

CASCADE METROPOLITAN DISTRICT NO. 1
NOTICE OF REGULAR MEETING

Cascade Fire Station
8015 Severy Road
Cascade, Colorado
Tuesday, December 22, 2015
5:30 P.M.

Board of Directors

Mike Whittemore, President	Term Expires May 2016
Mike Herr, Secretary/Treasurer	Term Expires May 2016
Troy Eason, Assistant Secretary	Term Expires May 2018
Stephen Spaulding, Assistant Secretary	Term Expires May 2018
Susan Soloyanis, Assistant Secretary	Term Expires May 2016

AGENDA

1. **Call to Order**
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures**
3. **Approval of Agenda**
4. **Public Comment** (Items Not on the Agenda Only. Comments limited to 3 minutes per person and taken in Order In Which They Appear on Sign-Up Sheet)
5. **Correspondence** (Board Responses to Community Correspondence Received Outside of the Board Meeting. Board will recite the questions or comments received and provide a verbal response which will be recorded in the minutes. No public comment will be taken during this time)
6. **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. Acknowledge Operations Report (**enclosure**)
 - b. Acknowledge Manager's Report (**enclosure**)
 - c. Approval of Board Meeting Minutes from the November 17, 2015 Meeting (**enclosure**)
 - d. Approval of Payables for the Period Ending December 21, 2015 (**enclosure**) in the amount of:

General Fund:	TBD
<u>Debt Service Fund:</u>	<u>TBD</u>
Total	TBD
 - e. Acceptance of Unaudited Financial Statements as November 30, 2015, the schedule of cash position updated as of November 30, 2015 and bank statements (**enclosure**)
 - f. Approval of Requisition No. 6 to UMB Bank, as Trustee, for payment of Working Capital Project funds from Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and 2015 B (**enclosure**)
 - g. Ratify Second Addendum to the Independent Contractor Agreement with Lamb Plumbing and Excavating, Inc. for plumbing and excavation services (**enclosure**)
 - h. Ratify approval of Second Addendum Independent Contractors Agreement With GMS, Inc. for General Engineering Services (**enclosure**)

- i. Ratify approval of Memorandum of Understanding with El Paso County regarding the funding of design services for Fitz Gulch Project (**enclosure**)

7. Consideration of items removed from Consent Agenda

8. Management Matters

- a. Update on Fitz Gulch project
 - i. Funding Sources
 - ii. Maintenance Obligations
 - iii. Timeline and Agreements
- b. CSU report update – Director Soloyanis and Jason Meyer of GMS
 - i. Review and Consider Acceptance of Additional Information for Inventory and Assessment Study for CSU Pursuant to Settlement Agreement (**enclosure**)
- c. Update of EIAF Grant schedule and other related matters
- d. Status of Billing Reconciliation

9. Operations Matters

- a. Status of system leak(s) and repair(s)

10. Financial Matters

11. Legal Matters

12. Other Business

- a. Next Meeting—January 26, 2016 at 5:30 PM

13. Adjournment

Cascade Metropolitan District No. 1

December 22, 2015 Board meeting

Agenda Item 6.a

Enclosure

Available under separate cover

Cascade Metropolitan District No. 1

December 22, 2015 Board meeting

Agenda Item 6.b

Enclosure



SCHOOLER & ASSOCIATES, INC.

Development Consultants
Special District Management



Cascade Metropolitan District No. 1
Manager's Report
December 15, 2015

1. Billing

- Meters were read on December 2.
- Had third party vendor upload all files, identify the under billed files, calculated modifications. Reviewed and transferred to billing software
- Hired billing consultant to review procedures, work with software client to correct billings
- Requested and processed 5 re-reads and 4 meter changes.
- Majority of billings with corrected usage statements mailed December 9. Remainder completed on December 15
- Received numerous calls requesting explanation of billing.
- Prepared alternatives to proceeding with billing including hiring a third party vendor to transition entire operation, restarting with current software, replacing software, hiring additional more experienced consulting or part time vendors.
- Some payments are being returned to bank from previous manager who is receiving them. We are primarily identifying those from the billing when account holders see the payment was not received. Notices were sent in the billing in October but still numerous checks not being received.

2. Other management actions

- Recorded certified liens with County Treasurer for delinquent accounts
- Identified other current delinquent accounts and started notification procedures
- Updated website and re-updated website; updated DOLA electronic information including election results
- Recorded required budget notices for 2015 and 2016. Working to correct deficiencies
- Assisted legal counsel in certifying mill levy
- Assisted operators in leak detection issues, contracting updates etc. to restore system integrity. This included property owner communications and permissions.
- Notified 31 different owners or account holders to complete backflow improvements. This was promised before Thanksgiving but accomplished on December 8. See attached sample letter.
- Coordinated responses to request for new service at Cascade metropolitan District no. 2.
- Communicated on tap fee for new construction
- Fitz Gulch water line covered in conjunction with design coordination for State and Federal grants. Memorandum of Understanding negotiated and executed



regarding reimbursement for design. Continued difficulty seeing how the situation will be remedied but design complete and our water line is covered with minimal expense.

- Continued identification of vendors who have not changed addresses and working to keep their billing up to date.

3. Customer service

- Primarily issues related to explain billing and charges

4. Accounting and bookkeeping

- Transmitted approved financial statements to bond trustee

5. Operations support

- Employee badges created
- Payroll vendor mailing check to wrong address and has not been responsive to change of address requests. Will resolve prior to new check cycle.

Cascade Metropolitan District No. 1

December 22, 2015 Board meeting

Agenda Item 6.c

Enclosure

**MINUTES OF A SPECIAL MEETING OF
OF THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD NOVEMBER 17, 2015**

A special meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 17th day of November, 2015, at 5:30 p.m., at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado. The meeting was open to the public.

Directors In Attendance Were:

Mike Whittemore
Mike Herr
Stephen Spaulding
Susan Soloyanis

Also In Attendance Were:

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law (via telephone)
Duane Schorman, District Operator
Kevin Walker and Terry Schooler, Schooler & Associates, Inc., District Managers

Members of the Public; see attached list (None)

1. **Call to Order** – The meeting was called to order Board President Whittemore at 5:33 PM.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures** - The Board discussed the requirements pursuant to Colorado law to disclose any potential or existing conflicts of interest to the Board of Directors and to the Secretary of State. Ms. 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. Ms. Tanaka 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.
3. **Approval of Agenda** – Mr. Walker requested the addition of approval of a contract with American Leak Detection under Finance section. Moved by Director Soloyanis and seconded by Director Spaulding to approve agenda as amended. Motion passed unanimously.

The Board noted the absence of Director Eason. Upon motion of Director Soloyanis, seconded by Director Spaulding, the Board unanimously excused Director Eason's absence.

4. **Public Comment** - None
5. **Correspondence** - None

6. Consent Agenda Items

- a. Acknowledge Manager’s Report
- b. Approval of Board Meeting Minutes from the October 27, 2015 Meeting
- c. Approval of Payables for the Period Ending November 16, 2015 in the amount of:

General Fund:	\$37,255.78
Debt Service Fund:	<u>\$23,512.44</u>
Total	\$60,768.22
- d. Acceptance of Unaudited Financial Statements as of October 31, 2015, the schedule of cash position updated as of October 31, 2015 and bank statements (**enclosure**)
- e. Ratification of Independent Contractor Agreement with Marine Diving Solutions for Water Tank Inspection Services
- f. Adoption of Resolution No. 2015-11-01: Annual Administrative Resolution
- g. Adoption of Resolution No. 2015-11-02: Regarding Election
- h. Consider Approval and Renewal of Consultant Agreements for 2016 Services
 - i. WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law, for General Counsel Services
 - ii. Schooler & Associates, Inc. for Management, Accounting and Billing Services
 - iii. Meyer & Sams, Inc., d/b/a GMS, Inc., Consulting Engineers for Engineering Services
 - iv. Lamb Plumbing & Excavating, Inc., for Plumbing and Excavation Services

Mr. Walker proposed modification of the c. General Fund to \$37,255.78 and the total of \$60,768.22. Director Herr stated that he had reviewed the financial statements and they were acceptable. He also requested a spread sheet on the status of the bond fund. Motion made by Director Soloyanis, seconded by Director Herr, to approve the Consent Calendar. Approved unanimously.

7. Consideration of items removed from Consent Agenda – None

8. Management Matters

- a. Update on Fitz Gulch project - Mr. Walker updated the Board that the project was behind schedule and not likely to be completed in time to protect the water line. The Board reiterated its position to continue to be involved so long as the District was not assuming responsibility or liability for the project.
- b. CSU report update – Director Soloyanis updated the Board on her ongoing efforts at GMS offices to assist with the preparation of the additional information required to be provided to CSU regarding the system. GIS data has been coordinated and shared to confirm its compatibility with CSU’s system. The system loss objective that the District is attempting to achieve is 20% after ongoing discussions with CSU and recognition that 20% is the standard in the industry. The question arose as to whether the 6% loss that

had been the previous objective was a contractual matter. Ms. Tanaka will confirm whether this is included in the Settlement Agreement or was a stated objective in the discussions. The working relationship with GMS and the District with CSU was much improved. The “log books” from the District for 2011 – 2012 had been taken from the District’s control and were not available. Concerns about last minute issues were expressed by the Board and it was suggested that the District and GMS follow up with CSU with written correspondence clarifying “what we think we heard.” Director Soloyanis is updating the SOP’s and may be assisted by information from Colorado Rural Water Association from Mr. Walker.

Director Soloyanis informed the Board of a request from GMS, Inc. for an increase in their compensation schedule by \$25,000 to complete the final report for CSU. The improved relationships with CSU were noted as a positive for this effort.

Director Soloyanis discussed the observation that there are a number of 5/8” meters that are in the system. This may affect the rates and charges set forth in the fee resolution to be discussed later in the meeting.

Motion by Director Soloyanis, seconded b Director Spaulding to approve an additional \$25,000 for GMS, Consulting Engineers, Inc., to be reflected in the First Addendum to GMS’s Independent Contractor Agreement, to complete the capital facilities report for CSU. Motion passed 3-0 with Board President Whittemore excused.

9. **Operations Matters** – Mr. Walker reported that the backflow letters had not been sent to commercial property owners. Board directed that this be a priority and sent out by Thanksgiving.

The status of the leak was discussed with Mr. Schorman. Efforts to isolate the leak near the Popcorn Shop were reviewed. Leak detection could not successfully find the leak and it is clear there is a leak in the area.

It was noted that American Leak Detection of Southern Colorado was available to perform the work and Ms. Tanaka presented the Board with an agreement with them for this purpose. It was moved by Director Soloyanis, seconded by Director Spaulding to approve the Agreement with American Leak Detection of Southern Colorado and the expenditure of funds to fix the leak in this area. Motion passed unanimously.

10. **Financial Matters**

Requisition No. 5 to UMB Bank: Moved by Director Spaulding, second by Director Soloyanis to approve Requisition No. 5 to UMB Bank, as Trustee, for payment of Working Capital Project funds from Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and 2015 B in the amount of \$42,907.10. Motion passed unanimously.

Public Hearing on 2015 Budget Amendment and 2016 Budget: Public Hearing was opened by President Whittemore on Amendment of 2015 Budget and 2016 budget. Closed with no comments.

Motion to adopt by Director Spaulding, second by Director Soloyanis the Amendment of 2015 Budget and Adoption of Resolution No. 2015-11-03 on Amendment of 2015 Budget. Motion passed unanimously.

Motion to approve the 2016 Budget and Adoption of Resolution No. 2015-11-04 by Director Spaulding, second by Director Soloyanis. Motion passed unanimously.

Review Fees and Rates and Consider Adoption of Resolution No. 2015-11-05: Motion to approve Resolution No. 2015-11-05 Concerning the Imposition of Various Fees, Rates, Penalties and Charges for Water Services and Facilities by Director Spaulding, second by Director Soloyanis. Motion passed unanimously. The Board directed Mr. Walker to advise the highway authority and others getting deals on water rates that the rates will be the same as others starting January 1, 2016. Director Whittemore inquired into the availability of service charges and what those fees are used for. Ms. Tanaka explained the fees are imposed on lots where service is located within 100 feet of the property line and the fees can be used to discharge debt. The Board inquired into how many lots would be subject to the possible fee and requested that Mr. Walker make that determination.

Resolution No. 2015-11-06 Establishing Collections Guidelines: Motion to approve the Resolution No. 2015-11-06 Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges by Director Spaulding, second by Director Soloyanis. Motion passed unanimously.

Resolution No. 2015-11-07 Certifying Delinquent Accounts to County Treasurer: Motion to approve Resolution No. 2015-11-07 Certifying Delinquent Accounts to County Treasurer by Director Spaulding, second by Director Soloyanis. Mr. Walker discussed recent communication from rate payer who wanted to negotiate a payment plan for 7850 Gardiner Road. Board rejected this proposal. Motion passed unanimously.

2015 Audit Engagement Letter: The approval of an engagement letter with Biggs Kofford, PC for 2015 audit services was tabled until the next meeting.

11. **Legal Matters** – None

12. **Other Business** – Next meeting date was discussed and kept at the currently scheduled date of December 22, 2015.

Meeting adjourned at 7:02 P.M.

Respectfully submitted,

By _____
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL OCTOBER 27, 2015
MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE
BOARD OF DIRECTORS SIGNING BELOW:

Mike Whitemore

Mike Herr

Troy Eason

Stephen Spaulding

Susan Soloyanis

Cascade Metropolitan District No. 1

December 22, 2015 Board meeting

Agenda Item 6.d

Enclosure

CASCADE Metropolitan District
PAYMENT REQUEST
11/17/2015
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
Accutest	DZ-69973	12/9/2015	\$ 240.50		\$ 240.50	
Black Hills Energy	7847904478	11/30/2015	\$ 47.94		\$ 47.94	
Black Hills Energy	3758174801	11/30/2015	\$ 30.97		\$ 30.97	
Colorado Springs Utilities	1063295574	12/9/2015	\$ 36,274.80		\$ 36,274.80	
Colorado Springs Utilities	9778564050	12/1/2015	\$ 12.98		\$ 12.98	
Colorado Springs Utilities	3857668853	12/1/2015	\$ 15.72		\$ 15.72	
Colorado Springs Utilities	9038484301	12/1/2015	\$ 12.98		\$ 12.98	
Colorado Springs Utilities	8668751056	12/1/2015	\$ 22.74		\$ 22.74	
FirstBank	6721				\$ -	
Interstate Chemical Co.			\$ -		\$ -	
Lamb Excavating	3007	11/24/2015	\$ 1,610.00		\$ 1,610.00	
Lamb Excavating	3014	12/14/2015	\$ 5,998.91		\$ 5,998.91	
Lamb Excavating	3015	12/14/2015	\$ 13,879.06		\$ 13,879.06	
Lamb Excavating	3016	12/14/2015	\$ 595.13		\$ 595.13	
Lamb Excavating	3017	12/14/2015	\$ 2,019.81		\$ 2,019.81	
Lamb Excavating	3018	12/15/2015	\$ 4,912.89		\$ 4,912.89	
Mountain States Pipe & Supply					\$ -	
Pippenger Hedberg, LLC					\$ -	
Schooler & Associates, Inc.	5878	11/30/2015	\$ 5,000.00		\$ 5,000.00	
The Transcript	156202	11/13/2015	\$ 33.00		\$ 33.00	Budget Notice
Verizon	9752965976				\$ -	
White Bear Ankele Tanaka & Waldron	69457	11/25/2015	\$ 10,816.98		\$ 10,816.98	
TOTAL			\$ 81,524.41	\$ -	\$ 81,524.41	

BOND FUND ACCOUNT

Description	Date	Amount	Comments
UMB Bank - Series 2015A & 2015B Interest	1/1/2016	\$ 23,512.44	January Payment
TOTAL		\$ 23,512.44	

CAPITAL FUND ACCOUNT

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

TOTAL FOR ALL FUNDS

\$ 105,036.85

_____, President

Cascade Metropolitan District No. 1

December 22, 2015 Board meeting

Agenda Item 6.e

Enclosure

Cascade Metropolitan District No. 1
Balance Sheet
As of November 30, 2015

	<u>Nov 30, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
1995 Checking	70,483.00
2002 Savings	50,039.17
UMB COI 143222.6	626.88
UMB Interest 143222.1	158,392.39
UMB Project 143222.5	3,090,947.18
UMB Reserve 143222.3	367,934.30
Total Checking/Savings	<u>3,738,422.92</u>
Accounts Receivable	
11000 · Accounts Receivable	1,660.46
Total Accounts Receivable	<u>1,660.46</u>
Total Current Assets	<u>3,740,083.38</u>
TOTAL ASSETS	<u><u>3,740,083.38</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable 2015A	3,500,000.00
Bonds Payable 2015B	1,500,000.00
Total Long Term Liabilities	<u>5,000,000.00</u>
Total Liabilities	5,000,000.00
Equity	
30000 · Opening Balance Equity	-180,464.08
Net Income	-1,079,452.54
Total Equity	<u>-1,259,916.62</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,740,083.38</u></u>

Cascade Metropolitan District No. 1
Profit & Loss Budget Performance
November 2015

	Nov 15	Budget	Jan - Nov 15	YTD Budget	Annual Budget
Income					
1-505 · Water Sales	25,832.82	35,416.66	235,043.22	389,583.34	425,000.00
1-508 · Water Service Charge	4,474.66	6,000.00	83,279.34	66,000.00	72,000.00
1-510 · Late Fees	0.00	166.66	6,770.00	1,833.34	2,000.00
1-512 · Water Provision Fee	0.00	9,100.00	61,201.66	100,100.00	109,200.00
1-515 · Pipeline Surcharge	4,925.44	7,500.00	123,208.03	82,500.00	90,000.00
1-560 · Interest Income	2.05	1.66	36.03	18.34	20.00
1-575 · Miscellaneous Income	0.00		36.00		
1-585 · Loan Proceeds	0.00		0.00	1,500,000.00	1,500,000.00
1-591 · Forgiveness of Debt	0.00		13,095.19		
2-510 · Debt Service Water Fee	23,106.85		132,184.24		
2-524 · Series 2015A-Reoffering Prem.	0.00		46,657.00		
2-560 · Interest Income-Debt	735.88		1,565.83		
3-560 · Interest Income - Capital	0.00		1,580.76		
Total Income	59,077.70	58,184.98	704,657.30	2,140,035.02	2,198,220.00
Expense					
1-612 · Accounting	92.12	2,883.34	37,087.57	31,716.66	34,600.00
1-615 · Audit	0.00		9,869.22	7,500.00	7,500.00
1-618 · Bank Fees	37.95	8.34	358.90	91.66	100.00
1-635 · Election	0.00		394.00		
1-670 · Insurance/SDA Dues	0.00		7,010.45	7,883.00	7,883.00
1-672 · Dues, Fees & Subscriptions	0.00		776.41	380.00	380.00
1-675 · Legal	0.00	5,416.66	119,434.97	59,583.34	65,000.00
1-676 · Special Litigation Counsel	0.00		9,581.81		
1-680 · Management	0.00	2,500.00	37,892.09	27,500.00	30,000.00
1-682 · Engineering	0.00		0.00	5,000.00	5,000.00
1-685 · Miscellaneous	0.00		5,386.57	7,000.00	7,000.00
1-693 · Payroll Taxes	934.02	248.66	5,552.56	2,735.34	2,984.00
1-710 · Chemical and Supplies	0.00	150.00	415.00	1,650.00	1,800.00
1-715 · Operation Labor	1,966.29	3,250.00	29,880.58	35,750.00	39,000.00
1-718 · Locates	0.00		0.00	600.00	600.00
1-720 · Repairs and Maintenance	0.00	833.34	26,727.59	9,166.66	10,000.00
1-725 · Telephone/Utilities	62.99	416.66	1,773.25	4,583.34	5,000.00
1-730 · Vehicle Expense	184.55	300.00	601.18	3,300.00	3,600.00
1-735 · Water Purchase	19,813.20	20,416.66	143,588.70	224,583.34	245,000.00
1-740 · Water Quality Testing	0.00	208.34	1,598.19	2,291.66	2,500.00
1-745 · Meter Software and Hardware	0.00	266.66	0.00	2,933.34	3,200.00
1-750 · Website	0.00		0.00	500.00	500.00
1-755 · Engineering/Survey	0.00		39,655.00		
1-760 · Office Supplies/Postage	0.00	125.00	271.24	1,375.00	1,500.00
1-815 · Turse Bond Payments	0.00		5,645.50	5,306.00	5,306.00
1-820 · DOLA - Interest Payment	0.00		7,073.46	7,941.00	7,941.00
1-825 · DOLA - Loan Payments	0.00		9,541.09	25,082.00	25,082.00
1-830 · COS Utility Interest Expense	0.00		8,102.15	25,000.00	25,000.00
1-831 · COS Debt	0.00		16,972.48		

4:18 PM

12/17/15

Accrual Basis

Cascade Metropolitan District No. 1
Profit & Loss Budget Performance
November 2015

	<u>Nov 15</u>	<u>Budget</u>	<u>Jan - Nov 15</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
1-890 · Payoff of Outstanding Debt	0.00		0.00	1,310,000.00	1,310,000.00
1-891 · Loan Cost of Issuance	0.00		0.00	80,000.00	80,000.00
1-895 · Emergency Reserve	0.00		0.00	57,794.00	57,794.00
2-610 · Series 2015A-Issue Discount	0.00		11,250.00		
2-617 · Bank Fees - Debt Service	240.44		861.41		
2-618 · Bond Issuance Costs	0.00		156,473.34		
2-801 · Carl Turse Bond	0.00		69,150.18		
2-802 · DOLA - Principal Loan	0.00		504,296.86		
2-803 · DOLA - Interest/Penalty Loan	0.00		41,307.13		
2-804 · CSU Payable	0.00		399,021.03		
3-675 · Legal - Capital	0.00		6,509.50		
3-763 · Design Costs	42,907.10		67,483.86		
66000 · Payroll Expenses	0.00		2,566.57		
Total Expense	<u>66,238.66</u>	<u>37,023.66</u>	<u>1,784,109.84</u>	<u>1,947,246.34</u>	<u>1,984,270.00</u>
Net Income	<u>-7,160.96</u>	<u>21,161.32</u>	<u>-1,079,452.54</u>	<u>192,788.68</u>	<u>213,950.00</u>

**CASCADE METROPOLITAN DISTRICT
ENTERPRISE CAPITAL PROJECT FUND**

	ACTUAL 2015 TO DATE	ACTUAL 2016 TO DATE	2016 BUDGET
CAPITAL FUND: BEGINNING BALANCE	\$ -	\$ 3,090,522.56	\$ 3,084,145.00
REVENUES - SERIES 2015 BOND PROCEEDS	\$ 4,510,607.00		
INTEREST INCOME	\$ 2,251.62	\$ -	\$ 6,000.00
TOTAL REVENUES	\$ 4,512,858.62	\$ -	\$ 6,000.00
TOTAL REVENUE & FUND BALANCE	\$ 4,512,858.62	\$ 3,090,522.56	\$ 3,090,145.00
EXPENDITURES			
CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ 2,779,510.50
LEGAL	\$ 4,409.50	\$ -	\$ 10,000.00
ENGINEERING	\$ 69,583.86	\$ -	\$ 298,414.50
BANK CHARGES	\$ 676.63	\$ -	\$ 2,220.00
TRANSFER TO GENERAL FUND	\$ 333,890.87	\$ -	
TRANSFER TO DEBT SERVICE FUND	\$ 1,013,775.20	\$ -	-
TOTAL EXPENDITURES	\$ 1,422,336.06	\$ -	\$ 3,090,145.00
CAPITAL FUND: ENDING BALANCE	\$ 3,090,522.56	\$ 3,090,522.56	\$ -

Cascade Metropolitan District No. 1

December 22, 2015 Board meeting

Agenda Item 6.f

Not Needed

Cascade Metropolitan District No. 1

December 22, 2015 Board meeting

Agenda Item 6.g

Enclosure

SECOND ADDENDUM
TO
INDEPENDENT CONTRACTOR AGREEMENT
(Plumbing and Excavation Services)

This SECOND ADDENDUM TO THE INDEPENDENT CONTRACTOR AGREEMENT (the "Second Addendum") is entered into and shall become effective as of the 19th day of November 2015 by and between the CASCADE METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and LAMB PLUMBING & EXCAVATING, INC., a Colorado corporation (the "Independent (the "Consultant"), collectively referred to herein as the "Parties".

RECITALS:

WHEREAS, the Parties entered into an Independent Contractor Agreement on March 25, 2014, which was amended in the Second Addendum to Independent Contractor Agreement, dated August 24, 2015 (collectively, the "Agreement"); and

WHEREAS, the Agreement sets forth the Services to be completed under the Agreement;
and

WHEREAS, the Parties desire the Consultant to perform additional services not initially included in the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

TERMS AND CONDITIONS:

1. ADDITIONS TO SCOPE OF WORK. The Parties hereby agree to add to the Agreement the services set forth in **Exhibit A**, attached hereto and incorporated herein by this reference. Such additional services shall be performed in accordance with the fees set forth in Exhibit A of this Second Addendum.
2. PRIOR PROVISIONS EFFECTIVE. Except as specifically amended hereby, all the terms and provisions of the Agreement shall remain in full force and effect.
3. COUNTERPART EXECUTION. This Second Addendum may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank].

IN WITNESS WHEREOF, the Parties have caused this Second Addendum to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

DISTRICT:

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

Officer of the District

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

INDEPENDENT CONTRACTOR:
LAMB PLUMBING & EXCAVATING, INC., a Colorado
corporation



EXHIBIT A

Scope of Work for Water Leak at 7955 W. US Hwy 24:

Cascade Metro District No. 1 notified Lamb Excavating of a leak that needed repair and had the Colorado Springs Utilities leak detection crew determine the exact location of the water leak. Upon determining location, Lamb Excavating called in Emergency Locates to determine other utilities in the immediate vicinity. Once locates were complete, Lamb Excavating saw cut the concrete driveway above the water leak at 7955 W. US Hwy 24 and started excavation to find leak. Upon finding pipe, it was determined that there was an approximate 8" crack longitudinally in the 2" water main. Lamb Excavating procured a 20" Wraparound Repair Coupling, but there was another previously repaired leak adjacent to the new leak so the decision was made to cut out both leaks and replace the pipe with two (2) 2-Bolt Dresser Repair Coupling (furnished by Cascade Metro District No. 1). Lamb Excavating gave the 20" Wraparound Repair Coupling to Cascade Metro District No. 1 to put into their stock for any future repair needs. Upon completion of the pipe repair, Lamb Excavating imported gravel for backfill as the soil removed was saturated from the water leak and would not provide adequate compaction for the driveway at 7955 W. US Hwy 24. Upon completion of backfill, Lamb Excavating poured concrete to replace the concrete removed. Completed leak repair by cleaning up area.

Cascade Metropolitan District No. 1

December 22, 2015 Board meeting

Agenda Item 6.h

Enclosure

SECOND ADDENDUM
TO
INDEPENDENT CONTRACTOR AGREEMENT
(Engineering Services)

This SECOND ADDENDUM TO THE INDEPENDENT CONTRACTOR AGREEMENT (the "Second Addendum") is entered into and shall become effective as of the 11th day of December 2015, by and between the CASCADE METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and MEYER & SAMS, INC., a Colorado corporation, d/b/a GMS, INC., CONSULTING ENGINEERS (the "Contractor"), collectively referred to herein as the "Parties".

RECITALS:

WHEREAS, the Parties entered into an *Independent Contractor Agreement* on August 26, 2015, which was amended in the *First Addendum to Independent Contractor Agreement*, dated November 17, 2015 (collectively, the "Agreement"); and

WHEREAS, the Agreement sets forth the Services to be completed under the Agreement; and

WHEREAS, the Parties desire the Contractor to perform additional services not initially included in the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

TERMS AND CONDITIONS:

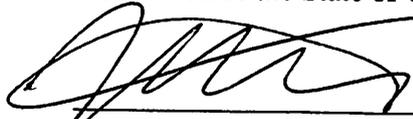
1. ADDITIONS TO SCOPE OF WORK. The Parties hereby agree to add to the Agreement the services set forth in **Exhibit A**, attached hereto and incorporated herein by this reference. Such additional services shall be performed in accordance with the fees set forth in Exhibit A of this Second Addendum.
2. PRIOR PROVISIONS EFFECTIVE. Except as specifically amended hereby, all the terms and provisions of the Agreement shall remain in full force and effect.
3. COUNTERPART EXECUTION. This Second Addendum may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank].

IN WITNESS WHEREOF, the Parties have caused this Second Addendum to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

DISTRICT:

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



Officer of the District

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

CONTRACTOR:
MEYER & SAMS, INC., a Colorado corporation, d/b/a
GMS, INC., CONSULTING ENGINEERS



Printed Name: JASON D. MEYER

EXHIBIT A

SCOPE OF SERVICES—FITZ GULCH PROJECT

INTRODUCTION AND BACKGROUND

The area in question suffered severe erosion from major rain events in May and June of 2015. The resulting erosion damaged houses, water and gas mains and access to the area, all of which are threatened with more damage in the coming months.

The design will address the restoration of the pre-flood event grades and cover for infrastructure as well as a solution to prevent further erosion from increased flows due to severe fire damage above this location.

OBJECTIVES

Establish a design solution and associated cost estimate for the existing erosion and infrastructure damage contained within Fitz Gulch.

TASKS

Provide a detailed description of each task using the following format. Detailed descriptions are only required for CWCB funded tasks. Other tasks should be identified but do not require details beyond a brief description.

TASK 1 – Surveying

Description of Task

Establish horizontal and vertical control followed by a site survey Fitz Gulch. Information that will need to be included within the survey will be locations of existing utilities, roads, buildings and vegetation that will be contained within the work area.

Method/Procedure

Contract with an engineering firm to undertake the survey.

Deliverable

An AutoCAD drawing detailing the existing site.

TASK 2 – Design

Description of Task

Design the necessary facilities to restore Fitz Gulch to its pre-disaster condition that will allow for vehicular access to the existing homes, provide protection to the existing utilities and provide a means to convey runoff through the area without eroding the improvements.

Method/Procedure

Contract an engineering firm to undertake a design that meets the stated task description.

Deliverable

Provide a set of plans and specifications that may be used to bid the project for construction.

TASK 3 – Cost Estimate

Description of Task

Provide a cost estimate based upon the design of the facilities.

Method/Procedure

Contract an engineering firm to undertake a cost estimate to the design of the facilities.

Deliverable

Provide a set of plans and specifications that may be used to bid the project for construction.

REPORTING AND FINAL DELIVERABLE

Reporting: The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the tasks identified in the statement of work including a description of any major issues that have occurred and any corrective action taken to address these issues.

Final Deliverable: At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

COMPENSATION SCHEDULE FOR FITZ GULCH PROJECT – NOT-TO-EXCEED
\$12,000 payable upon receipt by District of grant funds from El Paso County.

Cascade Metropolitan District No. 1

December 22, 2015 Board meeting

Agenda Item 8c.

Enclosure

Will be provided under separate cover

**MEMORANDUM OF UNDERSTANDING BETWEEN EL PASO COUNTY,
COLORADO, AND CASCADE METROPOLITAN DISTRICT NO. 1 CONCERNING
EMERGENCY WATERSHED PROTECTION PROJECT DESIGN FUNDING FOR
FITZ GULCH
(EWP Technical Assistance)**

THIS MEMORANDUM OF UNDERSTANDING (“Agreement” or “MOU”) is made and entered into this _____ day of December 2015, by and between the Cascade Metropolitan District No. 1, a duly organized Colorado special district and quasi-municipal corporation and political subdivision of the State of Colorado (hereinafter “Cascade” or the “District”), and the Board of County Commissioners of El Paso County, State of Colorado, a political subdivision of the State of Colorado, (hereinafter “County”).

RECITALS

WHEREAS, Article XIV, Section 18, of the Colorado Constitution, and C.R.S. § 29-1-201, et seq., provide for, and encourage, political subdivisions of the State of Colorado to make the most efficient and effective use of their powers and responsibility by cooperating and contracting with each other; and

WHEREAS, pursuant to C.R.S. §§ 30-11-101(1), 30-11-103 and 30-11-107(1), the Board of County Commissioners of El Paso County, Colorado has the legislative authority to make all contracts and to settle all accounts of the County and to exercise such other and further powers as are conferred by law; and

WHEREAS, pursuant to §32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, flood waters within the District have eroded the ground so that a District water line has been exposed and is in danger of damage or breaking if not otherwise corrected; and

WHEREAS, in order to facilitate the repair of the eroded area so that the District’s water line can be protected, the District has agreed to provide and/or facilitate services related to the corrective work and to work in conjunction with other agencies to facilitate the repairs; and

WHEREAS, under the provisions of Section 216 of Public Law 81-516, Emergency Watershed Protection Program (“EWP”), and Title IV of the Agricultural Credit Act of 1978, Public Law 95-334, the Natural Resources Conservation Service, hereinafter called (“NRCS”), is authorized to assist local governments in relieving hazards created by natural disasters that cause a sudden impairment of a watershed; and

WHEREAS, the Colorado Water Conservation Board (“CWCB”) is authorized to grant funds under the EWP program to County, pursuant to NRCS Agreement 68-8B05-A-15-04; and

WHEREAS, on October 9, 2015, the Colorado Department of Natural Resources issued a purchase order (Number: POGG1 PDAA 2016000000000000418), to County, for reimbursement with the state of Colorado in the amount of \$12,000 to be used for emergency watershed protection project design services within Cascade, which purchase order is attached hereto and incorporated herein as **Exhibit A**.

WHEREAS, Cascade desires for County to facilitate and assist Cascade with reimbursement of the design services through available CWCB funds, and County desires to facilitate reimbursement of these available funds to Cascade, but in doing so, County does not pledge any County monies to Cascade; and

WHEREAS, the design work is fully funded through the State, and the County has no financial obligation whatsoever under this MOU; and

WHEREAS, County and Cascade anticipate entering into an intergovernmental agreement concerning the construction of the emergency watershed projects once the design, as contemplated in this MOU, is finalized and approved.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties agree as follows:

1) **OBJECTIVES**

Cascade desires to complete design work for construction of emergency watershed projects as identified by the NRCS. County has received a purchase order from the Colorado Department of Natural Resources for twelve-thousand dollars and zero cents (\$12,000.00) to accomplish this design work.

County desires to facilitate reimbursement for design work performed by Cascade in accordance with the purchase order at **Exhibit A**.

2) **COUNTY'S RESPONSIBILITIES (SPONSOR)**

- a) Once the project is determined to be eligible for reimbursement, the County will request up to \$12,000 from the CWCB through the purchase order at **Exhibit A**.
- b) If additional Federal EWP Program funds become available for the expressed purpose of accomplishing the objectives of this project, the County and Cascade may amend this agreement and increase the amount of funds as approved by the NRCS and CWCB.
- c) The County will not be substantially involved with the administration of contracts made by Cascade to implement the design of emergency watershed protection measures.
- d) Provide the following as contact persons:
 - Technical/Administrative:
 - Andre P. Brackin

County Engineer/Deputy Director
El Paso County Public Services Department
3275 Akers Drive
Colorado Springs, CO 80922
Phone: (719) 520-6845
Email: AndreBrackin@elpasoco.com

- e) Upon receipt of a request for reimbursement from Cascade, County will forward the reimbursement request, along with invoices and supporting documentation, to the Colorado Water Conservation Board for approval. Once approved, County will remit reimbursement funds to Cascade within thirty (30) days of receipt from the CWCB.

3) **CASCADE'S RESPONSIBILITIES (SUBRECIPIENT)**

- a) Be solely responsible for the design work, and comply with all Federal, State, and Local laws, including the specific requirements of Federal and NRCS contracting guidelines and will obtain all necessary Federal, State, and Local permits related to the project.
- b) Agree to be fully responsible for any amount over \$12,000.00 and that County, NRCS, and CWCB shall have no obligation to reimburse anything over that amount.
- c) Agree to provide financial and performance reports to the County on a monthly basis (pre, mid and post construction). This includes allowing site visits by County staff and or assigns.
- d) Agree to maintain copies of all records for at least 3 years after the close out of NRCS Agreement 68-8B05-A-15-04.
- e) Agree to conduct eligibility testing (debarment) on all contractors associated with said construction project or provide the requested information for El Paso County to conduct and check prior to contracting for work.
- f) Supply all copies of invoices and related back up documentation to El Paso County with requests for reimbursement.
- g) Agree to be paid through standard El Paso County draft instruments and provide to the County required supporting documentation for that purpose, which will include but may not be limited to:
- Accounting records for all costs incurred under this agreement must be supported by source documentation. Such documentation includes but is not limited to, cancelled checks, paid bills, payroll records, and subcontract award documents. Labor cost charges to this agreement must be based upon salaries actually earned and time actually worked on this agreement. All project costs incurred with the approved project period of this agreement, including any no-cost extensions of time provided by NRCS. Costs that cannot be supported by

source documentation or that are incurred outside of the approved project period and budget may be disallowed.

h) Provide the following as contact persons:

Administrative:
Kevin Walker
Vice President
Schooler and Associates
20 Boulder Crescent St. Suite 200
Colorado Springs, CO 80903
(719) 447-1777
(719) 331-5480
Email: Kevin@Schoolerandassociates

With a Copy to:
WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attn: Jennifer Gruber Tanaka, Esq.
(303) 858-1800 (phone)
(303) 858-1801 (fax)
jtanaka@wbapc.com

- i) Accept all financial and other responsibility for insurance costs concerning the project and any excess costs resulting from its failure to obtain, or its delay in obtaining, adequate land and water rights, permits, and licenses needed for the emergency watershed protection measures described in the applicable NRCS Damage Survey Report(s).
- j) Contract for the design of the emergency watershed protection measures described in the applicable Damage Survey Report(s) in accordance with applicable state and federal requirements.
- k) Pay its own contractor(s) as provided in its contract(s) and take reasonable and necessary actions to dispose of all contractual and administrative issues arising out of the contract(s) awarded under this agreement. This includes, but is not limited to, disputes, claims, protests of award, source evaluation, and litigation that may result from the project. Such actions will be at the expense of Cascade, including legal expenses.
- l) To the extent permitted by law, indemnify, hold harmless and save the County free from any and all claims or causes of action whatsoever resulting from the obligations undertaken by Cascade under this agreement or resulting from the work provided for in this agreement.

- m) Retain all records dealing with the award and administration of contract(s) for three (3) years from the date of at least 3 years after the close out of NRCS Agreement 68-8B05-A-15-04 or until final audit findings have been resolved, whichever is longer. If any litigation is started before the expiration of the 3-year period, the records are to be retained until the litigation is resolved or the end of the 3-year period, whichever is longer. Make such records available to the County, Comptroller General of the United States or his or her duly authorized representative and accredited representatives of the U.S. Department of Agriculture or cognizant audit agency for the purpose of making audit, examination, excerpts, and transcripts. Cascade agrees to provide County with copies of any audits performed on Cascade by any cognizant audit agency, including those stated above.

4) MUTUAL AGREEMENTS

- a) The furnishing of financial and other assistance by the County as provided in this agreement is contingent upon the continuing availability of appropriations by Congress, the State of Colorado, and the El Paso Board of County Commissioners, from which payment may be made and shall not obligate the County if Congress, the State, or the El Paso Board of County Commissioners fails to so appropriate.
- b) The parties mutually agree that reimbursement funding by the County is expressly contingent upon approval by the CWCB and NRCS as to eligibility according to NRCS and EWP guidelines.
- c) All parties mutually agree that the program or activities provided for under this Agreement will be conducted in compliance with all applicable Federal civil rights laws, rules, regulations, and policies.
- d) This Agreement may be amended at any time as mutually agreed in writing. Modifications shall be by mutual consent of both parties, by issuance of a written modification, signed by both parties. All modifications, extensions, or amendments must be made prior to the expiration date of this Agreement.
- e) As a condition of this Agreement, Cascade assures and certifies that it is in compliance with, and will comply in the course of this agreement with all applicable laws, regulations, executive orders, and other generally applicable requirements.

5) PERIOD OF PERFORMANCE

This Agreement shall be effective upon all signatures and remains in effect through December 31, 2016, unless otherwise amended.

6) **LAW**

This Agreement is subject to, and shall be interpreted under the laws of the State of Colorado, Court venue and jurisdiction shall exclusively be in the Colorado District Court for El Paso County, Colorado.

7) **RIGHT AND REMEDIES NOT WAIVED**

No assent, express or implied, by either party to any breach of this Agreement by the other party shall be held to be a waived by such non-breaching party or any later breach by the other party. Neither the County nor Cascade shall be excused from complying with any provision of this Agreement because of any failure to the other to insist upon or to seek compliance with such provision.

8) **NO THIRD PARTY BENEFICIARIES**

It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of acting relating to such enforcement, shall be strictly reserved to the County and Cascade and nothing in this Agreement shall give or allow any claim or right of action by any other or third person under this Agreement. It is the express intention of the County and Cascade than any person, other than the parties receiving services or benefits under this Agreement, shall be deemed to be an incidental beneficiary only.

9) **ASSIGNMENT**

The County and Cascade each understands and agrees that it shall not assign this Agreement, except upon prior written consent and approval of the other party to such assignment.

10) **BREACH OF AGREEMENT**

The parties shall have such remedies as provided by law or equity for breach of this Agreement.

11) **PARAGRAPH HEADINGS**

The captions and headings set forth herein are for convenience of reference only and shall not be construed to define or limit the terms and provisions hereof.

12) **SEVERABILITY**

It is understood and agreed by the parties that if any part, term or provision of this Agreement is held by a court of competent jurisdiction to be illegal or in conflict with any federal laws, or any law of the State of Colorado, the validity of the remaining portions or provisions shall not be affected and the rights and obligations of the parties shall be

construed and enforced as if the Agreement did not contain the particular part, term or provision determined by the court to be invalid.

13) ENTIRE AGREEMENT

This Agreement is intended as the complete integration of the understanding between the parties and constitutes the entire Agreement between the parties. All other representations or statements previously made, whether verbal or written, are merged herein. This Agreement and any amendments to it shall be binding upon the parties, their successors and assigns. Any amendments to this Agreement shall be in writing entered into between the parties.

14) GOVERNMENTAL IMMUNITY

Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the County or the District, their respective officials, employees, contractors, or agents, or any other person acting on behalf of the County or the District and, in particular, governmental immunity afforded or available to the County or the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

15) COUNTERPART EXECUTION

This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

[Remainder of Page Intentionally Left Blank. Signature Pages to Follow.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this _____ day of December, 2015.

**BOARD OF COUNTY COMMISSIONERS
OF EL PASO COUNTY, COLORADO**

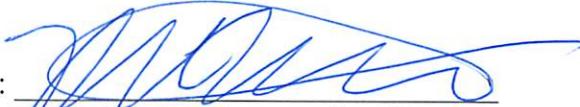
BY: _____
Henry Yankowski Date
El Paso County Administrator

APPROVED AS TO FORM:

BY: _____
County Attorney Date

ATTEST: CASCADE METROPOLITAN DISTRICT NO. 1

BY: _____
Officer of the District
Date: _____

BY: 
Michael R. Whittemore, President
Date: 12/7/15

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

BY: _____
Jennifer Gruber Tanaka, Esq.
General Counsel for Cascade
Date: _____