

**CASCADE METROPOLITAN DISTRICT NO. 1  
NOTICE OF ANNUAL BOARD MEETING AND AGENDA**



**Tuesday, October 3, 2023, at 5:00 PM (MST)**

Pursuant to §32-1-903(6), C.R.S.

*This meeting will be held via in-person and teleconferencing and can be joined through the directions below:  
At 614 N Tejon St, Colorado Springs, CO 80903*

*- AND -*

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

<https://video.cloudoffice.avaya.com/join/591798670>

**You can also dial in using your phone.**

United States: [+1 \(213\) 463-4500](tel:+12134634500)

**Access Code:** 591-798-670

\*Public Invited to Attend\*

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| <b>Board of Director</b> | <b>Title</b>         | <b>Term Expiration</b> |
|--------------------------|----------------------|------------------------|
| Susan Soloyanis          | President            | May 2027               |
| Mike Herr                | Secretary/ Treasurer | May 2027               |
| Karole Campbell          | Secretary            | May 2027               |
| James Borden             | Assistant Secretary  | May 2025               |
| Erin Sullivan            | Assistant Secretary  | May 2025               |

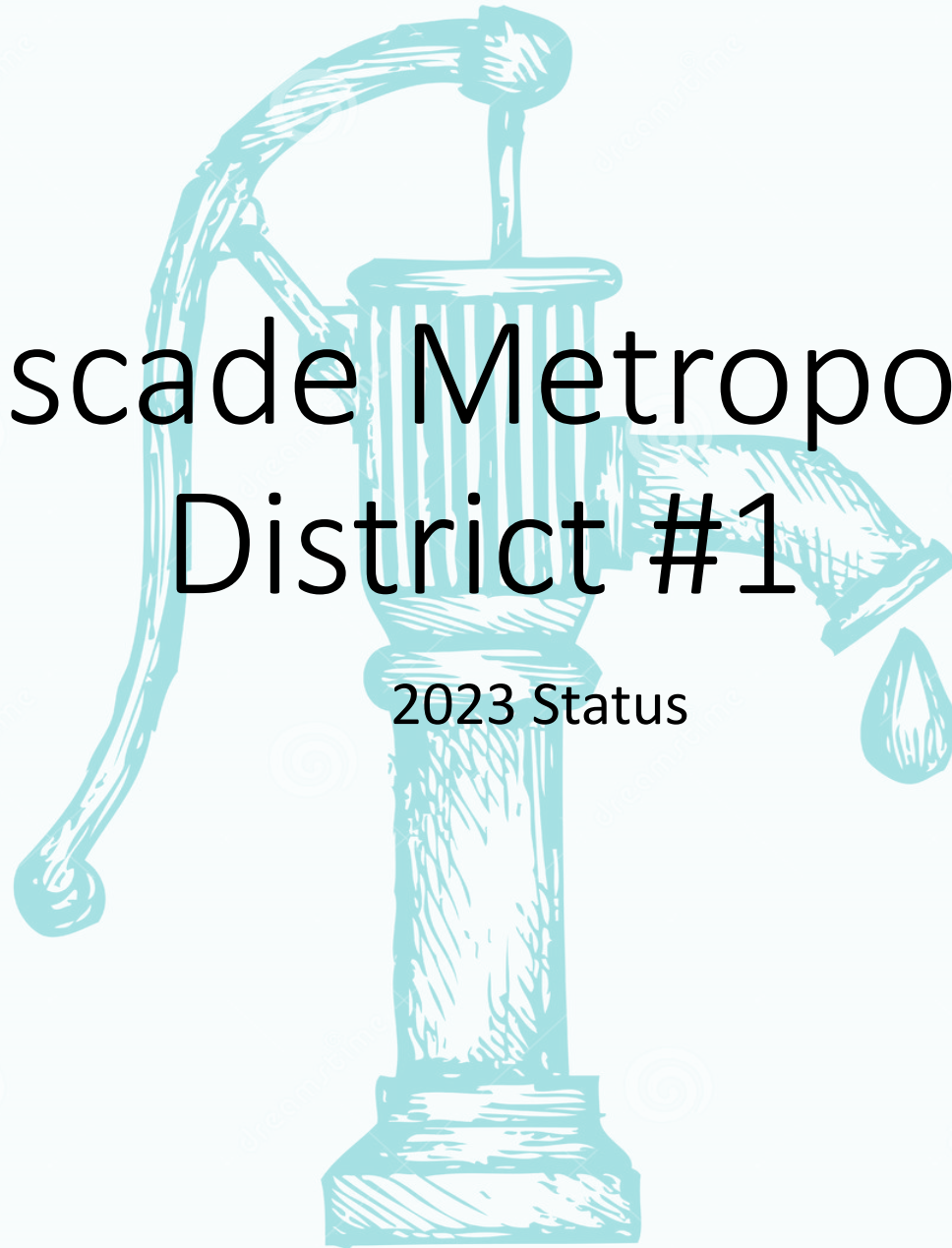
**AGENDA**

*(enclosed presentation)*

- 1. Call to Order**
- 2. Presentation Regarding the Status of Public Infrastructure Projects within the District**
- 3. Presentation Regarding Outstanding Bonds**
- 4. Review of Unaudited Financial Statements**
- 5. Open Floor for Questions** – Members of the public may ask questions about the district. The Board may determine how much time is reserved for questions and for each individual speaker.
- 6. Adjourn** – Next Scheduled Meeting is October 3, 2023, at 5:30 pm.

# Cascade Metropolitan District #1

2023 Status



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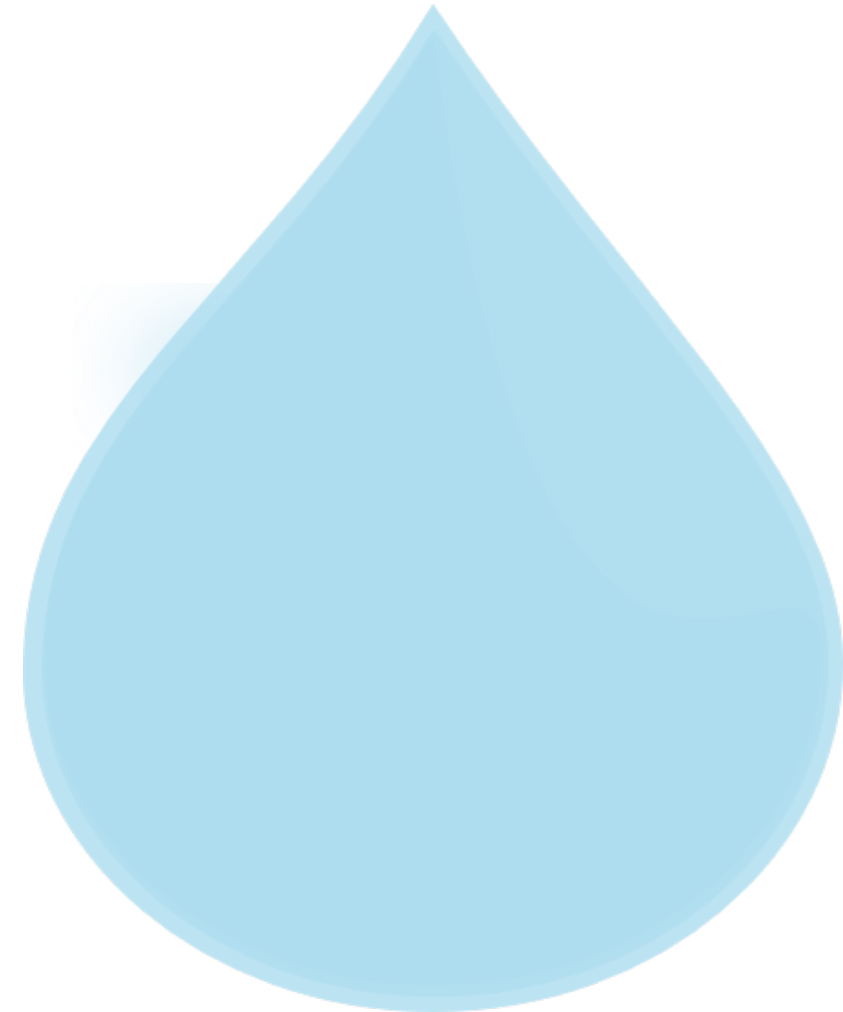
# CMD #1 structure

- Special District (local government)
  - Elected/appointed Board of Directors
  - Professional Management by WSDM District Managers
  - Legal support as needed
  - Auditors
- 
- Approximately 350 accounts



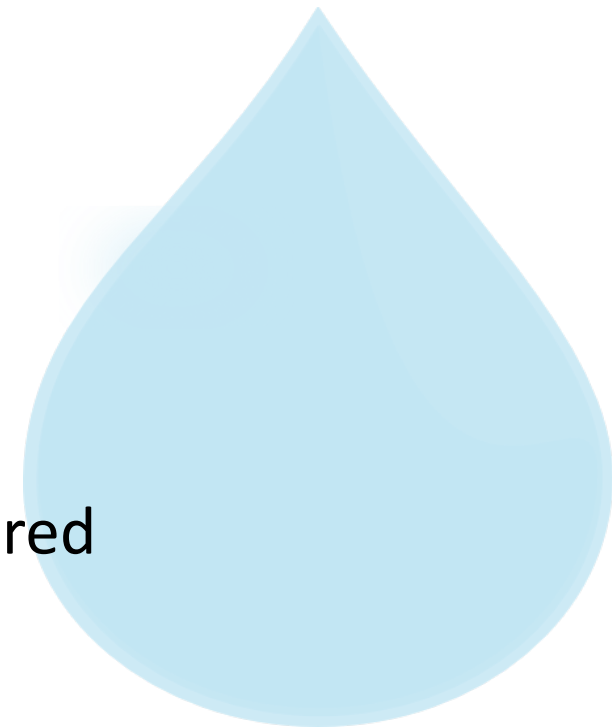
# CMD #1 operational expenses

- Directors are volunteers
- Management expenses include
  - Billing
  - Mailing
  - Accounting
  - Website
  - Special District compliance filings and other requirements
  - Customer interaction
  - Account transfer
- Legal expenses include
  - Support as needed
- Auditors
- Insurance



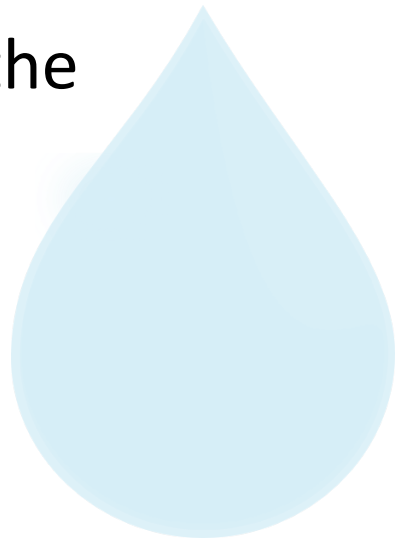
# CMD #1 2013-2023 Accomplishments

- Legal settlement with developer and his creditors
- Agreement with Colorado Springs Utilities
  - Repair and improve water delivery system to decrease water losses from 70% to less than 20%
  - Bring water delivery system up to CSU standards
- \$5 million in bonds issued to
  - Accomplish the repairs and improvements
  - Replenish \$775,000 funds that were embezzled
  - Repay existing two State Loans in the amount of \$545,000
  - Repay unpaid CSU Billings in the amount of \$400,000
  - \$360,000 paid to consultants and service providers
- Department of Local Affairs grants totaling \$1.7 million acquired



# 2013-2023 continued

- Management firm hired
- Engineering firm hired
- Cooperative design for repairs and improvement (CSU and CMD #1)
- Repairs and improvements constructed
- CSU assumed ownership and operation of the water delivery system
- Water is no longer purchased from CSU; ratepayers are part of the CSU system



# CMD #1 in 2023

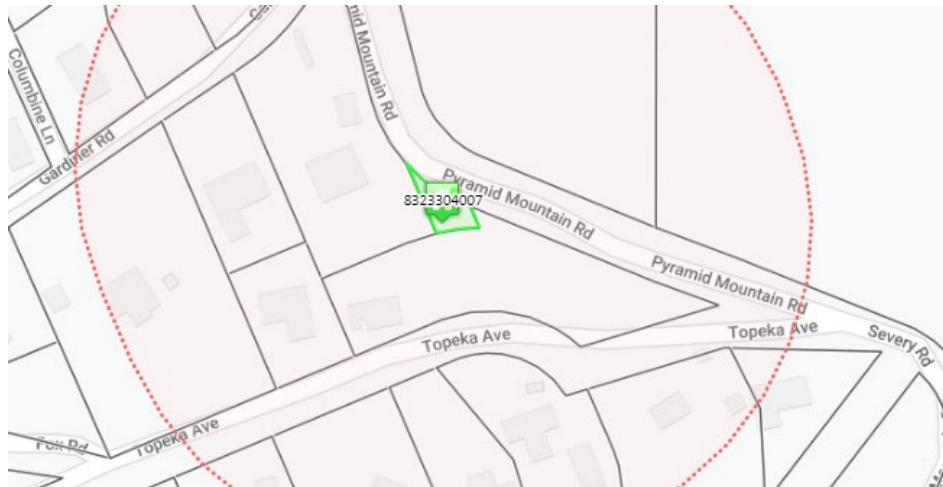
- Residential accounts are paying \$96.12 per month for debt service and operations with an annual increase of 4% through 2036
- Board of Directors is refinancing to
  - Achieve level payments from now until the bonds are paid off
  - Reduce total expense per household for the duration of the bonds
- The monthly payment will increase to approximately \$132/month through 2036 (actual amount to be determined at bond closing)
- The new amount covers debt service and operational expenses with minor annual adjustments for changes in operational costs
- CMD #1 exists only to service the bond debt
  - Does not operate a water system
  - Owns only a few slivers of property that we are trying to divest
- Households receive two water-related bills per month
  - One for CSU water and operations
  - One for CMD #1 debt service



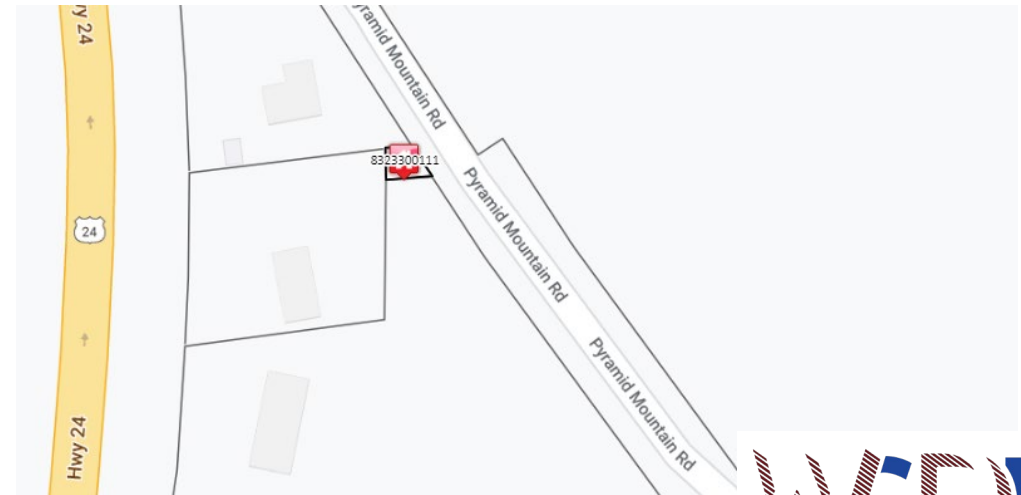
# Agenda Item 2) Current Public Infrastructure Projects

- No Current Projects
- Cascade Metropolitan District No. 1 is in the process of disposing a few parcels of property

Parcel No: 8323304007



Parcel No: 8323300111





# Agenda Item 3)

## Current Bond Status

### Current Bond:

| Bond Amounts                | Lender/Trustee | Interest Rate | Issued   | BALANCE AS OF 12/31/2023 |
|-----------------------------|----------------|---------------|----------|--------------------------|
| Series 2015A: \$3,500,000   | UMB BANK       | 4.75%         | 6/4/2015 | 3,200,000.00             |
| Maturity Date: Dec. 1, 2045 |                |               |          |                          |
| Series 2015B: \$1,500,000   | UMB BANK       | 5.50%         | 6/4/2015 | 208,062.50               |
| Maturity Date: Dec. 1, 2045 |                |               |          |                          |

### Proposed Refinance of Bond:

| Bond Amounts                | Lender/Trustee | Interest Rate    | Issued           | BALANCE AS OF 12/31/2023 |
|-----------------------------|----------------|------------------|------------------|--------------------------|
| Series 2023: \$4,930,000    | UMB BANK       | <i>**pending</i> | <i>**pending</i> | <i>**pending</i>         |
| Maturity Date: Dec. 1, 2036 |                |                  |                  |                          |

# Agenda Item 4)

## Unaudited Financial Statements

### Balance Sheet – As of August 31, 2023

|                     |  |  | Sep 26, 23        |
|---------------------|--|--|-------------------|
| <b>ASSETS</b>       |  |  |                   |
| Current Assets      |  |  |                   |
| Checking/Savings    |  |  |                   |
|                     |  | 1995 Checking                            | 68,652.89         |
|                     |  | 2002 Savings                             | 179,705.97        |
|                     |  | 2-1050 · UMB Interest 143222.1           | 152,759.52        |
|                     |  | 2-1055 · UMB Reserve 143222.3            | 372,508.81        |
|                     |  | 2-1060 · UMB Principal 143222.2          | 44,179.10         |
|                     |  | Total Checking/Savings                   | 817,806.29        |
| Accounts Receivable |  |  |                   |
|                     |  | 1-1200 · Accounts Receivable             | 20,139.56         |
|                     |  | 1-1210 · Allowance for Doubtful Accounts | -5,000.00         |
|                     |  | Total Accounts Receivable                | 15,139.56         |
|                     |  | Total Current Assets                     | 832,945.85        |
| <b>TOTAL ASSETS</b> |  |  | <b>832,945.85</b> |

# Balance Sheet – As of August 31, 2023 (Cont.)

| LIABILITIES & EQUITY                |  |               |
|-------------------------------------|--|---------------|
| Liabilities                         |  |               |
| Current Liabilities                 |  |               |
| Accounts Payable                    |  |               |
| 20000 · Accounts Payable            |  | 34,585.98     |
| Total Accounts Payable              |  | 34,585.98     |
| Other Current Liabilities           |  |               |
| Accrued Project Closing Closts      |  | 100,000.00    |
| Current Portion Bond Payable        |  | 75,000.00     |
| 1-320 · Prepaid Charges             |  | 6,358.16      |
| Total Other Current Liabilities     |  | 181,358.16    |
| Total Current Liabilities           |  | 215,944.14    |
| Long Term Liabilities               |  |               |
| Bonds Payable 2015A                 |  | 3,200,000.00  |
| Bonds Payable 2015B                 |  | 1,400,000.00  |
| Total Long Term Liabilities         |  | 4,600,000.00  |
| Total Liabilities                   |  | 4,815,944.14  |
| Equity                              |  |               |
| 3-3200 · Invested in Capital Assets |  | -4,192,805.87 |
| 30000 · Opening Balance Equity      |  | -180,464.08   |
| 32000 · Retained Earnings           |  | 261,576.16    |
| Net Income                          |  | 128,695.50    |
| Total Equity                        |  | -3,982,998.29 |
| TOTAL LIABILITIES & EQUITY          |  | 832,945.85    |

# Agenda Item 4)

## Unaudited Financial Statements

### Profit & Loss 2023 Budget vs. Actual – As of August 31, 2023

|                         |                                       | TOTAL             |                   |                    |               |
|-------------------------|---------------------------------------|-------------------|-------------------|--------------------|---------------|
|                         |                                       | Jan - Aug 23      | Budget            | \$ Over Budget     | % of Budget   |
| Ordinary Income/Expense |                                       |                   |                   |                    |               |
| Income                  |                                       |                   |                   |                    |               |
|                         | 1-506 · Operations Administrative Fee | 60,047.61         | 42,000.00         | 18,047.61          | 142.97%       |
|                         | 1-509 · Revenue-Collection Charges    | 0.00              | 5,000.00          | -5,000.00          | 0.0%          |
|                         | 1-510 · Late Fees                     | 3,050.46          | 2,500.00          | 550.46             | 122.02%       |
|                         | 1-560 · Interest Income               | 501.96            | 100.00            | 401.96             | 501.96%       |
|                         | 2-510 · Debt Service Fee              | 197,846.51        | 382,000.00        | -184,153.49        | 51.79%        |
|                         | 2-530 · Malcom Restitution            | 646.81            |                   |                    |               |
|                         | 2-560 · Interest Income-Debt          | 16,983.21         | 3,000.00          | 13,983.21          | 566.11%       |
|                         | <b>Total Income</b>                   | <b>279,076.56</b> | <b>434,600.00</b> | <b>-155,523.44</b> | <b>64.22%</b> |

# Profit & Loss 2023 Budget vs. Actual – As of August 31, 2023 (Cont.)

|                                      | Jan - Aug 23 | Budget     | \$ Over Budget | % of Budget |
|--------------------------------------|--------------|------------|----------------|-------------|
| Expense                              |              |            |                |             |
| 1-614 · Billing and Customer Service | 14,400.00    | 24,000.00  | -9,600.00      | 60.0%       |
| 1-615 · Audit                        | 0.00         | 9,000.00   | -9,000.00      | 0.0%        |
| 1-618 · Bank Fees                    | 1,411.04     | 1,800.00   | -388.96        | 78.39%      |
| 1-635 · Election                     | 3,337.97     | 10,000.00  | -6,662.03      | 33.38%      |
| 1-670 · Insurance/SDA Dues           | 851.79       | 2,500.00   | -1,648.21      | 34.07%      |
| 1-672 · Dues, Fees & Subscriptions   | 0.00         | 450.00     | -450.00        | 0.0%        |
| 1-675 · Legal                        | 13,410.95    | 10,000.00  | 3,410.95       | 134.11%     |
| 1-680 · Management                   | 4,400.00     | 4,000.00   | 400.00         | 110.0%      |
| 1-683 · Accounting/ Bookkeeping      | 1,200.00     | 2,000.00   | -800.00        | 60.0%       |
| 1-684 · Expense-Collection Charges   | 2,414.00     | 5,000.00   | -2,586.00      | 48.28%      |
| 1-685 · Miscellaneous                | 1,704.00     | 10,000.00  | -8,296.00      | 17.04%      |
| 1-729 · CSU Settlement               | 0.00         | 100,000.00 | -100,000.00    | 0.0%        |
| 1-760 · Office Supplies/Postage      | 3,280.02     | 3,600.00   | -319.98        | 91.11%      |
| 2-617 · Bank Fees - Debt Service     | 3,812.53     | 3,500.00   | 312.53         | 108.93%     |
| 2-900 · Interest Expense CMD A 2015  | 78,458.33    | 188,300.00 | -109,841.67    | 41.67%      |
| 2-905 · Interest Expense CMD B 2015  | 32,427.08    | 77,824.00  | -45,396.92     | 41.67%      |
| Total Expense                        | 161,107.71   | 451,974.00 | -290,866.29    | 35.65%      |
| Net Ordinary Income                  | 117,968.85   | -17,374.00 | 135,342.85     | -679.0%     |
| 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%        |

# Questions?

