

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

HELD JUNE 27, 2017

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 27th day of June, 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:

Mike Whitemore
Mike Herr
Stephen Spaulding

Also in Attendance Were:

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law (via telephone)
Kevin Walker, Walker Schooler District Managers
Andre Kilik and Duane Schorman, Cascade Water District Operator
Braden Hammond, Biggs Kofford
Jason Meyer and Ken White, GMS, Inc.
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:** Director Spaulding moved to approve the agenda and to excuse Directors Soloyanis and Eason. Motion seconded by Director Herr. The motion passed unanimously.
4. **Consent Agenda Items:** (These items are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless requested, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda)

- a. Acknowledge Operations Report
- b. Acknowledge Manager's Report
- c. Approval of Board Meeting Minutes from the May 23, 2017 Meeting
- d. Approval of Payables for the Period Ending June 27, 2017 in the amount of:

General Fund:	\$ 42,812.64
Capital Projects Fund:	\$ 100,934.99
Grant Capital Projects Fund:	\$
<u>Debt Service Fund:</u>	<u>\$ 38,582.57</u>
Total	\$ 141,909.32

- e. Acceptance of Unaudited Financial Statements as of May 31, 2017, the schedule of cash position updated as of May 31, 2017 and bank statements (enclosure)
- f. Approval of Requisition No. 23 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 Herr reported that he had reconciled the previous month's bank statements. Director Spaulding corrected a motion in the previous month's minutes. Motion was made to approve the corrected Consent Agenda items by Director Spaulding, seconded by Director Herr. Motion passed unanimously.

5. Consideration of items removed from Consent Agenda: None

6. Financial Matters

- a. Review of 2016 audit and consider acceptance of same and approval of District Representation Letter – Biggs Kofford – Mr. Braden Hammond, passed out copies of the amended audit with some minor changes from the audit distributed. Mr. Hammond stated that the audit was being issued without qualification which is the highest level of assurance auditors can offer. The changes made were to the reduced amount that was being set aside for accounts receivable. Mr. Walker commented that these were primarily billing entries that needed updated and that the current account receivables was zero. It was moved by Director Spaulding and seconded by Director Herr to accept the audit as presented and the management letter subject to final review of changes by Ms. Tanaka.

7. Management Matters (Director Eason arrived for discussion of this matter)

- a. Update on Construction Project - Mr. Meyers and Mr. White from GMS were asked to update the Board on the status. They reviewed in depth the attached list of items. Comments and discussion from the Board

during and after the presentation were about the expected start date slipping from this year to next, the possible lack of bidders for starting work this year, the expectations for CSU to change the second point of connection (CSU was modeling their proposed change) and the change that CSU will be responsible for all the meter change outs but not the service line changes.

Ms. Tanaka and Mr. White discussed the status of the easement documents and updated the Board on the timing and complexity of this necessary matter. Approximately 1/3 of the necessary easement documents had been drafted and finalized to date.

The Board discussed the overall situation of timing and the need for Board participation in procuring easements prior to construction. The consensus agreement was that GMS, President Whittemore and Mr. Walker were to review continuing information on the availability of contractors and the likelihood of the need for a July Special Meeting to present easements and information to owners of property subject to an easement request with a determination to be made by July 11, 2017.

It was also noted that the plans were available in the District Manager's office for review.

b. Other matters

1. Backflow report – Mr. Walker reported that progress was being made on resolving the clerical updates needed for the State and the updated tests that many property owners were not aware were needed annually.
2. Mr. Walker reported that the Consumer Confidence Report had been placed on the website and confirmed to the State that this was our form of delivery.
3. Mr. Walker stated that he expected that his office would prepare a mid-year budget review and present it at the July meeting.

- 8. Operations Matters** – Mr. Kilik reported that the THM testing had been completed twice due to a mailing glitch. Also, that there continued to be two meters that were not working with the Itron reading device. Also, he noted a concern with the usage being very high and wanted to alert the Board to a possible leak situation. Mr. Walker noted that the reads were occurring shortly and that they would review this situation and take appropriate steps.

9. Legal Matters – None

10. Public Comment None

11. Other Business - Next Meeting— July 25, 2017 at 5:30 PM.

12. Adjournment - Director Herr moved for adjournment at 7:04 PM. Seconded by Director Spaulding. Motion passed unanimously.

Respectfully submitted,

By: _____

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JUNE 27, 2017 MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:



Mike Whittermore



Mike Herr



Troy Eason



Stephen Spaulding

Susan Soloyanis

June 27, 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.

[illegible]