

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

**HELD MARCH 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 28<sup>th</sup> day of March, 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  
Troy Eason

**Also in Attendance Were:**

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law (via telephone)  
Kevin Walker and Rebecca Hardekopf, Walker Schooler District Managers  
Duane Schorman, Cascade Water District Operator  
Members of the public (see sign-in sheet attached)

1. **Call to Order:** The meeting was called to Order by President Whitemore at 5:30 PM.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:**  
The Board discussed the requirements pursuant to Colorado law to disclose any potential or existing conflicts of interest to the Board of Directors and to the Secretary of State. Ms. Tanaka reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Tanaka noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No additional disclosures were noted.
3. **Approval of Agenda:** Mr. Walker requested that Item 4.d be changed to reflect a General Fund payable of \$27,308.75 and a total of \$132,400.67. Motion to approve the agenda as amended was Director Spaulding, seconded by Director Herr. 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. Approval of Board Meeting Minutes from the February 28, 2017 Meeting
- d. Approval of Payables for the Period Ending March 28, 2017) in the amount of:

General Fund:	\$ 27,308.75
Capital Projects Fund:	\$ 81,767.49
Pyramid Mountain Review Retainer*\$	
Grant Capital Projects Fund:	\$
Debt Service Fund:	\$ 23,324.43
Total	\$ 132,400.67

- e. Acceptance of Unaudited Financial Statements as of February 28, 2017, the schedule of cash position updated as of February 28, 2017 and bank statements
- f. Approval of Requisition No. 20 to UMB Bank, as Trustee, for payment of Working Capital Project funds from Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and 2015 B

Director Spaulding noted that the losses are higher than usual and was concerned about sales income being behind projections. Mr. Walker commented that the losses were similar last year in the winter, that 40 – 50,000 gallons were lost per month to the opening of the valve on Highway 24 frontage (now closed) and that the most significant sales months were ahead when landscape watering resumed. Motion was made to approve the Consent Agenda items by Director Spaulding, seconded by Director Herr. Motion passed unanimously.

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

**6. Management Matters**

- a. Update on Construction Project - Director Soloyanis reported that she and GMS had met twice with representatives of El Paso County to discuss requirements for repaving the County roads after the construction was complete. This is a significant cost matter for the project and while the County was willing to waive their usual degradation fees, the possible costs could still exceed \$1,000,000. Discussion with the County included their requirement to pave the entire street when a cut had been made, whether a chip and seal application would be acceptable and what the standard for curb replacement was going to be for this project. The Board discussed various methods of moving forward including bidding the project using a base fee plus add-on items or offering to partner with the District in repaving the streets. Director Eason agreed to assist Director Soloyanis in reviewing the bid documents to seek the best flexibility in managing this potential cost. Director Soloyanis reported that the County was working well with the

engineer and the District and that this was not an acrimonious discussion, simply one of neither party having the available funds.

Director Soloyanis discussed the status of the documents for bid. There were two principal documents being developed – the actual contract and the project manual. GMS had initially developed documents that they had used in previous special district funded projects; Ms. Tanaka noted several issues that were not adequately addressed in this draft including current statutory requirements that needed to be updated including appropriation language, governmental immunity, remedies, progress payments, independent contractor status, and other requirements for the District and for the use of the DOLA grant funds. The engineer is concerned about the management cost of the contract being increased while the Counsel is seeking the most appropriate documents to protect the District. Director Eason asked if this was as simple as swapping general conditions for the contract and that the estimated additional expense for management might be around \$5,000. The Board agreed that the legal protection was most critical and that in the discussions next week that the District seek the legal protection with the understanding that the cost for managing the contract may need to be adjusted.

**b. Updates**

- a. Back up operator – Mr. Walker reported that the hiring process for Mr. Glenn Schwester as a part time Water System Maintenance Assistant was proceeding and only needed the E-verify step to be completed. President Whittemore asked if the budget would allow this hire and Mr. Walker stated that additional funds were in the budget to manage this with the expectation that the construction project would require additional manpower. Mr. Schwester was scheduled to ride along on the meter reading scheduled for Friday March 31.
- b. Emailing of billing – Mr. Walker reported that nearly 40 accounts had signed up for the email version of the billing and it would be implemented this billing cycle with both mail and email billings sent.
- c. New billing organization – The Board acknowledged that the sample bill that was included in the Board Agenda Packet be implemented. Mr. Walker stated that it would be done this next cycle. Ms. Tanaka suggested the next fee resolution be amended to reflect this new terminology.
- d. Operations and safety plans – Mr. Walker reported little progress on the draft of these plans and that this update would continue.
- e. Backflow report – Mr. Walker reported that only two of the backflow preventers required in last year's efforts had not been completed, one due to complications and cost of the project and the other due the fact that it had been in foreclosure. All properties were to receive a reminder letter this month that there needs to be an annual test completed for their facilities. Director Eason asked if the bed and breakfast owner had been informed of this and Mr. Walker stated that he had discussed this with them in their purchasing process.

**7. Operations Matters**

- a. Emporia Pump House repairs – Mr. Walker reported that the plan was to continue to monitor the slow leak and that a plumber had declined to do a replacement due to secondary effects of the replacement causing more problems. The plan is to continue to monitor until it is bypassed and replaced through the construction project.
  - b. Other items discussed included:
    - a. The lack of replacement meters and ERTS due to age of the ITRON reader system. Mr. Schorman indicated that a supplier had found some older versions that were going to be tested to see if they were compatible with the District's system. Mr. Borden suggested that the old Badger and remote meter system might also work and it was agreed that this system could also be employed.
    - b. Mr. Walker reported that the City had completed calibration of their master meter.
8. **Financial Matters** – Director Eason requested an explanation of overdue amounts on the latest GMS invoice. Mr. Walker explained that two payments were in the bond requisition process and were paid or going to be paid, that one of the items was from the previous Pyramid Mountain invoices and the fourth would need to be investigated.
9. **Legal Matters** – President Whittemore asked Ms. Tanaka if the current Gallagher Amendment modifications was going to impact the District. Ms. Tanaka reported that the District did not collect property taxes so the changes would not affect the District.
10. **Public Comment** - Mr. Borden thanked the Board for moving forward on electronic billing and asked about the bidding and construction timing. Director Soloyanis responded that the target was a May bidding and a construction start of July or August with the caution that delays were to be expected in this process.
11. **Other Business - Next Meeting—April 25, 2017 at 5:30 PM.**
12. **Adjournment** - Director Herr moved for adjournment at 6:12 PM. Seconded by Director Spaulding. Motion passed unanimously.

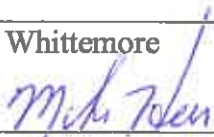
Respectfully submitted,

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:

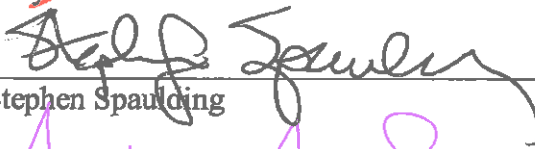
Mike Whitemore



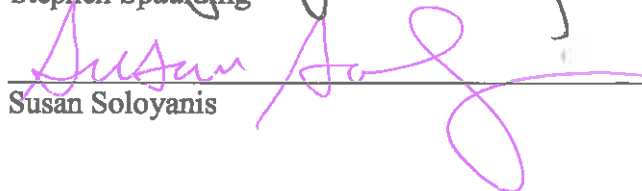
Mike Herr



Troy Eason



Stephen Spaulding



Susan Soloyanis

**CASCADE METROPOLITAN DISTRICT NO. 1**  
**March 28, 2017**

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.

Name	Address	Telephone/Email	Public Comment Please check if you wish to address the Board. Please note comments are limited to 3 minutes.
Jim Borden	4640 MAPLE ST CA		<input checked="" type="checkbox"/>
Diane Rossin	7915 Forest Rd.		<input type="checkbox"/>
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