

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF OF THE BOARD OF DIRECTORS OF THE CASCADE METROPOLITAN DISTRICT NO. 1 HELD APRIL 22, 2014

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 22nd day of April, 2014, at 5:00 p.m., at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

P. J. Anderson
Mike Whittemore
Mike Herr
Troy Eason

Following discussion, upon motion duly made by Director Whittemore, seconded by Director Herr and, upon vote, unanimously carried, the absence of Robert Justis was excused.

Also In Attendance Were:

Leon Gomes; Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, P.C.

Duane Schorman; Operator

Andre Kilik; Assistant Operator

Dan May; Fourth Judicial District Attorney

Robyn Shaw, CPA, CFE, CGMA, Volunteer Forensic Accountant; Fourth Judicial District Attorney's Office Economic Crime

Craig Summerdorf; Fourth Judicial District Attorney Office Investigator

Members of the Public; see attached list

DISCLOSURE OF POTENTIAL

Disclosure of Potential or Existing Conflicts of Interest: The Board discussed the requirements pursuant to Colorado law to disclose any potential or existing

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CONFLICTS OF INTEREST

conflicts of interest to the Board of Directors and to the Secretary of State. Attorney Tanaka reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board and are attached hereto. Director Anderson noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No additional disclosures were noted.

ADMINISTRATIVE MATTERS

Agenda: Mr. Gomes reviewed the proposed Agenda for the District's regular Board Meeting.

Following discussion, upon motion duly made by Director Herr, seconded by Director Whittemore and, upon vote, unanimously carried, the Agenda was approved, as amended.

Presentation by District Attorney Dan May Regarding Embezzlement

Investigation: Mr. May introduced himself and noted that there are legal and ethical constraints on what he can discuss regarding an active criminal investigation. The case involving the embezzlement of District funds is currently in the investigation stage and it is a priority of the District Attorney's Office. He stated that there are several different checking accounts included in the investigation. Mr. May requested and is receiving assistance from Attorney General John Suthers's office, who has committed two accountants to the case, for which he and his team are very grateful. Mr. May noted that he cannot provide a timeline for the anticipated date by which any charges would be filed but noted that his objective is to have a successful case if charges are brought. Mr. May noted that his criminal investigation and any charges resulting therefrom do not prevent the District from bringing civil actions and noted his office will share any information it can with the District should it elect to pursue civil remedies.

The Board opened the session up to public questions. A member of the public inquired into whether it is helpful to have the District's case investigated along with that of Arabian Acres Metropolitan District's case or whether it would speed things up if they were separated. Mr. May noted that his office inquired into whether the case could be separated out with the District's claims being separate from those of Arabian Acres Metropolitan District but because the issues are so entangled, this is not a possibility.

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Mr. May was asked whether any assets could be seized. Mr. May explained that his office has limitations on the assets that can be seized. He noted that during pre-trial, he cannot seize any assets and cannot hold these while a case is pending. However, upon conviction, he can request a seizure of the assets as part of the requested restitution. If the court orders the seizure, then the assets will be analyzed and the court typically oversees the collection efforts. He noted that the victims can also advise the court of their wishes since they are a “creditor” in the case.

A customer asked what recourse is available to the District. Mr. May noted that he can request restitution, jail time or both but noted that he cannot mandate the sentence that may be imposed by a judge if convicted. He noted that with theft cases often times people bleed amounts down so that there are no assets to seize. However, there are times when the assets remain. He did note that there are a high percentage of these types of cases where no restitution is made.

Janice Eggers asked whether information on the case can be shared with individual customer’s legal counsel. Mr. May responded that he may or may not be able to share the information, depending on the circumstances and invited the personal counsel to contact Mr. May.

A customer questioned whether the District would be able to receive anything since there is a previous criminal conviction. Mr. May noted that with civil cases, the existing restitution takes priority; however, he is not sure how this would be treated with the criminal case. He has not researched this issue but will address it should it arise.

A customer asked whether Mr. Anderson has any legal responsibility. Mr. May replied that he is unable to answer this question as any recourse would be civil not criminal.

A customer asked whether the existing probation is being reviewed and whether the current allegations trigger additional charges. Mr. May noted that he cannot comment on this issue. He did note that any oversight by the probation department is their responsibility and this is not pursued by this office.

A customer asked how customers can ensure that the alleged perpetrator does not commit these crimes again, particularly in light of his history before the District. Mr. May noted that his office does not have oversight on this matter.

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A customer asked if federal judgments have precedence over local judgments. Mr. May noted that he is not sure but this matter will be researched if we get to that point.

A customer asked whether there are any other suspects. Mr. May noted that his office will investigate the matter on all levels and wherever the evidence leads them they will pursue.

A customer inquired into what point can the District go after his assets. Mr. May responded that his office will pursue the seizing of assets following a conviction, if any, and after the issuance of an order from the court for restitution.

A customer expressed concern that the alleged embezzler may flee the country. Mr. May responded that there is nothing to preclude him from doing so during the investigation phase.

A customer asked at what point can Mr. May move forward with charging the accused with lesser offenses. Mr. May explained the speedy trial rights of the accused and noted that regardless of the severity of the charge, a 6 month period of time is guaranteed to the accused, and, therefore, all documents need to be in order to ensure this timeframe can be met with success.

A customer asked if any of the funds embezzled were from federal grants. Director Anderson responded that the only grant the District has received is a State grant. He explained the draw requests that have to be submitted to the State showing the costs incurred. It is unknown whether the money was taken during this same period.

A customer asked whether the fact that the alleged embezzler is an attorney hindering the investigation because he may know loopholes. Mr. May stated that this does not provide an advantage and noted that the time being spent on the investigation is due to the volume of documents and time it takes to review these and is not associated with the alleged's legal training.

A customer asked if there is a conviction and restitution, will the DA oversee this. Mr. May explained that the court has a restitution clerk and it is likely that this office will assist in overseeing the restitution plan, not Mr. May's office.

A customer asked how notice is provided to the District if he does decide to charge the alleged. Mr. May explained that he will contact the District's legal counsel and advise of the intent to charge.

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A customer asked how long the Attorney General will be on board with providing assistance in the investigation. Mr. May responded that they have been provided for as long as needed to pursue the case.

A customer asked how long Mr. Summerdorf works on this case and whether he is juggling this with other cases. Mr. Summerdorf noted that he has other cases he is working as well but he works on this case daily. Mr. May explained that at one time there was a financial crimes unit in his office that included law enforcement officers from other agencies. That unit has since been disbanded. He noted that this case is the highest case in his office for economic crimes.

A customer noted her appreciation for Mr. May and his office's work and requested that they continue their efforts so that this matter does not fall through the cracks.

Director Anderson stated that the Board discovered the theft of District funds in June of last year and immediately contacted Mr. May's office. Mr. May confirmed that the theft was reported in a timely manner and that the District has been very cooperative during the investigation.

The Board thanked Mr. May, Mr. Summerdorf and Ms. Shaw for their time. Mr. May, Mr. Summerdorf and Ms. Shaw departed the meeting at this time.

Public Comment: A customer asked if the Board had implemented the emailing of agendas to residents. This has not been implemented due to the cost to the District.

Barry Schultz asked the Board how the District was able to go so long without paying Colorado Spring Utilities (CSU) and noted that if customers are late on bills, they receive a late notice. Director Anderson noted that there were notices of default being sent but there was a dispute on the amount of water the District was receiving from CSU. The District withheld payments during the dispute. The District contracted with a firm to audit the CSU meter. CSU discovered that their SCADA system had erroneously billed several high-volume water users and had overbilled the District by approximately \$100,000.

A customer inquired into whether this was discussed in the meetings. The Board noted that it had been discussed at the meetings but at the time it was believed to be an overbilling issue. The Board agreed to pay CSU based on the District's meter. The Board thought that the District was paying CSU for the water used but later learned that the former administrator was receiving notices and not paying the CSU bills.

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Marvin Parliament asked what the role of the auditor was and how was it possible for the auditor not to find these issues. Director Anderson noted that there have been discussions with litigation counsel regarding the auditor's liabilities and the District is looking at any potential claims.

A customer asked whether the former administrator was bonded. Director Anderson noted that he was not.

Minutes: The Board reviewed and considered the minutes from the March 25, 2014 Regular meeting.

Following discussion, upon motion duly made by Director Herr, seconded by Director Eason and, upon vote, unanimously carried, the Minutes were approved as amended.

Frequently Asked Questions Document: Director Herr asked if the website can include FAQs regarding the embezzlement and litigation with the City so that members of the public can have the information already discussed at prior meetings. He noted that the intent would be to provide answers to frequently asked questions for people who cannot come to the meetings and would be included in the District binder in the Ute Pass Library Branch. Director Whittemore asked what the cost would be to put this together and maintain it on an ongoing basis. Director Herr noted that he would be willing to draft the updates. Director Anderson noted that if people have questions regarding the Cascade Public Service Company that he would be willing to meet with them separately to answer those questions since they are unrelated to the District's business. The Board moved the remaining discussion on this matter to Executive Session.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of payables through the period ending April 22, 2014, totaling \$39,467.07.

Following review and discussion, upon motion duly made by Director Whittemore, seconded by Director Herr and, upon vote, unanimously carried, the Board approved the payment of payables, subject to final approval by Directors Herr and Whittemore and subject to paying priority 1 matters first and waiting for priority 2 matters until additional funding was available through fees to ensure a balance in the account.

Director Herr noted that he has not seen itemized statements from SDMS. Mr. Gomes noted that the statements are included with the claims. Director Whittemore noted that there are still outstanding items with previous SDMS bills

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that the Board requested be addressed but have not yet been resolved. He requested that this matter be resolved.

Cash Analysis: Mr. Gomes presented the Cash Analysis as of April 22, 2014, prepared by the District Accountant.

2012 Audit: The Board deferred discussion.

Engagement of BiggsKofford, P.C. to Conduct 2013 Audit: The Board reviewed and considered the engagement of BiggsKofford, P.C. to conduct the 2013 Audit.

Following review and discussion, upon motion duly made by Director Herr, seconded by Director Eason and, upon vote, unanimously carried, the Board approved the engagement of BiggsKofford, P.C. to conduct the 2013 Audit.

OPERATIONS MATTERS

Operator's Monthly Report: Operator Kilik reviewed his Operator's Report with the Board. He noted that there is another hydrant in need of repair on Pikes Peak Highway and at the end of Espangalo.

Mr. Kilik reported that Jim Dunkley wants to purchase the District's locator for \$300. The cost of a new locator is \$925. The Board directed Mr. Gomes to add the purchase of a new located to the funding tracking sheet.

Director Whittemore gave a report on the Insurance Services Office inspection that included testing the District's fire hydrants. He noted that the testing is supposed to be done every 5 years but it had been 12 years since the last testing. The testing was conducted three weeks ago and it is currently anticipated that the rating will be a 6. He explained that the lower the number, the better and noted that other areas have a rating of 9 with no fire hydrants in the area. As a result, he expects the new rating will enable property owners to request a reduction in their insurance premiums.

Operator Kilik noted that the water tank needs to be repaired and it is estimated to cost \$3,000. He noted that the work cannot be done until September and that the tank will need to be drained and resealed. The Board requested that Mr. Gomes add this project to the funding tracking sheet.

Proposal for Repair of Broken Fire Hydrant: District Operator Andre Kilik reported that he has not received a written proposal to repair the fire hydrants from Lamb Plumbing & Excavation but that Mr. Lamb verbally noted that it would cost

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between \$200 and \$1,000 to do the repairs. He noted that, with some direction from Mr. Lamb, he and Mr. Schormann can repair the hydrants. It will cost approximately \$150 for parts. The Board deferred discussion.

Water Rate Study: The Board deferred discussion.

Account #257 Request for Water Use Concession: The Board considered a request from the property owner on account number 257 to reduce the billed water amount for March 2014 due to a leak. The Board noted that the usage is consistent with prior months. Mr. Gomes recommended that the Board deny the request. The request was denied as there no motion to reduce the March 2014 billed water amount. The Board noted that if the property owner wants the Board to reconsider, then s/he should come to the next meeting.

Request for New Service for the Pikes Peak Highway (Jack Klaven): Mr. Jack Klaven, representing Pikes Peak Highway - America's Highway, made a presentation to the Board regarding plans to build a third building at their visitors' complex. He requested the Board's authorization to install one meter for the entire complex under an operating permit. Director Whittemore asked if a fill station for metered bulk water purchases would be installed at that location. Mr. Klaven said that it is being discussed. Operator Schorman noted that a two-inch line would be required to provide service to the complex. It was noted that Pikes Peak Highway will cover the cost of engineering services and installation and Colorado Springs Utilities standards will be followed. It was the Board's consensus to allow Pikes Peak Highway - America's Highway to proceed with plans to install one meter for the three buildings in their complex but requested that a formal proposal be submitted to the Board for consideration which includes the engineering and details.

Upgrade of MVRs Software for Itron Meter Reading Device: Mr. Gomes presented a proposal from Itron through National Meter & Automation, Inc. to upgrade the software for the District's handheld electronic meter reading device. The software upgrade is necessary to complete the transition from the District's billing software to the SDMS billing software. There is also a Software Maintenance Agreement to be executed following Attorney Tanaka's review.

Following review and discussion, upon motion duly made by Director Whittemore, seconded by Director Herr and, upon vote, unanimously carried, the Board approved the Itron software upgrade in an amount not to exceed \$1,090 and execution of the Software Maintenance Agreement, subject to Attorney Tanaka's final review.

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LEGAL MATTERS

Preparation of Employee Handbook: Attorney Tanaka recommended to the Board that it consider adopting an Employee Handbook since the District has employees. She noted that, because of her firm's relationship with an employment attorney, an Employee Handbook can be provided for the District at a substantially discounted flat fee of \$350. The Board deferred discussion until funds are available but requested that the item be added to the funding tracking sheet.

Acceptance of Deeds for Water Tank Parcels: Attorney Tanaka reported that she negotiated with RMG Properties, LLC ("RMG") to have RMG convey to the District the parcel where the District's water tank is located. She reported that she has received the deed from RMG and that it was sent for recording. Director Anderson noted that the District should investigate the property on which the Triangle Building is located as it may be available for lease-purchase from RMG. He also noted that the water treatment plant is located on a parcel owned by the Cascade Town Company.

Following review and discussion, upon motion duly made by Director Whittemore, seconded by Director Herr and, upon vote, unanimously carried, the Board approved the acceptance of the deed for the water tank parcel from RMG Properties, LLC.

Engagement of Randall Steichen, Esq. as Special Litigation Counsel: The Board deferred discussion until an engagement letter from Mr. Steichen has been received.

EXECUTIVE SESSION

Executive Session: Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S., upon motion duly made by Director Eason, seconded by Director Herr and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 7:29 p.m. for the purpose of discussing matters subject to negotiation with third parties and developing strategies related thereto and receiving legal advice thereon, as authorized by Sections 24-6-402(4)(b) and (e), C.R.S.

Furthermore, pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the opinion of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

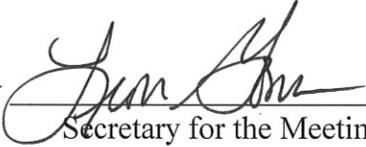
The Board reconvened in regular session at 8:28 p.m.

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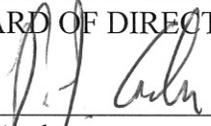
ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By  _____
Secretary for the Meeting

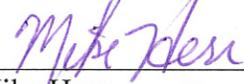
THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 22, 2014 MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:



P.J. Anderson



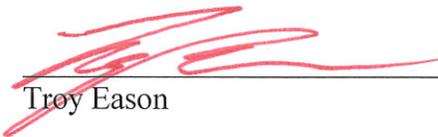
Mike Whitemore



Mike Herr



Bob Justis



Troy Eason

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Attorney Statement Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Cascade Metropolitan District No. 1, I attended the executive session on April 22, 2014 for the sole purpose of discussing matters subject to negotiation with third parties, as authorized by §24-6-402(4)(e), C.R.S. I further attest that it is my opinion that a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required by be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.



Jennifer Gruber Tanaka, Esq.
General Counsel
Cascade Metropolitan District No. 1

CASCADE METROPOLITAN DISTRICT No. 1

April 22, 2014

Please print your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

NAME	ADDRESS	TELEPHONE/EMAIL	ISSUE(S) TO BE ADDRESSED
Cheryl Ricketts Michael Knight	8210 Angermore Hill Rd PO Box 13 Cascade Co 98005	719-648-2340-cell Cherylricketts@yahoo.com	We were told that emails would go out to all residents. I have not rec'd any.
Bill Campbell	7725 SEVERY AVE CASCADE, OR 98009	blcamp@msh.com 719-260-1588	NormanJenkins@msn.com
Norman JENKINS	7875 MARROTT RD CA50928 98009	719-684-1944	
Frances McArdie	4445 Modesta - 80809	719-684-2622	
Janet Crawford	4690 Fountain 80809	" 684-2931	
Byrce Bagar		" " 9319	PT's responsibility in embelment
William Paul Lambert Boris Wilkeman	8045 W. Hwy 24 7790 MARROTT RD	80809 684-0980 684-2067	WHERE DO WE STOP WITH THE CITY OF 45?
Bob			

CASCADE METROPOLITAN DISTRICT No. 1

April 22, 2014

Please print your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

NAME	ADDRESS	TELEPHONE/EMAIL	ISSUE(S) TO BE ADDRESSED
BARRY SCHWARTZ	PO BOX 91 7750 SEBURY	2305	FEDERAL ROADWAY - BREACH OF CONTRACT - AVOID
MARGE COSS	7846 Gardiner	marge@excess.com	-
LYNDK MARTINEZ	4505 FOUNTAIN AVE. 5209 Pikes Peak Hwy	lynsmartinez@yahoo.com 76191/mue Spainesdon.com	server for Pikes Peak MARCH
MARK GALVAN			
Andie Jera	405 Harmon Cocarde	laseper@aol.com	How we keep community from bearing the costs
Mel Bahrensburg	8225 W. Hwy 24 Cocarde	718-687-9762 MelBahrensburg@msn.com	long on ground and on air own water bills
Bill Hensley	7845 US Hwy 24 Cocarde, CO 80809	719-684-2165 HensleyBillH@aol.com	

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO
CERTIFICATE

20145011462

I, Scott Gessler, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

P.J. ANDERSON
PRESIDENT
CASCADE METROPOLITAN DISTRICT NO. 1

has disclosed and filed a Conflict of Interest with this office in accordance with section 24-18-110, C.R.S., and Rule 1.1 of the Secretary of State's Rules Concerning Conflicts of Interest.

The Conflict of Interest Disclosure was filed with the following information:

Amount of Financial Interest (if any): n/a

Purpose and Duration of Services Rendered: Additional information was filed as an attachment.

Other Relevant Information: Additional information was filed as an attachment.

This certificate reflects facts established or disclosed by documents electronically filed in this office on 04/18/2014 @ 15:08:38 PM.

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, authenticated, issued, delivered and communicated this official certificate at Denver, Colorado on Friday, April 18, 2014 @ 03:08:43 PM pursuant to and in accordance with applicable law.



A handwritten signature in black ink, appearing to read "Scott Gessler".

Secretary of State of the State of Colorado

CONFLICTS DISCLOSURE FORM

TO: THE BOARD OF DIRECTORS OF CASCADE METROPOLITAN DISTRICT NO. 1; AND THE SECRETARY OF STATE

FROM: P.J. Anderson

RE: Disclosure of Conflict or Potential Conflict of Interest

I, P.J. Anderson, am a member of the Board of Directors (the "Board") of Cascade Metropolitan District No. 1, (the "District").

In accordance with Section 24-18-109(3)(b), Section 24-18-110, Section 32-1-902, and Section 18-8-308, C.R.S., I hereby give notice to the District and the Secretary of State that to the best of my knowledge, information and belief, and as disclosed herein, I have a conflict or a potential conflict of interest which may impinge on my fiduciary duty and the public trust with respect to the matters set forth herein.

Further, in accordance with applicable law, this disclosure contains information regarding my ownership of any interest in property within the boundaries of the District, and any affiliation I may have with any business(es) or other private entity(ies) and the amount of any financial interest with respect to my qualification as a director and to any other specific transaction under consideration by the Board of the District, which may give rise to my conflict or potential conflict of interest.

The interests in property within the District and business ventures described in this Disclosure Form may create the potential for conflicts of interest in my service as a member of the Board, in that actions under consideration or actions officially taken by the Board may benefit, directly or indirectly, my interests as disclosed herein. Such actions may include, but are not limited to: authorization of construction of public improvements, actions to engage contractors for improvements or services, actions relative to various requirements of state, local and federal laws and other matters to keep the District in good standing as a political subdivision of the State of Colorado, issuance of bonds or incurrence of other financial obligations in furtherance of the District's activities, approval of reimbursement agreements with business ventures in which I have a financial interest or in which I have a personal interest, establishing and collecting fees and taxes, approval of payments and other official actions or decisions of the Board, and negotiations relative to any such matters.

1. Do you have any real or personal property (i.e. taxable business property) interests within the boundaries of the District or that may be affected by activities of the District? Yes No

If yes, please describe the location and size of the property and the percentage you own or the extent of your personal interest.

Property

Interest

2. Do you have any interest in any business or businesses that may become involved with or are affected by the activities of the District? Yes No

If yes, please list the business or businesses and the extent of your ownership.

Business

Percentage Interest

I am the sole owner of the Cascade Public Service Company ("PSC"). PSC assigned its rights to receive treated water from the City of Colorado Springs in 2005 at no cost. In addition, PSC has agreed to convey sufficient water rights to the District at no cost to serve its customers should PSC and the District be permitted to terminate a 1990 Agreement with the City and construct a new water treatment plant. The only asset of PSC is water rights. In the event that the 1990 Agreement is terminated and sufficient water rights are conveyed to the District as agreed, I have a financial interest in the remaining water rights.

3. Are you a director or officer in any business or businesses that may become or are currently involved with or affected by the activities of the District? Yes No

If yes, please list the business or businesses and the office held.

Business

Office

I am the sole owner of the Cascade Public Service Company ("PSC"). PSC assigned its rights to receive treated water from the City of Colorado Springs in 2005 at no cost. In addition, PSC has agreed to convey sufficient water rights to the District at no cost to serve its customers should PSC and the District be permitted to terminate a 1990 Agreement with the City and construct a new water treatment plant. The only asset of PSC is water rights. In the event that the 1990 Agreement is terminated and sufficient water rights are conveyed to the District as agreed, I have a financial interest in the remaining water rights.

4. Do you personally have a loan or debtor interest which may be affected by action of the District's board? Yes No

If yes please list the entities that you have loaned money to, or that have loaned money to you and the amount of the loan or debtor interest

Business

Amount

I am the sole owner of the Cascade Public Service Company ("PSC"). PSC assigned its rights to receive treated water from the City of Colorado Springs in 2005 at no cost. In addition, PSC has agreed to convey sufficient water rights to the District at no cost to serve its customers should PSC and the District be permitted to terminate a 1990 Agreement with the City and construct a new water treatment plant. The only asset of PSC is water rights. In the event that the 1990 Agreement is terminated and sufficient water rights are conveyed to the District as agreed, I have a financial interest in the remaining water rights.

5. Do you have a creditor interest in any insolvent business or businesses that may become involved with or are affected by the activities of the District? Yes No

If yes, please list the business or businesses, the extent of your interest in the business and the amount of your creditor or debtor interest.

Business

Percentage Interest

6. Are you currently employed by, or in negotiations for employment with, any business or businesses that may become involved with or are affected by the activities of the District? Yes No

If yes, please list the business or businesses and the amount of compensation (i.e. salary, bonus or compensation based on profitability of the business) and/or other compensation.

Business

Compensation

7. Do you provide services to any business or businesses that may become involved with or are affected by the activities of the District? Yes No

If yes, please list the business or businesses, the type of services provided, the time period the services were or will be provided and the type and amount of compensation.

Business

Services

Purpose

Time Period

Compensation

8. I have the following additional personal or private interests which may create a potential conflict of interest: _____

9. Are you a member of an executive board of an owners' association located within the boundaries of the District? (i.e., a HOA, POA or similar) Yes No

If yes, please list the name of the association and the office you hold.

In addition to the foregoing disclosure, which shall be deemed a continuing disclosure, and shall apply to all actions taken at meetings of the Board for which I am a participant, and shall, by the filing hereof with the Board and the Secretary of State, be deemed made at least 72 hours in advance of any such meeting, in accordance with law, I may also have a conflict or potential conflict of interest with respect to the following specific transactions which may come before the Board:

1. Exhibit A which is the agenda for the meeting.

Signature: _____

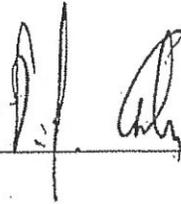


EXHIBIT A
(Meeting Agenda)

CASCADE METROPOLITAN DISTRICT NO. 1

Administrative Offices

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032

NOTICE OF REGULAR MEETING AND AGENDA

Board of Directors:

P. J. Anderson
Mike Whittemore
Mike Herr
Bob Justis
Troy Eason

President
Vice President
Secretary/Treasurer
Assistant Secretary
Assistant Secretary

Term/Expires:

2014/May 2014
2014/May 2014
2016/May 2016
2014/May 2014
2016/May 2014

DATE: April 22, 2014

TIME: 5:00 p.m.

PLACE: Cascade Fire Station
8015 Severy Road
Cascade, CO 80809

I. ADMINISTRATIVE MATTERS

- A. Present Disclosures of Existing and Potential Conflicts of Interest.

- B. Approve Agenda.

- C. Public Comment. (Matters not otherwise on the Agenda. Public Comment Limited to 3 Minutes per Person and Taken in Order on Sign In Sheet)

- D. Review and approve Minutes of the March 25, 2014 Regular Meeting (enclosure).

- E. Discuss and consider the development of a Frequently Asked Questions document.

II. FINANCIAL MATTERS

- A. Review and approve the payment of payables for the period ending April 22, 2014 in the amount of \$_____ (to be distributed at meeting).

- B. Discuss cash analysis (enclosures).

- C. Consider Acceptance of 2012 Audit and Issuance of Client Representation Letter (to be distributed under separate cover).

- D. Review and consider the engagement of BiggsKofford, P.C. to conduct the 2013 Audit (to be distributed under separate cover).

III. OPERATIONS MATTERS

- A. Operator's Monthly Report.

- B. Review and consider proposal for repair of broken fire hydrant.

- C. Discuss and consider the conducting of a water rate study.

- D. Discuss and consider request for water use concession for Account #257 (enclosure).

- E. Discuss and consider a request to establish new service for the Pikes Peak Highway (Jack Klaven).

IV. LEGAL MATTERS

- A. Discuss and consider authorizing the preparation of an Employee Handbook.

- B. Discuss and Consider Acceptance of Deeds for Water Tank Parcels.

- C. Discuss and consider Engagement of Randall Steichen, Esq. as Special Litigation Counsel.

ADJOURN TO EXECUTIVE SESSION, IF NECESSARY (§§24-6-402(4)(b) and (e),
C.R.S.):

A. _____

V. OTHER BUSINESS

A. _____

VI. ADJOURNMENT THE NEXT REGULAR MEETING IS SCHEDULED FOR
MAY 27, 2014