

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



Tuesday, October 3, 2023, at 5:30 PM (MST)

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

Board of Director	Title	Term Expiration
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

- 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 the Consent Agenda and considered in the Regular Agenda)
 - a. Approval of Board Meeting Minutes from the special meeting on September 20, 2023 (enclosure)
 - b. Acceptance of Unaudited Financial Statements as of August 31, 2023, the schedule of cash position updated as of August 31, 2023, and bank statements (enclosure)
 - c. Approval of 2024 Disclosure Notice Pursuant to Section 32-1-809, C.R.S.
 - d. Ratify Approval of Notice of Failure to Certain Annual Financial Information (enclosure)
- 5. Consideration of items removed from the Consent Agenda**
- 6. Management Matters**
 - a. Discuss status of post-conversion requirements
 - b. Review of payment status and collection
 - i. Current billings & Collections
 - c. Update on Disposition of Assets
 - i. Remaining District-owned parcels

- d. Discuss and Review Proposal for Renewal of General Liability Schedule and Limits and Consider Approval and Authorization to Bind Coverage (enclosure)
- e. Discuss Status of Renewing Directors' Bond
- f. Consider Authorization of Renewal of Special District Association of Colorado Membership for 2024
- g. Consider Approval of Workers' Compensation Coverage with Colorado Special Districts Property and Liability Pool

7. Water Enterprise Revenue Refunding Bonds, Series 2023 Matters

- a. Review and Consider Approval of Resolution Authorizing the Issuance and Sale of the District's Water Revenue Refunding Bonds, Series 2003 (the "Series 2023 Bonds"), in an Aggregate Principal Amount Not to Exceed \$5,000,000; Prescribing the Form of the Series 2023 Bonds; Providing for the Payment of the Principal of, Premium, if any, and Interest on the Series 2023 Bonds from the Pledged Revenue; and Providing Other Details in Connection Therewith (under separate cover)

8. Financial Matters

- a. Discuss waiver of late fees for 4590 Hagerman Ave (under separate cover)
- b. Review and consider approval of Resolution Certifying Delinquent Fees for Collection (enclosure)
- c. Conduct a Public Hearing on 2023 Budget Amendments and Consider Adoption of Resolution Amending the 2023 Budget (enclosure)
- d. Conduct a Public Hearing on 2024 Budget and Consider Adoption of Resolution Adopting and Appropriating Funds (enclosure)
- e. Discuss and Consider Approval of Colorado Springs Utilities Invoice and Requesting Release and Satisfaction of Settlement Agreement Terms and Conditions
- f. Discuss Investment Direction

9. Legal Matters

- a. Discuss 2024 Meeting Dates
- b. Review and consider approval of 2024 Annual Administrative Resolution (under separate cover)
- c. Review and consider approval of Fourth Amendment to Resolution Concerning Imposition of an Operations Fee – 2024 Schedule of Fees (enclosure)
- d. Review and consider approval of Second Supplement to 2022 Annual Report (enclosure)
- e. Review and consider approval of WSDM Engagement letter (enclosure)
- f. Review and consider approval of BiggsKofford 2023 Audit Engagement Letter (under separate cover)
- g. Discuss Website Compliance and WCAG 2.1 AA Requirements for ADA Compliance
- h. Consider Adoption of Resolution Adopting a Website Accessibility Policy (to be distributed)

10. Public Comment (Items not on the Agenda Only. Comments are limited to 3 minutes per person and taken in the order in which they appear)

11. Other Business

12. Adjourn



**MINUTES OF A SPECIAL BOARD MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD SEPTEMBER 20, 2023**

A special meeting of the Board of Directors (the “Board”) of the Cascade Metropolitan District No. 1 (the "District") was duly held on Wednesday, the 20th day of September 2023 at 11:00 a.m. The meeting was held via teleconference. The meeting was open to the public.

Directors in Attendance Were:

Susan Soloyanis
Jim Borden (Arrived late)
Mike Herr
Erin Sullivan (Excused)
Karole Campbell

Also in Attendance Were:

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

1. **Call to Order:** The meeting was called to order at 11:05 a.m.

2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:** Ms. Harris 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. President Soloyanis moved to excuse Directors Borden and Sullivan; seconded by Director Herr. Motion passed unanimously.

3. **Approval of Agenda:** President Soloyanis moved to approve the Agenda as written; seconded by Director Herr. Motion passed unanimously.

4. **Consent Agenda Items:**
 - a. Approval of Board Meeting Minutes from the regular meeting on July 18, 2023
 - b. Ratification and approval of payables through the period ending September 20, 2023 in the amount of:

General Fund:	\$6,550.16
<u>Debt Service Fund:</u>	<u>\$25,731.96</u>
TOTAL:	\$32,282.12
 - c. Acceptance of Unaudited Financial Statements as of August 31, 2023, the schedule of cash position updated as of August 31, 2023, and bank statements
 - d. Ratification and approval of KAV Engagement Letter
 - e. Ratification and approval of Amendment to Special Bond Fee Disclosure from White Bear Ankele Tanaka & Waldron

Director Herr moved to approve the Consent Agenda Items except for 4.c.; seconded by Director Campbell. Motion passed unanimously.

5. Consideration of items removed from Consent Agenda: 4.c. Acceptance of Unaudited Financial Statements as of August 31, 2023, the schedule of cash position updated as of August 31, 2023, and bank statements. Director Herr will reconcile the bank statements once received from WSDM and consider approval at the next meeting.

6. Review and Consider Acceptance of the 2022 Audit and Presentation: Ms. Harris presented the 2022 Audit. Director Borden joined the meeting at 11:12 a.m. After review, President Soloyanis moved to accept the 2022 Audit as presented; seconded by Director Herr. Motion passed unanimously.

7. Management Matters

- a. Discuss Status of Post-conversion Requirements: Ms. Harris discussed the invoice received from CSU for \$58,882.19 for the easements. The Board agreed to pay the invoice as soon as possible. Ms. Hartung recommended getting an acknowledgment in writing from CSU once the payment is received.
- b. Review of Payment Status and Collection: Ms. Harris provided an update on the 8 delinquent accounts that will be certified at the October meeting.
 - i. Current Billings & Collections: An additional 9 reminder letters were sent.
- c. Update on Disposition of Assets: Ms. Harris provided an update on the disposition of assets. The Board discussed giving the parcels to adjacent property owners or possibly the City of Colorado Springs.
 - i. Remaining District owned parcels: 2 small parcels and the larger tank site parcel.

8. Water Enterprise Revenue Refunding Bonds, Series 2023 Matters

- a. Discuss Section 5.01 Billing and Collections: Ms. Hartung discussed the Water Enterprise Revenue Refunding Bonds and noted language in Section 5.01 Billing and Collections regarding special counsel. Ms. Hartung discussed the bond closing timeline and noted the bond rating will determine the timing.

9. Legal Matters

- a. Review and consider adoption of Second Amended and Restated Resolution Establishing Guidelines for the Collection of Delinquent Fees: After review, President Soloyanis moved to adopt the Second Amended and Restated Resolution Establishing Guidelines for the Collection of Delinquent Fees; seconded by Director Borden. Motion passed unanimously.

10. Public Comment: There was no public comment.

11. Other Business: There was no other business.

12. Adjournment: Next Scheduled Meeting is the Annual Town Hall meeting on October 3, 2023, at 5:00 pm; with the Budget Hearing meeting following at 5:30 pm. President Soloyanis moved to adjourn at 11:36 a.m.; seconded by Director Borden. Motion passed unanimously.

Respectfully submitted,

By: _____
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 20, 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



Balance Sheet

As of August 31, 2023

	<u>Aug 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
1995 Checking	59,288.08
2002 Savings	176,303.13
2-1050 · UMB Interest 143222.1	127,027.56
2-1055 · UMB Reserve 143222.3	372,508.81
2-1060 · UMB Principal 143222.2	44,179.10
Total Checking/Savings	<u>779,306.68</u>
Accounts Receivable	
1-1200 · Accounts Receivable	20,139.56
1-1210 · Allowance for Doubtful Accounts	-5,000.00
Total Accounts Receivable	<u>15,139.56</u>
Total Current Assets	<u>794,446.24</u>
TOTAL ASSETS	<u>794,446.24</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	6,813.02
Total Accounts Payable	<u>6,813.02</u>
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	<u>181,358.16</u>
Total Current Liabilities	<u>188,171.18</u>
Long Term Liabilities	
Bonds Payable 2015A	3,200,000.00
Bonds Payable 2015B	1,400,000.00
Total Long Term Liabilities	<u>4,600,000.00</u>
Total Liabilities	<u>4,788,171.18</u>
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	117,968.85
Total Equity	<u>-3,993,724.94</u>
TOTAL LIABILITIES & EQUITY	<u>794,446.24</u>

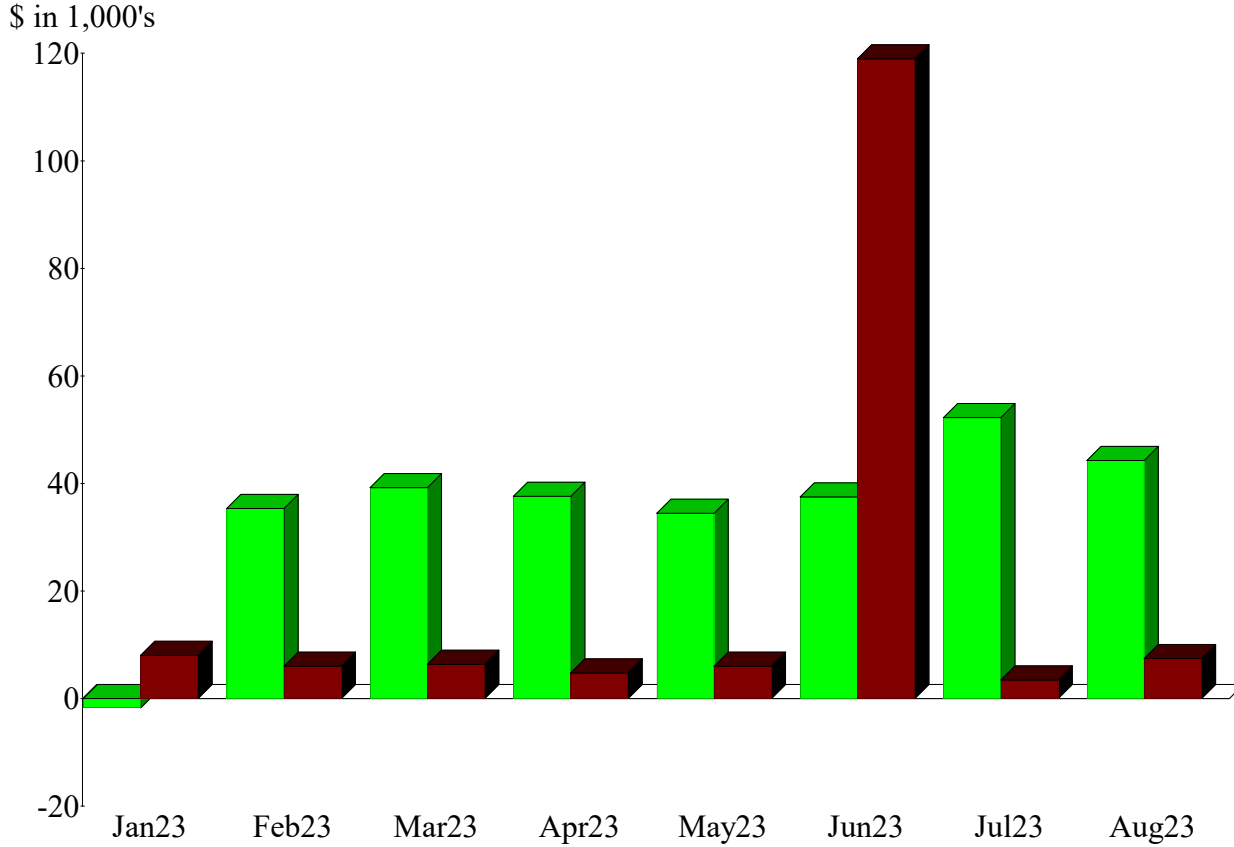
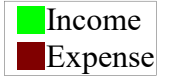
Cascade Metropolitan District No. 1

Profit & Loss Budget vs. Actual

January through August 2023

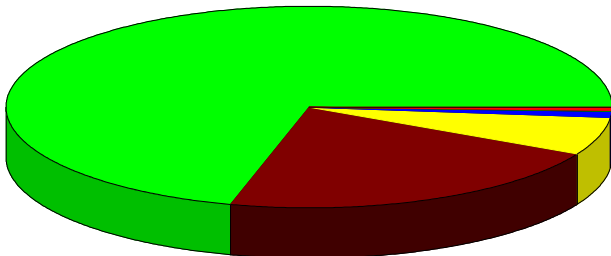
	TOTAL				
	Aug 23	Jan - Aug 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
1-506 · Operations Administrative Fee	11,778.87	60,047.61	42,000.00	18,047.61	142.97%
1-509 · Revenue-Collection Charges	0.00	0.00	5,000.00	-5,000.00	0.0%
1-510 · Late Fees	360.00	3,050.46	2,500.00	550.46	122.02%
1-560 · Interest Income	72.98	501.96	100.00	401.96	501.96%
2-510 · Debt Service Fee	29,686.94	197,846.51	382,000.00	-184,153.49	51.79%
2-530 · Malcom Restitution	80.43	646.81			
2-560 · Interest Income-Debt	2,329.71	16,983.21	3,000.00	13,983.21	566.11%
Total Income	<u>44,308.93</u>	<u>279,076.56</u>	<u>434,600.00</u>	<u>-155,523.44</u>	<u>64.22%</u>
Expense					
1-614 · Billing and Customer Service	1,800.00	14,400.00	24,000.00	-9,600.00	60.0%
1-615 · Audit	0.00	0.00	9,000.00	-9,000.00	0.0%
1-618 · Bank Fees	150.32	1,411.04	1,800.00	-388.96	78.39%
1-635 · Election	0.00	3,337.97	10,000.00	-6,662.03	33.38%
1-670 · Insurance/SDA Dues	445.00	851.79	2,500.00	-1,648.21	34.07%
1-672 · Dues, Fees & Subscriptions	0.00	0.00	450.00	-450.00	0.0%
1-675 · Legal	4,151.59	13,410.95	10,000.00	3,410.95	134.11%
1-680 · Management	550.00	4,400.00	4,000.00	400.00	110.0%
1-683 · Accounting/ Bookkeeping	150.00	1,200.00	2,000.00	-800.00	60.0%
1-684 · Expense-Collection Charges	0.00	2,414.00	5,000.00	-2,586.00	48.28%
1-685 · Miscellaneous	0.00	1,704.00	10,000.00	-8,296.00	17.04%
1-729 · CSU Settlement	0.00	0.00	100,000.00	-100,000.00	0.0%
1-760 · Office Supplies/Postage	104.64	3,280.02	3,600.00	-319.98	91.11%
2-617 · Bank Fees - Debt Service	99.64	3,812.53	3,500.00	312.53	108.93%
2-900 · Interest Expense CMD A 2015	0.00	78,458.33	188,300.00	-109,841.67	41.67%
2-905 · Interest Expense CMD B 2015	0.00	32,427.08	77,824.00	-45,396.92	41.67%
Total Expense	<u>7,451.19</u>	<u>161,107.71</u>	<u>451,974.00</u>	<u>-290,866.29</u>	<u>35.65%</u>
Net Ordinary Income	<u>36,857.74</u>	<u>117,968.85</u>	<u>-17,374.00</u>	<u>135,342.85</u>	<u>-679.0%</u>
Other Income/Expense					
Other Expense					
3-771 · Other Expense	0.00	0.00	10,000.00	-10,000.00	0.0%
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>10,000.00</u>	<u>-10,000.00</u>	<u>0.0%</u>
Net Other Income	<u>0.00</u>	<u>0.00</u>	<u>-10,000.00</u>	<u>10,000.00</u>	<u>0.0%</u>
Net Income	<u><u>36,857.74</u></u>	<u><u>117,968.85</u></u>	<u><u>-27,374.00</u></u>	<u><u>145,342.85</u></u>	<u><u>-430.95%</u></u>

Income and Expense by Month
January through August 2023



Income Summary
January through August 2023

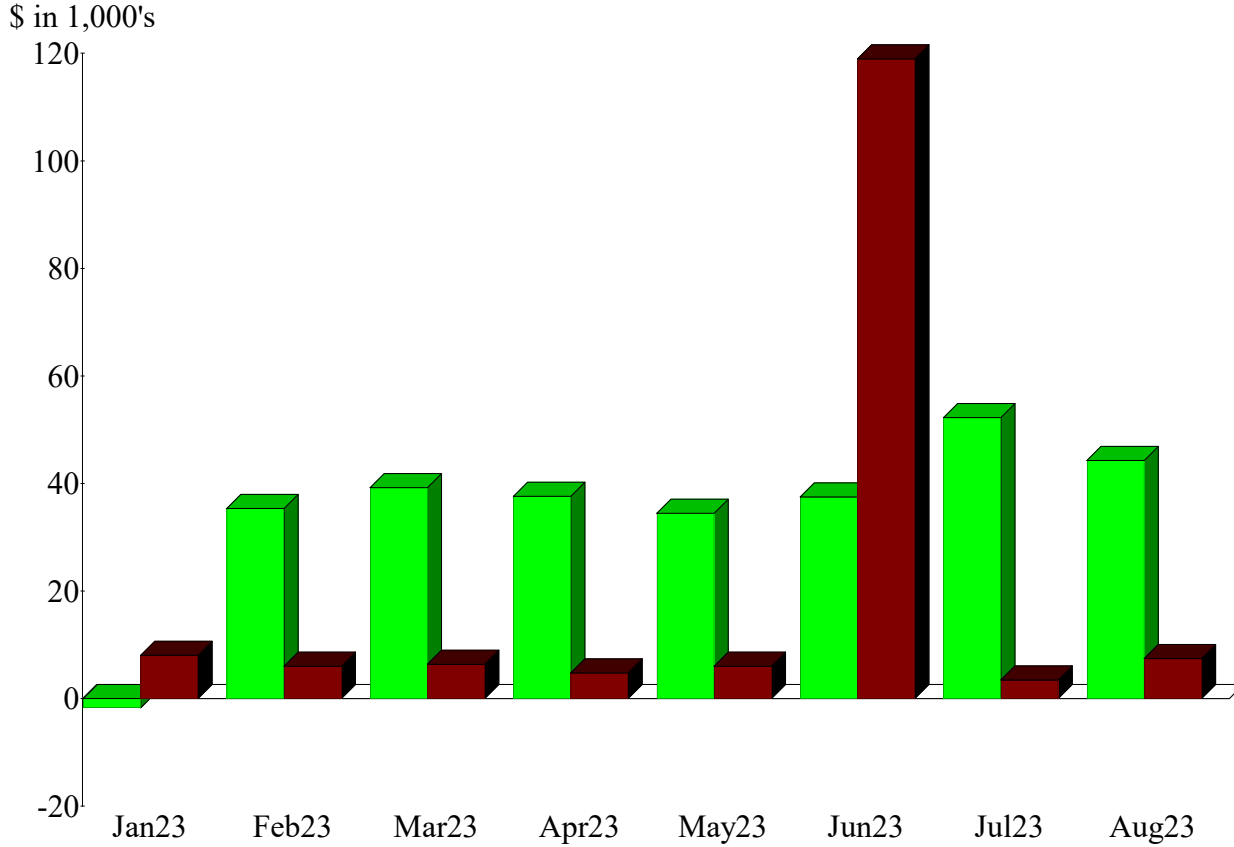
2-510 · Debt Service Fee	70.89%
1-506 · Operations Administrative Fee	21.52
2-560 · Interest Income-Debt	6.09
1-510 · Late Fees	1.09
2-530 · Malcom Restitution	0.23
1-560 · Interest Income	0.18
Total	\$279,076.56



By Account

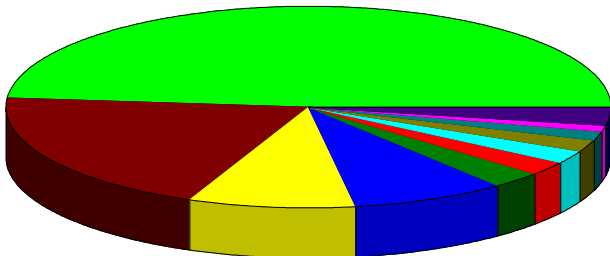
Income and Expense by Month
January through August 2023

Income
Expense



Expense Summary
January through August 2023

2-900 · Interest Expense CMD A 2015	48.70%
2-905 · Interest Expense CMD B 2015	20.13
1-614 · Billing and Customer Service	8.94
1-675 · Legal	8.32
1-680 · Management	2.73
2-617 · Bank Fees - Debt Service	2.37
1-635 · Election	2.07
1-760 · Office Supplies/Postage	2.04
1-684 · Expense-Collection Charges	1.50
1-685 · Miscellaneous	1.06
Other	2.15
Total	\$161,107.71



By Account



NOTICE OF FAILURES TO FILE CERTAIN ANNUAL FINANCIAL INFORMATION

\$3,500,000
CASCADE METROPOLITAN DISTRICT NO. 1
(EL PASO COUNTY, COLORADO)
Acting by and through its Water Activity
Enterprise
WATER ENTERPRISE REVENUE REFUNDING
AND IMPROVEMENT BONDS
SERIES 2015A

\$1,500,000
CASCADE METROPOLITAN DISTRICT NO. 1
(EL PASO COUNTY, COLORADO)
Acting by and through its Water Activity
Enterprise
WATER ENTERPRISE REVENUE REFUNDING
AND IMPROVEMENT BONDS
SERIES 2015B

The Cascade Metropolitan District No.1 (El Paso County, Colorado) (the “District”) furnishes this notice with respect to the District’s above-referenced bonds (collectively, the “Series 2015 Bonds”). The District previously entered into a continuing disclosure undertaking with respect to the Series 2015 Bonds (the “2015 Undertaking”) that requires the District to provide certain audited financial statements and operating data (collectively, the “Annual Financial Information”) to the Municipal Securities Rulemaking Board (“MSRB”).

In connection with the District’s review of its past compliance with the 2015 Undertaking, the District identified the following failures, or potential failures, to comply with the 2015 Undertaking:

1. The District did not timely provide Annual Financial Information for year ended December 31, 2017, as required by the 2015 Undertaking. Annual Financial Information was filed one (1) day late with the MSRB on July 30, 2018.
2. The District did not timely provide Annual Financial Information for the year ended December 31, 2019, as required by the 2015 Undertaking. Annual Financial Information was filed three (3) days late with the MSRB on July 31, 2020.
3. The District did not timely provide Annual Financial Information for the year ended December 31, 2020, as required by the 2015 Undertaking. Annual Financial Information was filed one (1) day late with the MSRB on July 30, 2021.

Dated: September ___, 2023.



Named Member Cascade Metropolitan District No. 1	Endorsement CSD Pool - No-Fault Opt Out
Certificate Number 24PL-61409-1709	Effective Date of Endorsement 01-01-2024
Issued By Colorado Special Districts Property and Liability Pool	

This endorsement modifies coverage provided under the following:

**PUBLIC ENTITY LIABILITY COVERAGE DOCUMENT
NO-FAULT WATER INTRUSION AND/OR SEWER BACK-UP "OPT OUT" PROVISION
PLEASE READ CAREFULLY.**

This endorsement has been adopted effective January 1, 2024 to EOD December 31, 2024.

Section V - ADDITIONAL COVERAGES is amended.

The **Named Member**, by execution hereof, rejects Additional Coverage F: No-Fault Water Intrusion and/or Sewer Back-up. Therefore, no coverage is provided.

Signature: Rebecca Harris Date: 9/8/2023
Authorized Representative

Print Name: Rebecca Harris Title: District Manager

Renewal Documents and Invoice 1/1/2024 to EOD 12/31/2024

Acceptance of this coverage is evidenced only by payment of the enclosed invoice by January 1, 2024.

The following renewal documents are attached where applicable:

1. Invoice: Payment is due upon receipt. Please return a copy of the invoice with your payment to ensure that it is applied correctly. We have attached a Coverage Contribution instructions sheet which provides details about your payment.
2. Comparison of Annual Contributions.
3. Deductible Options:
 - Provides the difference in cost by coverage line if you were to increase or decrease the deductible for that specific coverage.
4. Quote for Excess Liability limits for your consideration:
 - Limits of up to \$8 million, in excess of the primary \$2 million Liability limit, are available. Although the primary \$2 million Liability limit is sufficient to cover the CGIA tort cap, we do recommend you consider purchasing higher limits primarily due to special districts' unlimited liability to federal civil rights, discrimination, harassment, whistle blowing, and other employment-related practices claims.
5. Coverage Declaration Pages: Informational page summarizing the key points about the coverage provided including limits and deductible descriptions for all coverage provided. Full coverage forms will be available at csdpool.org/documents by January 1, 2024.
6. Schedules: Lists of exposures and values.
7. Certificates of coverage: Originals are mailed directly to the Certificate Holders.
8. Automobile identification cards: Hard copies will be mailed.



Property and Liability Coverage Invoice

Named Member:
Cascade Metropolitan District No. 1
c/o Walker Schooler District Managers
614 North Tejon Street
Colorado Springs, CO 80903

Broker of Record:
NO BROKER

Coverage No.	Entity ID	Effective Date	Expiration Date	Invoice Date
24PL-61409-1709	61409	1/1/2024	EOD 12/31/2024	9/5/2023

Coverage	Contribution
General Liability	\$ 546.00
Crime	\$ 135.00
Non-Owned Auto Liability	\$ 132.00
Hired Auto Physical Damage	\$ 65.00
Public Officials Liability	\$1,163.00
Pollution	\$ 0.00

Total Contribution	\$2,041
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Please note: where included above, Hired Auto Physical Damage, Non-Owned Auto Liability, and No-Fault Water Intrusion & Sewer Backup are mandatory coverages and may not be removed.

The following discounts are applied (Not applicable to minimum contributions):

- 3.99% Continuity Credit Discount
- 10% Direct Discount
- 8% Multi Program Discount for WC Program Participation

Payment Due Upon Receipt

Payment evidences "acceptance" of this coverage. The terms of the Intergovernmental Agreement (IGA) require timely payment to prevent automatic cancellation of coverage. Please return this invoice and reference the coverage number on your check to help us apply your payment correctly. Only prior notice to the board of directors of the Colorado Special Districts Property and Liability Pool and subsequent approval may extend cancellation provision.

Remit checks to: Colorado Special Districts Property and Liability Pool
c/o McGriff Insurance Services, LLC
PO Box 1539
Portland, OR 97207-1539

We accept online payments at [E-Bill Express](#)
Refer to Payment Instructions page for additional options
billing@csdpool.org
800-318-8870 ext. 3



Payment Instructions

The annual contribution for coverage with the Pool is due upon receipt of this invoice.

We accept the following payment methods:

1. Online using **E-Bill Express** (www.e-billexpress.com/ebpp/CSDPool). For detailed instructions, please click [here](#) or go to csdpool.org/documents. You can also find an FAQ [here](#) or go to the E-Bill Express logon screen.

2. Mail your check to:

Colorado Special Districts Property and Liability Pool
c/o McGriff Insurance Services, Inc.
PO Box 1539
Portland, OR 97207

For express or overnight mail services, please use the address below:

Colorado Special Districts Property and Liability Pool
c/o McGriff Insurance Services, Inc.
1800 SW 1st Ave, Suite 400
Portland, OR 97201

To ensure that your payment is accurately applied, please always include a copy of the invoice.

3. Wire or ACH transfer from your own bank account. Please let us know if you wish to use this method and we will be happy to provide you with these instructions.

Please be advised that in accordance with the Intergovernmental Agreement (IGA), automatic expulsion will occur on the 60th day should your account not be current. If you wish to reinstate your district's coverage after cancellation has occurred, a \$100 reinstatement fee will apply.

If your district requires a payment extension, please submit a written request within ten (10) business days from the date of the invoice, for consideration by the CSD Pool Board of Directors.

Finally, all members of the Pool must be members in good standing with the Special District Association of Colorado (SDA). Please visit the SDA website at sdaco.org for member information.

Please contact us at billing@csdpool.org or 800-318-8870 ext. 3 for billing questions.

Annual Comparison of 2024 and 2023 contributions.
Loss Ratios based on participation years from 2016 to 2023

Cascade Metropolitan District No. 1

Year	Contribution
2024	\$2,041.00
2023	\$2,041.00
Difference	
% Difference	

General Liability	Contribution	TOE
Yr. 2024	\$546.00	\$113,150.00
Yr. 2023	\$546.00	\$113,150.00
Difference		NaN
% Difference		0.00%
Loss Ratio		0.00%

Equipment Breakdown	Contribution	
Yr. 2024	\$0.00	
Yr. 2023	\$0.00	
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%

Auto Liability	Contribution	Auto Count
Yr. 2024	\$132.00	0
Yr. 2023	\$132.00	0
Difference		0
% Difference		NaN
Loss Ratio		0.00%

Crime	Contribution	
Yr. 2024	\$135.00	
Yr. 2023	\$135.00	
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%

Auto Physical Damage	Contribution	TIV
Yr. 2024	\$65.00	\$0.00
Yr. 2023	\$65.00	\$0.00
Difference		\$0.00
% Difference		NaN
Loss Ratio		0.00%

Public Officials Liability	Contribution	EE Count
Yr. 2024	\$1,163.00	0
Yr. 2023	\$1,163.00	0
Difference		0
% Difference		0.00%
Loss Ratio		0.00%

Property/Inland Marine	Contribution	TIV
Yr. 2024	\$0.00	\$0.00
Yr. 2023	\$0.00	\$0.00
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%

Excess Liability	Contribution	
Yr. 2024	\$0.00	
Yr. 2023	\$0.00	
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%

Earthquake	Contribution	
Yr. 2024	\$0.00	
Yr. 2023	\$0.00	
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%

Flood	Contribution	
Yr. 2024	\$0.00	
Yr. 2023	\$0.00	
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%

No Fault	Contribution	
Yr. 2024	\$0.00	
Yr. 2023	\$0.00	
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%



2024 Excess Liability Options Proposal

This Proposal Does Not Bind Coverage

This report demonstrates what it would cost your district to increase coverage from your current limit of liability to a higher limit.

Named Member: Cascade Metropolitan District No. 1

Certificate Number: 24PL-61409-1709

<u>Excess Limit</u>	<u>Annual Excess Contribution</u>	<u>Change in Contribution</u>
\$1,000,000	\$330	\$330
\$2,000,000	\$570	\$570
\$3,000,000	\$810	\$810
\$4,000,000	\$1,020	\$1,020
\$5,000,000	\$1,250	\$1,250
\$6,000,000	\$1,500	\$1,500
\$7,000,000	\$1,750	\$1,750
\$8,000,000	\$2,000	\$2,000

Note: This is not your Coverage Document. It was created solely for informational purposes.

9/5/2023



Public Entity Liability and Auto Physical Damage Certificate Holder Declaration

Master Coverage Document Number: CSD Pool CTC 01 01 24 and CSD Pool PEL 01 01 24

Certificate Number: 24PL-61409-1709

Coverage Period: 1/1/2024 to EOD 12/31/2024

Named Member:

Cascade Metropolitan District No. 1
 c/o Walker Schooler District Managers
 614 North Tejon Street
 Colorado Springs, CO 80903

Broker of Record:

NO BROKER

Coverage is provided only for those coverages indicated below for which a contribution is shown.

Coverage	Per Occurrence Limit	Annual Aggregate Limit	Deductible	Contribution
Public Entity Liability Coverage including:	\$2,000,000	None		
General Liability	Included	None	None	\$546
Medical Payments - Premises	\$10,000	None	None	Included
Employee Benefits Liability	Included	None	None	Included
Public Officials Liability	Included	None	\$1,000	\$1,163
Employment Practices Liability	Included	None	*\$100,000	Included
Pre Loss Legal Assistance	\$3,500	\$7,000	None	Included
No-Fault Water Intrusion & Sewer Backup	No Coverage	No Coverage	N/A	No Coverage
Cyber	\$200,000	**\$200,000	\$1,000	Included
Fiduciary Liability	\$200,000	**\$200,000	\$1,000	Included
Excess Liability - Coverage agreements	No Coverage	No Coverage	N/A	No
Auto Liability	No Coverage	No Coverage	N/A	No
Medical Payments – Auto	No Coverage	No Coverage	N/A	No
Non-Owned and Hired Auto Liability	Included	None	None	\$132
Uninsured/Underinsured Motorists Liability	No Coverage	No Coverage	N/A	No
Auto Physical Damage	No Coverage	No Coverage	N/A	No
Hired Auto Physical Damage	\$50,000	N/A	\$500/\$500	\$65
Auto Physical Damage - Employee Deductible	\$2,500	N/A	None	Included

Total Contribution \$1,906

*Employment Practices Liability Deductible: 50% of loss including Indemnity and Legal Expenses subject to a maximum deductible of \$100,000 each occurrence.


**A \$5,000,000 All Member Annual Aggregate Limit shall apply to Cyber.

**A \$1,000,000 All Member Annual Aggregate Limit shall apply to Fiduciary Liability.

Additional Endorsements applicable to Member:

No-Fault Opt Out

This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Public Entity Liability Coverage Document. This Certificate represents only a brief summary of coverages. Please refer to the Master Coverage Document for actual coverage, terms, conditions, and exclusions.

Countersigned by:  _____
 Authorized Representative

Named Member Cascade Metropolitan District No. 1	Endorsement CSD Pool No-Fault Opt Out 01 01 24
Certificate Number 24PL-61409-1709	Effective Date of Endorsement 1/1/2024
Issued By Colorado Special Districts Property and Liability Pool	

This endorsement modifies coverage provided under the following:

**PUBLIC ENTITY LIABILITY COVERAGE DOCUMENT
NO-FAULT WATER INTRUSION AND/OR SEWER BACK-UP "OPT OUT" PROVISION
PLEASE READ CAREFULLY.**

This endorsement has been adopted effective January 1, 2024 to EOD December 31, 2024.

Section V - ADDITIONAL COVERAGES is amended.

The **Named Member**, by execution hereof, rejects Additional Coverage F: No-Fault Water Intrusion and/or Sewer Back-up. Therefore, no coverage is provided.

Signature: _____ **Date:** _____
Authorized Representative

Print Name: _____ **Title:** _____

Crime Certificate Holder Declaration

Master Coverage Document Number: J05931794
Certificate Number: 24PL-61409-1709

Insurer: Federal Insurance Company (Chubb)
Coverage Period: 1/1/2024 to EOD 12/31/2024

Named Member:

Cascade Metropolitan District No. 1
c/o Walker Schooler District Managers
614 North Tejon Street
Colorado Springs, CO 80903

Broker of Record:

NO BROKER

Covered Designated Agent(s):

Coverages and Limits:

Employee Theft:	\$5,000
<ul style="list-style-type: none"> · Limit is maximum for each loss · Employee includes executives, full-time, part-time, seasonal, leased and temporary employee(s), interns or non-compensated volunteer. · Includes funds from a sponsored benefit plan. 	
Public Official Faithful Performance of Duty:	\$5,000
Client Theft:	\$5,000
Forgery or Alteration:	\$5,000
On Premises:	\$5,000
In Transit:	\$5,000
Computer System Fraud:	\$5,000
Funds Transfer Fraud:	\$5,000
Debit, Credit or Charge Card Fraud:	\$5,000
Money Orders and Counterfeit Paper Currency Fraud:	\$5,000
Social Engineering Fraud:	\$5,000

Deductible(s):

All Crime except Social Engineer Fraud:	\$100
Social Engineering Fraud:	20% of Social Engineering Fraud Limit

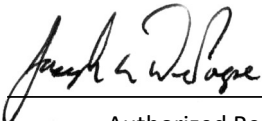
Contribution:

\$135

Policy Forms:

PF-52815 (04/20)	The Chubb Primary SM Commercial Crime Insurance
PF-52853 (04/20)	Governmental Entity (Colorado Special Districts Pool) Endorsement
PF-53127 (04/20)	Colorado Amendatory Endorsement
PF-52851 (04/20)	Add Corporate Credit Card Coverage

This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Master Crime Policy. This Certificate represents only a brief summary of coverages. Please refer to the Master Policy Documents for actual coverage, terms, conditions, and exclusions.

Countersigned by:  _____
Authorized Representative



Identity Recovery Certificate Holder Declaration

Master Coverage Policy Number:
CSD 2009 CP IDR Form 01 01 21

Insurer:
The Hartford Steam Boiler Inspection
and Insurance Company

Certificate Number: 24PL-61409-1709

Coverage Period: 1/1/2024 to EOD 12/31/2024

Named Member:
Cascade Metropolitan District No. 1
c/o Walker Schooler District Managers
614 North Tejon Street
Colorado Springs, CO 80903

Broker of Record:
NO BROKER

Member:

All permanent employees and District Board members participating in the Colorado Special Districts Property and Liability Pool; Special District Association of Colorado staff and Board of Directors.

Coverage:

Reimbursement coverage for expenses arising from a defined "Identity Theft" event. Including: legal fees for answer of civil judgements and defense of criminal charges; phone, postage, shipping fees; notary and filing fees; credit bureau reports; lost wages; child/elder care and mental health counseling.

This coverage does not reimburse the member for monies stolen or fraudulently charged to the member, and excludes loss arising from the member's fraudulent, dishonest or criminal act.

Annual Aggregate Limit per Member: \$35,000

Case Management Service Expenses - does not reduce the limit available

Legal Costs - reduces the limit available

Sub Limits:

\$5,000	Lost Wages and Child/Elder Care
\$1,000	Mental Health Counseling
\$1,000	Miscellaneous Expenses

Coverage Trigger: Coverage is provided on a discovery basis with a 60-day reporting requirement

Claims: For Recovery Assistance and Counseling, please call 1-800-945-4617

This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Identity Recovery Coverage Policy. This Certificate represents only a brief summary of coverages. Please refer to the Master Coverage document for actual coverage, terms, conditions, and exclusions.

Countersigned by:

A handwritten signature in black ink, appearing to read "Joseph L. W. Rague", is written over a horizontal line.

Authorized Representative

Environmental Legal Liability Certificate Holder Declaration

Master Policy Number: ER00A9V23
Certificate Number: 24PL-61409-1709
Named Member:
Cascade Metropolitan District No. 1
c/o Walker Schooler District Managers
614 North Tejon Street
Colorado Springs, CO 80903

Insurer: Aspen Specialty Insurance Company
Coverage Period: 1/1/2024 to EOD 12/31/2024
Broker of Record:
NO BROKER

Claims-Made Coverage:

1. **First Party Protection:** For coverages 1.a – 1.d, the pollution incident must be first discovered by the responsible insured and reported to the insurer during the policy period.
 - a. **Clean up:** Covers clean-up costs resulting from a pollution incident on, at, under, or migrating from or through an insured location.
 - b. **Emergency Response:** Covers emergency response cost resulting from a
 - c. **Pollution Incident:** (i) on, at, under or migrating from or through an insured location; (ii) caused by transportation; or (iii) caused by covered operations.
 - d. **Environmental Crisis:** Covers crisis cost resulting from a crisis event.
 - e. **Business Interruption:** Covers business interruption cost and extra expense incurred by the insured and solely and directly by a pollution incident on, at or under an insured location, provided the pollution incident results in clean-up cost covered by this policy.

2. **Legal Liability Protection:** For coverages 2.a – 2.d, the claim for damages because of such bodily injury or property damage, or a claim for such clean-up cost, is first made against an insured and reported to the insurer during the policy period.
 - a. **Insured Location:** Covers sums the insured becomes legally obligated to pay: (1) as damages because of bodily injury or property damage; or (ii) for clean-up costs, resulting from a pollution incident on, at under, or migrating from or through an insured location.
 - b. **Non-owned Site:** Covers sums the insured becomes legally obligated to pay (1) as damages because of bodily injury or property damage; or (ii) for clean-up costs, resulting from a pollution incident on, at under, or migrating from or through any non-owned site.
 - c. **Transportation:** Covers sums the insured becomes legally obligated to pay (1) as damages because of bodily injury or property damage; or (ii) for clean-up costs, resulting from a pollution incident caused by transportation.
 - d. **Covered Operations:** Covers sums the insured becomes legally obligated to pay (1) as damages because of bodily injury or property damage; or (ii) for clean-up costs, resulting from a pollution incident caused by covered operations or completed operations.

Limits of Liability: \$1,000,000 Each Pollution Incident
\$5,000,000 Total Policy and Program Aggregate – Shared All Members
Sublimits: \$500,000 Environmental Crisis Aggregate
\$250,000 Business Interruption Aggregate
\$100,000 Perfluorinated Compounds Aggregate

Member Deductible: \$1,000 Each Pollution Incident

Retroactive Date: January 1, 2009 (unless otherwise specified)
Defense Costs: Legal defense expenses and settlement shall erode the Limits of Liability

Partial List of Exclusions:

Asbestos, Contractual Liability, Criminal Fines and Criminal Penalties, Cross Liability (Insured vs. Insured), Damage to Insured's Product/Work, Divested Property, Employers Liability, Fraud or Misrepresentation, Intentional Non-Compliance, Internal Expenses, Known Conditions, Lead-Based Paint, Material Change in Risk, Non-Owned Disposal Sites, Underground Storage Tanks and Above Ground Storage Tanks excluded unless scheduled, Vehicle Damage, War or Terrorism, Workers Compensation, Lead at all gun or shooting ranges, Maintenance, Upgrades, Improvements or Installations where required by law, Microbial Matter with carveback for sudden and accidental water intrusion; 10-day discovery period/30 day reporting period, Prior Claims, Communicable Disease

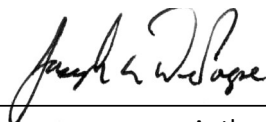
Policy Forms:

ASPENV110 06 17	Environmental Legal Liability Policy
ASPENV098 11 17	Cap on Losses from Certified Acts of Terrorism
ASPENV340 05 17	Insured Location(s) Schedule Endorsement
ASPENV310 05 17	Known Conditions Exclusion Endorsement
ASPENV316 05 17	Legal Expense Aggregate Limit of Liability Endorsement
ASPENV117 11 17	Self-Insured Retention Aggregate (Erosion by Underlying Policies)
ASPENV117 11 17	Sewage Back-up Deductible Amendatory Endorsement
ASPENV117 11 17	Perfluorinated Compounds, Sublimit and Retroactive Date Amendatory Endorsement
ASPENV117 11 17	Cancellation Amendatory Endorsement
ASPENV117 11 17	Microbial Matter Exclusion Endorsement
ASPENV117 11 17	Maintenance, Upgrade, Improvements or Installations Exclusion Endorsement
ASPENV117 11 17	Retroactive Date All Coverage Endorsement
ASPENV117 11 17	Microbial Matter Sudden and Accidental Coverage Limitation Amendatory Endorsement
ASPENV117 11 17	Insured Location/Acquired Property Endorsement
ASPENV117 11 17	Public Entity Amendatory Endorsement
ASPENV322 05 17	Minimum Earned Premium Endorsement
ASPENV341 05 17	Named Insured Schedule Endorsement
ASPENV118 11 17	Nuclear, Biological, Chemical, or Radiological Terrorism Exclusion
ASPENV003 05 17	Other Insurance Condition Amendatory Endorsement
ASPER334 01 14	Prior Claim Exclusion Endorsement
ASPENV338 04 19	Schedule of Crisis Management Firms Endorsement
ASPENV431 11 17	Aspen Environmental Emergency Response Hotline
SNCO 1021	Colorado Surplus Lines Notice
ASPENV117.EL.0920.X	Communicable Disease Exclusion

Additional Endorsements Applicable to Named Member:

This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all coverage terms under the Pollution Liability Policy #EV00A9V23 issued by Aspen Specialty Insurance Company. This Certificate represents a brief summary of coverages. Please refer to the Master Coverage Document for all coverage terms, conditions and exclusions.

Countersigned by:



Authorized Representative

**General Liability Schedule
Metropolitan District**

Policy Number: 24PL-61409-1709
Named Member: Cascade Metropolitan District No. 1

Coverage Period: 1/1/2024 – EOD 12/31/2024
Broker: NO BROKER

Code	Description	Unit	Amount	Effective Date	Expiration Date
4	4-Maximum Bond Issued	Dollars	4,600,000.00	1/1/2024	12/31/2024
5	5-Number of Bonds Issued	Total	1.00	1/1/2024	12/31/2024
105	105-Total Operating Expenses - Any other	Dollars	113,150.00	1/1/2024	12/31/2024
130	130-Total Operating Expenses - Park & Recreation	Dollars	0.00	1/1/2024	12/31/2024
348	348-Number of Board Members	Total	5.00	1/1/2024	12/31/2024
350	350-Number of Permanent Employees - Full-Time	Total	0.00	1/1/2024	12/31/2024
351	351-Number of Permanent Employees - Part-Time	Total	0.00	1/1/2024	12/31/2024
366	366-Total Payroll	Dollars	0.00	1/1/2024	12/31/2024
420	420-Vacant Land	Acres	0.00	1/1/2024	12/31/2024
900	900-Services Contracted out to Others	Dollars	40,500.00	1/1/2024	12/31/2024

If your district has exposures not listed on the General Liability schedule above, such as airplanes, security staff, bridges, drones, etc., please furnish details. Certain activities may be excluded or restricted.



CERTIFICATE OF COVERAGE

Certificate Number
CERT-004879

ADMINISTRATOR Colorado Special Districts Property and Liability Pool c/o McGriff Insurance Services, LLC PO Box 1539 Portland, OR 97207-1539	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
NAMED MEMBER Cascade Metropolitan District No. 1 c/o Walker Schooler District Managers 614 N. Tejon Street Colorado Springs, CO 80903	COMPANIES AFFORDING COVERAGE COMPANY A: Colorado Special Districts Property and Liability Pool COMPANY B: COMPANY C: COMPANY D: COMPANY E:

COVERAGES

THIS IS TO CERTIFY THAT COVERAGE DOCUMENTS LISTED HEREIN HAVE BEEN ISSUED TO THE NAMED MEMBER HEREIN FOR THE COVERAGE PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE COVERAGE AFFORDED BY THE COVERAGE DOCUMENTS LISTED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH COVERAGE DOCUMENTS.

CO LTR	Type of Coverage	Coverage #	Effective Date	Expiration Date	LIMITS	
A	General Liability	24PL-61409-1709	01/01/24	12/31/24	General Aggregate	Unlimited
	<input checked="" type="checkbox"/> Commercial General Liability <input checked="" type="checkbox"/> Public Officials Liability <input checked="" type="checkbox"/> Employment Practices <input checked="" type="checkbox"/> Occurrence				*Except that for claims, occurrences or suits to which the monetary limits of the Colorado Immunity Act, C.R.S. & 24-10-101, et.seq., as amended, apply, there shall be a further sublimit of (a) \$387,000 for an injury to any one person in any single occurrence; and (b) \$1,093,000 for an injury to two or more persons in any single occurrence; but in the event of an injury to two or more persons in any single occurrence, the sublimit shall not exceed \$387,000 for each injured person.	Each Occurrence*
A	Automobile Liability <input type="checkbox"/> Scheduled Autos <input checked="" type="checkbox"/> Hired Autos <input type="checkbox"/> Non-Owned Autos	24PL-61409-1709	01/01/24	12/31/24	Each Occurrence*	\$2,000,000
	Auto Physical Damage <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos					
	Excess Liability <input type="checkbox"/> Other Than Umbrella Form				General Aggregate	
					Each Occurrence*	
	Property <input type="checkbox"/>					

Description:
Evidence of coverage

CERTIFICATE HOLDER State of Colorado Department on Local Affairs 1313 Sherman Street Denver, CO 80203	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED COVERAGES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE COVERAGE FORM PROVISIONS.
	AUTHORIZED REPRESENTATIVE: By: Joseph E. DePaepe
	Date: September 5, 2023



**RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
CASCADE METROPOLITAN DISTRICT NO. 1**

**CERTIFYING DELINQUENT DEBT SERVICE FEES, ADMINISTRATIVE FEES, RATES,
TOLLS, PENALTIES AND CHARGES TO EL PASO COUNTY TREASURER FOR
COLLECTION**

WHEREAS, the Cascade Metropolitan District No. 1 (the “District”) was duly organized and validly exists pursuant to and in accordance with the Special District Act, §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board of Directors of the District (the “Board”) is empowered to fix and from time to time increase or decrease certain fees, rates, tolls, penalties or charges for services, programs or facilities furnished by the District; 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 impose and collect ongoing monthly debt service fees (the “Debt Service Fee”) and monthly administrative fees (the “Administrative Fee”); and

WHEREAS, pursuant to §32-1-1101(1)(e), C.R.S., the District is permitted to have certain delinquent fees, rates, tolls, penalties, charges or assessments made or levied by the District certified to the El Paso County Treasurer (the “County Treasurer”) for collection in the same manner as taxes; and

WHEREAS, the properties reflected on **Exhibit A**, attached hereto and incorporated herein by this reference (the "Delinquent Properties"), are delinquent in their Debt Service and Administrative Fees by at least six (6) months and by more than One Hundred Fifty Dollars (\$150); and

WHEREAS, the Delinquent Properties have outstanding delinquent fees rates, tolls, penalties, charges or assessments in the amounts set forth in **Exhibit A** (the “Delinquent Fees”); and

WHEREAS, pursuant to §32-1101(1)(e), C.R.S., the District may elect, by resolution, at a public meeting held after receipt of notice by the Delinquent Properties, to certify the Delinquent Fees to the County Treasurer for collection; and

WHEREAS, on September 21, 2023, the District provided notice to the Delinquent Properties through written correspondence deposited in the United States mail; and

WHEREAS, the Board hereby considers the adoption of this Resolution at a public meeting, which meeting has been properly noticed in accordance with Colorado law; and

WHEREAS, the District, by this Resolution, desires to certify the Delinquent Fees to the County Treasurer for collection.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. CERTIFICATION OF DELINQUENT FEES. The Board hereby elects to have the Delinquent Fees certified to the County Treasurer to be collected and paid over by the County Treasurer in the same manner as taxes are authorized to be collected and paid over pursuant to § 39-10-107, C.R.S. The Board hereby directs the District’s Manager to certify to the County Treasurer the Delinquent Fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the “Certification”). Such Delinquent Fees shall be certified by no later than the deadline established by the County Treasurer in order to comply with State statutory and County certification deadlines.

[Remainder of Page Intentionally Left Blank].

ADOPTED THIS 3RD DAY OF OCTOBER, 2023.

**CASCADE METROPOLITAN DISTRICT
NO. 1**

By: _____
Officer of the District

ATTEST:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

EXHIBIT A
Delinquent Properties and Delinquent Fees

Street Address	Property Description	Past Due	Collection Fee	Total
4590 Hagerman Ave	Assessor Parcel # 8323307015	\$	\$	\$
8230 W. Highway 24	Assessor Parcel # 8323201009	\$	\$	\$
4670 Fountain Ave / 4675 Fountain Ave	Assessor Parcel # 8323300078	\$	\$	\$
7865 W Highway 24	Assessor Parcel # 8326200043	\$	\$	\$
7940 Topeka Ave	Assessor Parcel # 8323303022	\$	\$	\$



**CASCADE METROPOLITAN DISTRICT NO. 1
RESOLUTION TO AMEND 2023 BUDGET**

WHEREAS, the Board of Directors of Cascade Metropolitan District No. 1 (the “**District**”) certifies that at a special meeting of the Board of Directors of the District held October 3, 2023, a public hearing was held regarding an amendment to the 2023 budget, and, subsequent thereto, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors:

WHEREAS, the Board of Directors of the District adopted a budget and appropriated funds for fiscal year 2023 as follows:

Debt Service Fund \$ _____

and;

WHEREAS, the necessity has arisen for additional expenditures by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for fiscal year 2023; and

WHEREAS, funds are available for such expenditure.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District does hereby amend the adopted budget for fiscal year 2023 as follows:

Debt Service Fund \$ _____

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the funds named above for the purpose stated, and that any ending fund balances shall be reserved for purposes of complying with Article X, Section 20 of the Colorado Constitution.

[Remainder of Page Intentionally Left Blank]

ADOPTED THIS OCTOBER 3, 2023.

DISTRICT:

CASCADE METROPOLITAN DISTRICT NO.1, a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____
Officer of the District

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

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 at a meeting held via teleconference and in person at 614 N. Tejon Street, Colorado Springs, Colorado 80903 on October 3, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 3rd day of October, 2023.



RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2024

The Board of Directors of Cascade Metropolitan District No. 1 (the “**Board**”), County of El Paso, Colorado (the “**District**”), held a special meeting, via teleconference and in person on October 3, 2023, at 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 2024 BUDGET

Proof of Publication

THE TRANSCRIPT
Colorado Springs, Colorado

STATE OF COLORADO,) ss.
COUNTY OF EL PASO)

I, Fran Zankowski, Publisher, or the undersigned Authorized Agent of the Publisher, do solemnly swear that I am the Publisher, or Authorized Agent of the Publisher of The Transcript; that the same is a tri-weekly newspaper and published in the County of El Paso, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

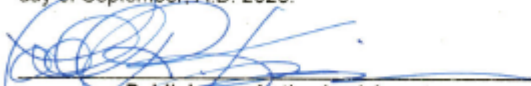
That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

08, SEPTEMBER, A.D. 2023.

And that the last publication of said notice was in the issue of said newspaper dated:

08, SEPTEMBER, A.D. 2023.

In witness whereof, I have hereunto set my hand this 8th day of September, A.D. 2023.



Publisher or Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 8th day of September, A.D. 2023.



Notary Public

ROBYN KIRK
Notary Public
State of Colorado
Notary ID # 20114063677
My Commission Expires 10-05-2027

NOTICE OF PUBLIC HEARING
ON AN AMENDMENT TO THE
2023 BUDGET AND NOTICE OF
PUBLIC HEARING ON THE
PROPOSED 2024 BUDGET

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the Cascade Metropolitan District No. 1 (the "District"), will hold a meeting via teleconference and in person on October 3, 2023 at 5:30 P.M. for the purpose of conducting such business as may come before the Board including a public hearing on an amendment to the 2023 budget (the "Budget Amendment") and the 2024 proposed budget (the "Proposed Budget"). This meeting can be attended in person at 614 N Tejon Street, Colorado Springs, Colorado 80903, or joined using the following teleconference information:

Please join my 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
Meeting ID: 591798670

NOTICE IS FURTHER GIVEN that the Budget Amendment and Proposed Budget have been submitted to the District. A copy of the Budget Amendment and the Proposed Budget are on file in the office of WSDM-District Managers, 614 N Tejon Street, Colorado Springs, Colorado 80903, where the same are open for public inspection.

Any interested elector of the District may file any objections to the Budget Amendment and Proposed Budget at any time prior to final adoption of the Budget Amendment and Proposed Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (719)447-1777.

BY ORDER OF THE
BOARD OF DIRECTORS
CASCADE
METROPOLITAN
DISTRICT NO. 1

/s/ Rebecca Hardkopf
WSDM - District Managers
Publication Date: September 8, 2023
Published in The Transcript
DT43147

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 2024. 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 2024 budget year, there is hereby levied a tax of 00.000 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 2024 budget year, there is hereby levied a tax of 00.000 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 2024 budget year, there is hereby levied a tax of 00.000 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 2024 budget year, there is hereby levied a tax of 00.000 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 30th 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.

[Remainder of Page Intentionally Left Blank]

ADOPTED THIS 3RD DAY OF OCTOBER 2023.

DISTRICT:

**CASCADE METROPOLITAN DISTRICT
NO. 1**, a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Officer of the District

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

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 at 614 N. Tejon Street, Colorado Springs, Colorado 80903 and via teleconference on date of meeting October 3, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 3rd day of October, 2023.

EXHIBIT A
BUDGET DOCUMENT
2024 BUDGET MESSAGE

BUDGET MESSAGE
(Pursuant to § 29-1-103(1) (e), C.R.S.)

Cascade Metropolitan District No. 1

The attached 2024 Budget for Cascade Metropolitan District No. 1 includes these important features:

- The 2024 Budget reflects a refinance of debt service using a fee established to repay debt issued in 2015 (refinanced in 2023) 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. Other than the interest on long-term obligations, expenses 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 2023 and ADOPTED 2024 BUDGET
GENERAL FUND**

	2022 ACTUAL	2023 ACTUAL <i>as of 9/19/2023</i>	2023 PROJECTED /AMENDED	2023 BUDGET	2024 BUDGET
GENERAL FUND: BEGINNING BALANCE	\$ 178,188	\$ 164,407	\$ 164,407	\$ 200,531	\$ 67,399
REVENUES					
OPERATIONS ADMINISTRATIVE FEE (\$8.34/MONTH/ACCOU	\$ 62,520	\$ 40,389	\$ 42,000	\$ 42,000	\$ 42,000
COLLECTION CHARGES	\$ -	\$ 1,108	\$ 1,108	\$ 5,000	\$ 1,000
LATE FEES	\$ 4,792	\$ 3,013	\$ 3,100	\$ 2,500	\$ 2,500
MISCELLANEOUS INCOME	\$ -	\$ -	\$ -	\$ -	\$ -
GAIN ON SALE OF ASSETS	\$ 66,552	\$ -	\$ -	\$ -	\$ -
INTEREST INCOME	\$ 180	\$ 502	\$ 510	\$ 100	\$ 100
TOTAL REVENUES	\$ 134,043	\$ 45,013	\$ 46,718	\$ 49,600	\$ 45,600
 TOTAL FUNDS AVAILABLE	 \$ 312,231	 \$ 209,420	 \$ 211,125	 \$ 250,131	 \$ 112,999
EXPENSES					
BILLING AND CUSTOMER SERVICE	\$ 24,000	\$ 14,400	\$ 24,000	\$ 24,000	\$ 20,000
MANAGEMENT	\$ 7,500	\$ 4,400	\$ 4,000	\$ 4,000	\$ 2,000
ACCOUNTING AND BOOKKEEPING	\$ 2,000	\$ 1,200	\$ 2,000	\$ 2,000	\$ 2,000
CSU SETTLEMENT	\$ -	\$ -	\$ 58,892	\$ 100,000	\$ -
COLLECTION CHARGES	\$ 7,712	\$ 2,414	\$ 2,500	\$ 5,000	\$ 1,500
AUDIT	\$ 8,825	\$ 9,000	\$ 9,000	\$ 9,000	\$ 10,000
BANK FEES	\$ 1,878	\$ 1,411	\$ 1,800	\$ 1,800	\$ 1,800
ELECTION	\$ 3,573	\$ 3,338	\$ 3,338	\$ 10,000	\$ -
INSURANCE/SDA DUES	\$ 2,666	\$ 2,893	\$ 2,893	\$ 2,500	\$ 3,000
DUES, FEES, & SUBSCRIPTIONS	\$ 558	\$ 79	\$ -	\$ 450	\$ 500
LEGAL	\$ 15,229	\$ 13,411	\$ 20,000	\$ 10,000	\$ 10,000
REPAIRS & MAINTENANCE	\$ 2,950	\$ -	\$ -	\$ -	\$ -
COST TO REMOVE PUMP HOUSE	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ -
TELEPHONE/UTILITIES EXPENSE	\$ -	\$ -	\$ -	\$ -	\$ -
WATER PURCHASE EXPENSE	\$ -	\$ -	\$ -	\$ -	\$ -
OFFICE SUPPLIES & POSTAGE	\$ 4,382	\$ 3,280	\$ 3,600	\$ 3,600	\$ 4,000
CONTINGENCY	\$ -	\$ 1,704	\$ 1,704	\$ 5,000	\$ 10,000
TOTAL EXPENSES	\$ 81,272	\$ 57,530	\$ 143,727	\$ 187,350	\$ 64,800
OTHER					
TRANSFERS IN - GRANT CAPITAL PROJECT FUND	\$ -	\$ -	\$ -	\$ -	\$ -
TRANSFER OUT TO DEBT SERVICE FUND	\$ 66,552	\$ -	\$ -	\$ -	\$ -
GENERAL FUND: ENDING BALANCE	\$ 164,407	\$ 151,890	\$ 67,399	\$ 62,781	\$ 48,199
EMERGENCY RESERVE: State Required at 3%	\$ 2,438	\$ 1,726	\$ 4,312	\$ 5,621	\$ 1,944

DRAFT

**CASCADE METROPOLITAN DISTRICT NO. 1
AMENDED 2023 and ADOPTED 2024 BUDGET
DEBT SERVICE FUND**

	2022 ACTUAL	2023 ACTUAL <i>as of 9/19/2023</i>	2023 PROJECTED /AMENDED	2023 BUDGET	2024 BUDGET
DEBT SERVICE FUND: BEGINNING BALANCE	\$ 361,317	\$ 479,271	\$ 479,271	\$ 499,931	\$ 669,748
REVENUE					
TRANSFER IN - GENERAL FUND	\$ 66,552				
DEBT SERVICE WATER FEE (2024 \$125/MONTH)	\$ 378,306	\$ 237,394	\$ 382,000	\$ 382,000	\$ 514,425
MALCOM RESTITUTION	\$ 1,355	\$ 727	\$ 750	\$ -	\$ -
INTEREST INCOME	\$ 9,157	\$ 16,983		\$ 3,000	\$ 3,000
SERIES 2023 BOND PROCEEDS			\$ 4,860,000		
SERIES 2023 PREMIUM			\$ 134,644		
TOTAL REVENUE	\$ 455,370	\$ 255,105	\$ 5,377,394	\$ 385,000	\$ 517,425
EXPENSES					
SERIES 2015A INTEREST	\$ 190,477	\$ 188,300	\$ 78,458	\$ 188,300	
SERIES 2015A PRINCIPAL	\$ 50,000	\$ 60,000	\$ -	\$ 60,000	
SERIES 2015B INTEREST	\$ 78,513	\$ 77,825	\$ 32,427	\$ 77,824	
SERIES 2015B PRINCIPAL	\$ 15,000	\$ 15,000	\$ -	\$ 15,000	
SERIES 2015 A & B PRIN & INT PAYOFF			\$ 4,808,063		
SERIES 2015 BANK FEES	\$ 3,426	\$ 3,813	\$ 4,000	\$ 3,500	\$ 4,000
DEBT SERVICE RESERVE FUND			\$ -		
COST OF ISSUANCE			\$ 150,000		
UNDERWRITER EXPENSE			\$ 48,600		
BOND INSURANCE			\$ 65,369		
SERIES 2023 PRINCIPAL			\$ -		\$ 230,000
SERIES 2023 INTEREST			\$ -		\$ 263,250
CONTINGENCY		\$ -		\$ 5,000	\$ 10,000
TOTAL EXPENSES	\$ 337,416	\$ 344,938	\$ 5,186,917	\$ 349,624	\$ 507,250
DEBT SERVICE: ENDING BALANCE	\$ 479,271	\$ 389,438	\$ 669,748	\$ 535,307	\$ 679,923
OTHER FINANCING SOURCES (USES)					
SERIES 2015A DEBT SERVICE RESERVE FUND					

DRAFT





**THIRD 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, on February 23, 2021, after complying with §32-1-1001(2), C.R.S, the Board of Directors adopted the Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges, as amended on June 22, 2021, after complying with §32-1-1001(2), C.R.S, by that First Amendment to the Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges – Adoption of New Fee Schedule, as amended on October 26, 2021, after complying with §32-1-1001(2), C.R.S, by that Second Amendment to the Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges – Adoption of New Fee Schedule, as amended on October 25, 2022, after complying with §32-1-1001(2), C.R.S, by that Third Amendment to the Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges – Adoption of New Fee Schedule (collectively, the “**Fee Resolution**”); and

WHEREAS, pursuant to § 32-1-1001(2)(a)(IV), C.R.S., on August 9, 2023, the Board provided the required thirty (30) days’ notice by posting the notice on a publicly accessible section of the District’s website; 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 January 1, 2024.

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

APPROVED AND ADOPTED this 3rd day of October, 2023.

**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 January 1, 2024**

MONTHLY DEBT SERVICE FEE: \$ _____

MONTHLY ADMINISTRATIVE FEE: \$ _____

The Due Date for the monthly Debt Service Fee and monthly Administrative Fee, a total of \$ _____, 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 \$50.00/Transfer

The Due Date for the Transfer Fee is at closing or within fifteen (15) days from the Transfer, whichever occurs first.

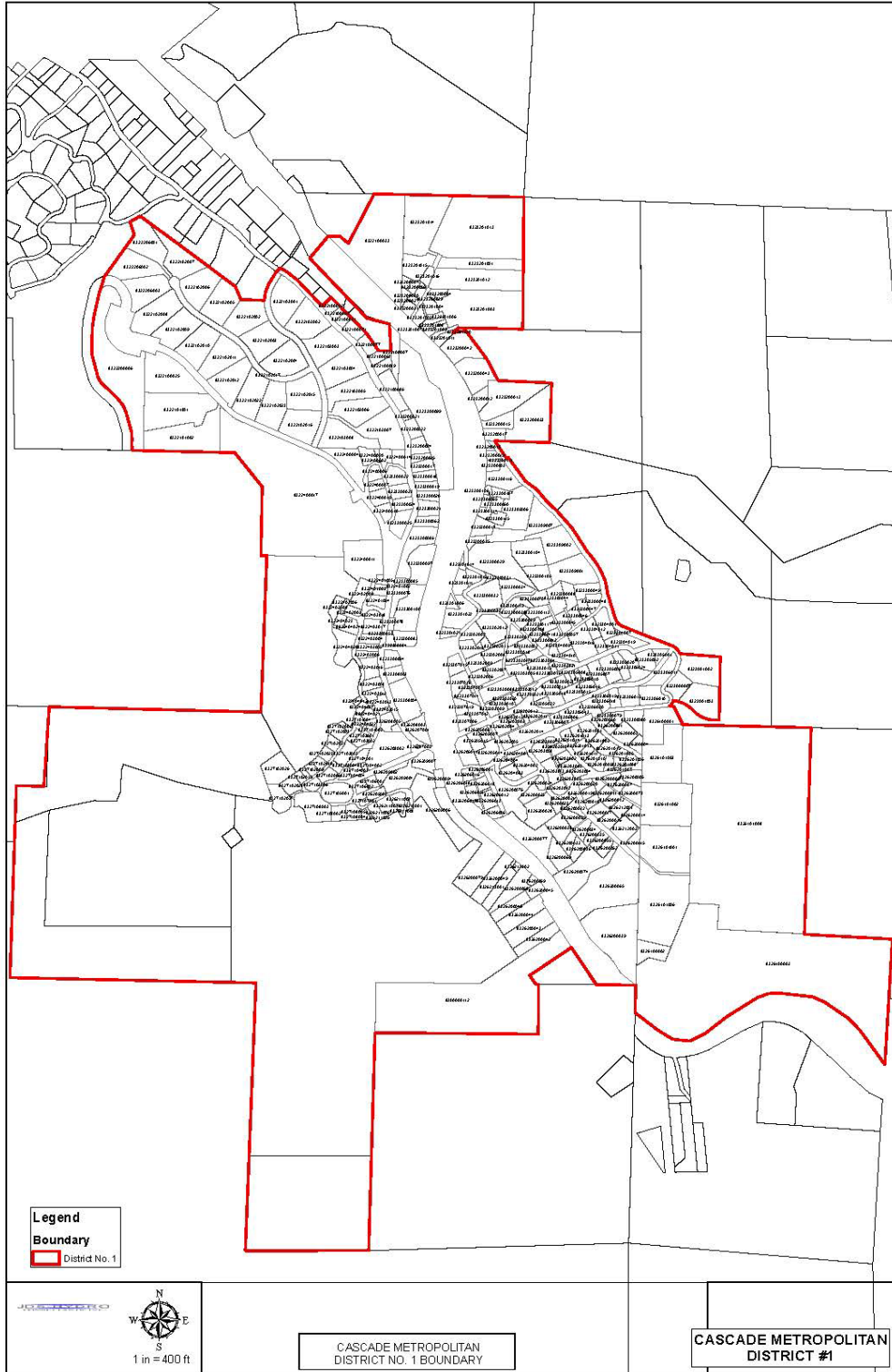
The Monthly Debt Service Fee, Monthly Administrative Fee and Transfer Fee are imposed upon each Residential Unit, Commercial Unit and each developable Lot within the District Boundaries and each Lot Out of District Boundaries for which the Out of District Boundaries Capital Investment Fee has been paid, 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





CASCADE METROPOLITAN DISTRICT NO. 1

SECOND SUPPLIMENT TO 2022 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Service Plan for Cascade Metropolitan District No. 1 (the “**District**”), the District is required to provide an annual report to the with regard to the following matters:

For the year ending December 31, 2022, the District makes the following second supplement to the annual report:

§32-1-207(3) Statutory Requirements

- 1. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

The 2022 Audit is attached as **Exhibit A** to this Second Supplement.

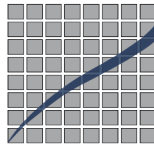
EXHIBIT A
2022 Audit

CASCADE METROPOLITAN DISTRICT NO. 1
EL PASO COUNTY, COLORADO

FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cascade Metropolitan District No. 1
Cascade, Colorado

Opinion

We have audited the accompanying financial statements of the business-type activities of Cascade Metropolitan District No. 1 ("District"), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2022 and 2021, respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BiggsKofford, P.C.

Colorado Springs, Colorado
September 20, 2023

CASCADE METROPOLITAN DISTRICT NO. 1
STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and investments	\$ 164,329	\$ 199,314
Cash and investments - restricted	479,272	425,188
Accounts receivable, net	-	15,140
Debt service, administrative, and other fees receivable	49,943	-
Total assets	<u>\$ 693,544</u>	<u>\$ 639,642</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 106,589	\$ 160,218
Accrued interest payable	22,177	22,512
Prepaid fees	1,471	6,358
Current maturities of bonds payable	75,000	65,000
Total current liabilities	<u>205,237</u>	<u>254,088</u>
Non-current liabilities:		
Bonds payable, net of current portion	4,600,000	4,675,000
Total liabilities	<u>4,805,237</u>	<u>4,929,088</u>
<u>NET POSITION</u>		
Restricted for:		
Debt service	476,672	422,488
Emergency reserve	2,600	2,700
Unrestricted	(4,590,965)	(4,714,634)
Total net position	<u>(4,111,693)</u>	<u>(4,289,446)</u>
Total liabilities and net position	<u>\$ 693,544</u>	<u>\$ 639,642</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

CASCADE METROPOLITAN DISTRICT NO. 1
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>OPERATING EXPENSES</u>		
Administration	\$ 33,500	\$ 33,500
Bank charges	5,304	4,890
Dues and subscriptions	558	250
Election	3,573	-
Insurance	2,666	6,197
Labor	-	786
Office supplies and other expenses	12,093	7,313
Professional fees	24,054	36,309
Repairs and maintenance	2,950	106
Utilities and telephone	-	587
<u>Total operating expenses</u>	<u>84,698</u>	<u>89,938</u>
<u>Net operating income</u>	<u>(84,698)</u>	<u>(89,938)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Debt service, administrative, and other fees	454,197	381,319
Interest expense	(268,990)	(272,327)
Interest income	9,337	241
Other revenues	67,907	9,664
<u>Net non-operating revenues (expenses)</u>	<u>262,451</u>	<u>118,897</u>
<u>Change in net position</u>	<u>177,753</u>	<u>28,959</u>
<u>Net position, beginning of year</u>	<u>(4,289,446)</u>	<u>(4,318,405)</u>
<u>Net position, end of year</u>	<u>\$ (4,111,693)</u>	<u>\$ (4,289,446)</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

CASCADE METROPOLITAN DISTRICT NO. 1
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from customers	\$ 15,140	\$ 395,862
Payments to vendors	(143,214)	(449,197)
Payments to employees for services	-	(786)
Cash flows from operating activities	<u>(128,074)</u>	<u>(54,121)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Other revenues	<u>67,907</u>	<u>9,664</u>
Cash flows from non-capital financing activities	<u>67,907</u>	<u>9,664</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Principal payments on bonds payable	(65,000)	(65,000)
Interest expense	(269,325)	(272,327)
Debt service administrative and other fees	<u>404,254</u>	<u>381,319</u>
Cash flows from capital and related financing activities	<u>69,929</u>	<u>43,992</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest income	<u>9,337</u>	<u>241</u>
Net cash flows from investing activities	<u>9,337</u>	<u>241</u>
Net cash flows	19,099	(224)
Cash and investments, beginning of year	<u>624,502</u>	<u>624,726</u>
Cash and investments, end of year	<u><u>\$ 643,601</u></u>	<u><u>\$ 624,502</u></u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

CASCADE METROPOLITAN DISTRICT NO. 1
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net operating income	\$ (84,698)	\$ (89,938)
Adjustments to reconcile net operating income to net cash flows from operating activities:		
Decrease (increase) in operating assets:		
Accounts receivable, net	15,140	32,256
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(53,629)	2,909
Prepaid fees	(4,887)	652
Net cash flows from operating activities	<u>\$ (128,074)</u>	<u>\$ (54,121)</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

CASCADE METROPOLITAN DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. DEFINITION OF REPORTING ENTITY

Cascade Metropolitan District No. 1 ("District"), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized on November 8, 2004 to provide residential and commercial water services in the unincorporated town of Cascade, Colorado. The District is governed pursuant to provisions of the Colorado Special District Act. It is governed by an elected five-member board of directors, which is the policy-making body of the District.

The District follows Governmental Accounting Standards Board ("GASB") accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization and a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization nor is the District a component unit of any other primary governmental entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to accounting principles generally accepted in the United States of America ("US GAAP") as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District is similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

The more significant accounting policies of the District are described as follows:

Basis of accounting

The District's records are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when liabilities are incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets.

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

The District distinguishes between operating revenues and expenses and non-operating items in the statements of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water services to its customers. Operating revenues consist of charges to customers for services provided.

Use of estimates

The preparation of financial statements in accordance with US GAAP requires the District to use estimates and assumptions. Those estimates and assumptions affect the reported balances of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could vary from the estimates.

Reclassifications

Certain prior period balances and amounts have been reclassified to conform with current period presentation. These reclassifications had no effect on the reported change in net position.

Cash and equivalents

For purposes of the statements of cash flows, the District considers cash and all highly liquid debt instruments with initial maturities of three months or less to be cash equivalents.

Accounts receivable

Accounts receivable consist of debt service, administrative, and other fees receivable. Accounts receivable are stated at the amount the District expects to collect. The District maintains allowances for doubtful accounts for estimated losses resulting from the inability of its residents to make required payments. Management considers the following factors when determining the collectability of specific resident accounts: resident creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. If the financial condition of the District's residents were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Accounts receivable as of December 31, 2022 and 2021 have been recorded net of an allowance for doubtful accounts of \$5,000 each year.

Revenues and expenses

Operating expenses include the cost of service, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions. All costs are recorded as incurred.

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Net position

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's board of directors holds public hearings in the fall each year to adopt the budget and appropriate the funds for the ensuing year. The District's board of directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end.

3. CONVEYANCE OF CAPITAL ASSETS TO COLORADO SPRINGS UTILITIES

During the year ended December 31, 2020, the District conveyed all its capital assets to Colorado Springs Utilities ("CSU"). The District was obligated to reimburse CSU for the cost of improvements and easements that had not been made prior to the conveyance. The District estimates the cost for the improvements and easements will be \$100,000 and, accordingly, has included this balance in accounts payable and accrued liabilities on the statement of net position as of December 31, 2022. Any differences between the estimated and actual amounts will be reflected in the period in which such differences are determinable.

Upon conversion of the water distribution system to CSU, the District did not dissolve and will not be permitted to do so until the debt incurred for the required improvements to the infrastructure has been repaid in full. Accordingly, the District is required to continue to impose and collect ongoing monthly debt service, administrative, and other fees.

4. CASH AND INVESTMENTS

Cash and investments as of December 31, 2022 and 2021, are classified in the accompanying financial statements as follows:

	2022	2021
Cash and investments	\$ 164,329	\$ 199,314
Cash and investments - restricted	479,272	425,188
	\$ 643,601	\$ 624,502

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

The carrying amounts of cash and investments, which equal estimated fair value, as of December 31, 2022 and 2021, are as follows:

	2022	2021
Deposits with financial institutions	\$ 164,329	\$ 199,314
Investments	479,272	425,188
	\$ 643,601	\$ 624,502

Deposits with financial institutions

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be 102% of the aggregate uninsured deposits.

The state commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2022, the District's cash deposits had a bank balance of \$160,946 and a book balance of \$164,329. As of December 31, 2021, the District's cash deposits had a bank balance of \$210,145 and a book balance of \$199,314.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those below which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless otherwise formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the US and certain US government agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2022, the District had the following investments:

<u>Investments</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	<u>\$ 479,272</u>

As of December 31, 2021, the District had the following investments:

<u>Investments</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	<u>\$ 425,188</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust ("COLOTRUST" or "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust offers three portfolios: COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund in which each share is equal in value to \$1, offer daily liquidity. Both portfolios may invest in US Treasury securities and repurchase agreements collateralized by US Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of US government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

COLOTRUST EDGE, a variable net asset value ("NAV") local government investment pool, offers weekly liquidity and is managed to approximate a \$10 transactional share price. COLOTRUST EDGE may invest in US Treasury securities, repurchase agreement collateralized by US Treasury securities, certain obligations of US government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAaf/S1 by FitchRatings. COLOTRUST records its investment at fair value and the District records its investment in COLOTRUST at NAV as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

5. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt of the District during the year ended December 31, 2022:

	<u>Balance 01-01-22</u>	<u>Additions</u>	<u>Repayments/ Defeasance</u>	<u>Balance 12-31-22</u>	<u>Due Within One Year</u>
Series 2015A Bonds	\$3,310,000	\$ -	\$ (50,000)	\$ 3,260,000	\$ 60,000
Series 2015B Bonds	<u>1,430,000</u>	<u>-</u>	<u>(15,000)</u>	<u>1,415,000</u>	<u>15,000</u>
	<u>\$4,740,000</u>	<u>\$ -</u>	<u>\$ (65,000)</u>	<u>\$ 4,675,000</u>	<u>\$ 75,000</u>

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

The following is a summary of long-term debt of the District acting by and through the Water Acitivity Enterprise during the year ended December 31, 2021:

	<u>Balance 01-01-21</u>	<u>Additions</u>	<u>Repayments/ Defeasance</u>	<u>Balance 12-31-21</u>	<u>Due within one year</u>
Series 2015A Bonds	\$3,360,000	\$ -	\$ (50,000)	\$ 3,310,000	\$ 50,000
Series 2015B Bonds	<u>1,445,000</u>	<u>-</u>	<u>(15,000)</u>	<u>1,430,000</u>	<u>15,000</u>
	<u><u>\$4,805,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (65,000)</u></u>	<u><u>\$ 4,740,000</u></u>	<u><u>\$ 65,000</u></u>

Bonds payable consist of the following as of December 31,:

	<u>2022</u>	<u>2021</u>
Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A ("Series 2015A Bonds") bearing interest at rates between 4.75% and 6.00% per annum until maturity on December 1, 2036. Interest rates vary based on graduated maturity dates. Interest and principal are payable semi-annually on each June 1 and December 1.	\$ 3,260,000	\$ 3,310,000
Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015B ("Series 2015B Bonds") bearing interest at a rate of 5.50% per annum until maturity on December 1, 2035. Interest and principal are payable semi-annually on each June 1 and December 1.	<u>1,415,000</u>	<u>1,430,000</u>
Total bonds payable	4,675,000	4,740,000
Less current portion	<u>(75,000)</u>	<u>(65,000)</u>
Bonds payable, net of current portion	<u><u>\$ 4,600,000</u></u>	<u><u>\$ 4,675,000</u></u>

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Series 2015 Water Enterprise Revenue Refunding and Improvement Bonds

Net pledged revenue

The Bonds are secured by and payable from the net pledged revenues, net of any operation and maintenance expenses of the water system, consisting of monies directly or indirectly derived by the District from the operation or use of the water system, or any part thereof, including any rates, fees, system development fees, tap fees, availability of service fees, plant investment fees, debt service fees, tolls and charges for the availability of, connection to and services furnished by, or for the use of, the water system, and all income attributable to any past or future dispositions of water system property or rights or related contracts, settlements or judgments, provided. Amounts excluded from pledged revenue are monies borrowed and used for providing capital improvements, any money and securities, and investment income therefrom, in any refunding account, escrow fund or similar account pledged to the payment of any bonds or other obligations, and any monies received as grants or appropriations from the US, the state, other local governments or enterprises or other sources, the use of which is limited or restricted by the grantor or donor to the provision of capital improvements (including oversizing of facilities or similar capital improvements) or for other purposes resulting in the general unavailability thereof, except to the extent any such monies are received as payments for the use of the water system, services rendered thereby, the availability of any such service or the disposal of any commodities therefrom.

The Bonds require the maintenance of a debt service reserve account. The purpose of the debt service reserve account is to provide adequate reserves to meet principal and interest requirements if the bond account does not have enough funding. The debt service reserve account is required to be maintained as long as the bonds are outstanding. The District was in compliance with these requirements as of December 31, 2022 and 2021.

Optional redemption

The Series 2015A Bonds and Series 2015B Bonds (together, the "Bonds") are subject to redemption prior to maturity, at the option of the District, in whole or in part, in denominations of \$500,000 or any multiples of \$1,000 in excess thereof, from such series and maturities as are selected by the issuer and by lot within a maturity, in such a manner as the trustee may determine, on December 1, 2023, or on any date thereafter, at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Events of default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions constitutes an event of default under the indenture.

i. Default in the payment of the principal of or premium, if any, on any bond when it becomes due and payable, whether at the stated maturity thereof, on a sinking fund payment date, or upon proceedings for redemption.

ii. Default in the payment of any installment of interest on any bond when it becomes due and payable.

iii. Default in the performance of any covenant, contract, or other provision in the bonds or the indenture and such default continues for a period of 30 days after written notice to the District and the trustee from the beneficial owners of at least 25% in aggregate principal amount of the bonds then outstanding or to the District from the trustee specifying such default and requiring it to be remedied, provided, no event of default will be deemed to have occurred so long as a course of action adequate to remedy such failure shall have been commenced within such 30-day period and is diligently prosecuted to completion and the failure is remedied.

iv. Default by the District or the Issuer in the payment of any indebtedness, in a material amount (other than under the indenture), and any period of grace with respect thereto expired, or an event of default occurs, which default in payment or event of default may result in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable.

v. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the District or the Issuer in an involuntary case under the federal bankruptcy laws or any other applicable federal or state bankruptcy, insolvency, or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the District or the issuer or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days.

vi. The commencement by the District or the Issuer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the District or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of the District or the Issuer generally to pay its debts as such debts become due, or the taking of corporate action by the District or the issuer in furtherance of any of the foregoing.

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Upon the occurrence and continuance of an event of default, the trustee has the following rights and remedies:

i. Receivership: To the extent permitted by law, upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the trustee and of the bondholders, the trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the trust estate, and of the rents, revenues, income, products, and profits thereof, pending such proceedings, but, notwithstanding the appointment of any receiver, trustee, or other custodian, the trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of this indenture to, the trustee.

ii. Suit for judgment on the bonds: The trustee shall be entitled to sue for and recover judgment, either before or after or during the pendency of any proceedings for the enforcement of the lien of the indenture, for the enforcement of any of its rights, or the rights of the bondholders, but any such judgment against the issuer shall be enforceable only against the trust estate. No recovery of any judgment by the trustee shall in any manner or to any extent affect the lien of the indenture or any rights, powers, or remedies of the trustee, or any lien, rights, powers, or remedies of the owners of the bonds, but such lien, rights, powers, and remedies of the trustee and the bondholders shall continue unimpaired as before.

iii. Rights of secured party: The trustee is entitled to exercise all the rights and remedies of a secured party under the Colorado Uniform Commercial Code with respect to the net pledged revenue.

The District's long-term obligations on the Bonds mature as follows:

Year ending December 31,	Principal	Interest	Total
2023	\$ 75,000	\$ 266,125	\$ 341,125
2024	80,000	262,450	342,450
2025	90,000	258,500	348,500
2026	90,000	254,075	344,075
2027	110,000	249,650	359,650
2028-2032	675,000	1,148,150	1,823,150
2033-2036	3,555,000	717,200	4,272,200
	<u>\$4,675,000</u>	<u>\$ 3,156,150</u>	<u>\$ 7,831,150</u>

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. NET POSITION

The District has a net position consisting of two components: restricted and unrestricted.

Restricted net position includes restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2022 and 2021, as follows:

	2022	2021
Restricted net position:		
Debt service (Note 5)	\$ 476,672	\$ 422,488
Emergency reserve (Note 8)	2,600	2,700
Total restricted net position	\$ 479,272	\$ 425,188

Unrestricted net assets consist of net assets that do not meet the definition of restricted net assets.

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool ("Pool"). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

8. TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights ("TABOR"), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments within the state of Colorado.

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Spending and revenue limits are determined based on the prior fiscal year spending adjusted for allowable increases based upon inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenues. In 2004, the District's voters authorized the District to collect, spend and retain all revenues without regard to the limitations contained within TABOR.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

District management believes the District is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits, will likely require judicial interpretation.

* * * * *

See independent auditor's report.

SUPPLEMENTARY INFORMATION

CASCADE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET COMPARED TO ACTUAL - BUDGETARY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<u>OPERATING EXPENDITURES</u>			
Administration	\$ 33,500	\$ 33,500	\$ -
Bank charges	5,300	5,304	(4)
Contingency	10,000	-	10,000
Dues and subscriptions	250	558	(308)
Election	2,500	3,573	(1,073)
Insurance	2,500	2,666	(166)
Office supplies and other expenses	6,100	12,093	(5,993)
Professional fees	24,000	24,054	(54)
Repairs and maintenance	2,500	2,950	(450)
Settlement	35,000	-	35,000
Total operating expenditures	<u>121,650</u>	<u>84,698</u>	<u>36,952</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Debt service, administrative, and other fees	379,500	454,197	74,697
Interest income	400	9,337	8,937
Other revenues	10,000	67,907	57,907
Interest and principal payments	<u>(334,325)</u>	<u>(333,990)</u>	<u>335</u>
Total non-operating revenues and expenditures	<u>55,575</u>	<u>197,451</u>	<u>141,876</u>
Excess (deficit) of revenue over expenditures - budgetary basis	<u>\$ (66,075)</u>	<u>\$ 112,753</u>	<u>\$ 178,828</u>

See independent auditor's report.

CASCADE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF AMOUNTS FROM
US GAAP BASIS TO BUDGETARY BASIS
YEAR ENDED DECEMBER 31, 2022

The accompanying supplementary Schedule of Revenues and Expenditures – Budget Compared to Actual on page 18 presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with US GAAP, a reconciliation of differences in revenues and expenditures for the year ended December 31, 2022 is presented below.

<u>Total revenues per financial statements</u>	\$	531,441
Less:		
Revenue accruals and non-cash adjustments for the year ended December 31, 2022		-
<u>Total actual revenues and receipts per the budget</u>	<u>\$</u>	<u>531,441</u>
<u>Total expenses and capital expenditures per financial statements</u>	\$	353,688
Add:		
Principal payment on bonds		65,000
<u>Total actual expenses and capital expenditures per the budget</u>	<u>\$</u>	<u>418,688</u>

See independent auditor's report.



RE: 2024 Annual Engagement Letter

This agreement constitutes a Statement of Work (“SOW”) to the Original Service Agreement made by and between WSDM – District Managers and Cascade Metropolitan District No. 1 (“the District”). This engagement letters serves as a renewal to the service provided or additional service to be provided as prescribed below for **January 1, 2024 – December 31, 2024.**

Management Services

1. Meeting and Reporting Services—WSDM will continue to provide in the following services:
 - (a) Coordinate Board meetings, prepare and distribute meeting agenda. Preparation, filing and posting of legal notices required in conjunction with the meeting.
 - (b) Ensure meeting notices are properly and timely posted.
 - (c) Contact Board members 72 hours prior to a scheduled meeting to ensure a quorum will be present. In the event of a cancelation of a meeting, contact and advise all parties of the cancelation and any changes to the meeting date, time and place, if available.
 - (d) Meeting packets will be distributed by U.S. Mail and/or email, as determined by the Board
 - (e) Prepare for and attend regular and special meetings of the Board.
 - (f) Draft, revise and finalize the minutes of the meeting and circulate for review and comment to ensure all statutory requirements have been met.
 - (g) Prepare and maintain a record of all Board members, consultants and vendors. Direct and oversee all service providers, consultants and employees.
 - (h) Prepare and make annual compliance filings (but not judicial filings) with the various State and County officials, as required. Coordinate review and approval of annual compliance filings with the attorney.
 - (i) Respond to inquiries made by various officials, property owners or consultants in a timely and professional manner.
 - (j) Maintain the official records of the District and service as official custodian for same pursuant to the Colorado Open Records Act.
 - (k) Monitor requirements pertaining to HB 1343 (Illegal Aliens).
 - (l) Insurance administration, including evaluating risks, comparing coverage, process claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence. Ensure that all District contractors and subcontractors maintain required coverage for the District's benefit. Obtain quotes for insurance annually.

- ~~2. Elections—Service as a Designated Election Official for district elections with familiarity with various election laws, including, but not limited to the Special District Act, the Colorado Local Government Election Code, the Uniform Election~~

~~Code of 1992, to the extent not in conflict with the Colorado Local Government Election Code, and Article X, § 20 of the Colorado Constitution ("TABOR")~~

- ~~3. Construction Oversight— Extensive construction best management experience. Principals have funded and managed over \$100,000,000 in public infrastructure including roads, water, wastewater, electric, gas, telecommunications and stormwater facilities.~~
4. Website Administration – extensive experience with creating and updating District websites, specifically including the State Internet Portal Authority funded sites.
*Different district websites under current management website www.wsdistricts.co
- ~~5. Employee management— management of full or part time employees including Operators in Responsible Control (ORC), field and operations employees, administrative employees, part time seasonal employees, Certified Pool Operators, etc. Maintain compliance with Human Resource aspects like; labor statutes, insurance, training, safety, etc. issues. Also, automated payroll services~~
- ~~6. Covenant enforcement and HOA style management— WSDM manages covenant enforcement services as staff and management of Architectural Control Committees including inspections, review of proposed improvements, management of fines, and other enforcement action.~~
7. Insurance – WSDM will be the liaison for the annual insurance renewal and payment, as well as coordination for any insurance claims, as needed, and complete the annual insurance audit to ensure the district is properly covered.

Accounting and bookkeeping

1. Standard Services— Our professional services include the following (with a Certified Public Accountant):
 - (a) Accounting
 1. Prepare monthly, quarterly and annual financial statements for inclusion in monthly meeting packets.
 2. Reconcile monthly bank statements and trustee statements.
 3. Coordinate bank account setup and maintenance of signature cards.
 4. Prepare and file Continuing Disclosure Notices with the Trustee and other required parties. Coordinate review with legal counsel.
 - ~~5. Coordinate capital project draws and requisitions.~~
 6. Reconcile bonds and other debt service payment obligations for accuracy and timely payments.
 7. Respond to bondholder and other interested parties' requests for financial information.
 8. Review all payments of claim prior to release to ensure funds are available.
 9. Monthly review of all expenditures and coordinate preparation and distribution of same with the manager for the District to prevent exceeding budgeted and appropriated expenditures.
 - (b) Accounts Payable
 1. Receive and review invoices for accuracy and appropriateness for payment. Code the invoices in accordance with the budgeted line item.
 2. Prepare issuance of checks to be presented to the Board for approval and signatures. The claims list should be included in the monthly meeting packets.

- ~~3. Prepare funding requests, if required.~~
 4. Release checks to vendors when all approvals and funding have been received.
- (c) Accounts Receivable
1. Process deposit of revenues.
 2. Process bank charges and other miscellaneous accounts receivable matters.
- (d) Financial Projections
1. Multi-year forecasting.
 - ~~2. Utility consumption and water rate analysis.~~
 3. Commercial billing analysis and rate structure.
- (e) Budgets
1. Prepare annual budget and budget message for approval by the Board and coordinate with legal counsel for same.
 2. Prepare or assist in the preparation of supplemental and/or amended budgets and accompanying documents, if required.
- (f) Audits
1. Obtain proposals for conduct of audit for consideration at budget hearing meeting. Proposals should be included in the meeting packet.
 2. Coordinate and participate in audit bids, engagements, fieldwork and audit draft review.
 3. Assist the auditor in performing the annual audit, to accomplish timely completion and filing by statutory deadline.
- (g) Bonds
1. Monitor and comply with Bond documents, State Statute, and Auditing requirements
 2. Transfer debt obligated funds to correct Reserve Funding accounts as applicable
 3. Coordinate principal and interest payments as required by the governing documents.
 4. Coordinate with Bond counsel to issue bonds as directed by the Board of Directors
 5. Coordinate the proper compliance filing including but not limited to the DLG-30, etc.
- ~~(h) Developer Reimbursements~~
- ~~1. Monitor and comply with Developer Reimbursement agreements and Auditing requirements~~
 - ~~2. Coordinate principle and interest payments required by the Reimbursement agreement~~

Billing and Collection

1. Standard Services—WSDM currently utilizes Continental Utility Solutions, Inc. (CUSI) billing software system. This system is compatible with the Automatic Meter Reading (AMR), Badger Beacon systems as well as state of the art integration with direct payment options (Customer Web Portals, ACH, and Credit Card). In addition:
 - ~~(a) Provide resolution of re-reads for meter reads, if necessary.~~
 - ~~(b) Customize billing system to download meter readings directly into accounting software to allow for automatic updates to customer accounts.~~
 - (c) Produce and transmit customer invoices to a mailing facility or perform the mailing in house, whichever is more economical.
 - (d) Process and make daily deposits of all receipts mailed directly to the billing company, as necessary.
 - (e) Communicate with customers and transmit Automated Clearing House ("ACH") authorization forms allowing the District to initiate an ACH withdrawal of the

- customer bill directly from their checking or savings account. Initiate ACH batches using dual controls.
- (f) Coordinate and provide correspondence regarding terminations, delinquencies, payment plans and shut-off notices in compliance with the District's collection policies and in coordination with the District's legal counsel.
 - (g) Process payoff requests from title company for closings and set up new ownership information.
 - (h) Collect transfer fee due upon the transfer of an account or property.
 - (i) Process payment arrangements for customers facing economic hardship at the direction of the Board.
 - (j) Process and transmit delinquent notices.
 - ~~(k) Process shutoff notices and direct the District's operator to proceed with shutoff.~~
 - (l) Certify delinquent accounts with the County, as applicable, in coordination with the District's legal counsel.
 - (m) Coordinate processing of statements of liens with the District's legal counsel, and release of liens as accounts are paid current.
 - (n) Respond to customer calls and inquiries in a timely and professional manner.
 - ~~(o) Track tap fee payments.~~

Customer Service

We will continue to provide phone, email, social media, and text messaging response to customer inquiries, questions, requests for information etc. As well we will continue utilizing our 24-emergency number.

Hourly Rates

WSDM will provide all applicable services as listed to the District at a monthly cost of **\$2,000**.

Principal	\$ 225.00
Senior Manager	\$ 180.00
Senior Accountant	\$ 190.00
Assistant Manager	\$ 150.00
Bookkeeper	\$ 75.00
Administrative/ Supporting Staff	\$ 50.00

Thank you,

Rebecca Harris,
CEO of WSDM – District Managers

APPROVED AS SIGNED:

Signature

Title

Date

