

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CASCADE METROPOLITAN DISTRICT NO. 1**

**HELD FEBRUARY 28, 2017**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 24<sup>th</sup> day of February, 2017, at 5:30 p.m., at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado. The meeting was open to the public.

**Directors in Attendance Were:**

Michael Whitemore  
Mike Herr  
Susan Soloyanis  
Stephen Spaulding

**Absent Directors (excused absence)**

Troy Eason

**Also in Attendance Were:**

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law (via telephone)  
Lori VonFeldt, Autumn Mason, Kevin Walker (via telephone), Schooler and Associates, Inc.  
Duane Schorman, Cascade Water District Operator  
Andre Kilik, Cascade Water District Operator

1. **Call to Order:** The meeting was called to Order by President at 5:36 PM.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:**  
The Board discussed the requirements pursuant to Colorado law to disclose any potential or existing conflicts of interest to the Board of Directors and to the Secretary of State. Ms. Tanaka reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Tanaka noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No additional disclosures were noted.
3. **Approval of Agenda:** Motion to approve the agenda and to excuse Director Eason made by Director Spaulding, seconded by Director Soloyanis. Motion passed unanimously.

**4. Consent Agenda Items:** The Board reviewed and considered the following matters on the consent agenda:

- a. Acknowledge Operations Report
- b. Acknowledge Manager's Report
- c. Approve of Board Meeting Minutes from the January 24, 2017 Meeting
- d. Approve of Payables for the Period Ending February 28, 2017 in the amount of:

General Fund:	\$ 31,344.04
Capital Projects Fund:	\$
Pyramid Mountain Review Retainer*	\$
Grant Capital Projects Fund:	\$
<u>Debt Service Fund:</u>	<u>\$ 23,324.43</u>
Total	\$ 54,668.47

- e. Accept of Unaudited Financial Statements as of January 31, 2017 the schedule of cash position updated as of January 31, 2017 and bank statements

Director Herr noted that he had reconciled the bank statements with the financials for items e. Motion to approve the Consent Agenda was made by Director Spaulding. Motion was seconded by Director Soloyanis. Motion passed unanimously.

**5. Consideration of items removed from Consent Agenda:** None

**6. Management Matters**

- a. Update on Construction Project - Director Soloyanis reported that there was very good representation of the rate payers at the open house – their hope was to have 10% of the households represented and it was over 20% at nearly 60 households that attended the meeting that day. There was a constant stream of people for the 8 hours that the open house was hosted. There was a good sense that people had their questions answered and learned about what the impacts on their properties would be. The next step is to finish the construction drawings and have them reviewed by Colorado Springs Utilities. President Whittemore asked if we can expect feedback from CSU and Director Soloyanis indicated yes. The Board discussed generally the proposed upgrade of service lines and scheduling with the objective of minimizing the impact on homeowners. Mr. Kilik inquired as to the status of keeping the meter pits. Director Soloyanis answered that CSU's standard is to have the meters in the house but that this project would leave them in meter pits if they were there already.

As the project moves forward, the process for questions was to direct them to the District Manager. The plans will not be posted on the website in order to not create bidding issues with the release of plans prematurely and the spreadsheet will not be on the website because it is incomplete. In general discussion around the bidding process, Director Soloyanis explained the project was going to be broken into two packages reflecting both sides divided by Highway 24 given the different nature of the issues and different contractors being able to bid separately. CSU will not participate in the

selection of the contractor. Construction is projected to start in June or July of 2017.

The Board thanked Director Soloyanis for the effort she had put into the project to date.

A frequent question at the Open House was the billing. The Board feels that the billing is confusing for the residents. Mr. Walker explained the current structure of the bill and was asked to present options for the billing to make it more clear. Mr. Walker agreed to submit options at the next Board meeting. There are still questions about the amount of the billing that is being used to cover the previous actions of the manager with the explanation continuing to be that the bonds and the grants covered the entire expense of the project and the grant effectively negated the previous debt issues.

President Whittemore asked if the structure of the rates would effectively change when the water losses were minimized due to a new system. Mr. Walker answered in the affirmative. CSU is currently charging the out of city rates for the District bulk water so there should be some reduction in the usage paid by the residents. It was noted that CSU has a completely different tiered rate structure but there was expected to be a reduction in the cost of water to the ratepayers. Ms. Tanaka pointed out that the District would be able to reduce operations expenses as the billing would be for the debt service alone and meetings would be able to be reduced to possibly two per year. Mr. Walker suggested that the District may be able to do some comparative billing scenarios as the turnover date got nearer.

The Board felt that the venue for the open house worked very well and could be a location for future meetings as well. President Whittemore will contact the owner and discuss this matter.

- b. Discussion of back up operator plans – Mr. Walker reported that with the assistance of Mr. Kilik, he had identified Mr. Glen Schwester to fill a part time position for the District to assist in additional work for the project and also to cover vacation time for Mr. Kilik. The Board agreed to continue the process and asked the Manager to conduct a background check.
- c. Review status of using email for billing – Mr. Walker reported that he is prepared to ask for email addresses from the ratepayers to send billing and that this would be a part of the March billing cycle with a test implementation in April and full implementation in May. There will not be any additional electronic payment options with this change.

## **7. Operations Matters**

- a. Emporia Pump House repairs – Mr. Kilik reported that the leak in a valve in the pump house continued and that it is being closely monitored. Director Soloyanis hoped that the leak could be left until the construction project. Mr. Kilik has asked a plumbing contractor to look at it give a price for the repair and expected it to be below \$2,500. The Board instructed Mr. Kilik to continue to monitor the situation and coordinate with Mr. Walker.
- b. Report on the Colorado Rural Water Association annual meeting – Mr. Kilik

reported that he and Mr. Schorman had attended the meeting and felt that it was a productive time for them. He also took the C license test and was awaiting the results.

**8. Financial Matters** - None

**9. Legal Matters** - None

**10. Public Comment** - None

**11. Other Business - Next Meeting—March 28, 2017 at 5:30 PM.**

**12. Adjournment** - Director Herr moved for adjournment at 6:12 PM. Seconded by Director Spaulding. Motion passed unanimously.

Respectfully submitted,

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

Secretary for the Meeting

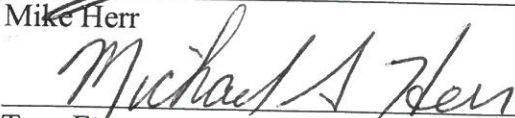
THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 28, 2017  
MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD  
OF DIRECTORS SIGNING BELOW:



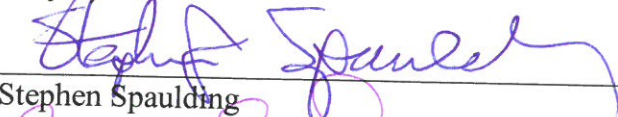
Mike Whittemore



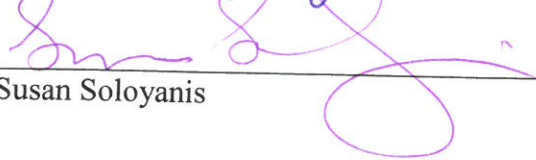
Mike Herr



Troy Eason



Stephen Spaulding



Susan Soloyanis

# CASCADE METROPOLITAN DISTRICT NO. 1

Please print the requested information below. If you wish to address the Board during public comment, please indicate that by checking the box under the public comment column. Public comment will be taken in the order they appear on this sheet. Public comment is limited to three (3) minutes.

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