

**CATHEDRAL PINES METROPOLITAN DISTRICT  
NOTICE OF SPECIAL MEETING  
BOARD OF DIRECTORS**

Tuesday, November 29, 2022 at 6:00 PM (MST)  
Cathedral Pines Lodge  
13975 Milam Rd.  
Colorado Springs, CO 80908  
Or

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

<https://meet.goto.com/167017405>

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

United States: +1 (571) 317-3129

**Access Code:** 167-017-405

\*Public Welcome\*

**\*We encourage our attendees to participate in person; however, if you choose to join virtually please have your camera on so we are able to get to know everyone a little better. Please do not use Chat option to submit questions.**

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<b>Board of Director</b>	<b>Title</b>	<b>Term</b>
Bill Heeter	President	May 2023
Rich Stauch	Vice President	May 2025
Debbie Perry	Treasurer	May 2025
Ecton Espenlaub	Secretary	May 2025
Lynn Shepherd	Assistant Secretary	May 2023

**AGENDA**

- 1. Call to Order**
- 2. Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures**
- 3. Approval of Agenda**
- 4. Approval of Board Meeting Minutes** – Meeting minutes of October 24, 2022 (see attached)
- 5. Public Hearing on 2022 Amended Budget and 2023 Budget**
  - a. Review and Adopt the 2022 Amedned and 2023 Budget Resolution (see attached)
- 6. Irrigation Proposals Review – Bill/ Ecton/ Jamie**
- 7. Long Term Landscaping Plan Discussion - Bill**
- 8. Flying Horse North Sketch Plan Approval Update - Rick**
- 9. Other Issues**
  - a. Additional mailbox parcel update – Bill
  - b. Possible Sale of Lodge Follow-up - Debbie

- 10. Financial Update – Rebecca H. / Debbie P.**
  - a. Review and approve Unaudited Financials as of October 31, 2022 (see attached)
  - b. Review and ratify approval of payables through the period ending November 29, 2022 (see attached)
  - c. FEMA Update – Kevin/ Rebecca
- 11. Lodge Management Update – Lynn/ VenQ**
  - a. Lodge Expectations for 2023 - Lynn
- 12. Legal Matters**
  - a. Review and Consider Approval of WSDM – District Managers Engagement Letter (see attached)
  - b. Consider Approval of Warren Management Contract Renewal
  - c. Review and Consider Approval of BiggsKoffors 2022 Audit Engagement Letter (see attached)
  - d. Consider Adoption of 2023 Annual Administrative Resolution (see attached)
  - e. Consider Adoption of Resolution Calling the May 2, 2023 Direct Election (see attached)
  - f. Review and Consider renewal for A Cut Above Landscape Shed Rental Contract
  - g. Discussion of Legal Counsel Attendance at Future Meetings
- 13. Public Comment** (Items Not on the Agenda Only. Comments are limited to 5 minutes per person and taken in the order in which they appear on the sign-up sheet or if joined virtually in order as they appear on the host screen)
- 14. Other Business**
- 15. Executive Session (§24-6-402(4)(f) C.R.S.)**
  - a. Discuss Management contracts for 2023
- 16. Adjournment** – Establish next Board Meeting schedule





**MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
CATHEDRAL PINES METROPOLITAN DISTRICT  
HELD OCTOBER 24, 2022  
AT 10:00 A.M.**

Pursuant to posted notice, the special meeting of the Board of Directors of the Cathedral Pines Metropolitan District was held on Monday, October 24<sup>th</sup> at 10:00 AM, at 13975 Milam Road, Colorado Springs, CO, and via telephone and video conference call.

In attendance were Directors:

Bill Heeter  
Lynn Shepherd  
Ecton Espenlaub  
Rick Stauch  
Debbie Perry

Also in attendance were:

Kevin Walker, WSDM District Managers  
Rebecca Hardekopf, WSDM District Managers  
Jamie Adams, Warren Management  
Jeremy Powell, Kimley-Horn  
Laura Gardner, Gardner Law Firm

Public in attendance were:

Jennifer Eisenhart  
Jim Eisenhart

1. Call to Order: President Heeter called the meeting to order at 10:00 AM.
2. Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures: President Heeter confirmed a quorum was present. There were no additional disclosures made by Board Members.
3. Approval of the Agenda: Director Stauch moved to approve the Agenda; seconded by Director Espenlaub. Motion passed unanimously.
4. Approval of Board Meeting Minutes – October 10, 2022: Director Perry requested her PowerPoint presentation be attached with the Minutes. After review, Director Stauch moved to approve the October 10, 2022 Meeting Minutes as amended; seconded by Director Shepherd. Motion passed unanimously.
5. Long Term Landscaping Preliminary Review: Mr. Powell, with Kimley-Horn, discussed the long-term landscaping plan with the Board. He presented the Phase 1 plan projected for 2022–2024-time frame. Phase 2 projected for 2024-2026 – time frame. Phase 3 projected for 2024 - ...) time frame. Ms. Eisenhart commented to the board to keep in mind the landscape plan for mailboxes could encourage more theft with creating more hiding places. The Board agreed that would be kept in mind and Director Stauch requested that the public keep their comments for the “Public Comment” section on the agenda.

## 6. Other Issues

- a. Additional Parcel Box at Mailboxes Update: President Heeter reported the cost is higher than originally quoted due to the price of the parcel box doubling. The new proposal is for \$4,200 with installation in mid-November. After discussion, Director Stauch moved to amend the motion to approve the proposal for the additional parcel box not to exceed \$4,000; seconded by Director Espenlaub. Motion passed unanimously.
- b. Speed Limit Signs in Community: Director Espenlaub informed the Board that Chuck Dionne's focus on speed limit signs are the ones installed and were now missing. Chuck Dionne noted the 25 mph signs on Millhaven leaving Milan and Saxton have been re-installed and agreed to submit to the engineer for an additional sign on Foxchase leaving Milam.
- c. Storage Shed Area Clean-up: President Heeter is working on organizing a community volunteer work day to clean up the area around the barn of dead trees. The area is littered with dead tree branches, trunks and other debris, and distracts from the beauty of the entry into our community. No action was required; this was strictly informational. The subject will be resurrected in Spring 2023.
- d. Holiday Décor: Ms. Adams presented the 3 companies that proposed on cost for Holiday lighting at the Lodge. The lowest bid was for \$3,845 by Code 3 to install, however the District would not own, store, or maintain the lights. Ms. Adams pointed out to the board that the quotes are high because of the type of roof the Lodge has. After Discussion and hearing all proposals the board decided to postpone holiday lighting and re-evaluate the idea for next year, due to cost.

## 7. Financial Update

- a. 2023 Budget Discussion: President Heeter started to discuss the 2023 draft budget sent in by WSDM. Director Perry presented an updated power point presentation proposing the Sale of Lodge and a reduction in the O&M Mill Levy for 2023. She discussed the information she found out from the El Paso County Offices regarding what it would take to remove the Lodge and divide the land into two residential parcels. Director Perry provided a review of her proposal for reducing the general fund mill levy to 15 and leaving the debt service mill levy at 19. She anticipates it would reduce the property tax income from \$292,000 to \$223,000. Director Shepherd recommended getting feedback from the community regarding the Lodge before moving forward. Director Perry mentioned the need of a water attorney to get involved with the pond associated at the Lodge property. Director Perry estimated this cost would be around \$50,000 to the District. Ms. Gardner confirmed that in order to sell the Lodge, the District would need to hire a water attorney, however the District needs to take into consideration the additional District legal counsel services which could cost more than what is budgeted for. It would require legal work both from a water standpoint and regulatory due to changes required for the special district including a potential material modification to the Service Plan which requires approval from the Board of County Commissioners. Ms. Gardner noted it may also require a special election if the change is significant enough. Finally, Ms. Gardner expressed her concern that any discussions between governmental entities and its employees who are also Board members should be avoided to prevent the appearance of any conflicts of interest.

The board discussed this would also need to be presented to the Planning Commission for approval to rezone the land. Also, the Lodge would not be able to be sold as a residence as building codes are different from residential versus commercial properties. Mr. Walker said it is important to get community support behind this before anything happens as the County

Commissioners or Planning Commission will vote down any of these changes without that support.

The Board discussed the proposal to lower the general fund mill levy. Director Shepherd noted the potential high cost of the irrigation project. After detailed discussion on the budget line items, the Board agreed to wait until the RFP's are received for the irrigation project before determining the mill levy. The Board requested that Ms. Hardekopf bring to the board a 2023 Budget that projects a reduced O&M mill levy and a not reduced mill levy.

#### 8. Legal Matters

- a. Assumption of Entry Monument Responsibilities: The Board discussed the responsibility of the entry monument and requested with Legal counsel to start the process of transferring that maintenance responsibility since the land is already owned by the Metro. The Board agreed to coordinate the transfer of responsibility to the Metro District with the HOA President and/or its HOA Legal Counsel.
- b. Application of HOA/ACC Guidelines to Metro District: Ms. Gardner informed the Board that the HOA/ACC Guidelines do not apply to the Metro District. She noted the Lodge is considered a facility and the documents were not executed that would require the District or Lodge to be subject to the HOA/ACC guidelines. She recommends following the guidelines as closely as possible to avoid conflict.

9. Public Comment: There was no public comment.

10. Other Business: Director Espenlaub requested approval to contact vendors for bids on pond liners. The Board approved Director Espenlaub's request.

#### 11. Executive Session (§24-6-402(4)(f) C.R.S.)

- a. Discuss Management Contracts for 2023: The Board tabled this item.

12. Adjournment: The next Board meeting is scheduled for November 29, 2022 at 6:00 PM. The Board unanimously adjourned the meeting at 12:42 PM.

Respectfully Submitted,

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By: Rebecca Hardekopf, District Manager

THESE MINUTES ARE APPROVED AS THE OFFICIAL OCTOBER 24, 2022 MINUTES OF THE CATHEDRAL PINES METROPOLITAN DISTRICT.

# Budget Presentation

## Cathedral Pines Metro Board

- **Lower taxes**
- **Accelerate bond payment**
- **Ensure best value use of taxpayer dollars**

# Budget Presentation

## Cathedral Pines Metro Board

- **Metro Debt Service Mill Levy**
- **Current Surplus is in excess of need**
- **2021: 19 Mill Levy**
  - **\$255K Revenue \$287K Bond Payment with ending Fund Balance of \$128K**
- **2022: 19 Mill Levy**
  - **\$293K Revenue \$291K Bond Payment with ending Fund Balance of \$130K**
- **2023 Proposed: 16 Mill Levy**
  - **\$253K Revenue \$288K Bond Payment with ending Fund Balance of \$88.5K**



# Budget Presentation

## Cathedral Pines Metro Board

- **General Fund Mill Levy**
- **Current Surplus is in excess of need**
- **2021: 19 Mill Levy**
  - **\$316K Revenue \$282K Expenditures with Remaining Fund Balance of \$222K**
- **2022: 19 Mill Levy**
  - **\$334K Revenue \$446K Expenditures with Remaining Fund Balance of \$250K**
- **2023 Proposed: 16 Mill Levy**
  - **\$303K Revenue \$334K Expenditures with a Remaining Fund Balance of \$219K**

# Budget Presentation

## Cathedral Pines Metro Board

- **In 2023 I propose we eliminate \$68K for Lodge/Wedding Planner**
- **In 2023 I propose we eliminate \$29K for Election Expenses**
- **In 2023 I propose we eliminate \$15K in consulting fees**
- **The Mill Levy decrease will decrease taxes by approximately \$500 for a \$1.5 Million County valued home**

# Lodge Discussion

- **Since the Lodge's inception, the audit reports reveal the Lodge has cost the community just over \$2 million from 2006-2021.**
- **When the community was built, the Developer took out a \$2 million bond to build the Lodge and create our trail system.**
- **Lodge build cost is estimated at \$1.25 million which was 25% of the \$5 million bonds issued for the community.**

# Lodge Discussion

**Community owes \$4.7 million in bonds**

**In 2026, additional principal payments towards our bonds can be made**

**The upkeep of the lodge is a tremendous liability for the community**

**Lodge proceeds can be used towards bond reduction in 2026**

# Lodge Discussion

- **The Lodge encompasses 6.48 acres with additional Metro owned land behind the Lodge**
- **3 lots could be sold from property**
- **At least \$600,000 per lot for a total of \$1.8 million**
- **The Lodge would demand a higher price**



**RESOLUTION  
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING  
FUNDS**

**(2023)**

The Board of Directors of Cathedral Pines Metropolitan District (the "Board"), County of El Paso, Colorado (the "District") held a regular montly meeting held at the Lodge, on Tuesday, November 29, 2022, at the hour of 6:00 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with§ 29-1-106, C.R.S.

[Remainder of Page Intentionally Left Blank.]

## NOTICE AS TO PROPOSED 2023 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 16, 2021, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2023 budget year, there is hereby levied a tax of



mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2022 budget year, there is hereby levied a tax of                    mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 budget year, there is hereby levied a tax of                    mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of El Paso County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager, or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

*[Remainder of page intentionally left blank.]*

ADOPTED THIS 29<sup>th</sup> DAY OF NOVEMBER, 2022.

CATHEDRAL PINES METROPOLITAN DISTRICT

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Officer of the District

ATTEST:

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Approved as to Form:

The Gardner Law Office  
Attorneys at Law

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Legal Counsel to the District

STATE OF COLORADO  
COUNTY OF EL PASO  
CATHEDRAL PINES METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held on Tuesday November 16th, 2021, via GoToMeeting, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 29<sup>th</sup> day of November, 2021.

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EXHIBIT A  
BUDGET DOCUMENT  
BUDGET MESSAGE

**CATHEDRAL PINES METROPOLITAN DISTRICT  
2023 BUDGET  
GENERAL FUND**

	2021 ACTUAL	2022 ACTUAL/ PROJECTED	2022 BUDGET	SCENARIO 1 2023 BUDGET	SCENARIO 2 2023 BUDGET
<b>GENERAL FUND: BEGINNING BALANCE</b>	\$ 118,744	\$ 270,240	\$ 282,139	\$ 344,319	\$ 344,319
<b>REVENUE</b>					
PROPERTY TAXES	\$ 256,841	\$ 291,405	\$ 292,867	\$ 288,505	\$ 258,136
SPECIFIC OWNERSHIP TAXES	\$ 60,658	\$ 44,000	\$ 41,001	\$ 40,391	\$ 38,265
DELINQUENT TAX AND INTEREST	\$ 554	\$ 188	\$ -	\$ -	\$ -
PRIOR YEAR INTEREST & ABATEMENT	\$ (2,192)	\$ -	\$ -	\$ -	\$ -
RENTAL INCOME - THE LODGE EVENTS	\$ 96,678	\$ 89,000	\$ 75,000	\$ 75,000.00	\$ 75,000.00
RENTAL INCOME - SHED	\$ 9,167	\$ 10,000	\$ 9,996	\$ 10,200.00	\$ 10,200.00
SALES OF MONUMENT LOGOS	\$ 2,800	\$ -	\$ -	\$ -	\$ -
<b>OTHER REVENUE</b>					
FEMA FUNDS	\$ -	\$ -	\$ 20,000	\$ 20,000.00	\$ 20,000.00
GRANT	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ 424,505	\$ 434,593	\$ 438,865	\$ 434,095.19	\$ 401,600.46
<b>TOTAL REVENUE &amp; FUND BALANCE</b>	\$ 543,250	\$ 704,833	\$ 721,004	\$ 778,414	\$ 745,920
<b>EXPENDITURES</b>					
<b>SERVICES</b>					
AUDIT (Biggs Kofford)	\$ 8,400	\$ 8,825	\$ 9,000	\$ 9,500.00	\$ 9,500.00
MANAGEMENT (WSDM)	\$ 44,100	\$ 44,100	\$ 46,305	\$ 50,000.00	\$ 50,715.00
MAINTENANCE MANAGEMENT (WARREN)	\$ 32,337	\$ 31,620	\$ 26,250	\$ 30,000.00	\$ 30,000.00
LEGAL	\$ 5,883	\$ 5,000	\$ 15,000	\$ 15,000.00	\$ 15,000.00
CONSULTING SERVICES	\$ -	\$ 5,000	\$ 10,000	\$ -	\$ -
Category SubTotal	\$ 90,520	\$ 94,545	\$ 106,555	\$ 104,500	\$ 105,215
<b>LODGE</b>					
LODGE MANAGEMENT	\$ 7,000	\$ 63,357	\$ 42,000	\$ 22,500.00	\$ 22,500.00
ADVERTISING/WEBSITE	\$ -	\$ 3,300	\$ 5,000	\$ 5,000.00	\$ 5,000.00
MARKETING	\$ -	\$ -	\$ -	\$ -	\$ -
SUPPLIES	\$ 2,107	\$ 2,384	\$ 3,000	\$ 4,000.00	\$ 4,000.00
CLEANING	\$ -	\$ 2,500	\$ 500	\$ 4,000.00	\$ 4,000.00
REPAIRS AND MAINTENANCE	\$ 7,380	\$ 8,000	\$ 15,000	\$ 10,000.00	\$ 10,000.00
UTILITIES	\$ 11,850	\$ 8,000	\$ 10,000	\$ 12,000.00	\$ 12,000.00
SECURITY	\$ 2,175	\$ 2,000	\$ 3,000	\$ 2,500.00	\$ 2,500.00
CAPITAL IMPROVEMENTS	\$ 10,579	\$ 28,000	\$ 60,000	\$ 5,000.00	\$ 5,000.00
SNOW REMOVAL	\$ 11,942	\$ 6,000	\$ 10,000	\$ 10,000.00	\$ 10,000.00
LANDSCAPE REPAIRS & MAINTENANCE	\$ 17,158	\$ 10,000	\$ 10,000	\$ 12,000.00	\$ 12,000.00
TRASH	\$ 1,809	\$ 2,000	\$ 6,000	\$ 2,500.00	\$ 2,500.00
TELEPHONE & NETWORK	\$ 2,884	\$ 2,900	\$ 3,300	\$ 2,500.00	\$ 2,500.00
SALE OF LODGE	\$ -	\$ -	\$ -	\$ -	\$ -
CONTINGENCY	\$ -	\$ 100	\$ 10,000	\$ 10,000.00	\$ 10,000.00
Category SubTotal	\$ 74,884	\$ 138,541	\$ 177,800	\$ 102,000	\$ 102,000
<b>GENERAL</b>					
LANDSCAPE MAINTENANCE	\$ 33,490	\$ 38,000	\$ 45,000	\$ 50,000.00	\$ 50,000.00
REPAIRS AND MAINTENANCE	\$ 11,715	\$ 28,000	\$ 25,000	\$ 30,000.00	\$ 30,000.00
LANDSCAPE UPGRADE	\$ -	\$ -	\$ -	\$ 200,000.00	\$ 200,000.00
SNOW REMOVAL	\$ 3,075	\$ 6,500	\$ 25,000	\$ 10,000.00	\$ 10,000.00
UTILITIES	\$ 15,943	\$ 10,000	\$ 20,000	\$ 15,000.00	\$ 15,000.00
INFRASTRUCTURE REPLACEMENT	\$ -	\$ -	\$ 10,000	\$ 10,000.00	\$ 10,000.00
CONTINGENCY	\$ 849	\$ -	\$ 10,000	\$ 10,000.00	\$ 10,000.00
MEETINGS	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00
ELECTION	\$ -	\$ 28,800	\$ 10,000	\$ 25,000.00	\$ 25,000.00
Category SubTotal	\$ 65,071	\$ 111,300	\$ 145,000	\$ 353,000	\$ 353,000
<b>OTHER</b>					
BANK CHARGES	\$ -	\$ -	\$ 500	\$ -	\$ -
INSURANCE	\$ 9,890	\$ 778	\$ 11,000	\$ 11,000.00	\$ 11,000.00
OFFICE EXPENSE	\$ 784	\$ 850	\$ 500	\$ 1,500.00	\$ 1,500.00
COUNTY TREASURER'S FEES	\$ 3,861	\$ 4,500	\$ 4,393	\$ 4,327.57	\$ 3,872.03
Category SubTotal	\$ 14,534	\$ 6,128	\$ 16,393	\$ 16,828	\$ 16,372
<b>COVID RELATED EXPENSES</b>					
LODGE RESTRUCTURING	\$ 28,000	\$ -	\$ -	\$ -	\$ -
CLEANING SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER	\$ -	\$ -	\$ -	\$ -	\$ -
Category SubTotal	\$ 28,000	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 273,010	\$ 350,514	\$ 445,748	\$ 576,328	\$ 576,587
<b>TRANSFERS OUT</b>					
CAPITAL REPLACEMENT RESERVE	\$ -	\$ 10,000	\$ 25,000	\$ 50,000	\$ 50,000
TOTAL TRANSFERS OUT	\$ -	\$ 10,000	\$ 25,000	\$ 50,000	\$ 50,000
<b>GENERAL FUND: ENDING BALANCE</b>	\$ 270,240	\$ 344,319	\$ 250,256	\$ 152,087	\$ 119,332
ASSESSED VALUATION (000'S)	13,592,700.000	15,414,060	15,414,060	15,184,450.00	15,184,450.00
MILL LEVY	19.000	19.000	19.000	19.00	17.00

**CATHEDRAL PINES METROPOLITAN DISTRICT  
2023 BUDGET**

<b>DEBT SERVICE FUND</b>				
	<b>2021 ACTUAL</b>	<b>2021 ACTUAL</b>	<b>2022 BUDGET</b>	<b>2023 BUDGET</b>
<b>REVENUE FUND 1: BEGINNING BALANCE</b>	\$ 154,623	\$ 122,635	\$ 184,780	\$ 120,870
<b>REVENUES</b>				
PROPERTY TAXES	\$ 256,841	\$ 292,867	\$ 292,867	\$ 288,505
PRIOR YEAR TAXES & INTEREST ABATEMENT	\$ 554	\$ -	\$ -	\$ -
DELINQUENT TAX AND INTEREST	\$ (2,192)	\$ 188	\$ -	\$ -
INTEREST INCOME	\$ 127	\$ 1,330	\$ -	\$ 1,500
<b>TOTAL REVENUES</b>	<b>\$ 255,330</b>	<b>\$ 294,385</b>	<b>\$ 292,867</b>	<b>\$ 288,505</b>
<b>TOTAL REVENUE &amp; FUND BALANCE</b>	<b>\$ 409,952</b>	<b>\$ 417,020</b>	<b>\$ 477,647</b>	<b>\$ 409,375</b>
<b>EXPENDITURES</b>				
BANK CHARGES				
COUNTY TREASURER'S FEES	\$ 3,861	\$ 4,400	\$ 4,500	\$ 4,328
BOND - PRINCIPAL	\$ 65,000	\$ 75,000	\$ 75,000	\$ 75,000
BOND INTEREST	\$ 218,056	\$ 216,350	\$ 216,350	\$ 213,350
PAYING AGENT / TRUSTEE FEES	\$ 400	\$ 400	\$ 800	\$ 800
CONTINGENCY			\$ 1,000	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 287,317</b>	<b>\$ 296,150</b>	<b>\$ 297,650</b>	<b>\$ 293,478</b>
<b>REVENUE FUND: ENDING BALANCE</b>	<b>\$ 122,635</b>	<b>\$ 120,870</b>	<b>\$ 179,997</b>	<b>\$ 115,897</b>
ASSESSED VALUATION	13,592,700.000	15,414,060.000	15,414,060	15,184,450.00
MILL LEVY	19.000	19.000	19.000	19.000
TOTAL MILL LEVY				

**CATHEDRAL PINES METROPOLITAN DISTRICT  
2023 BUDGET**

<b>CAPITAL RESERVE FUND</b>				
	<b>2021 ACTUAL</b>	<b>2022 ACTUAL</b>	<b>2022 BUDGET</b>	<b>2023 BUDGET</b>
<b>REVENUE FUND 1: BEGINNING BALANCE</b>	\$ -	\$ -	\$ 25,000	\$ 10,000
<b>REVENUES</b>				
TRANSFER IN FROM GENERAL FUND	\$ -	\$ 10,000	\$ 25,000	\$ 50,000
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 25,000</b>	<b>\$ 50,000</b>
<b>TOTAL REVENUE &amp; FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 50,000</b>	<b>\$ 60,000</b>
<b>EXPENDITURES</b>				
PROJECTED CAPITAL REPLACEMENT	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>REVENUE FUND: ENDING BALANCE</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 50,000</b>	<b>\$ 60,000</b>



**Cathedral Pines Metropolitan District**  
**Balance Sheet**  
 As of October 31, 2022

	<b>Oct 31, 22</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
ECB Debt Service Fund	300,360.28
ECB General Fund	331,095.64
MM - CSafe Bond Fund UMB	0.53
1072 - Bill.com Money Out Clearing	-933.34
<b>Total Checking/Savings</b>	630,523.11
Accounts Receivable	
Accounts Receivable	6,218.30
<b>Total Accounts Receivable</b>	6,218.30
<b>Total Current Assets</b>	636,741.41
<b>Fixed Assets</b>	
Community Center	
Accum Depreciation	-620,795.00
Original Cost	1,328,384.00
<b>Total Community Center</b>	707,589.00
Equipment	
Accum Depreciation	-3,217.00
Equipment - Other	13,922.00
<b>Total Equipment</b>	10,705.00
Parks, Trails & Monument	
Accum Depreciation	-637,121.00
Original Cost	897,354.77
Parks, Trails & Monument - Other	108,800.10
<b>Total Parks, Trails &amp; Monument</b>	369,033.87
<b>Total Fixed Assets</b>	1,087,327.87
<b>TOTAL ASSETS</b>	<b>1,724,069.28</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable (A/P)	47,524.83
<b>Total Accounts Payable</b>	47,524.83
Other Current Liabilities	
Deferred Revenue - Lodge Events	33,262.50
Damage Deposits- Lodge Events	781.70
<b>Total Other Current Liabilities</b>	34,044.20
<b>Total Current Liabilities</b>	81,569.03
<b>Long Term Liabilities</b>	
Bonds Payable 2016	
Bond Premium 2016	
A/A Bond Premium 2016	-103,635.36
Bond Premium 2016 - Other	414,881.70
<b>Total Bond Premium 2016</b>	311,246.34
Bonds Payable 2016 - Other	4,410,000.00
<b>Total Bonds Payable 2016</b>	4,721,246.34
<b>Total Long Term Liabilities</b>	4,721,246.34
<b>Total Liabilities</b>	4,802,815.37
<b>Equity</b>	
Debt Svc / Cap Proj Funds	155,805.00
General Fund-Restricted	8,054.00
General Fund-Unrestricted	33,873.00
Gov't Wide Fund Balance	-3,628,512.79
32000 - Retained Earnings	101,033.46
Net Income	251,001.24
<b>Total Equity</b>	-3,078,746.09
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,724,069.28</b>

## Cathedral Pines Metropolitan District Profit & Loss Budget vs. Actual January through October 2022

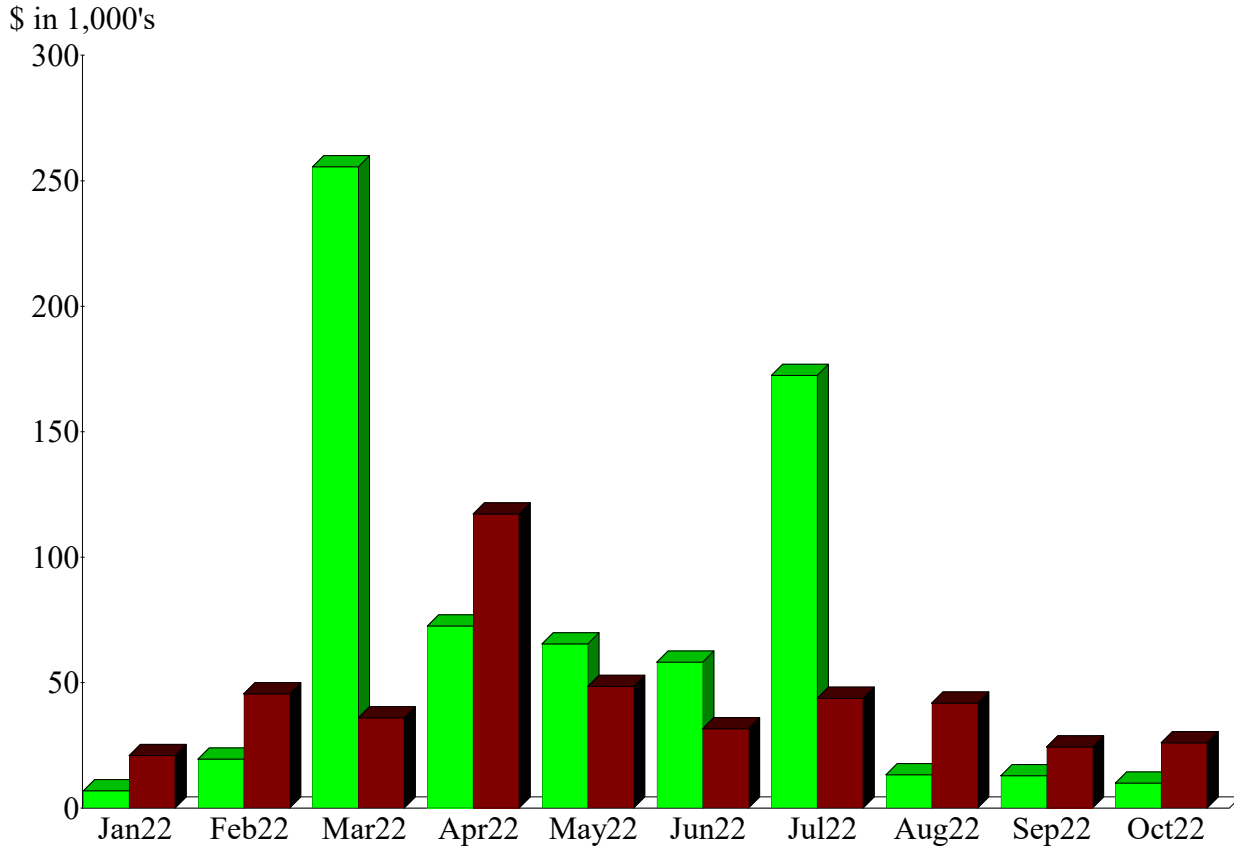
	TOTAL				
	Oct 22	Jan - Oct 22	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>1-100 · GF INCOME</b>					
1-105 · GF Prop Tax Revenue	1,462.05	292,867.24	292,867.00	0.24	100.0%
1-110 · Specific Ownership Taxes	5,208.53	45,706.47	41,001.00	4,705.47	111.48%
1-115 · Delinquent Tax and Interest	110.31	297.88			
1-120 · Rental Income - Lodge Events	0.00	44,950.50	75,000.00	-30,049.50	59.93%
1-127 · Rental Income - Shed	833.33	7,499.97	9,996.00	-2,496.03	75.03%
1-140 · FEMA Funds	0.00	0.00	20,000.00	-20,000.00	0.0%
<b>Total 1-100 · GF INCOME</b>	<b>7,614.22</b>	<b>391,322.06</b>	<b>438,864.00</b>	<b>-47,541.94</b>	<b>89.17%</b>
<b>2-100 · DS INCOME</b>					
2-115 · Delinquent Tax & Interest	110.31	297.87			
2-105 · DS Prop Tax Revenue	1,462.05	292,867.24	292,867.00	0.24	100.0%
2-130 · DS Interest Income	779.01	2,690.53			
<b>Total 2-100 · DS INCOME</b>	<b>2,351.37</b>	<b>295,855.64</b>	<b>292,867.00</b>	<b>2,988.64</b>	<b>101.02%</b>
<b>Total Income</b>	<b>9,965.59</b>	<b>687,177.70</b>	<b>731,731.00</b>	<b>-44,553.30</b>	<b>93.91%</b>
<b>Expense</b>					
<b>TRANSFERS OUT</b>					
Capital Replacement Reserve	0.00	0.00	25,000.00	-25,000.00	0.0%
<b>Total TRANSFERS OUT</b>	<b>0.00</b>	<b>0.00</b>	<b>25,000.00</b>	<b>-25,000.00</b>	<b>0.0%</b>
<b>1-1000 · SERVICES</b>					
1-1005 · Audit	0.00	8,825.00	9,000.00	-175.00	98.06%
1-1008 · Consulting Services	0.00	3,590.00	10,000.00	-6,410.00	35.9%
1-1010 · Management Expense	3,775.80	36,850.80	46,305.00	-9,454.20	79.58%
1-1015 · Maintenance Management	2,635.00	27,346.25	26,250.00	1,096.25	104.18%
1-1012 · Meeting Expense	0.00	1,817.81			
1-1020 · Legal Fees	0.00	1,835.15	15,000.00	-13,164.85	12.23%
<b>Total 1-1000 · SERVICES</b>	<b>6,410.80</b>	<b>80,265.01</b>	<b>106,555.00</b>	<b>-26,289.99</b>	<b>75.33%</b>
<b>1-2000 · LODGE</b>					
1-2001 · Lodge Management	8,400.00	47,757.08	42,000.00	5,757.08	113.71%
1-2005 · Advertising/ Website	270.02	3,340.28			
1-2010 · Booking Fee	0.00	0.00	5,000.00	-5,000.00	0.0%
1-2020 · Event Supplies	136.22	2,520.52	3,000.00	-479.48	84.02%
1-2025 · Cleaning	160.00	3,640.81	500.00	3,140.81	728.16%
1-2030 · Repairs and Maintenance	0.00	6,485.38	15,000.00	-8,514.62	43.24%
1-2035 · Utilities	465.10	6,374.03	10,000.00	-3,625.97	63.74%
1-2040 · Security	203.09	2,006.74	3,000.00	-993.26	66.89%
1-2043 · Capital Improvements - O&M	2,300.00	40,358.94	60,000.00	-19,641.06	67.27%
1-2044 · Landscape Maintenance	0.00	8,285.97	10,000.00	-1,714.03	82.86%
1-2045 · Snow Removal	0.00	4,880.00	10,000.00	-5,120.00	48.8%
1-2050 · Trash	832.80	2,668.07	6,000.00	-3,331.93	44.47%
1-2055 · Telephone	204.72	2,320.26	3,300.00	-979.74	70.31%
1-4030 · Lodge Contingency	0.00	87.12	10,000.00	-9,912.88	0.87%
<b>Total 1-2000 · LODGE</b>	<b>12,971.95</b>	<b>130,725.20</b>	<b>177,800.00</b>	<b>-47,074.80</b>	<b>73.52%</b>



## Cathedral Pines Metropolitan District Profit & Loss Budget vs. Actual January through October 2022

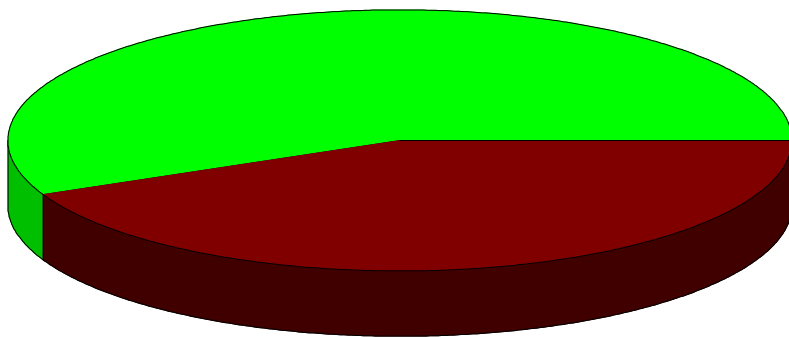
	TOTAL				
	Oct 22	Jan - Oct 22	Budget	\$ Over Budget	% of Budget
<b>1-3000 · GF EXPENSES</b>					
License & Fees	0.00	678.87			
<b>1-3005 · Landscape Maintenance</b>	3,496.83	54,631.20	45,000.00	9,631.20	121.4%
<b>1-3010 · Repair &amp; Maintenance - O&amp;M</b>	0.00	22,289.81	25,000.00	-2,710.19	89.16%
<b>1-3015 · Snow Removal - O&amp;M</b>	0.00	5,400.00	25,000.00	-19,600.00	21.6%
<b>1-3020 · Utilities - O&amp;M</b>	3,104.02	12,644.37	20,000.00	-7,355.63	63.22%
<b>1-3025 · Infrastructure Replacement</b>	0.00	0.00	10,000.00	-10,000.00	0.0%
<b>1-3030 · Election</b>	0.00	28,737.87	10,000.00	18,737.87	287.38%
<b>1-3035 · GF - Contingency</b>	0.00	0.00	10,000.00	-10,000.00	0.0%
<b>Total 1-3000 · GF EXPENSES</b>	<b>6,600.85</b>	<b>124,382.12</b>	<b>145,000.00</b>	<b>-20,617.88</b>	<b>85.78%</b>
<b>1-4000 · OTHER</b>					
<b>1-4005 · Bank Charges</b>	0.00	0.00	500.00	-500.00	0.0%
<b>1-4010 · Insurance/ Fees</b>	0.00	778.00	11,000.00	-10,222.00	7.07%
<b>1-4015 · Office Expenses</b>	0.00	685.12	500.00	185.12	137.02%
<b>1-4020 · Collection Fee GF(Treasurer)</b>	23.59	4,397.50	4,393.00	4.50	100.1%
<b>Total 1-4000 · OTHER</b>	<b>23.59</b>	<b>5,860.62</b>	<b>16,393.00</b>	<b>-10,532.38</b>	<b>35.75%</b>
<b>2-1000 · DS EXPENSES</b>					
<b>2-1005 · Trustee Fees</b>	0.00	400.00	800.00	-400.00	50.0%
<b>2-1010 · Collection Fee DS (Treasurer)</b>	23.59	4,397.51	4,500.00	-102.49	97.72%
<b>2-1015 · Bond Principal Pmts</b>	0.00	0.00	75,000.00	-75,000.00	0.0%
<b>2-1030 · Interest Expense DS</b>	0.00	90,146.00	216,350.00	-126,204.00	41.67%
<b>2-1035 · DS - Contingency</b>	0.00	0.00	1,000.00	-1,000.00	0.0%
<b>Total 2-1000 · DS EXPENSES</b>	<b>23.59</b>	<b>94,943.51</b>	<b>297,650.00</b>	<b>-202,706.49</b>	<b>31.9%</b>
<b>Total Expense</b>	<b>26,030.78</b>	<b>436,176.46</b>	<b>768,398.00</b>	<b>-332,221.54</b>	<b>56.76%</b>
<b>Net Ordinary Income</b>	<b>-16,065.19</b>	<b>251,001.24</b>	<b>-36,667.00</b>	<b>287,668.24</b>	<b>-684.54%</b>
<b>Net Income</b>	<b>-16,065.19</b>	<b>251,001.24</b>	<b>-36,667.00</b>	<b>287,668.24</b>	<b>-684.54%</b>

Income and Expense by Month  
January through October 2022



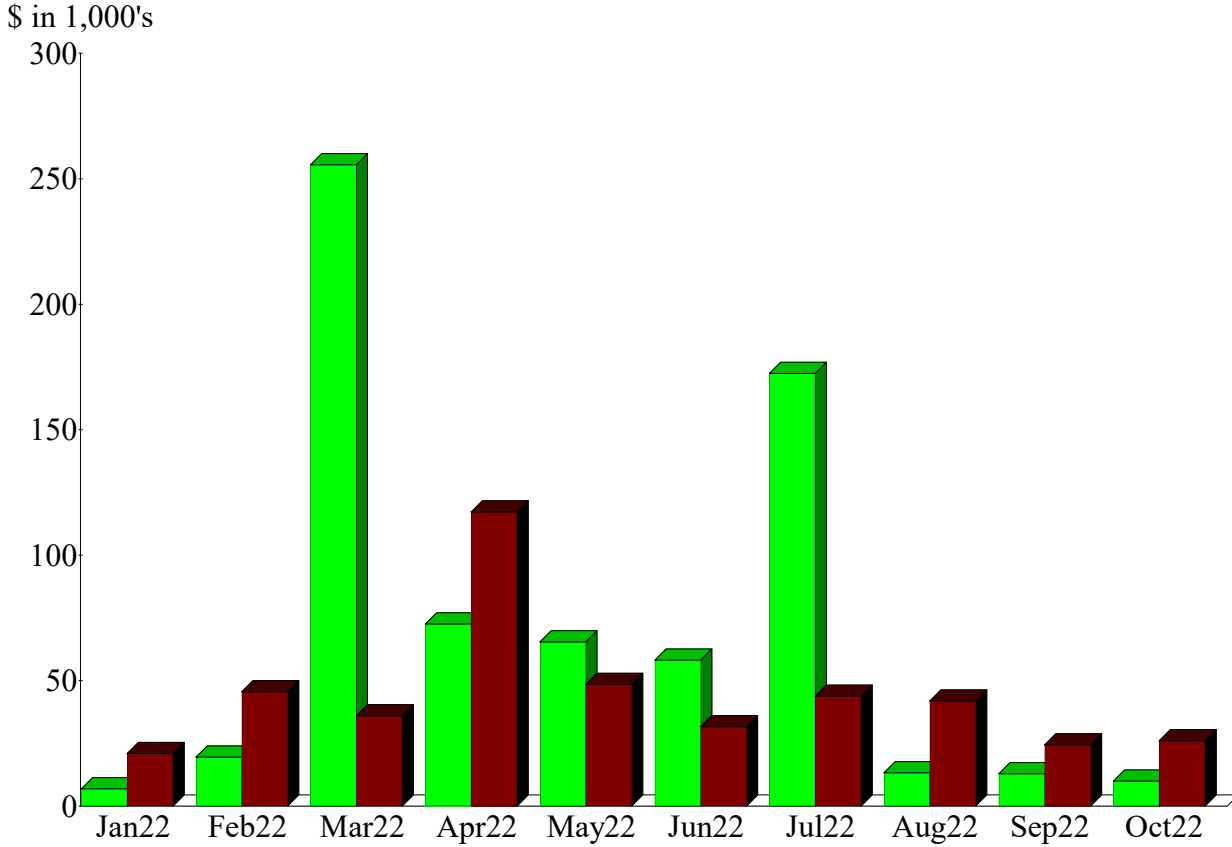
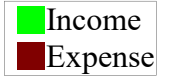
Income Summary  
January through October 2022

1-100 · GF INCOME	56.95%
2-100 · DS INCOME	43.05
Total	\$687,177.70



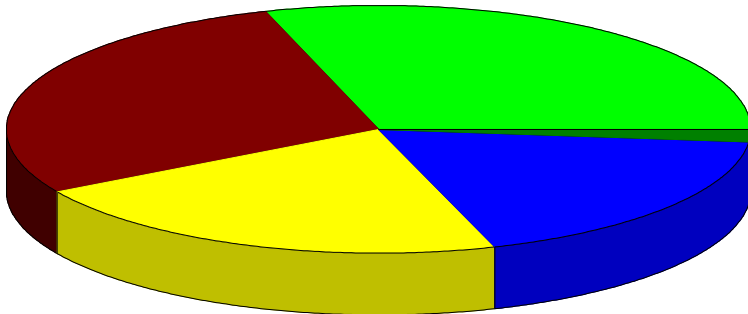
By Account

Income and Expense by Month  
January through October 2022



Expense Summary  
January through October 2022

1-2000 · LODGE	29.97%
1-3000 · GF EXPENSES	28.52
2-1000 · DS EXPENSES	21.77
1-1000 · SERVICES	18.40
1-4000 · OTHER	1.34
<b>Total</b>	<b>\$436,176.46</b>



By Account



# Cathedral Pines Metropolitan District

## PAYMENT REQUEST

11/15/2022

## GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
A Cut Above Tree Service	27230	9/30/2022	6,014.12	
A Cut Above Tree Service	27380	10/31/2022	3,496.83	
ADT	101722	10/17/2022	151.00	Security
ADT	102022	10/20/2022	51.99	Security
Arrow Locksmith & Maintenance	4330	11/2/2022	4,000.00	
Barnhart Pump Co	19550	8/25/2022	235.00	
Black Hills Energy	5715886192	10/4/2022	24.74	
Black Hills Energy	5715886192	11/2/2022	146.61	
Ecton Espelaub	93022	9/30/2022	340.30	Trails, Market Lights
EE Cleaning	9126	10/25/2022	160.00	
I Do Windows	91222	9/12/2022	649.00	
Kimley Horn	196305000-0822	8/31/2022	2,962.27	
Kimley Horn			7,675.30	
Mountain View Electric	136515	10/19/2022	209.00	Utilities - O&M
Mountain View Electric	135430	10/19/2022	261.57	Utilities - O&M
Mountain View Electric	133152	10/19/2022	34.24	Utilities - O&M
Mountain View Electric	134333	10/19/2022	34.12	Utilities - O&M
Mountain View Electric	135331	10/19/2022	35.00	Utilities - O&M
Mountain View Electric	132214	10/19/2022	35.42	Utilities - O&M
Mountain View Electric	133146	10/19/2022	37.55	Utilities - O&M
Mountain View Electric	133210	10/19/2022	36.96	Utilities - O&M
Mountain View Electric	136159	10/19/2022	52.57	Utilities - O&M
Mountain View Electric	134231	10/19/2022	42.00	Utilities - O&M
Mountain View Electric	133118	10/19/2022	42.75	Utilities - O&M
Mountain View Electric	189478	10/19/2022	2,320.39	Utilities - O&M
Mountain View Electric	189479	10/19/2022	440.36	Utilities - Lodge
Stratus IQ	110122	11/1/2022	204.72	
The Warren Management Group, Inc	18065	10/31/2022	2,635.00	
UMB Bank	93022	11/1/2022	183,175.00	Dec Debt Service Pmt
WSDM District Managers	7222	10/31/2022	3,775.80	
William Heeter	BU4QHY	10/27/2022	2,300.00	Magnolia
<b>TOTAL</b>			<b>221,579.61</b>	

**TOTAL \$ 221,579.61**

Director \_\_\_\_\_





## RE: Annual Engagement Letter

This agreement constitutes a Statement of Work (“SOW”) to the Original Service Agreement made by and between WSDM – District Managers and **Cathedral Pines Metropolitan District** (“the District”). This engagement letters serves as a renewal to the service provided or additional service to be provided as prescribed below.

### Management Services

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

2. ~~Elections~~—Service as a Designated Election Official (DEO) for district elections with familiarity with various laws, including, but not limited to the Special District Act, the Colorado Local Government Election Code, the Uniform Election Code of 1992, to the extent not in conflict with the Colorado Local Government Election Code, and Article X, § 20 of the Colorado Constitution ("TABOR")
3. ~~Construction Oversight~~—we may provide extensive construction management. Our current experience principals have funded and managed over \$100,000,000 in public infrastructure including roads, water, wastewater, electric, gas, telecommunications and stormwater facilities.
4. Website Administration – continue extensive experience with creating and updating the District websites, specifically including the State Internet Portal Authority funded sites (SIPA). Or continue hosting the district website under [www.wsdistricts.co](http://www.wsdistricts.co).
5. ~~Employee management~~—management of full or part time employees including Operators in Responsible Control (ORC), field and operations employees, administrative employees, part time seasonal employees, Certified Pool Operators, etc. Maintain compliance with Human Resource aspects like; labor statutes, insurance, training, safety, etc. issues. Also, automated payroll services
6. ~~Covenant enforcement and CCR Management~~—WSDM will continue to provide the following services:
  - a. ~~Management of Architectural Control Committees or Design Review Committees, including, but not limited to, coordination of meetings and preparation of meetings.~~
  - b. ~~Community inspections and review of proposed improvements or architectural requests.~~
  - c. ~~Provide enforcement of the recorded CCRs (Covenant, Conditions, and Restrictions) and Design Guidelines including, but not limited to, violation tracking and imposition of fines.~~
7. Insurance – WSDM will continue to be the liaison for the annual insurance renewal and payment, as well coordination for any insurance claims, as needed, and complete the annual insurance audit to ensure the district is properly covered.
8. ~~Inclusion/ Exclusions of Property~~—WSDM will provide, assistance with Legal Counsel, to coordinate any property inclusions into the District Boundaries or any property exclusions out of the District Boundaries. Determine property eligibility, present to the Board for approval, and file with proper local governing body.

### **Accounting and bookkeeping**

1. Standard Service – WSDM will continue to provide the following services (with a Certified Public Accountant):
  - a. Accounting:
    - i. Prepare monthly, quarterly and annual financial statements for the monthly meeting packets.
    - ii. Reconcile bank statements and trustee statements on a monthly basis.



- iii. Coordinate bank account setup and maintenance of signature cards.
  - iv. Prepare and file Continuing Disclosure Notices with the Trustee and other required parties. Coordinate review with legal counsel.
  - v. Coordinate capital project draws and requisitions.
  - vi. Prepare and review all payments of claims prior to release to ensure funds are available.
  - vii. Monthly review of all expenditures and coordinate preparation and distribution of same with the manager for the District to monitor the district is on track with the budget and appropriated expenditures.
- b. Accounts Payable:
- i. Receive and review invoices for accuracy and appropriateness for payment. Code the invoices in accordance with the budgeted line item.
  - ii. Prepare issuance of checks (or virtual checks) to be presented to the Board for approval and signatures. The claims (Payables) list will be included in the monthly meeting packets.
  - iii. Prepare funding requests, if required.
  - iv. Release checks to vendors when all approvals and funding have been received.
- c. Accounts Receivable:
- i. Process deposit of revenues
  - ii. Process bank charges and other miscellaneous accounts receivable matters.
- d. Financial Projections:
- i. Provide multi-year forecasting on Board request
  - ii. ~~Provide a Utility consumption versus rate analysis, and possible water loss calculations~~
  - iii. ~~Provide commercial billing and rate structure analysis.~~
- e. Budgets:
- i. Prepare annual budget and budget message for approval by the Board and coordinate with legal counsel for same.
  - ii. Prepare or assist in the preparation of supplemental and/or amended budgets and accompanying documents, if required.
  - iii. Prepare and assist in the compliance of filing the annual Budget, or amendment, as needed.
- f. Audits:
- i. Obtain proposals for conducting the annual audit for consideration at budget hearing meeting. Proposals should be included in the meeting packet.
  - ii. Coordinate and participate in audit bids, engagements, fieldwork and audit draft review.
  - iii. Assist the auditor in performing the annual audit, to accomplish timely completion and filing by statutory deadline.
  - iv. Help present the Annual Audit for approval by the Board to be file din compliance with State, local, and federal requirements.
- g. Bonds:
- i. Monitor and comply with Bond documents, State Statute, and Auditing requirements
  - ii. Transfer debt obligated funds to correct Reserve Funding accounts as applicable

- iii. Coordinate principal and interest payments as required by the governing documents.
- iv. Coordinate with Bond counsel to issue bonds as directed by the Board of Directors
- v. Coordinate the proper compliance filing including but not limited to the DLG-30, etc.
- ~~h. Developer Reimbursements/ Advances:~~
  - ~~i. Coordinate with Developers to ensure all advances are received, tracked, or accounted for to fund the district as needed.~~
  - ~~ii. Monitor and comply with Developer Reimbursement agreements and Auditing requirements~~
  - ~~iii. Coordinate principal and interest payments required by the Reimbursement agreement~~

## **Billing and Collections**

1. Standard Services—WSDM will continue to utilize the Continental Utility Solutions, Inc. (CUSI) billing software for the residents, BILL billing software, or QuickBooks billing software—as seen applicable.
  - ~~a. CUSI system is compatible with the Automatic Meter Reading (AMR), Badger Beacon systems as well as state of the art integration with direct payment options (Customer Web Portals, ACH, and Credit Card).~~
2. Additional Standard Services will include:
  - ~~a. Provide resolution of re-reads for meter reads, if necessary.~~
  - ~~b. Customize billing system to download meter readings directly into accounting software to allow for automatic updates to customer accounts.~~
  - c. Produce and transmit customer invoices to a mailing facility or perform the mailing in house, whichever is more economical.
  - d. Process and make daily deposits of all receipts mailed directly to the billing company, as necessary.
  - ~~e. Communicate with customers and transmit Automated Clearing House ("ACH") authorization forms allowing the District to initiate an ACH withdrawal of the customer bill directly from their checking or savings account. Initiate ACH batches using dual controls.~~
  - ~~f. Coordinate and provide correspondence regarding terminations, delinquencies, payment plans and shut off notices in compliance with the District's collection policies and in coordination with the District's legal counsel.~~
  - ~~g. Process payoff requests from title company for closings and set up new ownership information.~~
  - ~~h. Collect transfer fee due upon the transfer of an account or property.~~
  - ~~i. Process payment arrangements for customers facing economic hardship at the direction of the Board.~~
  - j. Process and transmit delinquent notices.
  - k. ~~Process shutoff notices and direct the District's operator to proceed with shutoff.~~

- l. Certify delinquent accounts with the County, as applicable, in coordination with the District's legal counsel.
- ~~m. Coordinate processing of statements of liens with the District's legal counsel, and release of liens as accounts are paid current.~~
- n. Respond to customer calls and inquiries in a timely and professional manner.
- ~~o. Track tap fee payments and coordinate with the Water Operator to provide installation of a new Tap for water utility.~~

**Customer Service**

1. WSDM will continue to provide customer service support by phone, email, social media, and text messaging, and fax to help all customers with their inquiries, questions, or request for information.
2. WSDM will continue to provide access to a 24-hour emergency number at 719-447-4840.
3. WSDM will continue to collaborate with security teams and monitor any security camera's as needed.
4. All customer inquiries will have a response to them within 1 hour during regular business hours or immediately the following business day, if not an emergency.

**Hourly Rates**

WSDM will continue to provide all applicable services as listed to the District at a monthly cost or not to exceed contractual monthly limit of **\$4,226/ month.**

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

- *Signature Page to Follow* -

Thank you,



Kevin Walker,  
President of WSDM

APPROVED AS SIGNED:

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Signature

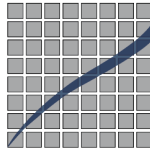
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Title

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Date





## BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

October 13, 2022

Cathedral Pines Metropolitan District  
Board of Directors  
Via email: sue.g@wsdistricts.co

We are pleased to confirm our understanding of the services we are to provide for Cathedral Pines Metropolitan District ("District") as of and for the year ended December 31, 2022.

### Audit Scope and Objectives

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We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2022. Accounting principles generally accepted in the United States of America ("US GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A") to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by US GAAP and will be subjected to certain limited procedures, but will not be audited:

- You have informed us that the MD&A will be omitted. Our report will be modified accordingly.

We have also been engaged to report on supplementary information ("SI") other than RSI that accompanies the District's financial statements, as applicable. We will subject the SI to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS, and will provide an opinion on it in relation to the basic financial statements as a whole.

- Schedule(s) of revenues, expenditures, and changes in fund balances – budget and actual for governmental funds, as applicable

In connection with our audit of the basic financial statements, we will read any other information included with the financial statements and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

We understand that the following people or entities will use these financial statements for the enumerated purposes:

**USER**

**PURPOSE**

State of Colorado

To assist with regulatory oversight

Management

To provide assurance on the financial statements to enhance management decision-making

El Paso County

To aid in regulatory oversight

You agree that you will discuss the suitability of this presentation with us if you intend to submit these financial statements to other users or to any of the identified users for different purposes.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with US GAAP; and report on the fairness of the SI referred to above when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

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**Auditor's Responsibilities for the Audit of the Financial Statements**

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We will conduct our audit in accordance with US GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with US GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may also request representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

If circumstances occur which, in our professional judgment, prevent us from completing the audit or forming opinions on the financial statements, we retain the right to withdraw from the engagement without issuing opinions or report, as permitted by our professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

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### **Audit Procedures – Internal Control**

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We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance any matters related to internal control that are required to be communicated under professional standards.

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### **Audit Procedures – Compliance**

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As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

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### **Other Services**

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We will also prepare the financial statements of the entity in conformity with US GAAP based on information provided by you. We will perform the services in accordance with applicable professional standards.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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### **Responsibilities of Management for the Financial Statements**

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Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with US GAAP with the oversight of those charged with governance.

Management is responsible for making drafts of the financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial



statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

With regard to including the auditor's report in an offering document, you agree that the aforementioned auditor's report, or reference to BiggsKofford, P.C., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for the preparation of the SI in conformity with US GAAP. You agree to include our report on the SI in any document that contains, and indicates that we have reported on, the SI. You also agree to include the audited financial statements with any presentation of the SI that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for the presentation of the SI in accordance with US GAAP; (2) you believe the SI, including its form and content, is fairly presented in accordance with US GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the SI.

You agree to assume all management responsibilities for the other services listed above and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

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### **Engagement Administration, Fees, and Other**

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You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically or on your internet website(s), you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

You agree that you will not use our firm's name or the name of an employee of the firm in a communication containing a financial presentation without the written permission of our firm. If you do use our firm name or the name of an employee of the firm in a communication containing a financial presentation, you agree to include an "accountant's report" or a "disclaimer" on the financial presentation(s) which we specify. Further, you agree to provide us with printers' proofs or masters of any document that contains our firm name or the name of an employee of the firm and a financial presentation for our review and approval before printing/publishing of the document. You also agree to provide us with a copy of the final reproduced material that contains either our firm's name and/or the name of an employee of the firm and a financial presentation for our approval before it is distributed.

We value each and every one of our clients as well as each and every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request that you not solicit our employees to work for you. You agree that if you or your agents do hire one of our employees within three months of when they last worked for BiggsKofford, we will be due a finder's fee equal to 50% of the greater of the annual salary they were earning as of their last day of employment or their starting salary with the District. Payment will be due within 10 days of your receipt of our invoice. To ensure that our independence is not impaired under the *AICPA Code of Professional Conduct*, you agree to inform the engagement principal before entering into any substantive employment discussions with any of our personnel.

You understand that we provide clients with services specifically focused on identifying and addressing deficiencies in internal controls, and on searching for the existence of fraud within the entity. If you would like us to perform these services, we would be happy to discuss that opportunity with you. However, you acknowledge that those services are outside the scope of this engagement and are not included in the fees detailed below.

It is our policy to retain engagement documentation for a period of at least five years, after which time we may commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement. The balance of our engagement file, other than the compiled financial statement, which we will provide you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony related to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates for the time we expend in connection with such response, and to reimburse us for all related out-of-pocket costs incurred.

You and BiggsKofford, P.C. both agree that any dispute that may arise from this engagement will, prior to resorting to litigation, be submitted for mediation before the American Arbitration Association. Both parties further agree that any such mediation shall be administered within El Paso County Colorado and the results of any such mediation shall be binding upon agreement of each party to be bound. Further, both parties agree that any potential legal action between you and BiggsKofford, P.C. shall be resolved in El Paso County District Court according to Colorado law. Our engagement ends on delivery of our audit report and any claim made concerning our services will be limited to the fees charged for those services. You agree to indemnify, defend, and hold BiggsKofford and its owners, heirs, executors, personal representatives, successors, and assigns harmless from any liability and costs resulting from knowing misrepresentations by management.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all parties.

We want you to clearly understand that this type of financial statement presentation is not designed for, and should not be used for, any purpose subject to regulation by the United States Securities and Exchange Commission ("SEC") or the securities division of any state.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of BiggsKofford, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Colorado Office of the State Auditor or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of BiggsKofford, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to Colorado Office of the State Auditor or its designee. The Colorado Office of the State Auditor or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Braden Hammond is the engagement principal and is responsible for supervising the engagement and for signing the report or authorizing another individual to sign it.

Our fees for this engagement are not contingent on the results of our services. We estimate that our fees for these services will be \$9,325. You will also be billed for travel and other out-of-pocket expenses. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep you informed of any problems we encounter, and our fees will be adjusted accordingly. Our invoices for these fees will be rendered semi-monthly as work progresses and are payable on presentation. Any remaining balance will be due upon delivery of your financial statements. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenses through the date of the termination.

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### Reporting

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We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the board of directors of the District. Circumstances may arise in which our report may differ from its expected content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report or, if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, **PLEASE INITIAL EACH PAGE, SIGN THE LAST PAGE**, and return a copy to us.

Sincerely,

*BiggsKofford, P.C.*

BiggsKofford, P.C.

**RESPONSE:**

**This letter correctly sets forth the understanding of Cathedral Pines Metropolitan District.**

Officer signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_



**CATHEDRAL PINES METROPOLITAN DISTRICT  
ANNUAL ADMINISTRATIVE RESOLUTION**

**(2023)**

WHEREAS, Cathedral Pines Metropolitan District (the “**District**”), was organized as a special district pursuant to an Order and Decree of the District Court in and for the County of El Paso, Colorado (the “**County**”); and

WHEREAS, the Board of Directors (the “**Board**”) of the District, has a duty to perform certain obligations in order to assure the efficient operation of the District and hereby directs its consultants to take the following actions.

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

1. The Board directs the District Manager to cause an accurate map of the District’s boundaries to be prepared in accordance with the standards specified by the Division of Local Government (“**Division**”) and to be filed in accordance with § 32-1-306, C.R.S.

2. The Board directs the District Manager to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of the name of the chairman of the Board, the contact person, telephone number and business address of the District, as required by § 32-1-104(2), C.R.S.

3. The Board directs legal counsel to prepare and file with the Division, within thirty (30) days of a written request from the Division, an informational listing of all contracts in effect with other political subdivisions, in accordance with § 29-1-205, C.R.S.

4. The Board directs the District’s accountant to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§ 11-58-101, *et seq.*, C.R.S.

5. The Board directs the District’s accountant to: 1) obtain proposals for auditors to be presented to the Board; 2) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and 3) to cause the audit to be filed with the State Auditor by July 31<sup>st</sup>, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by § 29-1-604, C.R.S., the Board directs the District’s accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31<sup>st</sup> in accordance with § 29-1-604, C.R.S.

6. The Board directs District Manager, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, to cause to be submitted to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of

approval of the District, the District's audit report or a copy of its application for exemption from audit in accordance with § 29-1-606(7), C.R.S.

7. The Board directs the District's accountant to submit a proposed budget to the Board by October 15<sup>th</sup>, to prepare the final budget and budget message, including any amendments thereto, if necessary, and directs the District Manager to schedule a public hearing on the proposed budget and/or amendments, and to post or publish notices thereof, and directs legal counsel to prepare all budget resolutions and to file the budget, budget resolution and budget message with the Division on or before January 30<sup>th</sup>, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.

8. The Board directs the District's accountant to monitor expenditures and contracted expenditures and, if necessary, to notify the District Manager, legal counsel and the Board when expenditures or contracted expenditures are expected to exceed appropriated amounts, and directs the District Manager to prepare all budget amendment resolutions and directs the District Manager to schedule a public hearing on a proposed budget amendment and to post or publish notices thereof and to file the amended budget with the Division on or before the date of making such expenditure or contracting for such expenditure, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.

9. The Board directs legal counsel to cause the preparation of the Unclaimed Property Act report and submission of the same to the State Treasurer by November 1<sup>st</sup> if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with § 38-13-110, C.R.S.

10. The Board directs the District's accountant to prepare the mill levy certification form and directs legal counsel to file the mill levy certification form with the Board of County Commissioners on or before December 15<sup>th</sup>, in accordance with § 39-5-128, C.R.S.

11. The Board directs that all legal notices shall be published in accordance with § 32-1-103(15), C.R.S.

12. The Board determines that each director may receive compensation for their services as directors subject to the limitations set forth in §§ 32-1-902(3)(a)(I) & (II), C.R.S.

13. The District hereby acknowledges, in accordance with § 32-1-902, C.R.S., the following officers for the District:

Chairman/President:	Bill Heeter
Vice President:	Lynn Shepherd
Treasurer:	Deborah Perry
Secretary:	Ecton Espenlaub
Director:	Richard Stauch
Recording Secretary:	District Manager

14. The Board hereby determines that each member of the Board shall, for any potential or actual conflicts of interest, complete conflicts of interest disclosures and directs legal counsel to file the conflicts of interest disclosures with the Board and with the Colorado Secretary of State at least seventy-two (72) hours prior to every regular and special meeting of the Board, in accordance with §§ 32-1-902(3)(b) and 18-8-308, C.R.S. Written disclosures provided by Board members required to be filed with the governing body in accordance with § 18-8-308, C.R.S. shall be deemed filed with the Board when filed with the Secretary of State. Additionally, at the beginning of each year, each Board member shall submit information to District Manager regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide legal counsel with any revisions, additions, corrections or deletions to said conflicts of interest disclosures.

15. The Board confirms its obligations under § 24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition, includes elected and appointed officers.

16. The Board hereby appoints the District Manager as the official custodian for the maintenance, care and keeping of all public records of the District, in accordance with §§ 24-72-202, *et seq.*, C.R.S. The Board hereby directs its legal counsel, accountant, manager and all other consultants to adhere to the Colorado Special District Records Retention Schedule as adopted by the District.

17. The Board directs the District Manager to post notice of all regular and special meetings in accordance with § 32-1-903(2) and § 24-6-402(2)(c), C.R.S. The Board hereby designates [cathedralpines.colorado.gov](http://cathedralpines.colorado.gov) as the District's website for the posting of its regular and special meeting notices. The Board also hereby designates, unless otherwise designated by the Board, 13977 Milam Road, Colorado Springs, Colorado as the location the District will post notices of meetings in the event of exigent or emergency circumstances which prevent the District from posting notice of the meeting on the District's website. The Board directs the District Manager to provide the website address set forth above to the Department of Local Affairs for inclusion in the inventory maintained pursuant to § 24-32-116, C.R.S.

18. The Board determines to hold regular meetings on the third Tuesday of every month as needed, at 10:00 a.m. at 13977 Milam, Colorado Springs, Colorado, and by telephone, electronic, or other means not including physical presence.

All notices of meetings shall designate whether such meeting will be held by electronic means, at a physical location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable.

19. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in § 24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.

20. For the convenience of the electors of the District, and pursuant to its authority set

forth in § 1-13.5-1101, C.R.S., the Board hereby deems that all regular and special elections of the District shall be conducted as independent mail ballot elections in accordance with §§ 1-13.5-1101, *et seq.*, C.R.S., unless otherwise deemed necessary and expressed in a separate election resolution adopted by the Board.

21. Pursuant to the authority set forth in § 1-1-111, C.R.S., the Board hereby appoints \_\_\_\_\_ as the Designated Election Official (the “**DEO**”) of the District for any elections called by the Board, or called on behalf of the Board by the DEO, and hereby authorizes and directs the DEO to take all actions necessary for the proper conduct of the election, including, if applicable, cancellation of the election in accordance with § 1-13.5-513, C.R.S.

22. In accordance with § 1-11-103(3), C.R.S., the Board hereby directs the DEO to certify to the Division the results of any elections held by the District and, pursuant to § 32-1-1101.5(1), C.R.S., to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the district and file a copy of such certification with the Division of Securities.

23. The Board directs legal counsel to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with § 32-1-1604, C.R.S.

24. Pursuant to the authority set forth in § 24-12-103, C.R.S., the Board hereby designates, in addition to any officer of the District, Laura A. Gardner of The Gardner Law Office, Attorneys at Law as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

25. The Board directs the District Manager to cause the preparation of and filing with the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, if requested, the application for quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

26. The Board directs the District Manager to cause the preparation of and the filing with the Board of County Commissioners or the governing body of any municipality in which the District is located, the Division, the State Auditor, the County Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S., an annual report, if requested, in accordance with § 32-1-207(3)(c), C.R.S.

27. The Board directs the District Manager to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District’s liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs the District’s accountant to pay the annual SDA membership dues, agency fees and insurance premiums, as applicable, in a timely manner. The Board appoints the District Manager to designate the proxy.

28. The Board hereby opts to include elected or appointed officials as employees within the meaning of § 8-40-202(1)(a)(I)(A), C.R.S., and hereby directs the District Manager to obtain workers’ compensation coverage for the District.



29. The Board hereby directs legal counsel to prepare the disclosure notice required by § 32-1-809, C.R.S., and to disseminate the information to the electors of the District accordingly. The Board hereby directs legal counsel to prepare and record with the County Clerk and Recorder updates to the disclosure statement notice and map required by § 32-1-104.8, C.R.S., if additional property is included within the District's boundaries.

30. In accordance with § 38-35-109.5(2), C.R.S, the District hereby designates the President of the Board as the official who shall record any instrument conveying title of real property to the District within 30 days of any such conveyance.

31. The Board directs the District's accountant to prepare and submit the documentation required by any continuing disclosure obligation signed in conjunction with the issuance of debt by the District.

32. The Board directs legal counsel to monitor, and inform the Board of, any legislative changes that may occur throughout the year.

*[Remainder of page intentionally left blank, signature page follows.]*

ADOPTED this 29<sup>th</sup> day of November, 2022.

**CATHEDRAL PINES METROPOLITAN  
DISTRICT**

By: \_\_\_\_\_  
Officer of the District

Attest:

By: \_\_\_\_\_

APPROVED AS TO FORM:

THE GARDNER LAW OFFICE  
Attorneys at Law

\_\_\_\_\_  
Legal Counsel to the District

**CERTIFICATION OF RESOLUTION**

I hereby certify that the foregoing constitutes a true and correct copy of the resolution of the Board adopted at a meeting held on Tuesday, November 29<sup>th</sup>, 2022.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 29<sup>th</sup> day of November, 2022.

Signature

\_\_\_\_\_

\_\_\_\_\_  
Printed Name



**RESOLUTION OF BOARD OF DIRECTORS  
CALLING ELECTION**

**CATHEDRAL PINES METROPOLITAN DISTRICT**

§§ 32-1-804, 1-1-111(2), 1-13.5-1103(1), and 1-13.5-513(1), C.R.S.

At a meeting of the Board of Directors (the "**Board**") of the Cathedral Pines Metropolitan District (the "**District**"), it was moved to adopt the following Resolution:

WHEREAS, the District was organized as a special district pursuant to §§ 32-1-101, *et seq.*, C.R.S. (the "**Special District Act**"); and

WHEREAS, the District is located entirely within El Paso County, Colorado (the "**County**"); and

WHEREAS, pursuant to § 32-1-804, C.R.S., the Board governs the conduct of regular and special elections for the District; and

WHEREAS, the Board anticipates holding a regular election on May 2, 2023, for the purpose of electing directors and submitting ballot issues and questions to eligible electors of the District, and desires to take all actions necessary and proper for the conduct thereof (the "**Election**"); and

WHEREAS, the Election shall be conducted pursuant to the Special District Act, the Colorado Local Government Election Code and the Uniform Election Code of 1992, to the extent not in conflict with the Colorado Local Government Election Code, including any amendments thereto, and shall also comply with Article X, § 20 of the Colorado Constitution ("**TABOR**"), as necessary; and

WHEREAS, pursuant to § 1-1-111(2), C.R.S., the Board is authorized to designate an election official (the "Designated Election Official") to exercise authority of the Board in conducting the Election; and

WHEREAS, pursuant to § 1-13.5-513(1), C.R.S., the Board can authorize the Designated Election Official to cancel the Election upon certain conditions.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The Board hereby calls the Election for the purpose of electing directors and presenting certain ballot issues and/or questions to the electorate. The Election shall be conducted as an independent mail ballot election in accordance with §§ 1-13.5-1101, *et seq.*, C.R.S.

2. The Board names  as the Designated Election Official for the Election. The Designated Election Official shall act as the primary contact with the County and shall be primarily responsible for ensuring the proper conduct of the Election.

3. Without limiting the foregoing, the following specific determinations also are made:

- a. The Board hereby directs general counsel to the District to approve the final form of the ballot to be submitted to the eligible electors of the District and authorizes the Designated Election Official to certify those questions and take any required action therewith.
- b. The Board hereby directs general counsel to the District to oversee the general conduct of the Election and authorizes the Designated Election Official to take all action necessary for the proper conduct thereof and to exercise the authority of the Board in conducting the Election, including, but not limited to, causing the call for nominations; appointment, training and setting compensation of election judges and a board of canvassers, as necessary; all required notices of election, including notices required pursuant to TABOR; printing of ballots; supervision of the counting of ballots and certification of election results; and all other appropriate actions.

4. The District shall be responsible for the payment of any and all costs associated with the conduct of the Election, including its cancellation, if permitted.

5. The Board hereby ratifies any and all actions taken to date by general counsel and the Designated Election Official in connection with the Election.

6. The Board hereby authorizes and directs the Designated Election Official to cancel the Election and to declare the candidates elected if, at the close of business on the sixty-third day before the Election, or at any time thereafter, there are not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates, and so long as the only ballot questions are for the election of candidates. The Board further authorizes and directs the Designated Election Official to publish and post notice of the cancellation as necessary and file such notice and cancellation resolutions with the County Clerk and Recorder and with the Division of Local Government, as required. The Designated Election Official shall also notify the candidates that the Election was canceled and that they were elected by acclamation.

7. This Resolution shall remain in full force and effect until repealed or superseded by subsequent official action of the Board.

*{Remainder of Page Intentionally Left Blank}*

Adopted This 29th Day of November, 2022.

CATHEDRAL PINES METROPOLITAN DISTRICT

\_\_\_\_\_  
Officer of the District

ATTEST:

\_\_\_\_\_

APPROVED AS TO FORM:

The Gardner Law Office  
Attorneys at Law

\_\_\_\_\_  
Legal Counsel to the District

*Signature Page to Resolution Calling Election*



**LEASE AGREEMENT  
(Maintenance Shed)**

THIS **LEASE AGREEMENT** (“**Lease**”) is made and entered into this 1st day of January, 2023, by and between CATHEDRAL PINES METROPOLITAN DISTRICT, a quasi-municipal corporation and subdivision of the State of Colorado, hereinafter referred to as “**Lessor**”, and A CUT ABOVE LAWN SERVICE, LLC, a limited liability corporation (“**Lessee**”), whose address or principal place of business is P.O. Box 203, Monument, CO 80132, and hereinafter referred to as “**Lessee**.” The parties to this Lease may be referred to individually as a “**Party**” or collectively as the “**Parties**.”

**RECITALS:**

WHEREAS, the Lessor owns a maintenance shed located at Tract 3, Cathedral Pines Subdivision Filing No. 2, El Paso County, Colorado (aka 5785 Vessey Drive, Colorado Springs, CO) (the “**Shed**”); and

WHEREAS, Lessee desires to lease a portion of the Shed according to the terms of this Lease; and

WHEREAS, Lessor is authorized pursuant to Section 32-1-1001, C.R.S., as amended, to enter into leases and contracts affecting the affairs of Lessor.

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

**TERMS:**

For and in consideration of the rents, covenants and agreements herein contained, Lessor and Lessee hereby agree as follows:

1. **LEASE OF SHED**. Lessor hereby leases and demises unto Lessee a portion of the Shed, subject to and upon the terms and conditions set forth in this Lease. A portion of the Shed is being leased by Lessee in its “AS-IS” condition, with Lessee accepting all defects, if any; and Lessor makes no warranty of any kind, express or implied, with respect to the Shed (without limitation, Lessor makes no warranty as to the habitability, or suitability of the Shed for a particular purpose). Lessor has examined the Shed and accepts it in its current “As-Is” condition.

2. **TERM OF LEASE**. The term of this Lease shall commence on January 1, 2023, and end on December 31, 2023, unless terminated sooner, as provided herein. In addition, either Party shall have the right to extend this Lease for additional 1-year periods based upon written notice at least thirty (30) days prior to the expiration of each term, subject to a new rental fee to be agreed upon by the Parties. Lessor shall have the right to refuse any renewal of this



Lease in the event of a breach of a material condition of the Lease by Lessee if such breach has not been timely cured pursuant to the provisions of this Lease.

3. **USE OF SHED.**

A. Lessee agrees that the Shed will be used only to perform activities and to store equipment, supplies, and other items needed to fulfill landscape maintenance and snow removal services (that Lessee performs for Lessor pursuant to a separate agreement) within certain designated spaces in the Shed and outside of and immediately adjacent to the Shed. Lessee shall neither permit nor suffer any disorderly conduct or nuisance having a tendency to annoy or disturb the Lessor. Lessee shall not make any alteration, addition, or improvement to the Shed without Lessor's written consent. Lessee agrees that Lessee and anyone acting on Lessee's behalf does not have the right to file for mechanic's liens or any other kind of liens on the Shed.

B. Lessee agrees that this Lease is a non-exclusive lease, and Lessor retains all of its rights as owner of the Shed including but not limited to the right to enter upon and use of the Shed at all times. Lessee's condition of storage use of the Shed is that such permitted use shall not unreasonably interfere with the Lessor's use and enjoyment of the Shed.

C. Lessee shall not use or permit the Shed to be used for any purposes prohibited by the laws, ordinances, or regulations of the United States, the State of Colorado, or other governmental entity with jurisdiction.

D. Lessee shall keep the Shed free of debris and anything of a dangerous, noxious, or offensive nature or which would create a hazard, interference, or alterations at the property on which the Shed is located.

E. Lessee will maintain the Shed, including the grounds upon which the Shed is located, in clean, sanitary and good condition and repair, and in a manner which does not interfere with Lessor's access to and use of its Shed and surrounding grounds. Lessee will not remove Lessor's personal property, fixtures, or furnishings from the Shed for any purpose. If repairs other than general maintenance are required, Lessee will notify Lessor for such repairs. In the event of default by Lessee, Lessee will reimburse Landlord for the cost of any repairs or replacement. Lessee shall be liable for damages, costs and other relief to which the Lessor is entitled to the Shed and its contents caused by the Lessee. Lessor is not responsible or liable for any loss, claim, damage or expense as a result of any accident, injury, damage or theft to any person or property occurring in, on or around the Shed, unless resulting from the willful misconduct of the Lessor.

F. If the Shed shall be destroyed in whole or in part by fire, the elements, or other casualty and if, in the sole opinion of the Lessor, it cannot be repaired within ninety (90) days from said injury and the Lessor informs the Lessee of said

decision; or if the Shed is damaged in any degree and the Lessor informs the Lessee it does not desire to repair same and desires to terminate the Lease; then the Lease shall terminate on the date of such injury. In the event of such termination, the Lessee shall immediately remove all of Lessee's equipment and surrender possession of the Shed and all rights therein to the Lessor.

4. **SHED ACCESS.** Access to the Shed will be controlled and restricted to authorized personnel of the Lessee, Lessor and other authorized users as determined by the Lessor. So long as Lessee is not in breach of this Lease, Lessee will be allowed access to the Shed through use of a key or a code to a lock box attached to the exterior of the Shed door. Lessee will also be provided with a specific code for the Shed's alarm.

5. **RENT.** Lessee hereby agrees to pay to Lessor an annualized monthly rent ("**Rent**") in the amount of \$850/month, payable in U.S. Dollars, without further notice and without any setoff or deduction whatsoever.

6. **PAYMENT OF RENT.** All payments are to be made on or before the 15<sup>th</sup> day of each calendar month during the terms of this Lease to Lessor by check at the offices of:

Cathedral Pines Metropolitan District  
c/o Walker Schooler District Managers  
614 N Tejon St  
Colorado Springs, CO 80903

If the term herein commences on a day other than the first day of a calendar month, then Lessee shall pay to Lessor the rental for the number of days that exist prior to the first day of the succeeding month, with a similar adjustment being made at the termination of this Lease.

If the Rent remains unpaid for a period of ten (10) days, a penalty in the amount of \$5 per day will be assessed against Lessee.

7. **LEASE ASSIGNMENT.** Lessee shall not assign this Lease and shall not sublet the Shed, and will not permit the use of said Shed to anyone other than Lessee, its agents, or employees, without the prior written consent of Lessor, which consent may be withheld in the Lessor's sole and absolute discretion.

8. **SHED SECURITY.** Lessor agrees to maintain a security system, of its own choosing and design, on the exterior and interior of the Shed. Lessor does not make any other promises or warranty with regard to Shed security, or the security of the personal property stored in and around the Shed by the Lessee.

9. **NOTICE.** Any notice required by this Lease must be delivered in person or sent by registered or certified mail, return receipt requested, to the party at the address as hereinafter

provided, and if sent by mail it will be effective when posted in the U.S. Mail Depository with sufficient postage attached thereto:

Lessor: Cathedral Pines Metropolitan District  
c/o Walker Schooler District Managers  
Attn: Kevin Walker  
614 N. Tejon Street  
Colorado Springs, CO 80903  
(719) 447-1777

Lessee: A Cut Above Lawn Service, LLC  
Attn: Ashley Dixon  
P.O. Box 203  
Monument, CO 80132

With a copy delivered to:

The Gardner Law Office  
1160 Lake Plaza Dr. Ste 102  
Colorado Springs, CO 80906

10. **TERMINATION**. Violations of the terms set forth herein by the Lessee may result in immediate termination of this Lease by the Lessor, in its sole and reasonable discretion. The Lessor may terminate this Lease at any time with written notice provided to Lessee. Lessee may terminate this Lease upon thirty (30) days written notice to the Lessor. Upon expiration or termination of this Lease, either by lapse of time or as otherwise set forth in this Lease, Lessee shall peaceably surrender the Shed in good condition and repair, except for ordinary wear and tear. Lessee shall remove all personal property upon such termination and shall repair all damage to the Lease caused by such removal.

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

12. **SUBJECT TO ANNUAL APPROPRIATION AND BUDGET**. Lessor does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the Lessor hereunder requiring budgeting and appropriation of funds are subject to annual budgeting and appropriations. No provision of this Lease will be construed or interpreted as a delegation of governmental powers by the Lessor, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the Lessor or statutory debt limitation, including, without limitation, Article X, Section 20 of the Constitution of the State of Colorado. No provision of this Lease will be construed to pledge or to create a lien on any class or source of Lessor's funds.

13. **CAPTIONS, CONSTRUCTION, AND BINDING EFFECT.** The captions and headings used in this Lease are for identification only and will be disregarded in any construction of the Lease provisions. All of the terms of this Lease inure to the benefit of and are binding upon both the Lessor and the Lessee.

14. **SEVERABILITY.** If any provision of this Lease is determined to be invalid, illegal, or without force by a court of law or rendered so by legislative act then the remaining provisions of this Lease will remain in full force and effect.

15. **APPLICABLE LAW.** This Lease and all claims or controversies arising out of or relating to this Lease will be governed and construed in accordance with the law of the State of Colorado, without regard to conflict-of-law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Lease will be in the District Court in and for El Paso County, Colorado.

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

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first written above.

**LESSOR/DISTRICT:**

**CATHEDRAL PINES METROPOLITAN DISTRICT**

\_\_\_\_\_  
Officer of the District

ATTEST:

\_\_\_\_\_  
APPROVED AS TO FORM:  
The Gardner Law Office  
Attorneys at Law

\_\_\_\_\_  
Legal Counsel to the District

**LESSEE - A CUT ABOVE LAWN SERVICE, LLC:**

\_\_\_\_\_  
By: \_\_\_\_\_  
As: \_\_\_\_\_