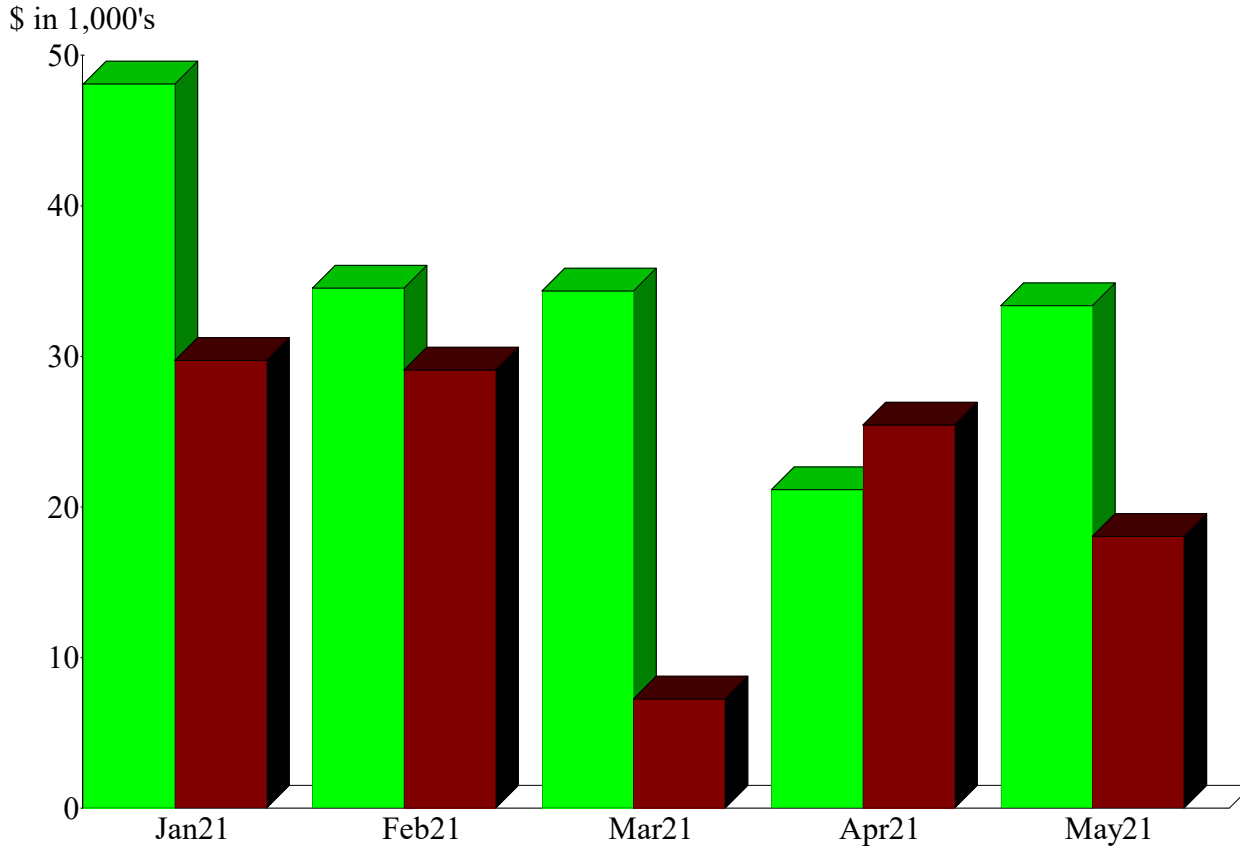
Income Summary
January through May 2021

2-510 · Debt Service Fee	47.76%
1-505 · Water Sales	20.49
Other Income	17.07
1-506 · Operations Administrative Fee	12.80
1-507 · Bulk Water Sales	\$-9,921.31
1-510 · Late Fees	1.18
2-530 · Malcom Restitution	0.44
2-515 · AOS Fee	0.16
2-560 · Interest Income-Debt	0.07
1-516 · Backflow Noncompliance Fee	0.03
Other	0.01
Sub-Total	\$171,539.89



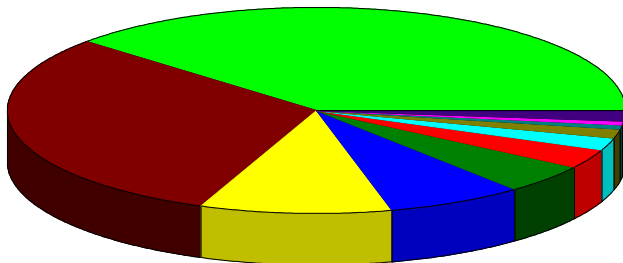
By Account

Income and Expense by Month
January through May 2021



Expense Summary
January through May 2021

1-735 · Water Purchase	38.36%
Suspense Account - Bond Payment	30.60
1-675 · Legal	10.05
1-614 · Billing and Customer Service	7.30
1-680 · Management	4.68
1-670 · Insurance/SDA Dues	3.13
1-685 · Miscellaneous	1.98
1-760 · Office Supplies/Postage	1.56
1-683 · Accounting/ Bookkeeping	0.76
1-618 · Bank Fees	0.68
Other	0.90
Total	\$109,595.32



By Account

Resolution No. 2021-06-01

**FIRST 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, pursuant to § 32-1-1001(2)(a)(IV), C.R.S., on May 17, 2021, the Board provided the required thirty (30) days’ notice by posting the notice on the official website of the Colorado Special District Association, the statewide association of special districts forms pursuant to § 29-1-401, C.R.S., which association posted the notice on a publicly accessible section of its website; and

WHEREAS, on February 23, 2021, the Board of Directors adopted the Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges (the “**Fee Resolution**”); 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 June 22, 2021.

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

APPROVED AND ADOPTED this 22nd day of June, 2021.

**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 June 22, 2021

MONTHLY DEBT SERVICE FEE: \$81.16

MONTHLY ADMINISTRATIVE FEE: \$8.34

The Due Date for the monthly Debt Service Fee and monthly Administrative Fee, a total of \$89.50, 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 \$100.00/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