

# CASCADE METROPOLITAN DISTRICT NO. 1

## NOTICE OF REGULAR MEETING

Cascade Fire Station

8015 Severy Road

Cascade, Colorado

Tuesday, February 23, 2016

5:30 P.M.

### **Board of Directors**

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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

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### **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 January 26, 2016 Meeting (**enclosure**)
  - d. Approval of Payables for the Period Ending February 22, 2016 (**enclosure**) in the amount of:

General Fund:	\$ 50,075.48
Capital Projects Fund:	\$ 850.00
Grant Projects Fund:	\$ 0.00
Debt Service Fund:	\$ 23,512.44
Total	\$ 74,437.92
  - e. Acceptance of Unaudited Financial Statements as January 31, 2016, the schedule of cash position updated as of January 31, 2016 and bank statements (**enclosure**)
  - f. Approval of Requisition No. 9 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 approval of Fourth Addendum Independent Contractors Agreement With GMS, Inc. Consulting Engineers for General Engineering Services (**enclosure**)

- h. Ratify approval of Fifth Addendum Independent Contractors Agreement With GMS, Inc. Consulting Engineers for General Engineering Services (**enclosure**)
- i. Approval of Extension of Deadline for Improvements Required Report from CSU under Settlement Agreement Due to Additional Information Requested by CSU on Water Tank (**to be distributed**)
- j. Approval of 2015 Annual Report to El Paso County (**enclosure**)

**7. Consideration of items removed from Consent Agenda**

**8. Management Matters**

- a. CSU report update
- b. Review/discuss Water Storage Tank Inspection Requirements and Consider Approval of Written Plan for Compliance (enclosures)
- c. Consider Approval of Proposal from GMS, Inc. Consulting Engineers for Tap Fee Analysis Services and Approval of Sixth Addendum to Independent Contractor Agreement with GMS, Inc. Consulting Engineers for same (**enclosures**)

**9. Operations Matters**

- a. Report on CRWA conference

**10. Financial Matters**

**11. Legal Matters**

**12. Executive Session (§§ 24-6-402(4)(b) and (e), C.R.S.)**

- a. Discuss non-exempt employee compensation (to be distributed under separate cover)

**13. Other Business**

- a. Next Meeting—March 22, 2016 at 5:30 PM

**14. Adjournment**

**Cascade Metropolitan District No. 1**

**February 23, 2016 Board meeting**

**Agenda Item 6.a**

**Operations Report**

**Enclosure**

# **CASCADE METROPOLITAN DISTRICT No. 1**

## **Monthly Operations Report**

**For Period: February 1 - February 15, 2016**

**By: Andre Kilik, Operator/O.R.C.**

### **TOTAL WATER RECEIVED at CITY MASTER METER**

**Weekly Electronic Read-Out ----- 2/1 thru 2/7 – 614k gallons**

**----- 2/7 thru 2/14 – 642k gallons**

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**Monthly Usage Total – For Month Of January --- 1.79 mil. gallons**

**Monthly Usage Total – For Month Of February (2/1-2/15) ----- 1.32 mil. gallons**

### **OPERATIONS & MAINTENANCE ISSUES**

- 1) Bacti samples (2/16) completed (results not completed)
- 2) HAAS & THM completed (2/16)
- 3) 4" main break found (2/1) repaired (2/3) corner of Santa's Workshop
- 4) Meter bottom broken 5005 Chipita Pines Drive (2/15) Resident in neighborhood reported.

### **OTHER BUSINESS**

- 1) Crating a leak record book with pictures (history of main breaks).
- 2) Emporia pump house. Estimating material list for framework, roof material, and dump demo.

**Cascade Metropolitan District No. 1**

**February 23, 2016 Board meeting**

**Agenda Item 6.b**

**Manager's Report**

**Enclosure**



## SCHOOLER & ASSOCIATES, INC.

Development Consultants  
Special District Management



Cascade Metropolitan District No. 1  
Manager's Report  
February 16, 2016

### 1. Billing

- Meters were read on February 1 and 2 due to snow.
- 95% of the statements were mailed on February 8. Remainder completed by February 13.
- Bill pay address issues have been resolved.
- Collections
  - 8 late payment letters mailed. 4 late payments resolved.

### 2. Other management actions

- Backflow preventer reminder letters prepared to go out this week. Received one certification (Pikes Peak Highway) and issued one extension for Santa's Workshop
- Received the payment from the County regarding the Fitz Gulch project for final payment on GMS contract addendum.
- Leak Adjustment communication. Not yet approved
- Submitted first quarterly report for DOLA grant
- Signed up operators for CRWA conference 1 day
- Two meetings with consultants and staff regarding Itron remote meter reading device which is still reading over 60 readings incorrectly causing a billing adjustment prior to bill printing. Expect resolution for March billing
- Completed draft tank inspection plan. Circulated for engineering review. Completed second draft.
- Researched issues and pay surveys for switch of non-exempt employees to hourly wages. Developed time sheet for tracking. Communicated to employees regarding plans for implementing this change
- Developed draft memorandum for discussion by Board on employee status.
- Received notification that the grant application for assistance with creation of an online bill retrieval system from DOLA was declined
- Began overhaul of website with announcements on first page and rearrangement of documents and more uniform retrieval process
- Continued use of Work orders with Operators
- Followed up on preliminary recommendation that at C license no longer be required by the District and have not received a date certain for that acceptance.
- Supported attorney in drafting agreement with property owner for extension of services.



- Prepared draft of required annual notice for El Paso County
  -
3. Customer service
    - Primarily issues related to backflow issues and minimal billing questions and issues
    - Completed and distributed weekly task list per Board recommendation. Added Operations
  4. Accounting and bookkeeping
    - Transmitted approved financial statements to bond trustee and confirmed Trustee status
    - Submitted account application at HD Supply.
  5. Operations support
    - Supported conference sign up
    - Discussions regarding transition to
    - Itron reader support
    - Gave a list of meters to visually check for Itron accuracy
    - Discussed large meter replacement

January Bought, sold, loss report

Loss calculations (in gallons)		Billed	Remote access	Operator
Total water purchased		2,059,244	2,042,726	1,790,000
Total water sold		<u>1,572,650</u>	<u>1,572,651</u>	<u>1,572,652</u>
Lost		486,594	470,075	217,348
% loss		24%	23%	12%

**Cascade Metropolitan District No. 1**

**February 23, 2016 Board meeting**

**Agenda Item 6.c**

**Minutes of Board Meeting January 26, 2016**

**Enclosure**

**MINUTES OF A REGULAR MEETING OF  
OF THE BOARD OF DIRECTORS OF THE  
CASCADE METROPOLITAN DISTRICT NO. 1  
HELD JANUARY 26, 2016**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 26th day of January, 2016, 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  
Troy Eason  
Stephen Spaulding  
Susan Soloyanis

**Also In Attendance Were:**

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law  
Duane Schorman, District Operator  
Andre Kilik, District Operator  
Kevin Walker, Schooler & Associates, Inc.  
Jason Meyer and David Frisch, GMS, Inc. Consulting Engineers  
Members of the Public; see attached list

1. **Call to Order** – The meeting was called to order Board President Whittemore at 5:36 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** – Director Eason requested that the Board consider discussing disposition of surplus property. The Board agreed to add this matter to the Management Matters Section of the Agenda. Ms. Tanaka requested that the Consent Agenda be amended to add item K directing that the excess cost of issuance funds in the amount of \$627,17 be transferred to the Project Fund and direction be provided to the Trustee accordingly. Motion to approve the agenda as amended was made by Director Herr, second by Troy Eason. Motion passed unanimously.
4. **Public Comment** – None.

5. **Correspondence - None**

6. **Consent Agenda Items**

- a. Acknowledge Operations Report
- b. Acknowledge Manager's Report
- c. Approval of Board Meeting Minutes from the December 22, 2015 Regular Meeting
- d. Approval of Payables for the Period Ending January 26, 2016 in the amount of:

General Fund:	\$ 32,393.56
Capital Projects Fund:	\$ 20,490.41
Grant Projects Fund:\$	\$ 0.00
<u>Debt Service Fund:</u>	<u>\$ 23,512.44</u>
Total	\$ 76,396.41

- e. Acceptance of Unaudited Financial Statements as December 31, 2015, the schedule of cash position updated as of December 31, 2015 and bank statements
- f. Approval of Requisition No. 7 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
- g. Approval of Engagement Letter with BiggsKofford for Conduct of 2015 Audit
- h. Approval of an Independent Contractor Agreement with Beers and Brock Construction, LLC, for On Call Repair Services
- i. Adoption of Resolution No. 2016-01-01: Designating District's 24 Hour Posting Location
- j. Approval of Public Records Request Policy
- k. Approve moving Excess Cost of Issuance Funds for the Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and 2015 B in Amount of \$627.17 from to the Project Fund.

Items f. and i. were requested to be removed from the Consent Agenda for further discussion. Motion to approve the Consent Agenda except for Items f. and i. was made by Director Spaulding, seconded by Director Soloyanis. Motion passed unanimously.

7. **Consideration of items removed from Consent Agenda** Discussion of Item f. started with President Whittmore outlining a discussion that occurred with GMS earlier where the process and effort to complete the CSU report for submittal on December 29, 2015.

Mr. Meyer, GMS, Inc., discussed the process of completing the report submittal which necessarily included additional effort because the previous data had to be thrown away and GMS needed to start from scratch. The total cost for completing the report was close to \$170,000 with approximately \$60,000 being for analysis and the remainder being the collection of data about the system to analyze. Mr. Meyer discussed the remaining tasks on the design of the infrastructure package. In the normal course of that design task, they should be able to anticipate the expenses and adjust the

contract accordingly. This phase of the project was extraordinary with the deadline and the high cost of developing reliable data. The current additional tasks would allow the design phase of the project to have data that they could trust rather than having to spend additional time and expense on verifying data that had been demonstrated to be inaccurate. The completed work also allowed the relationship with CSU to develop in a more positive manner because CSU had also felt that the previous data had been wrong and problematic for their review and use going forward.

Mr. Meyer discussed the upcoming meeting on the only remaining issue – the status of the water tank – which all involved expected to be most positive. The data that had been submitted allowed CSU to consider alternatives to the keeping the tank. The continued operation of the tank would benefit the CSU operations in the entire Ute Pass area. The general discussion was that if the tank benefitted the CSU operations, perhaps that is an expense they should bear, not the District.

Ms. Tanaka outlined the timing set forth under the Settlement Agreement and noted that February 26, 2016 is the deadline by which CSU is required to provide the District with an Improvements Required Report. It was acknowledged that there had been substantial positive interaction already with the City in this process.

Discussion ensued regarding the chlorine level at the lowest point of the system being inadequate according to the most recent tests conducted by CSU. The discussion with CSU regarding that issue had been to loop the line in that location (the line servicing the Holy Cross Novitiate) or to enlarge the line to an 8" line. The location of the meter might also change a portion of the public system to private and that possibility needed to be considered.

Director Herr noted that the process to date was taking care of identifying and studying many of the unknowns about the existing system. This would result in a cost savings going forward in that this information needed to be developed

Ms. Tanaka noted that the cost for CSU to review the information was also less due to the level of trust in the report submitted by GMS. Director Herr agreed that the investment in the GIS data was going to save money going forward.

The meeting with CSU on the current status of their review and the tank was the next day and all were confident that the meeting would go well.

A question was posed from Ms. Tara Kelly as to whether the next phases of the design process would be a fixed price for each task in the next phase. Mr. Meyer outlined parts of the next phase that could be difficult to estimate – cost of CDOT permits, geotechnical requirements, or the cost of easements were specifically estimated. Other costs of final design were more able to give an overall cost and stay within a total budget number.

Director Eason stated that poor data costs the District in the bidding process with contractors. It was noted also that time deadlines were not going to be an ongoing issue in the next phases of the process. In response to a question, Mr. Meyer stated that the data was completely transferable to others in the process. It was also noted that CSU had made significant use of the current data submitted.

The Board requested further discussion of this issue in executive session. Until then, a motion was made by Director Eason to approve Item f. Requisition 7 in the revised amount of \$20,490.41,

seconded by Director Herr. The motion passed unanimously.

Discussion occurred on Item i. regarding the 24 hour posting location at the Ute Pass Library. Director Spaulding requested clarification as to whether the District has permission to post notices at the Library and questioned whether the posting could be made in a more prominent location and not at the bottom of the window. Ms. Tanaka outlined the posting requirements explaining that the District this resolution addresses only the 24 hour notice location requirement and noted that the District is required to post notices in 2 additional locations within the District and noted that the District actually posts notices in 7 other locations, including the Triangle Building. Mr. Kilik reported that the Library is aware of the posting and has never raised any objections. Director Spaulding requested that the District discuss the location with the Library staff and seek a more prominent location for this notice. Director Spaulding moved to approve Item i. Adoption of Resolution No. 2016-01-01: Designating District's 24 Hour Posting Location, seconded by Director Soloyanis. The motion passed unanimously.

## **8. Management Matters**

- a. The Board noted that the previous discussion on Item f. covered this matter adequately.
- b. The added item for disposition of excess District property was discussed. Director Eason noted an interest in some of the potential property that would not be conveyed to nor accepted by CSU upon the completion of the conversion process. Ms. Tanaka suggested that an Asset Disposition Committee of Board members could be established to focus on these properties with the Committee recommending the disposition of these assets. Property that could be subject to disposition included the Triangle building, the tank near the North Pole, the Severy pump house and the yard with some pipe and other material near Mother's Rest. Directors Herr and Spaulding volunteered to serve on this Committee
- c. Mr. Walker updated the Board on the backflow preventer process. The deadline for completion is March 15, 2016. The North Pole is going through a detailed review with CSU and will be granted an extension by the District to this deadline to allow CSU to develop alternative guidelines that would result in savings for this account. The Board noted the importance of following upon the status of these installations to ensure that the requirements are being met and on time.

9. **Operations Matters** – Mr. Spaulding inquired into the status of the provision of water to an account which has a large outstanding balance and where the water had been turned off. It was noted that the owners are living at the property and there was suspicion that water may be used. The Board requested that Mr. Kilik inspect the property to ensure the water is still shut of. Mr. Walker noted that the property was in foreclosure. The Board directed Ms. Tanaka to commence foreclosure proceedings against the property. The Board directed Mr. Walker and Mr. Kilik to conduct a site inspection and to charge a fee on a daily basis if access is not granted.

Mr. Spaulding reported that the District saved over \$17,000 in 2 months as a result of performing the water leak repairs which confirms the District's decision was wise and in the best interest of the District.

Mr. Kilik noted that there was a need for some supplies to be replaced in an estimated amount of \$1,000. These purchases were noted as necessary and also that it would be necessary to obtain an account with a new provider and that Mr. Walker would pursue opening an account with HD

Supply.

Mr. Kilik noted that he has receipts for various credit card purchases that were made in the past month and provided those to Mr. Walker.

Ms. Soloyanis requested that Mr. Walker include operations actions in his weekly report.

Mr. Kilik and Mr. Schorman discussed the current reading status of the master meter and the remote at the CSU tie-in. CSU had repaired the remote but it had ceased working again. Mr. Kilik was able to manually read the CSU meter to obtain readings. The use of the remote meter read online was acknowledged and the Operators and Manager would continue to develop a reading regimen that was effective.

Mr. Kilik and Mr. Schorman were authorized to attend one day of the Colorado Rural Water Authority annual convention and would work with Mr. Walker to review the scheduled sessions and to schedule attendance. It was noted that attendance at these courses will provide necessary training units to the operators which are required for their respective licenses.

10. **Financial Matters** – None.

11. **Legal Matters**

- a. **Approval of Infrastructure Construction and Conveyance Agreement with Pyramid Mountain Properties, LLC for Extension of Water Facilities and Service to Property Outside District Boundaries** – Ms. Tanaka reviewed a draft agreement with a Pyramid Mountain Properties, LLC, a property owner located within the boundaries of District 2, to provide review of design and construction of water improvements with the goal of conveying the improvements to the District for ownership, operation and maintenance. The agreement insures that the developer is responsible for all costs associated with developing the agreement and completing the District review and acceptance. Ms. Tanaka explained how the contract would work with the developer responsible for a deposit that the District’s representatives would bill against and that the deposit would be refreshed when the funds went below \$1,000. A motion to approve the Agreement subject to final details agreed to with District Counsel was made by Director Eason, seconded by Director Herr. The motion passed unanimously.
- b. **Discuss Water Tap Fees for Out of District Customers** – Ms. Tanaka explained the need for a study to develop a fee structure for the situation discussed previously because the current water tap fees are pledged to District 2’s use and are associated with the raw water which was conveyed to District and noted that District 1 has costs associated with the infrastructure for which each customer within the District’s boundaries is required to pay its fair share and noted those accessing the system outside of the boundaries should be subject to the same requirement. The Board requested that GMS, Inc., Consulting Engineers provide the Board with a proposal for this work for consideration at the February meeting and then noted the Board would then consider any recommendation for fees at the March meeting after proper 30 day notification.

- c. **Update on May 3, 2016 Director Election** – Ms. Tanaka updated the Board on the timing of various election steps leading to an election scheduled for May 3, 2016. Self-nomination forms were distributed to those whose position is up for re-election. Ms. Tanaka noted that if there are not more nominations received by the deadline than positions open for re-election, the election could be cancelled and the directors re-elected by acclamation. Ms. Tanaka will advise the Board of the status as any updates are received.
- d. **Consider Approval of Correspondence to El Paso County Board of County Commissioners Regarding Annual Update as Required by Service Plan Amendment** – Ms. Tanaka reviewed a draft letter to be sent to the Board of County Commissioners in fulfillment of the BOCC’s resolution approving the 2015 Service Plan amendment. A motion to approve the submittal of the letter was made by Director Soloyanis, seconded by Director Spaulding. Motion passed unanimously.

**12. Executive Session (§§ 24-6-402(4)(b) and (e), C.R.S.)** - Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S., upon motion duly made by Director Soloyanis, seconded by Director Herr and, upon affirmative vote of at least two-thirds of the quorum present, the Board convened in Executive Session at 7:26 PM for the purpose of negotiations with third parties and receiving legal advice, as authorized by Sections 24-6-402(4)(b) and (e), C.R.S.

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the remaining portion of this Executive Session that, in the opinion of the District’s attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 7:38 PM upon motion by Director Herr, seconded by Director Eason. The motion passed unanimously.

A motion was made by Director Soloyanis, seconded by Director Spaulding to approve Requisition No. 8 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 \$90,224.59 with the funds approved being the fees incurred by GMS, Inc., Consulting Engineers for the completion of the System Inventory and Assessment Study, and to approve the Third Addendum to Independent Contractor Agreement with GMS, Inc. Consulting Engineers for the increased compensation for Task 2. The motion passed unanimously.

12. **Other Business** – Next meeting date is scheduled on February 22, 2016.

Meeting adjourned at 7:42 PM.

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 26, 2016  
MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE  
BOARD OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
Mike Whittemore

\_\_\_\_\_  
Mike Herr

\_\_\_\_\_  
Troy Eason

\_\_\_\_\_  
Stephen Spaulding

\_\_\_\_\_  
Susan Soloyanis

**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 January 26, 2016, for the sole purposes of conferencing with the District's legal counsel for the purposes of receiving legal advice on specific legal questions and for discussing matters subject to negotiation, as authorized by §§24-6-402(b) and (e), C.R.S. I further attest that it is my opinion that all or 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 to 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**

**February 23, 2016 Board meeting**

**Agenda Item 6.d**

**Payable Spreadsheet**

**Enclosure**

**CASCADE Metropolitan District**  
**PAYMENT REQUEST**  
 2/16/2016  
**GENERAL FUND ACCOUNT**

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
American Leak Detection	2266	11/11/2015	\$ 275.00		\$ 275.00	
American Leak Detection	2269	11/18/2015	\$ 1,650.00		\$ 1,650.00	
Black Hills Energy	7847904478	1/28/2016	\$ 53.61		\$ 53.61	
Black Hills Energy	3758174801	1/28/2016	\$ 48.52		\$ 48.52	
Colorado Special Districts Prop. & Liab. Pool	29C61409-1561	12/7/2015	\$ 7,041.97		\$ 7,041.97	
Colorado Special Districts Prop. & Liab. Pool	15W601527-2231	2/2/2016	\$ 240.58		\$ 240.58	
Colorado Springs Utilities	1063299574	2/8/2016	\$ 16,407.88		\$ 16,407.88	
Colorado Springs Utilities	9778584050	2/1/2016	\$ 16.43		\$ 16.43	
Colorado Springs Utilities	3857668853	2/1/2016	\$ 19.29		\$ 19.29	
Colorado Springs Utilities	9039484301	2/1/2016	\$ 16.33		\$ 16.33	
Colorado Springs Utilities	8668751056	2/1/2016	\$ 26.06		\$ 26.06	
FirstBank	6721	2/8/2016	\$ 81.36		\$ 81.36	
Iron, Inc.	398194	12/12/2015	\$ 908.54		\$ 908.54	
Lamb Excavating	3030	2/11/2016	\$ 2,379.35		\$ 2,379.35	
Meyer & Sams, Inc. (GMS)	1	12/11/2015	\$ 12,000.00		\$ 12,000.00	
Schooler & Associates, Inc.	5897	1/29/2016	\$ 5,270.00		\$ 5,270.00	
Verizon	9752966576				\$ -	
White Bear Ankele Tanaka & Waldron	70094	1/25/2016	\$ 2,640.56		\$ 2,640.56	
White Bear Ankele Tanaka & Waldron	70094	1/25/2016	\$ 1,000.00		\$ 1,000.00	Walstad \$237.50 Remaining
<b>TOTAL</b>			<b>\$ 50,075.48</b>	<b>\$ -</b>	<b>\$ 50,075.48</b>	

**BOND FUND ACCOUNT**

Description	Date	Amount	Comments
UMB Bank - Series 2015A & 2015B Interest	3/1/2016	\$ 23,512.44	March Payment
<b>TOTAL</b>		<b>\$ 23,512.44</b>	

**CAPITAL FUND ACCOUNT**

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
Meyer & Sams, Inc.					\$ -	
White Bear Ankele Tanaka & Waldron	70094	1/25/2016	\$ 850.00		\$ 850.00	
<b>TOTAL</b>			<b>\$ 850.00</b>		<b>\$ 850.00</b>	

**GRANT FUND ACCOUNT**

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
					\$ -	
<b>TOTAL</b>			<b>\$ -</b>		<b>\$ -</b>	

**TOTAL FOR ALL FUNDS**

**\$ 74,437.92**

\_\_\_\_\_, President  
 Cascade Metropolitan District

**Cascade Metropolitan District No. 1**

**February 23, 2016 Board meeting**

**Agenda Item 6.e**

**Unaudited Financial Statements as of January 31, 2016**

**Enclosure**

## Cascade Metropolitan District No. 1

02/17/16

## Balance Sheet

Accrual Basis

As of January 31, 2016

	Jan 31, 16
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1995 Checking	47,839.71
2002 Savings	37,791.37
2-1050 · UMB Interest 143222.1	70,600.23
2-1055 · UMB Reserve 143222.3	368,097.84
3-1040 · UMB Project 143222.5	3,069,410.40
<b>Total Checking/Savings</b>	<u>3,593,739.55</u>
<b>Accounts Receivable</b>	
1-1200 · Accounts Receivable	46,818.51
1-1210 · Allowance for Doubtful Accounts	-19,000.00
<b>Total Accounts Receivable</b>	<u>27,818.51</u>
<b>Total Current Assets</b>	<u>3,621,558.06</u>
<b>Fixed Assets</b>	
3-1310 · Improvements	1,203,844.00
3-1320 · Water Distribution System	300,000.00
3-1400 · Accumulated Depreciation	-332,431.00
<b>Total Fixed Assets</b>	<u>1,171,413.00</u>
<b>TOTAL ASSETS</b>	<u><u>4,792,971.06</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Long Term Liabilities</b>	
Bonds Payable 2015A	3,500,000.00
Bonds Payable 2015B	1,500,000.00
2-2500 · Premium on Bonds	46,657.00
2-2510 · Amortization on Bond Premium	-11,250.00
<b>Total Long Term Liabilities</b>	<u>5,035,407.00</u>
<b>Total Liabilities</b>	<u>5,035,407.00</u>
<b>Equity</b>	
3-3200 · Invested in Capital Assets	1,171,413.00
30000 · Opening Balance Equity	-180,464.08
32000 · Retained Earnings	-1,253,507.81
Net Income	20,122.95
<b>Total Equity</b>	<u>-242,435.94</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>4,792,971.06</u></u>

## Cascade Metropolitan District No. 1 Profit & Loss Budget Performance January 2016

	Jan 16	Budget	Jan 16	YTD Budget	Annual Budget
<b>Income</b>					
1-505 · Water Sales	22,049.13	18,870.00	22,049.13	18,870.00	226,440.00
1-508 · Water Service Charge	6,980.00	6,649.50	6,980.00	6,649.50	79,794.00
1-510 · Late Fees	0.00	166.66	0.00	166.66	2,000.00
1-560 · Pipeline Surcharge	6,090.65	5,567.70	6,090.65	5,567.70	66,812.40
2-510 · Debt Service Water Fee	3.63	1.66	3.63	1.66	20.00
2-560 · Interest Income-Debt	28,208.50	28,906.21	28,208.50	28,906.21	346,874.56
3-560 · Interest Income - Capital	136.36		136.36		
	1,008.67	500.00	1,008.67	500.00	6,000.00
<b>Total Income</b>	<b>64,476.94</b>	<b>60,661.73</b>	<b>64,476.94</b>	<b>60,661.73</b>	<b>727,940.96</b>
<b>Expense</b>					
1-612 · Accounting	193.17	108.34	193.17	108.34	1,300.00
1-615 · Audit	0.00	0.00	0.00	0.00	7,500.00
1-618 · Bank Fees	149.90	25.00	149.90	25.00	300.00
1-635 · Election	0.00	0.00	0.00	0.00	3,000.00
1-670 · Insurance/SDA Dues	633.20	8,000.00	633.20	8,000.00	8,000.00
1-672 · Dues, Fees & Subscriptions	0.00	25.00	0.00	25.00	300.00
1-675 · Legal	0.00	5,416.66	0.00	5,416.66	65,000.00
1-681 · Management/Accounting	0.00	5,000.00	0.00	5,000.00	60,000.00
1-693 · Payroll Taxes	965.64	375.00	965.64	375.00	4,500.00
1-710 · Chemical and Supplies	0.00	83.34	0.00	83.34	1,000.00
1-715 · Operation Labor	1,965.87	3,541.66	1,965.87	3,541.66	42,500.00
1-718 · Locates	0.00	50.00	0.00	50.00	600.00
1-720 · Repairs and Maintenance	0.00	833.34	0.00	833.34	10,000.00
1-725 · Telephone/Utilities	0.00	166.66	0.00	166.66	2,000.00
1-730 · Vehicle Expense	119.24	83.34	119.24	83.34	1,000.00
1-735 · Water Purchase	36,274.80	18,000.00	36,274.80	18,000.00	216,000.00
1-740 · Water Quality Testing	0.00	208.34	0.00	208.34	2,500.00
1-745 · Meter Software and Hardware	500.00	1,000.00	500.00	1,000.00	1,000.00
1-750 · Website	0.00	41.66	0.00	41.66	500.00
1-760 · Office Supplies/Postage	0.00	41.66	0.00	41.66	500.00
2-617 · Bank Fees - Debt Service	26.15	0.00	26.15	0.00	3,000.00
2-900 · Interest Expense CMD A 2015	0.00	0.00	0.00	0.00	199,700.00
2-905 · Interest Expense CMD B 2015	0.00	0.00	0.00	0.00	3,000.00
3-617 · Bank Fees - Capital	206.02	185.00	206.02	185.00	82,500.00
3-650 · Capital Improvements	0.00	231,625.82	0.00	231,625.82	2,220.00
3-675 · Legal - Capital	825.00	833.34	825.00	833.34	2,779,510.50
3-763 · Design Costs	0.00	24,867.82	0.00	24,867.82	10,000.00
3-770 · Inspections	2,495.00		2,495.00		298,414.50
<b>Total Expense</b>	<b>44,353.99</b>	<b>300,511.98</b>	<b>44,353.99</b>	<b>300,511.98</b>	<b>3,802,845.00</b>
<b>Net Income</b>	<b>20,122.95</b>	<b>-239,850.25</b>	<b>20,122.95</b>	<b>-239,850.25</b>	<b>-3,074,904.04</b>

**CASCADE METROPOLITAN DISTRICT  
ENTERPRISE CAPITAL PROJECT FUND**

ACTUAL 2015	ACTUAL 2016 TO DATE	2016 BUDGET
----------------	---------------------------	----------------

**CAPITAL FUND: BEGINNING BALANCE**      \$ -      \$ 3,091,510.72      \$ 3,084,145.00

REVENUES - SERIES 2015 BOND PROCEEDS	\$ 4,510,607.00		
TRANSFER IN FROM COST OF ISSUANCE	\$ 627.29		
INTEREST INCOME	\$ 3,529.54	\$ 1,008.67	\$ 6,000.00

TOTAL REVENUES      \$ 4,514,136.54      \$ 1,635.96      \$ 6,000.00

TOTAL REVENUE & FUND BALANCE      \$ 4,514,136.54      \$ 3,093,146.68      \$ 3,090,145.00

**EXPENDITURES**

CAPITAL IMPROVEMENTS			
LEGAL	\$ -	\$ -	\$ 2,779,510.50
ENGINEERING	\$ 6,509.50	\$ 1,768.50	\$ 10,000.00
BANK CHARGES	\$ 67,483.86	\$ 21,761.76	\$ 298,414.50
TRANSFER TO GENERAL FUND	\$ 966.39	\$ 206.02	\$ 2,220.00
TRANSFER TO DEBT SERVICE FUND	\$ 333,890.87	\$ -	\$ -
	\$ 1,013,775.20	\$ -	\$ -

TOTAL EXPENDITURES      \$ 1,422,625.82      \$ 23,736.28      \$ 3,090,145.00

CAPITAL FUND: ENDING BALANCE      \$ 3,091,510.72      \$ 3,069,410.40      \$ -

**Cascade Metropolitan District No. 1**

**February 23, 2016 Board meeting**

**Agenda Item 6.f**

**Requisition No. 9 to UMB Bank**

**Enclosure**

PROJECT REQUISITION FORM

REQUISITION NO. 9

To: UMB Bank, National Association, Corporate Trust & Escrow Services

The undersigned Authorized Representative (the "Authorized Representative") of Cascade Metropolitan District No. 1 (the "District"), acting by and through its Water Activity Enterprise (the "Issuer"), hereby requisitions from the Project Fund created by the hereinafter defined Indenture, the following sum from UMB Bank, National Association (the "Trustee"), and in connection with such request, certifies as follows:

**Amount:**

- |    |  |           |
|----|--|-----------|
| 1. | White, Bear, Ankele Tanaka and Waldron | \$ 825.00 |
| 2. | TOTAL:                                 | \$ 825.00 |

**Name and Payment Instructions of Payee:**

**a) White Bear Ankele Tanaka & Waldron**

3. (a) Amount: \$ 825.00  
(b) Payment Wire Instructions  
Wells Fargo Bank  
Account Number: 7315854195  
ABA: 121000248

Originator to Beneficiary: Cascade Metropolitan District No. 1

The Issuer further certifies that:

(a) The obligation described above has been properly incurred by the Issuer, is a proper Project Cost under the Indenture dated as of May 1, 2015 by and between the Issuer and the Trustee (the "Indenture") and has not been the basis of any previous withdrawal or requisition;

(b) All conditions required by the Indenture to be met prior to the disbursement of the above amount have been satisfied; and

(c) No Event of Default under the Indenture has occurred and is continuing.

Attached hereto is a current completed report in the form of Schedule I, identifying the amounts paid and payable with respect to the Project Costs.

**CASCADE METROPOLITAN DISTRICT NO. 1**

Date: February 23, 2016

By: \_\_\_\_\_  
Authorized Representative of the Board of  
the District

**APPROVED:**

**WHITE BEAR ANKELE TANAKA & WALDRON, as District General Counsel**

By: \_\_\_\_\_  
Authorized Representative  
Name: Jennifer Gruber Tanaka  
Title: Shareholder

**Schooler & Associates, Inc., as District Accountant**

By: \_\_\_\_\_  
Authorized Representative  
Name: Lori VonFeldt  
Title: Chief Operating Officer

**WHITE BEAR ANKELE  
TANAKA & WALDRON**  
Attorneys at Law  
2154 E. Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
Telephone (303) 858-1800  
Facsimile (303) 858-1801

Cascade Metropolitan District No. 1  
Attn: Kevin Walker  
Schooler & Associates, Inc.  
20 Boulder Crescent Street, Suite 200  
Colorado Springs, Colorado 80903

January 25, 2016  
Federal ID: 84-1421318

Client ID: 1317

Summary of Current Billing

	Fees	Costs	Credits	Total
Total this Invoice	4,582.50	120.56	0.00	4,703.06

12/25/15	Previous Balance	18,407.14
12/29/15	Payment	-9,873.48
01/07/16	Payment	-943.50
02/03/16	Payment	-6,765.16
	Total This Invoice	4,703.06
	<u>New Balance</u>	<u>5,528.06</u>

Accounts Receivable Aging

Current	4,703.06
30 Days	825.00
60 Days	0.00
90 Days	0.00
120 Days	0.00

*Reg 7*

Note:

Elections \$ 264.00  
 Audit 75.00  
 Walstad Agmt 1,237.50  
 Capital Matters 825.00 *Reg 9 KJW*  
 1000 Walstad *KJW*

*OK KJW*

*OF \$3,640.56*

*(\$237.50) remaining for add escrowed funds.*

**WHITE BEAR ANKELE  
TANAKA & WALDRON**  
Attorneys at Law  
2154 E. Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
Telephone (303) 858-1800  
Facsimile (303) 858-1801

Cascade Metropolitan District No. 1  
Attn: Kevin Walker  
Schooler & Associates, Inc.  
20 Boulder Crescent Street, Suite 200  
Colorado Springs, Colorado 80903

January 25, 2016  
Federal ID: 84-1421318

Client ID: 1317

**Matter 1317.0000 GENERAL MATTERS**

01/12/16	ABF	Work on general district matters; conference with Ms. Letofsky re same	0.30	45.00
01/19/16	ALL	Work on and updated District Book Page with correct contact information for director	0.10	13.50
Total for Matter				58.50

**Matter 1317.0003 SERVICE PLAN**

01/18/16	JGT	Draft correspondence to Board of County Commissioners re annual updates required by Service Plan Amendment	1.00	375.00
01/19/16	JGT	Finalize correspondence to Board of County Commissioners re annual updates pursuant to Service Plan Amendment; draft correspondence to directors re same	0.60	225.00

Total for Matter 600.00 C

**Matter 1317.0006 MINUTES**

01/18/16	JGT	Review and revise December 22, 2015 Minutes; draft correspondence to Mr. Walker re same	0.80	300.00
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Total for Matter 300.00

**Matter 1317.0007 RESOLUTIONS**

01/14/16	ABF	Draft Resolution Designating District's 24-Hour Posting Location	0.30	45.00
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Total for Matter 45.00

**Matter 1317.0008 MEETINGS**

01/18/16	JGT	Review and revise Agenda; draft correspondence to Mr. Walker re same; work on meeting matters	1.00	375.00
01/24/16	JGT	Update action items; draft correspondence to Mr. Whittemore re same	0.50	187.50

Total for Matter 562.50

**Matter 1317.0009 ELECTIONS**

01/11/16	ALL	Conference with Designated Election Official re May 3, 2016 Election	0.10	13.50
01/21/16	ALL	Work on, draft and revise Call for Nominations and Notice by Publication Forms for attorney review; transmit same for publication; work on, review and transmit Self-Nomination Forms	1.30	175.50
	JGT	Review and revise Call for Nominations	0.20	75.00

No Charge for the Following Items

01/21/16	ALL	NO CHARGE; Work on, draft and revise Call for Nominations and Notice by Publication Forms for attorney review; transmit same for publication; work on, review and transmit Self-Nomination Forms	1.20	NC
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Total No Charge 1.20 0.00

Total for Matter 264.00

**Matter 1317.0011 DIRECTORS**

01/25/16	ALL	Work on updating director contact information and District Book Page	0.10	13.50
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Total for Matter 13.50

**Matter 1317.0012 CONFLICTS**

01/20/16	ABF	Work on matters re 2016 Conflict Disclosure Forms; conference with Ms. Letofsky re same	0.10	15.00
01/22/16	ABF	Prepare conflicts; e-file with Secretary of State; conference with Ms. Letofsky re same	0.30	45.00
	ALL	Work on and review Conflict of Interest Disclosure Forms and contact information; transmit same to district board members or manager	0.50	67.50

	ALL	Prepare conflicts; e-file with Secretary of State	0.20	27.00
		Total for Matter		154.50
	<b>Matter</b>	1317.0015 BUDGETS		
01/21/16	JGT	Review and revise Budget Message; draft correspondence to Mr. Walker re same	0.40	150.00
01/24/16	JGT	Draft correspondence to Mr. Walker re status of filing of Budget per Bond and Grant documents	0.10	37.50
		Total for Matter		187.50
	<b>Matter</b>	1317.0017 AUDITS		
01/20/16	JGT	Review and revise 2015 Audit Engagement Letter; draft correspondence to Mr. Walker re same	0.20	75.00
		Total for Matter		75.00
	<b>Matter</b>	1317.0018 DISTRICT MANAGEMENT		
01/07/16	JGT	Review and revise water leak adjustment application; draft correspondence to Mr. Walker re same	0.20	75.00
		Total for Matter		75.00
	<b>Matter</b>	1317.0024 ANNUAL FILINGS		
01/18/16	JGT	Review and revise Transparency Notice; draft correspondences to Mr. Walker re same	0.30	112.50
		Total for Matter		112.50
	<b>Matter</b>	1317.0026 DISTRICT INQUIRIES		
01/18/16	ABF	Review Public Records Policy; conference with Ms. Letofsky re same	0.10	15.00
01/19/16	ALL	Work on and draft Colorado Open Records Act Policy for attorney review, revise same; transmit to district, transmit calendar to district	0.70	94.50
		Total for Matter		109.50
	<b>Matter</b>	1317.0103 LITIGATION MATTERS RELATING TO EMBEZZLEMENT		

01/18/16	JGT	Review and revise Demand Letter; draft correspondence to Mr. Pippenger re same; draft correspondence to directors re same	0.40	150.00
		Total for Matter		150.00
	<b>Matter</b>	1317.0208 BEERS AND BROCK CONSTRUCTION AGREEMENT FOR ON CALL REPAIR SERVICES		
01/18/16	JGT	Draft Agreement; draft correspondence to Mr. Walker re same	0.80	300.00
		Total for Matter		300.00
	<b>Matter</b>	1317.0401 PYRAMID MOUNTAIN PROPERTIES CONSTRUCTION AND CONVEYANCE AGREEMENT		
01/19/16	JGT	Draft Agreement; draft correspondences re same	2.50	937.50
01/22/16	JGT	Review and revise Agreement; draft correspondence to Mr. Walstad re same; draft correspondence to directors re Agreement	0.80	300.00
		Total for Matter		1,237.50
	<b>Matter</b>	1317.1102 CSU WATER SYSTEM ASSESSMENT AND INVENTORY REPORT COMPLIANCE MATTERS		
01/05/16	JGT	Draft correspondence to Mr. Gustafson re submittal of additional information and deadline for required improvements report from CSU	0.30	112.50
		Total for Matter		112.50
	<b>Matter</b>	1317.1300 DEBT		
01/05/16	JGT	Prepare for and participate in telephone conference with Mr. Walker and Mr. Meyer re submittal of requests for payment under bonds and Grant Agreement	0.30	112.50
		Total for Matter		112.50
	<b>Matter</b>	1317.1700 LEGISLATIVE MATTERS		
01/11/16	JGT	Prepare for and participate in telephone conference re pending legislation affecting special districts	0.30	112.50
		Total for Matter		112.50
	<b>Matter</b>	1317.9999 ADMINISTRATIVE FEES AND COSTS		

C✓

01/25/16	Filing Fees	6.00
	Administrative Costs	114.56
	<b>Total for Matter</b>	<b>120.56</b>
	<b>Total for all Matters</b>	<b>4,703.06</b>

This transmittal represents our invoice for legal services for the period ending as of the date hereof.  
Payment is due within thirty days of said date. We appreciate the opportunity to be of service.

**Cascade Metropolitan District No. 1**

**February 23, 2016 Board meeting**

**Agenda Item 6.g**

**Fourth Addendum of contract with GMS, Inc.**

**Enclosure**

FOURTH ADDENDUM  
TO  
INDEPENDENT CONTRACTOR AGREEMENT  
(Engineering Services)

---

This FOURTH ADDENDUM TO THE INDEPENDENT CONTRACTOR AGREEMENT (the "Fourth Addendum") is entered into and shall become effective as of the 26<sup>th</sup> day of January 2016, 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, which was further amended in the *Second Addendum to Independent Contractor Agreement*, dated December 11, 2015, and which was further amended in the *Third Addendum to Independent Contractor Agreement*, dated January 26, 2016 (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 Fourth 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 Fourth 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.

IN WITNESS WHEREOF, the Parties have caused this Fourth 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 – General Engineering Services**

The Contractor shall perform general engineering services for the District at the direction of the District's Board or District Manager. Any projects with defined scopes and associated fees shall be set forth in a separate addendum to the Agreement signed by the Parties and approved by the District's Board at a public meeting. The general engineering services contemplated herein shall be separate and apart from the services set forth in previous addenda to the Agreement and shall be separate and distinct from the design and construction management services to be identified as Task 3 and set forth in a future addendum.

### **COMPENSATION SCHEDULE**

The Compensation Schedule is attached hereto as **Exhibit A-1**.

**EXHIBIT A-1**  
**Compensation Schedule**

Hourly rates for calendar year 2016

Principal	\$176.00
Senior Professional Engineer	\$154.00
Professional Engineer	\$137.00
Senior Design Technician	\$143.00
Professional Licensed Surveyor	\$111.00
Design Technician	\$ 93.00
Senior Resident Project Representative	\$100.00
Resident Project Representative	\$ 88.00
Clerical	\$ 65.00
Expenses	Cost plus 10%

**Cascade Metropolitan District No. 1**

**February 23, 2016 Board meeting**

**Agenda Item 6.h**

**Fifth Addendum of contract with GMS, Inc.**

**Enclosure**

FIFTH ADDENDUM  
TO  
INDEPENDENT CONTRACTOR AGREEMENT  
(Engineering Services)

---

This FIFTH ADDENDUM TO THE INDEPENDENT CONTRACTOR AGREEMENT (the "Fifth Addendum") is entered into and shall become effective as of the 29<sup>th</sup> day of January 2016, 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, which was further amended in the *Second Addendum to Independent Contractor Agreement*, dated December 11, 2015, which was further amended in the *Third Addendum to Independent Contractor Agreement*, dated January 26, 2016, and which was further amended in the *Fourth Addendum to Independent Contractor Agreement*, dated January 26, 2016 (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 Fifth 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 Fifth 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 Fifth 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 P. MEYER

## **EXHIBIT A**

### **SCOPE OF SERVICES – General Engineering Services**

The Contractor shall review three alternatives for the District's existing water tank and provide the needed storage volume for the District along with any additional information or data requested by Colorado Springs Utilities. The three alternatives include:

1. New tank and the existing tank site;
2. New tank at a new tank site, piping, etc.; and
3. A second connection to CSU's system. The connection would be in the cul-de-sac area at the end of Aspenglow Lane.

Each alternative shall include a model of the improvements, changes to the improvements already presented (if needed) and a cost estimate for the alternative. This information will be provided as an addendum to the report submitted to Colorado Springs Utilities and shall be completed by no later than the deadline provided in a letter extension between the District and Colorado Springs Utilities, which shall be no sooner than thirty (30) days from the date of this Fifth Addendum.

### **COMPENSATION SCHEDULE**

Time and materials not-to-exceed \$9,000.

**Cascade Metropolitan District No. 1**

**February 23, 2016 Board meeting**

**Agenda Item 6.j**

**Approval of 2015 Annual Report to El Paso County**

**Enclosure**

**EL PASO COUNTY SPECIAL DISTRICTS  
ANNUAL REPORT and DISCLOSURE FORM**

1. Name of District(s):	Cascade Metropolitan District No. 1
2. Report for Calendar Year:	2015
3. Contact Information	<p>Kevin Walker  Schooler and Associates, Inc.  PO Box 1479  Colorado Springs, CO 80901  (719) 447-1777  <a href="mailto:kevin@schoolerandassociates.com">kevin@schoolerandassociates.com</a>  Note: This District does not have an office within the Boundaries of the District</p>
4. Meeting Information	<p>District Board meetings are normally held on the fourth Tuesday of each month at 5:30 at the Cascade Volunteer Fire Department Station located at 8015 Severy Rd. Cascade CO, 80809 but are subject to change. Up to date meeting times, locations and agendas can be obtained by calling the office, checking the website at <a href="https://www.colorado.gov/cascademd">https://www.colorado.gov/cascademd</a> and are posted in the District at numerous locations including the District Triangle Building at Fountain Avenue and Emporia Ave. and the Ute Pass Library at 8010 Severy Ave.</p>
5. Type of District(s)/ Unique Representational Issues (if any)	<p>Cascade Metropolitan District No. 1 was organized in conjunction with the Cascade Metropolitan District No. 2 and is a conventional Title 32 Special Metropolitan District.</p>
6. Authorized Purposes of the District(s)	<p>Supply of water for domestic and other public and private purposes by any available means and all necessary or proper reservoirs, treatment works and facilities, equipment and appurtenances. Park and recreation and mosquito control.</p>
7. Active Purposes of the District(s)	<p>Supply of water for domestic and other public and private purposes by any available means and all necessary or proper reservoirs, treatment works and facilities, equipment and appurtenances</p>

<p>8. <b>Current Certified Mill Levies</b>  a. Debt Service  b. Operational  c. Other  d. Total</p>	<p>a. 0  b. 0  c. 0  d. 0</p>
<p>9. <b>Sample Calculation of Current Mill Levy for a Residential and Commercial Property (as applicable).</b></p>	<p>Not applicable</p>
<p>10. <b>Maximum Authorized Mill Levy Caps</b>  (Note: these are maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners approvals)</p> <p>a. Debt Service  b. Operational  c. Other  d. Total</p>	<p>a. 0.000  b. No Cap  c. No Cap  d. 0.000 for Debt Service. No cap for operations or other purposes.</p> <p>The District does not currently impose a mill levy and collects all revenues through the imposition of fees, rates, tolls, penalties and charges. The District's Service Plan prohibits the pledge of general obligation revenues for the repayment of debt. The District is permitted to impose a mill levy for operational purposes.</p>
<p>11. <b>Sample Calculation of Mill Levy Cap for a Residential and Commercial Property (as applicable).</b></p>	<p>Not Applicable</p>
<p>12. <b>Current Outstanding Debt of the Districts (as of the end of year of this report)</b></p>	<p>The District has no outstanding debt as defined by TABOR. However, the District, through its water activity enterprise, issued revenue bonds in the total aggregate amount of \$5,000,000 in June 2015. The Bonds were issued in two series— Series A in the amount of \$3,500,000 and Series B in the amount of \$1,500,000. The purpose of the Bonds was to refund then-existing outstanding financial obligations and to issue new money to finance water improvements to the District's aging water system.</p>
<p>13. <b>Total voter-authorized debt of the Districts (including current debt)</b></p>	<p>At its organization election, voters approved \$15,000,000 in general obligation debt. Notwithstanding, the District's Service Plan, as amended, limits the District's debt issuance to revenue bonds only and in the maximum par amount of \$5,000,000.</p>
<p>14. <b>Debt proposed to be issued, reissued or otherwise obligated in the coming year.</b></p>	<p>None</p>

15. Major facilities/ infrastructure improvements initiated or completed in the prior year	None
16. Summary of major property exclusion or inclusion activities in the past year.	The District conducted an inclusion election on May 5, 2015, at which time a majority of those voting at the election voted to include the property of all customers then served by the District into the boundaries of the District. A map depicting the current boundaries of the District after the inclusion is attached hereto as Exhibit A.

Reminder:

- A. As per Colorado Revised Statutes, Section 32-1-306, the special district shall maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor.
- B. Colorado Revised Statutes, Section 32-1-306, states a certificate of election results shall be filed with the County Clerk and Recorder.

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Name and Title of Respondent

---

Signature of Respondent

Date

RETURN COMPLETED FORM TO: [specialdistrictnotices@elpasoco.com](mailto:specialdistrictnotices@elpasoco.com)

Or mail to:

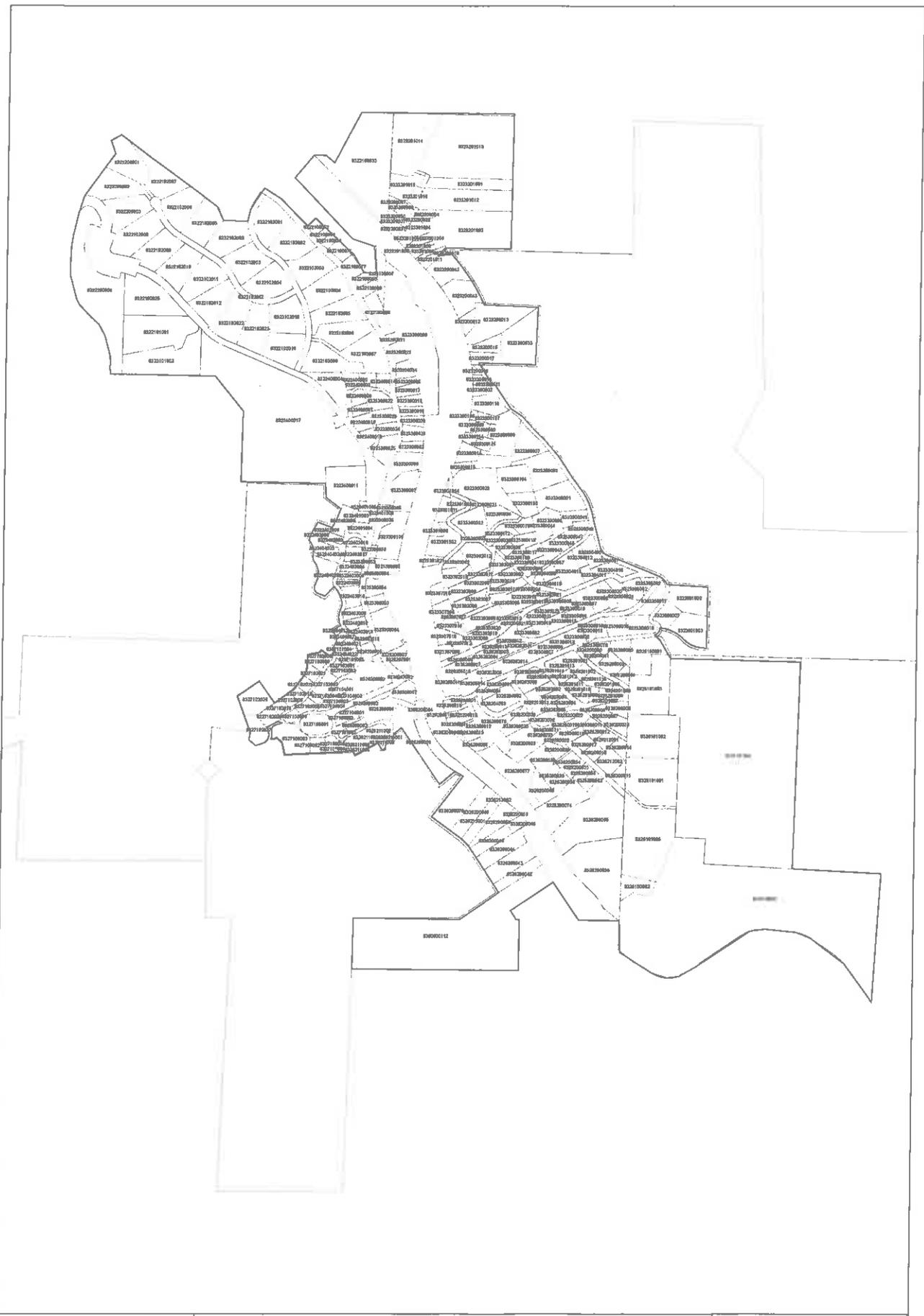
El Paso County  
Clerk and Recorder

Attention: Clerk to the Board Department  
P.O. Box 2007  
Colorado Springs, Colorado 80901-2007

**\*\*NOTE:** As per CRS Section 32-1-104(2), a copy of this report should also be submitted to:

County Assessor – 1675 W. Garden of the Gods Road, Colorado Springs, CO 80907

County Treasurer - 1675 W. Garden of the Gods Road, Colorado Springs, CO 80907




  
 JDS-HYDRO  
 CONSULTANTS, INC.


  
 N  
 W E  
 S

1 in = 400 ft

ELECTOR INCLUSION MAP

CASCADE METROPOLITAN  
DISTRICT #1

**Cascade Metropolitan District No. 1**

**February 23, 2016 Board meeting**

**Agenda Item 8.b**

**Water Storage Tank Inspection Plan**

**Enclosure**



**SCHOOLER & ASSOCIATES, INC.**

Development Consultants  
Special District Management



**Memorandum**

To: Cascade Metropolitan District No. 1 Board of Directors

From: Kevin Walker

Re: Required plan for Tank Inspections, Cascade Metropolitan District

Date: February 15, 2016

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The State of Colorado has promulgated rules regarding the a Written Plan for Finished Storage Tank Inspections Requirements. This arises from a March 10, 2015 adopted revision of the Colorado Primary Drinking Water Regulations, 5-CCR 1002-11, commonly known as Rule 11 (see attached excerpt on Tank Inspection).

This rule requires that the “supplier must develop and maintain a written plan for finished water storage tank inspections . . .” The draft of this plan is attached for your review.

The inspection from December 2015 and subsequent conversations with Marine Diving Solutions suggested that the only improvements necessary to bring the tank up to minimum safety considerations was the addition of a 24” frost proof vent. This is required by a potable tank. A proposal for improvement has been obtained by GMS during their review effort.



- (a) To composite gross alpha particle activity, combined radium-226 and radium-228, and uranium samples collected under 11.22, the supplier must comply with the requirements specified in this section 11.27(3).
- (b) The supplier may composite samples from up to four consecutive quarters from a single entry point.
- (c) The composite sample must be analyzed no later than one year after the first sample was collected.
- (d) The Department shall consider the composite sample result as an average of the individual samples included in the composite sample to determine compliance with the MCLs and to determine the future sampling frequency.
- (e) If the composite sample result is greater than ( $>$ ) one-half ( $1/2$ ) the MCL, the Department may require the supplier to collect additional quarterly samples before allowing the supplier to sample at a reduced frequency.

**11.27(4) Compositing Samples for Lead and Copper Entry Point Samples**

- (a) To composite lead and copper entry point samples collected under 11.26, the supplier must comply with the requirements specified in this section 11.27(4).
- (b) The supplier may composite samples from no more than five entry points.
- (c) Compositing of samples must be performed by certified laboratory personnel.
- (d) If the lead concentration in the composite sample is greater than or equal to ( $\geq$ ) 0.001 mg/L or the copper concentration in the composite sample is greater than or equal to ( $\geq$ ) 0.160 mg/L, the supplier must collect confirmation samples no later than 14 days after receiving notification of the composite result.
  - (i) Instead of collecting confirmation samples, the supplier may use one of the following:
    - (A) Duplicates of each original sample used in the composite sample.
    - (B) The original samples used in the composite sample, if a sufficient volume is available.

**11.28 STORAGE TANK RULE**

**11.28(1) Applicability and Definitions**

- (a) For all public water systems that use finished water storage tanks, the supplier must comply with the requirements specified in this rule beginning April 1, 2016.
- (b) "COMPREHENSIVE INSPECTION" means an internal and external storage tank inspection to identify sanitary defects that covers all aspects of the condition of the storage tank including but not limited to sanitary, structural, and coating systems conditions, as well as security and safety concerns.
- (c) "FINISHED WATER STORAGE TANK" means a tank or vessel owned by the supplier that is located downstream of the entry point and is not pressurized at the air water interface. Pressurized storage tanks are not included in the definition of finished water storage tanks.

- (d) "PERIODIC INSPECTION" means a visual external storage tank inspection that is typically performed by the supplier to identify evident sanitary defects (e.g., lack of screens on vents).

**11.28(2) Written Plan for Finished Water Storage Tank Inspections Requirements**

- (a) The supplier must develop and maintain a written plan for finished water storage tank inspections which must include all of the following:
- (i) An inventory of finished water storage tank(s) including all of the following information for each finished water storage tank:
    - (A) Tank type and construction materials (e.g., elevated, buried, etc.).
    - (B) Volume in gallons.
    - (C) Approximate dimensions.
    - (D) Location.
    - (E) Number of inlets, outlets, overflows, hatches, and vents.
    - (F) Coating systems.
    - (G) Date put in service.
    - (H) Rehabilitation and major maintenance history.
  - (ii) The methods for performing and documenting periodic and comprehensive inspections for each finished water storage tank including identification of qualified personnel to perform periodic and comprehensive inspections.
  - (iii) The schedule for performing periodic and comprehensive inspections for each finished water storage tank.
    - (A) Periodic inspections of each finished water storage tank must be scheduled at least quarterly or on an alternative schedule.
    - (B) Comprehensive inspections of each finished water storage tank must be scheduled at least every five years or on an alternative schedule.
    - (C) If the supplier schedules periodic or comprehensive inspections on an alternative schedule, the supplier must provide justification for the alternative schedule in the written plan for finished water storage tank inspections.
  - (iv) The timelines for correcting typical storage tank sanitary defects that the supplier will use to develop corrective action schedules. The supplier must at least address timelines for the following typical sanitary defects: improper screening or protection on vents and overflows, inadequate hatches, and unprotected openings.
- (b) The written plan for finished water storage tank inspections is subject to Department review and revision.

**11.28(3) Treatment Technique Requirements for Storage Tanks**

- (a) The supplier is prohibited from using uncovered finished water storage tanks.

- (i) "UNCOVERED FINISHED WATER STORAGE TANK" means a tank, reservoir, or other facility used to store water that will undergo no further treatment except residual disinfection and that is open to the atmosphere.
- (b) The supplier must operate and maintain finished water storage tanks so that they are free of sanitary defects.
- (c) The supplier must perform periodic and comprehensive inspections of each finished water storage tank.
- (d) The supplier must implement the written plan for finished water storage tank inspections.
- (e) If any sanitary defects are identified during a periodic or comprehensive inspection, the supplier must develop and implement a corrective action schedule for correcting each sanitary defect.
- (f) The supplier must develop an inspection summary no later than 60 days after each completed inspection that includes all of the following information:
  - (i) The date and type of inspection performed.
  - (ii) Inspection findings and tank conditions.
  - (iii) Any sanitary defects identified during the inspection.
  - (iv) If sanitary defects are identified, the corrective action schedule for correcting sanitary defects.
  - (v) If sanitary defects are identified, the corrective actions completed and the associated completion dates.

**11.28(4) Violations of the Storage Tank Rule**

- (a) If the supplier fails to develop or maintain an acceptable written plan for finished water storage tank inspections, a storage tank rule violation occurs.
- (b) The following constitute treatment technique violations:
  - (i) The supplier uses an uncovered finished water storage tank.
  - (ii) The supplier fails to perform or document a periodic or comprehensive inspection.
  - (iii) The supplier fails to implement the written plan for finished water storage tank inspections.
  - (iv) The supplier fails to complete or document corrective action or follow a corrective action schedule for any sanitary defects identified during a periodic or comprehensive inspection.

**11.28(5) Response to Violations of the Storage Tank Rule**

- (a) In the event of a storage tank rule violation, the supplier must:
  - (i) Notify the department no later than 48 hours after the violation occurs.
  - (ii) Distribute Tier 3 public notice as specified in 11.33.

- (b) In the event of a treatment technique violation, the supplier must:
  - (i) Notify the Department no later than 48 hours after the violation occurs.
  - (ii) Distribute Tier 2 public notice as specified in 11.33.

**11.29 RESERVED**

**11.30 RESERVED**

**11.31 RESERVED**

**11.32 RESERVED**

**11.33 PUBLIC NOTIFICATION RULE**

**11.33(1) Applicability and Definitions**

- (a) For all public water systems, the supplier must comply with the public notice requirements specified in this rule for the violations or situations specified in Table 11.33-I.

TABLE 11.33-I VIOLATION CATEGORIES AND OTHER SITUATIONS REQUIRING A PUBLIC NOTICE	
CPDWR violations	Failure to comply with an MCL or MRDL
	Failure to comply with a treatment technique requirement
	Failure to perform required water quality monitoring
	Failure to comply with required testing procedures
Variance or exemption under 11.43	Operation under a variance or an exemption
	Failure to comply with the terms and schedule of any variance or exemption
Other situations requiring public notice	Occurrence of a waterborne disease outbreak or other waterborne emergency
	Exceedance of the elevated nitrate MCL by non-community water systems, when granted Department approval as specified in 11.18(2)(d)
	Exceedance of the secondary maximum contaminant level for fluoride
	Availability of unregulated contaminant monitoring data
	Repeated failure to sample the source water for <i>Cryptosporidium</i>
	Failure to determine bin classification
	Groundwater systems with a waiver from disinfection requirements under 11.13
	Significant deficiencies identified at non-community groundwater systems
	Other violations and situations determined by the Department to require a public notice

- (b) Public notice requirements are divided into three tiers based on the seriousness of the violation or situation and any potential public health effects. Each tier has different requirements. The tiers are as follows:

**PLAN FOR MEETING REQUIREMENTS OF  
11.28 STORAGE TANK RULE  
COLORADO PRIMARY DRINKING WATER  
REGULATIONS, 5-CCR 1002-11  
(PLAN COMPONENTS IN BLUE)**

**11.28(2) Written Plan for Finished Water Storage Tank Inspections Requirements**

- (a) The supplier must develop and maintain a written plan for finished water storage tank inspections which must include all of the following:
- (i) An inventory of finished water storage tank(s) including all of the following information for each finished water storage tank :  
***See attached Exhibits A - Report dated 12/14/2015 by Marine Diving Solutions and Exhibit B JDS Hydro Consultants dated June, 2015.***
- (A) Tank type and construction materials (e.g., elevated, buried, etc.).***Welded Steel with 3/4 of the lower two panels buried.***
- (B) Volume in gallons. ***150,000 gallons***
- (C) Approximate dimensions. ***+/-30' diameter +/- 32 in elevation.***
- (D) Location. ***Approximately 820' northwest of the intersection of Severy Rd. and Gardiner Rd, Cascade, CO 80809. El Paso County Tax Assessor parcel number 83230-00-015***
- (E) Number of inlets (1), outlets (1), overflows (1), hatches (2), and vents (1) ***Total of 6 openings plus a drain.***
- (F) Coating systems. ***Interior – unknown (No lead confirmed by test), Exterior - Unknown***
- (G) Date put in service. ***Original date of service 1951. Doubled in size and expanded in 1979.***

(H) Rehabilitation and major maintenance history. *Inside of tank resprayed in last 10 years.*

(ii) The methods for performing and documenting periodic and comprehensive inspections for each finished water storage tank including identification of qualified personnel to perform periodic and comprehensive inspections.

***Periodic Inspections:***

- *Conduct quarterly by district staff using a standard inspection form*
- *Visual inspection of exterior wall panels, ladder, manway, overflow, roof, shell hatch, and vent; and the interior, as observed from the top hatch, of the wall panels, floor, manway, roof, inlet pipe, outlet, drainpipe, and overflow; noting the observed condition.*
- *Tank not drained*

***Comprehensive Inspection:***

- *Conduct every 5 years by State approved inspection company*
- *Visual inspection of all accessible components of the tank interior and exterior*
- *Tank coating assessment*
- *Recommended improvements*
- *Tank drained or diver inspected*

(iii) The schedule for performing periodic and comprehensive inspections for each finished water storage tank.

(A) Periodic inspections of each finished water storage tank must be scheduled at least quarterly or on an alternative schedule. *See schedule and commitment in (ii) above..*

(B) Comprehensive inspections of each finished water storage tank must be scheduled at least every five years or on an alternative schedule. *See schedule and commitment in (ii) above. Next scheduled comprehensive inspection is 2020.*

(C) If the supplier schedules periodic or comprehensive inspections on an alternative schedule, the supplier must provide justification for the alternative schedule in the written plan for finished water storage tank inspections.

(iv) The timelines for correcting typical storage tank sanitary defects

that the supplier will use to develop corrective action schedules. The supplier must at least address timelines for the following typical sanitary defects: improper screening or protection on vents and overflows, inadequate hatches, and unprotected openings. *Each of these defects will be addressed within 60 days of identification or as soon as weather permits scheduling of repair. Dangerous or unsafe conditions affecting the operators or any person will be scheduled immediately upon identification. A plan for each identified defect and a record of the repair will become a part of this plan.*

- (b) The written plan for finished water storage tank inspections is subject to Department review and revision. *Please contact the District Manager for written plan and inspection reports.*

**Exhibit A**

**PLAN FOR MEETING REQUIREMENTS OF  
11.28 STORAGE TANK RULE  
COLORADO PRIMARY DRINKING WATER  
REGULATIONS, 5-CCR 1002-11**

**Marine Diving Solutions Inspection Report for GMA Consulting  
12/14/2015**



7453 South Norfolk Street  
Aurora, Colorado 80016  
Office Phone: 800-637-1322  
Office Fax: 303-309-0097

**Inspection Report for GMS Consulting**

12/14/2015

Cascade, CO

**30'Diameterer x 32'High Steel Welded Semi-buried**

**Inspector: Keegan Nace**

**Inspector: Ian Stephens**



EXTERIOR

Wall Panels

Coating Conditions Overall: Fair

De-lamination of the coating:  Yes  No

Percent of De-lamination: 3-5% (only on what is exposed).

Uniform Surface Corrosion:  Yes  No

Percent of USC: 3-5% (only on what is exposed).

De-alloying present:  Yes  No

Percent of De-alloying: Less than 1% (mainly at the roof to wall location).

Dents Present:  Yes  No (noted at the overflow location)

**Summary:** Three quarters of the lower two panels are buried. Uniform surface corrosion and coating is noted to be missing where tank is buried, but is exposed. De-lamination is noted on panels throughout the tank. Roof to wall location is noted to have de-alloying. A support ring has been added from what appears to be from previous roof failure, and the welds appear to not be 100% around the tank and are in fair condition.

Coating Thickness in a 1' Diameter Area					
Position	Readings in MM +/- 2%				
1 o'clock	5.86	6.59	5.67	5.75	5.83
4 o'clock	6.77	6.16	5.98	7.11	6.23
7 o'clock	6.36	6.29	6.12	6.42	6.33
10 o'clock	5.64	5.46	5.36	5.12	5.07

Steel Thickness in a 1' Diameter Area					
Position	Readings in Inches +/- 2%				
1 o'clock	.256	.252	.257	.249	.262
4 o'clock	.241	.294	.254	.281	.261
7 o'clock	.255	.329	.333	.240	.264
10 o'clock	.245	.243	.242	.242	.242



Picture above shows the de-lamination that is common throughout the tank.



The picture above shows the roof to wall location that has an added support ring. The water seepage is from snow that is melting off the roof panels. The water is bypassing the support ring and going in between the two pieces of steel and causing corrosion that cannot be prevented with a blast and recoat. Recommend welding the entire length or caulking the seam.

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EXTERIOR

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Ladder

Coating Conditions Overall: Good

De-lamination of the coating:  Yes  No

Percent of De-lamination: N/A.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 1%.

De-alloying present:  Yes  No

Percent of De-alloying: N/A.

Safety Climb Present:  Yes  No

Type of safety climb and deficiencies noted: N/A.

Support Condition: Fair.

**Summary:** Ladder is noted to be constructed of 1 ¼" X ¼" flat bar with ½" diameter rungs. Ladder is also noted to have rungs spaced 7" away from tank wall. Recommend replacing ladder to bring up to current OSHA 1926.1053(a) and AWWA D100-11;5.4.2.4 codes.



EXTERIOR

Manway (s)

Coating Conditions Overall: Fair

De-lamination of the coating:  Yes  No

Percent of De-lamination: 5-10%.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 5-10%.

De-alloying present:  Yes  No

Percent of De-alloying: N/A.

Bolts missing:  Yes  No

Leakage Present:  Yes  No

**Summary:** Corrosion noted on older three quarter of hardware that has not been replaced. De-lamination noted on two separate layers of paint. Uniform surface corrosion forming where coating has failed, mainly near hardware locations.

Coating Thickness					
Position	Readings in MM +/- 2%				
1' Area	11.20	10.52	11.03	10.84	11.16

Steel Thickness					
Position	Readings in Inches +/- 2%				
Plate	.575	.555	.553	.546	.542
Pipe	.400	.397			



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EXTERIOR

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Foundation

**Summary:** Tank is semi-buried and no foundation is visibly available to inspect.

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EXTERIOR

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Overflow

Coating Conditions Overall: Good

De-lamination of the coating:  Yes  No

Percent of De-lamination: 1%.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 1%.

De-alloying present:  Yes  No

Percent of De-alloying: N/A.

End Cap Present:  Yes  No

Screen Present:  Yes  No

Support Condition: None.

**Summary:** Pipe is 4" diameter and is undersized for inlet and water being or able to be put into the tank. Roof structure might have had issues previously due to undersized overflow and too much water being put into the tank. Recommend replacing overflow to 5" or 6" diameter and installing a flapper valve with 24 mesh stainless steel screen.



EXTERIOR

Roof Panels

Coating Conditions Overall:      Poor

De-lamination of the coating:    Yes    No

Percent of De-lamination:        10-15%.

Uniform Surface Corrosion:    Yes    No

Percent of USC:                    10-15%.

De-alloying present:            Yes    No

Percent of De-alloying:        N/A.

Cathodic protection plates present:    Yes    No

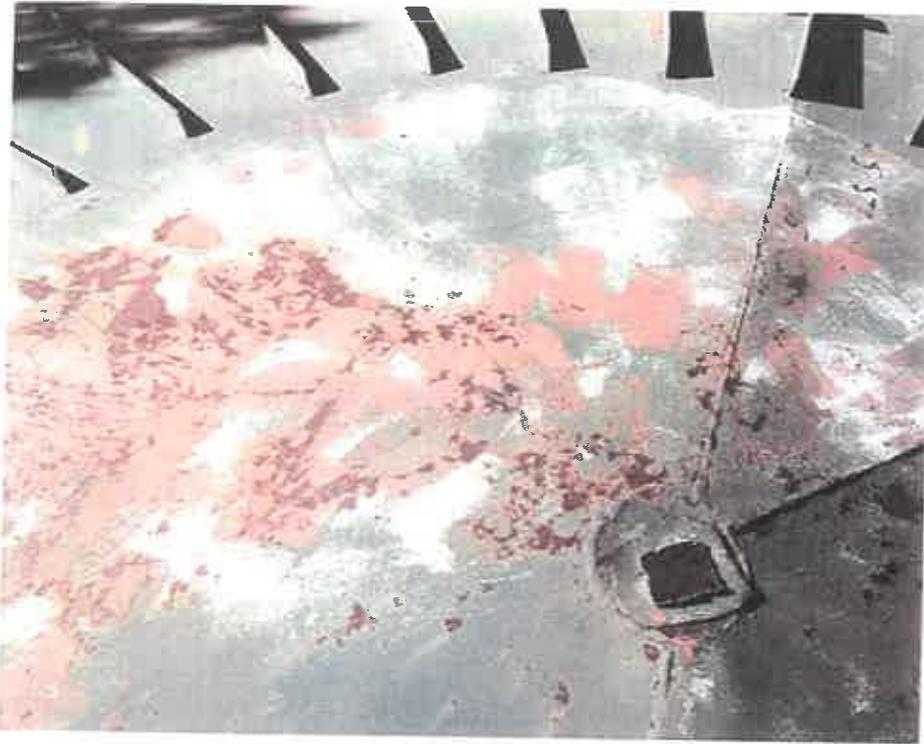
Cathodic protection plates missing:    Yes    No

Low Spots Present:            Yes    No

**Summary:** Roof appears to have collapsed at one time and has been bent back into shape. Roof currently has 1/4" X 2" flat bar welded to it to reinforce the steel structure. Low and high spot noted from the 2 o'clock to the 4 o'clock position. Roof is noted to have significant de-lamination of the coating throughout the panels. Uniform surface corrosion is present where coating has failed.

Coating Thickness					
Position	Readings in MM +/- 2%				
12 o'clock	4.23	4.53	4.68	5.05	5.69
3 o'clock	5.51	5.09	5.04	5.65	4.95
6 o'clock	5.02	4.95	4.94	4.53	4.54
9 o'clock	4.53	4.68	5.19	4.51	4.75

Steel Thickness					
Position	Readings in Inches +/- 2%				
12 o'clock	.180	.185	.192	.203	.182
3 o'clock	.183	.196	.199	.199	.180
6 o'clock	.179	.178	.178	.180	.178
9 o'clock	.180	.185	.182	.178	.185



Picture above shows the de-lamination of the coating, primer coat showing and fading of the paint.



Picture above shows the high/low spot and flat bar reinforcement.

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EXTERIOR

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Hatch

Coating Conditions Overall: Fair

De-lamination of the coating:  Yes  No

Percent of De-lamination: 1%.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 10% inside, 1% outside

De-alloying present:  Yes  No

Percent of De-alloying: 1% inside, less than 1% outside

Hatch Found Locked:  Yes  No

Gasket Present:  Yes  No

**Summary:** Hatch is 30" X 30" square. Significant uniform surface corrosion is noted under lid of hatch.



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EXTERIOR

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Vent

**Summary:** No vent is present on roof of tank. Abandoned level indicator has been converted to a temporary vent. Recommend installing a 24" frost proof vent to bring tank up to AWWA code D100-11; 5.5 and removing and capping existing level indicator.



Picture above shows make shift vent.

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INTERIOR

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Ladder

Coating Conditions Overall: Poor

De-lamination of the coating:  Yes  No

Percent of De-lamination: 25%.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 25%.

De-alloying present:  Yes  No

Percent of De-alloying: 25%.

Blistering Present:  Yes  No

Percent of Blistering: N/A.

Safety Climb Present:  Yes  No

Type of safety climb and deficiencies noted: None.

Support Condition: Good.

**Summary:** Ladder is noted to be constructed of 1 ¼" X ¼" flat bar with ½" diameter rungs. Ladder is also noted to have rungs spaced 4" away from tank wall. Top rung supports are spaced 15' apart and are not structurally capable to meet OSHA code. De-lamination of coating is noted on back side of 20' of ladder. Uniform surface corrosion and de-alloying of steel is noted where coating is missing. Pitting noted up to 1/8" deep to corrosion areas. Recommend replacing ladder to bring up to current OSHA 1926.1053(a) and AWWA D100-11; 5.4.2.4 codes.



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**INTERIOR**

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**Wall Panels**

Coating Conditions Overall: Fair-Poor

De-lamination of the coating:  Yes  No

Percent of De-lamination: N/A.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 5%.

De-alloying present:  Yes  No

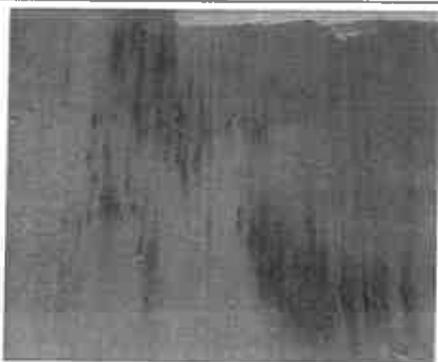
Percent of De-alloying: 1%.

Blistering Present:  Yes  No

Percent of Blistering: 5%.

**Summary:** De-lamination to the coating and de-alloying of the steel is noted at the roof to wall seam. Approximately 10' up from the floor, at what appears to be normal water level location is noted to have the majority of blistering and uniform surface corrosion present. 1/5 to 1/4 of wall panels have had coating touch ups done since last blast and recoat. Pitting of the steel is noted under previous blast and recoat. Numerous corrosion nodules are noted on wall panels, with pitting up to 1/16" deep noted.

Position	Coating Thickness				
	Readings in MM +/- 2%				
12 o'clock	8.45	8.55	8.56	8.35	8.32
3 o'clock	7.85	7.47	7.48	7.65	7.54
6 o'clock	8.17	8.15	8.46	8.15	7.77
9 o'clock	8.25	8.11	8.00	8.05	7.41



Small corrosion nodules noted at 3 o'clock, approximately 10' off of floor.



**Corrosion noted on wall panels behind ladder at the 12 o'clock position.**



**Corrosion noted on wall panels at the 6 o'clock position.**

INTERIOR

Floor Panels

Coating Conditions Overall:      Appears Good

De-lamination of the coating:    Yes    No

Percent of De-lamination:      Unknown.

Uniform Surface Corrosion:    Yes    No

Percent of USC:      Unknown.

De-alloying present:    Yes    No

Percent of De-alloying:      Unknown.

Blistering Present:    Yes    No

Percent of Blistering:      Unknown.

**Summary:** Skiff to 1/8" dirt sediment noted on floor panels with 9" of water during inspection. Visually 15-20 corrosion nodules were noted popping through sediment.

Coating Thickness					
Position	Readings in MM +/- 2%				
12 o'clock	10.66	7.23	7.24	8.75	7.29
3 o'clock	8.48	8.06	8.43	8.26	8.17
6 o'clock	8.04	8.27	8.16	8.29	7.99
9 o'clock	7.00	6.96	6.55	6.95	7.15

Steel Thickness					
Position	Readings in Inches +/- 2%				
12 o'clock	.297	.365	.365	.360	.360
3 o'clock	.291	.356	.338	.340	.346
6 o'clock	.338	.329	.346	.340	.342
9 o'clock	.341	.322	.326	.328	.320



Picture to the left shows a corrosion nodule on the floor (in center of picture).

INTERIOR

Manway (s)

Position of Manway(s): 10:30

Coating Conditions Overall: Poor

De-lamination of the coating:  Yes  No

Percent of De-lamination: N/A.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 20%.

Blistering Present:  Yes  No

Percent of Blistering: N/A.

**Summary:** Corrosion nodules noted on lower portion of manway pipe, plate to pipe seam and outer ring of manway. Uniform surface corrosion is starting on pipe sidewalls of manway. Pitting up to 1/16" deep noted at large corrosion nodule.

Coating Thickness					
Position	Readings in MM +/- 2%				
Plate	14.16	14.11	13.94	14.18	13.92
Pipe Side	10.47	10.52	10.53	10.44	10.22



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INTERIOR

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Roof Panels

Coating Conditions Overall: Poor

De-lamination of the coating:  Yes  No

Percent of De-lamination: N/A.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 15-20%.

De-alloying present:  Yes  No

Percent of De-alloying: N/A.

Seam Condition: Fair- good.

**Summary:** Uniform surface corrosion noted throughout roof panels. Almost all weld seams are noted to have uniform surface corrosion.



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INTERIOR

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Support Column

**Summary:** No support column present in tank. Roof is pitched and has flat bar to reinforce it.

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INTERIOR

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Inlet

Position of Inlet: 9:00

Coating Condition Overall: Good (outside), Poor (inside).

Common Inlet/Outlet:  Yes  No

De-lamination of the coating:  Yes  No

Percent of De-lamination: N/A.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 25% to interior only.

Blistering Present:  Yes  No

Percent of Blistering: N/A.

**Summary:** Uniform surface corrosion and corrosion nodules noted to interior of pipe. Pipe is 8" diameter steel and starts 10" off of the floor.



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INTERIOR

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Outlet

Position of Outlet: 9:00

Coating Condition Overall: Good (outside), Fair (inside).

Common Inlet/Outlet:  Yes  No

De-lamination of the coating:  Yes  No

Percent of De-lamination: N/A.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 5-10% to interior only.

Blistering Present:  Yes  No

Percent of Blistering: N/A.

**Summary:** Uniform surface corrosion and corrosion nodules noted to interior of pipe. Pipe is 6" diameter steel and starts 5" off of the floor.



---

INTERIOR

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Drain

Position of Drain: 10:45

Coating Condition Overall: Poor

De-lamination of the coating:  Yes  No

Percent of De-lamination: N/A.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 30-40%.

Blistering Present:  Yes  No

Percent of Blistering: N/A.

**Summary:** Uniform surface corrosion and corrosion nodules noted at outer ring of drain. Drain is a 4" diameter steel coupler welded to the wall, which is located 6" off of the floor. A Stainless Steel mechanical plug is inserted into the pipe to isolate water. Plug appears to be in excellent condition.



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INTERIOR

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Overflow

Position on Overflow: 2:30

Coating Conditions Overall: Good

De-lamination of the coating:  Yes  No

Percent of De-lamination: N/A.

Uniform Surface Corrosion:  Yes  No

Percent of USC: 2-3%.

De-allying present:  Yes  No

Percent of De-allying: N/A.

Blistering Present:  Yes  No

Percent of Blistering: N/A.

Standoff support condition: None.

**Summary:** Overflow is a 4" diameter pipe. Uniform surface corrosion noted mainly at the pipe to wall weld seam.



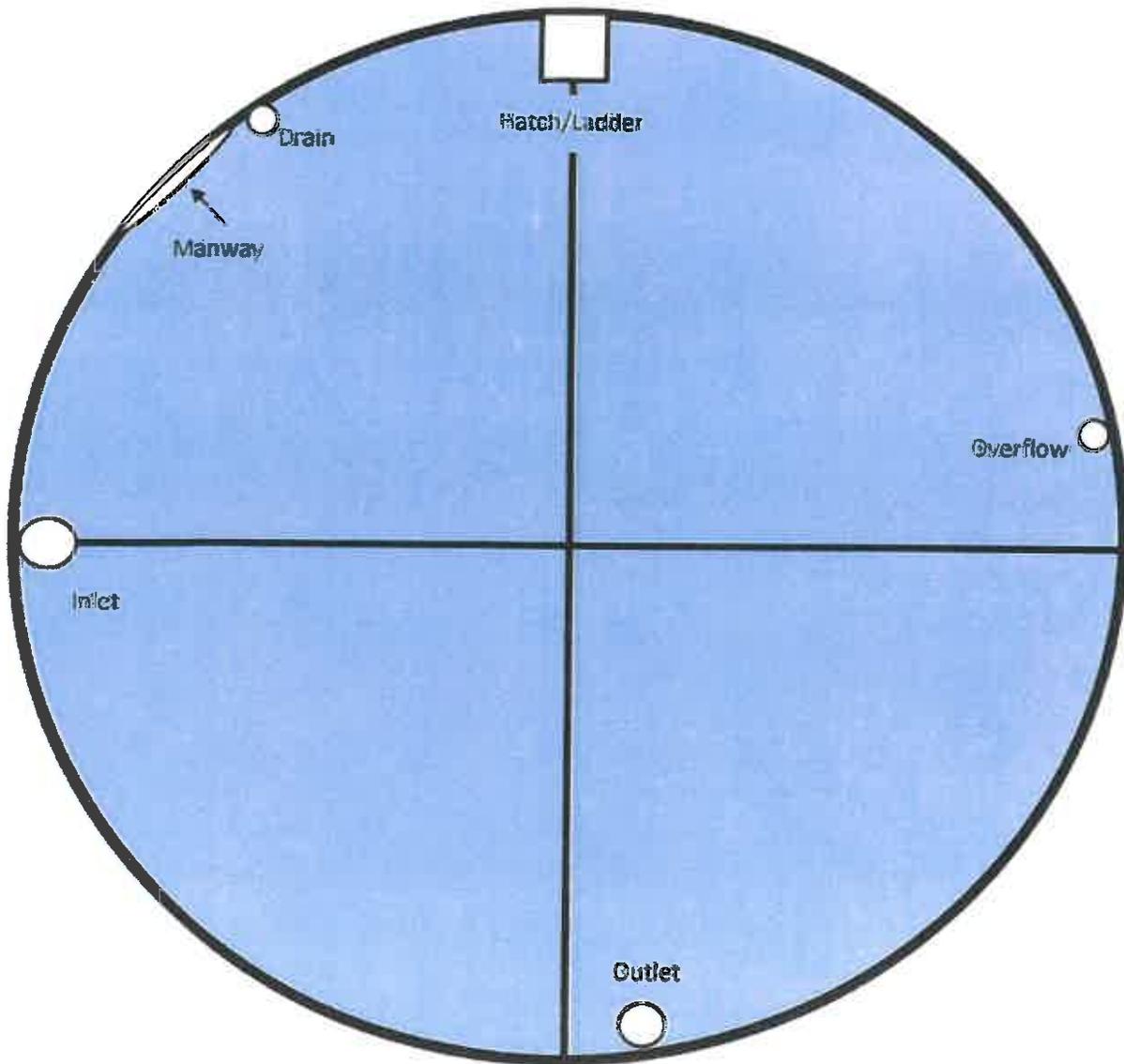


## Round Tank

GMS Consulting, Cascade, CO

30' Diameter x 30' High

Steel Welded Semi-buried





## Post Inspection Recommendations

### Tank Description

Tank Type:

Steel Welded Semi-buried

Dimensions:

30' Diameter x 32' High

Volume (g):

150,000

Type of discrepancies noted

De-lamination

U.S.C.

Blistering

Pitting

De-alloying

C.C.C.

Corrosion Nodules

Abnormal Sediment

### Summary

- Interior ladder should be replaced to bring up to OSHA 1926.1053(a) and AWWA D100-11; 5.4.2.6 code.
- Interior ladder should have a safety climb device installed to bring up to OSHA 29.CFR 1926.502 and AWWA D100-11; 5.4.1 code.
- Exterior ladder should be replaced to bring up to OSHA 1926.1053(a) and AWWA D100-11; 5.4.2.4 code.
- Tank should have a 24" frost proof vent installed to bring up to AWWA D100-11; 5.5 code.
- Recommend replacing overflow with a larger size pipe to handle tanks inflow capacity.
- Install a secondary Roof Manway to bring up to AWWA D100-11; 5.4.3 code.
- Install handrails around roof openings to bring up to OSHA 29.CFR 1910.23(a)(1) and AWWA D100-11; 5.4.1 code.
- Recommend replacing corroded hardware on manway with new zinc to match 1/3 of new bolts/nuts.
- Recommend welding support ring 100% around exterior roof to wall seam.
- Recommend capping off abandoned wire level indicator.
- Recommend a blast and recoat to exterior of tank.
- Recommend a blast and recoat to interior of tank within the next 2-3 years.
- Recommend cleaning and inspecting tank every 2-3 years.

**Contact our office at 1-800-637-1322 for repair quotes.**

Road to Water Tank



Road to Water Tank



Road to Water Tank



Road to Water Tank



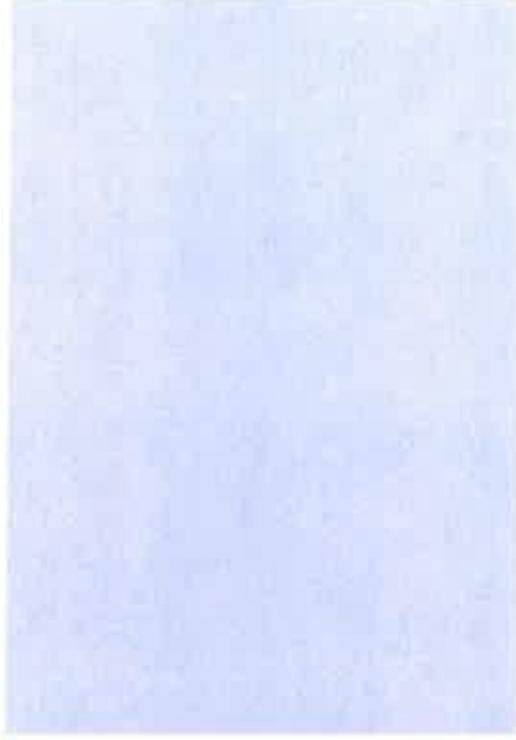
Road to Water Tank



Road to Water Tank



Road to Water Tank



**Exhibit B**

**PLAN FOR MEETING REQUIREMENTS OF  
11.28 STORAGE TANK RULE  
COLORADO PRIMARY DRINKING WATER  
REGULATIONS, 5-CCR 1002-11**

**Inspection Report by JDS Hydro Consultants, 6/2015**

**CASCADE METROPOLITAN DISTRICT**

**WATER STORAGE TANK  
INSPECTION REPORT**

January 2015

JDS-Hydro Project No. 127.11

**Prepared For:**

**Cascade Metropolitan District  
c/o Leon Gomes - Cascade Metro Dist. #1  
141 Union Blvd., Ste. 150  
Lakewood, CO 80228**

**Prepared By:**

**JDS-Hydro Consultants, Inc.  
545 East Pikes Peak Avenue, Suite 300  
Colorado Springs, CO 80903  
(719) 227-0072**

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### **IV. INTERIOR INSPECTION REPORT**

- A. Epoxy Condition
- B. Interior of Roof Access Hatch

# CASCADE METROPOLITAN DISTRICT WATER TANK INSPECTION REPORT

## I. BACKGROUND & INFORMATION

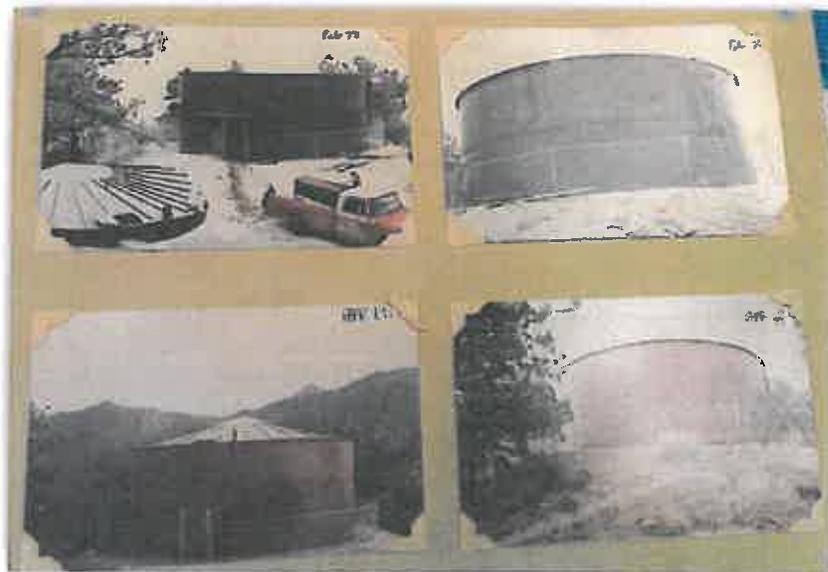
A project engineer from JDS-Hydro Consultants performed a visual inspection of the Cascade Metropolitan District's welded steel water storage tank on January 26, 2015. This inspection report will summarize findings from that inspection, along with recommendations for possible maintenance and repairs.

According to current records and verbal information, the tank was originally constructed in 1951 and expanded in 1978. Originally, it had a 12-foot sidewall and over two-thirds of the circumference of the tank was buried up to the roof. It is approximately 30 to 35 feet in diameter.

In 1978, the roof was removed and an additional 12 feet of steel was welded to the existing sidewall, bringing its overall sidewall height to 24 feet. No changes were made to the soil surrounding most of the bottom 12-feet of the tank (i.e. no fill or excavation).

It is not known if the tank sits on a concrete foundation or if any soil-conditioning was performed below the tank when it was first constructed. However, since it has remained in place and in use for over 60 years, there are no immediate concerns involving settling.

Below are pictures taken in 1978 showing the additional sidewall installation and completion:



## II. SUMMARY OF INSPECTION

### A. Exterior

The exposed exterior of the tank is showing delamination of paint and corrosion in multiple areas. Since one-third of the tank is buried, JDS was not able to determine the condition of the tank/coating below grade. However, a portion of the tank that was once buried but is now exposed reveals that the coating below grade is very likely sparse if not completely gone.

Pictures and additional descriptions of the tank and other appurtenances are covered in Section III of this report.

### B. Interior

The extent of interior inspection was limited to what could be observed through the roof access hatch. Only portions of the upper interior sidewall were visible, but revealed some delamination of paint and surface rust. However, there were no deep brown rust spots that could be seen above the water line.

JDS was not able to inspect interior penetrations or any portion of the floor.

### C. Recommendations

Without full access to the interior of the tank, and without a visible inspection of the exterior portions of the buried sidewall, these recommendations are limited to what was observed during a cursory inspection.

#### Exterior

The visible exterior of the tank is due for a blast and recoat to prevent further corrosion of the steel. It is also recommended that buried portions be excavated to determine the integrity of the coating (if any) below grade.

If the exterior is to be completely recoated, and if the same portions that are now buried are to be buried again, further protection of the sidewalls should be implemented (i.e. additional coatings or thicker coatings). At this time no structural recommendations are being made for the section of tank below grade. If the lower portion is to be excavated, the structural integrity of the tank should be evaluated at that time.

#### Interior

The tank should be brought offline and drained, and a full inspection of the interior should occur. It is anticipated that a full blast and recoat of the interior is needed based on the surface rust and delamination observed through the roof access hatch.

### III EXTERIOR INSPECTION REPORT

#### A. Sidewalls



- **Coating Condition:** Poor
- **Corrosion Present?** Yes
- **Seams/Welds Condition:** Fair
- **Delamination Present?** Yes
- **Dents/Warps Present?** Yes
- **Holes Present?** No

**B. Manway Access Hatch**



- **Coating Condition:** **Poor**
- **Corrosion Present?** **Yes**
- **Delamination Present?** **Yes**
- **Bolts Rusted?** **Yes (roughly half)**

**C. Roof**



- **Coating Condition:** **Poor**
- **Corrosion Present?** **Yes**
- **Delamination Present?** **Yes**
- **Roof to Sidewall Seam?** **Poor**

**D. Vent**



- **Coating Condition:** Fair
- **Corrosion Present?** No
- **Delamination Present?** No
- **Screen Condition:** Good

**E. Overflow Pipe**



- **Coating Condition:** Poor
- **Corrosion Present?** No
- **Delamination Present?** Yes

#### IV. INTERIOR INSPECTION REPORT

##### A. Epoxy Condition



- **Coating Condition:** Fair to Poor
- **Corrosion Present?** No
- **Seams/Welds Condition:** Unknown
- **Delamination Present?** Yes
- **Pitting Present?** Unknown

##### B. Interior of Roof Access Hatch



- **Coating Condition:** Fair to Poor
- **Surface Rust Present?** Yes
- **Delamination Present?** No

**Cascade Metropolitan District No. 1**

**February 23, 2016 Board meeting**

**Agenda Item 8.c**

**Tap Fee Analysis proposal**

**Enclosure**

SIXTH ADDENDUM  
TO  
INDEPENDENT CONTRACTOR AGREEMENT  
(Engineering Services)

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This SIXTH ADDENDUM TO THE INDEPENDENT CONTRACTOR AGREEMENT (the "Sixth Addendum") is entered into and shall become effective as of the 22<sup>nd</sup> day of March 2016, 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, which was further amended in the *Second Addendum to Independent Contractor Agreement*, dated December 11, 2015, which was further amended in the *Third Addendum to Independent Contractor Agreement*, dated January 26, 2016, and which was further amended in the *Fourth Addendum to Independent Contractor Agreement*, dated January 26, 2016, and which was further amended in the *Sixth Addendum to Independent Contractor Agreement*, dated January 29, 2016 (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 Sixth 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 Sixth 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 Sixth 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: JAMES D. MEYER

## **EXHIBIT A**

### **SCOPE OF SERVICES -- System Impact Fee Analysis**

The Contractor shall review necessary documentation and prepare a system impact fee analysis for the District along with a recommendation for the amount of the fee to charge to both in-District and out-of-District customers. The analysis shall review the impact on the District's system infrastructure and associated water rights. The out-of-District customers are subject to a separate fee for water and that should be taken into consideration when evaluating the in-District and out-of-District fees. The analysis shall be completed by no later than March 18, 2016 for the Board's consideration at its March 22, 2016 meeting.

### **COMPENSATION SCHEDULE**

Time and materials not-to-exceed \$5,000.