

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD APRIL 24, 2018**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 24th day of April 2018, at 5:30 p.m., at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado. The meeting was open to the public.

Directors in Attendance Were:

Mike Whittemore
Susan Soloyanis
Stephen Spaulding
Mike Herr
Troy Eason

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, District employee
Dwayne Schormann, District employee
Jason Meyer, P.E. GMS
Mark Hornberger, GMS
Kristina Kulick, Walker Schooler District Managers
Members of the public (see sign-in sheet attached)

1. **Call to Order:** The meeting was called to Order by President Whittemore at 5:30 p.m.
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. No additional disclosures were noted.
3. **Approval of Agenda:** Mr. Walker discussed the addition of agenda item 8.b.; Requisition No. 34 and a minor change in General Fund to \$31,606.94. President Whittemore confirmed that no other items needed to be added to the agenda. Director Spaulding moved to approve revised agenda. Seconded by Director Soloyanis. Motion passed unanimously. Director Eason arrived at 5:31 p.m.
4. **Consent Agenda Items**
 - a. Acknowledge Operations Report
 - b. Acknowledge Manager's Report
 - c. Approval of Board Meeting Minutes from the February 27, 2018 Meeting

- d. Approval of Payables for the Period Ending April 24, 2018 in the amount of:

General Fund:	\$ 31,606.94
Capital Projects Fund:	\$ 35,840.12
Grant Capital Projects Fund:	\$ -
Debt Service Fund:	\$ 22,745.83
Total	\$ 90,193.89

- e. Acceptance of Unaudited Financial Statements as of April 17, 2018, the schedule of cash position updated as of April 17, 2018 and bank statements
- f. Ratify approval of Requisition No. 32 and approval of Requisition 33 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 moved to approve Consent Agenda; seconded by Director Soloyanis. Motion passed unanimously.

5. Consideration of items removed from Consent Agenda – None

6. Management Matters

- a. General Update on Water Construction Project: Director Soloyanis updated the Board on the Water Construction Project. She reported that new water mains are being put in the ground. She welcomed everyone to stop by and see the progress. She said there were repairs being completed as the contractor progressed by the District in conjunction, and Mr. Kilik confirmed that supplies are ordered. CSU had requested information regarding the redundant water supply. Director Soloyanis stated that the available funds were not sufficient to build the redundant water supply and noted that CSU is aware of that. CSU has requested that the District formally apply to CSU for an amendment to the Improvements Required Report stating that the District is not in a financial position to install the redundant line. GMS is drafting the letter. Director Soloyanis noted that CSU needs the formal request to take to their management and it will eventually get to City Council for consideration. Director Soloyanis reassured the Board that this is not a matter for alarm, just procedure to have it in writing letting them know we are not in a position to fund this improvement.

Mr. Meyer updated the Board on the project from an engineering perspective. He suggested to the Board to direct all questions they are getting to Mr. Hornberger. President Whittemore asked what feedback had been received from the public. Mr. Hornberger responded that the most frequent comment was that people believe they are paying extra

due to the embezzlement. Director Soloyanis said they are not paying extra due to that. Mr. Meyer said that overall people are upset due to the construction since it is messy, but so far it has been pretty smooth. Director Soloyanis said it is helpful that only a small portion is being torn out at a time. President Whittemore asked if anyone is complaining of dirty water. Mr. Meyer replied not yet. Mr. Hornberger said might be a different taste, but it would take several months to be noticeable. Mr. Meyer said that they are monitoring the trench spoil they are hauling off due to expense. He also noted that in some spots they are hitting wet material and that it is more than what was expected. Director Soloyanis noted that once they get away from the creek it should improve. Mr. Meyer reported that they are watching this process very closely. They are directing the contractor to keep the good material and reuse it to save money. Mr. Hornberger reported that a lot of brick and other material had been dug up. Director Soloyanis asked where the schedule had the contractor next. Mr. Hornberger replied that they are moving to work up Pikes Peak Highway and are working to get the heavy traffic area done now before summer. They had been given permission from the County to do overnight work since they will have to close the road down. Mr. Meyer said they put together a change order dealing with the pipe. The change order is for a \$52,000 credit but it was not complete as of the meeting time. Mr. Walker reported that the schedule will be updated on the website.

b. Approval of Easements for Following Properties. Mr Walker presented the Board with easements for the following properties:

- 4615 Fountain Avenue
- 7940 Forest Road
- 4645 Fountain Avenue
- 4575 Fountain Avenue
- 8130 Timber Lane
- 8014 Highway 24
- 8182 Highway 24
- 8190 Highway 24
- 8045 Highway 24

Director Spaulding moved to approve the easements. Seconded by Director Soloyanis. Motion passed unanimously.

Mr. Meyer requested additional discussion on outstanding easements. Mr. Meyer passed out an outstanding easements list to the Board. The discussion centered on the easements needed in the Rampart Terrace area and Mr. Meyer reported that Mr. Hornberger was in communication with residents. Mr. Meyer reported there are a lot of joinders and it is taking the banks 3 to 4 months to respond and are usually accompanied by requests for more information. Director Soloyanis said in good faith the District is

pursuing joinders and this effort may hinder progress. Mr. Meyer described one property that is a problem and noted that the property owner wants the District to pay for title clean up issues. Ms. Tanaka acknowledged the difficulty with that owner and provided additional background. It was suggested that another solution be suggested to CSU to avoid the expense of condemnation including asking for assistance from El Paso County. President Whittemore asked Ms. Tanaka to re-engage with the condemnation attorney as soon as possible because the schedule was such that this property was scheduled soon. Ms. Tanaka noted that the prior engagement with condemnation counsel was for a specific property, and, therefore, Board approval would be needed for a new engagement letter for any condemnation proceedings. Mr. Meyer suggested asserting a prescriptive easement might apply and be an option. Ms. Tanaka noted that she will reach out to CSU to determine whether they would agree to that solution. Ms. Tanaka reported the prescriptive right process might be longer but may also be cheaper so she will review and report back. Mr. Meyer will talk with the contractor and see how the schedule could be adjusted.

Mr. Meyer passed out an outstanding joinder list to the Board members and explained that CSU wants joinders due to an issue they had in the past but is hoping to move forward without the joinders.

Director Spaulding reported that the Cascade Park easement should be resolved by the end of the month.

- c. Water loss update: Mr. Walker reported that there was not much difference from last year. A 60% loss.

7. Operations Matters

- a. Chlorinator pump update: Mr. Kilik reported that the chlorine house is leaking and a 2 inch line by Fountain Ave. was running. He said it was a surprise it was there and nobody complained that they lost water. Mr. Kilik said that Mr. Hornberger has been leading them to cleaning out stop houses. On Hagerman, there is an issue with a valve that won't open and the box next to it is offset so they may have to dig both up. He said there was a problem at Toll Gate hydrant and they dug it up. When the key was pulled off, it only opened halfway and will need to be dug up and routed to Santa's Workshop. They will need to replace the hydrant and may need to do sooner than later. Mr. Walker asked if RMS could help. Mr. Kilik will talk with them to see if they can help with minor repairs. Mr. Kilik reported the water testing and tank inspection was done and there is a lot of sediment. He is hoping it won't fail. Mr. Kilik suggested doing a night-run to find any leaks. The Board doesn't think it is necessary. Mr. Kilik told the Board that they cannot find the shutoff on Outpost. Mr. Walker said 2 properties were not paying bills. One property sold and the new

buyer is paying. The other property is getting behind. He said they will be replacing the stop box, but at some point, they will need to start collecting. He confirmed that the owner knows we cannot shut them off. Mr. Walker said they will catch up to him and collect with the November tax bill. Mr. Kilik said the owner trucked in concrete with mesh which is causing them to find metal when they are digging and looking for the stop box but will get this fixed with the new main. President Whittemore asked if the owner knew about it being put on the November tax bill. Mr. Walker replied yes and that he has had many discussions with him. Mr. Kilik said he ordered supplies with HD supply, and there is an account opened now.

8. Financial Matters:

- a. Public Hearing on 2017 Budget Amendment and Adoption of Resolution No. 2018-04-01: Amending 2017 Budget –Mr. Whittemore opened the public hearing on the 2017 budget amendment. Ms. Tanaka reported that notice of the public hearing was published in accordance with Colorado law and noted that no written objections were received prior to the hearing. Mr. Walker reviewed the proposed amendment with the Board. He explained that the budget needed to be amended to account for the addition of \$200 in the debt service fund. There was no public discussion. President Whittemore closed the public hearing. Director Spaulding moved to adopt the Resolution; seconded by Director Herr. Motion passed unanimously.
- b. Approval of Requisition No. 34 and Initial Pay Request - Mr. Walker discussed the 3 pieces of the added agenda item. First is the invoice from GMS. Second is the piece paid out of bonds. A woman from the public asked why there is not a public hearing on the pay request. She was concerned that \$52,000 is a lot of money that the public would have to pay. The Board corrected her that the \$52,000 is coming back to the District, not what the District would have to pay. Mr. Meyer explained the pay request. He said there is nothing in the request that has been installed and noted that this was for materials and mobilization. GMS had reviewed it and recommended payment. Mr. Meyer explained the 5% retainage to insure completion and that this would be paid at completion. He also explained that the grant funds are designated only for construction and will be 43.77% of the total cost. The rest will be coming out of the bonds. He said there is a reimbursement form with a breakdown of grant and local dollars that will be tracked throughout the whole project. He outlined the grant payment process and noted that the payment for the contract would be completed when the grant funds were received from the State. He explained that this was accepted procedure and was also specified in the construction contract with RMS. Director Soloyanis agreed that makes sense. President Whittemore asked Mr. Meyer if he had done this before. Mr. Meyer replied yes. Mr. Walker confirmed that this is usually how it works. Director Spaulding moved to approve Requisition No. 34 and Pay Request No. 1. Seconded by Director Eason. Motion passed unanimously.

9. Legal Matters

- a. Update on May 8, 2018 Election: Ms. Tanaka updated the Board that the election has been cancelled and the candidates elected by acclamation. Ms. Tanaka noted that the oaths of office will be administered either at the next meeting or prior to. President Whittemore thanked Director Spaulding for his service on the Board.

10. Public Comment

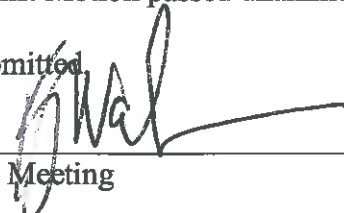
A member of the public inquired into the redundant line matter with CSU. Director Soloyanis stated that the redundant line issue was unique to this situation and that CSU wants to have it in place when they take over.

11. Other Business

- a. Next Meeting—May 22, 2018 at 5:30 p.m.

4. **Adjournment** Director Spaulding moved for adjournment at 6:52 p.m. Seconded by Director Soloyanis. Motion passed unanimously.

Respectfully submitted,

By: 
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 24, 2018 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

April 24, 2018

Name	Address	Telephone/Email	Public Comment Please check if you wish to address the Board. Please note comments are limited to 3 minutes.
Diane Kasson	7915 Forest Rd.	719 494-4261	<input type="checkbox"/>
Jan Borden	Mariposa Ln		<input type="checkbox"/>
Kevin ?			<input type="checkbox"/>
			<input type="checkbox"/>
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