

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CASCADE METROPOLITAN DISTRICT NO. 1  
HELD MAY 22, 2018**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 22<sup>nd</sup> day of May 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:**

Susan Soloyanis  
Troy Eason  
James Borden

**Also in Attendance Were:**

Jennifer Gruber Tanaka, Esq., and Heather Hartung, Esq., White Bear Ankele Tanaka & Waldron,  
Attorneys at Law (via telephone)  
Kevin Walker, Walker Schooler District Managers  
Ken White, GMS employee  
Mark Hornberger, GMS employee  
Stephen Spaulding  
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 at 5:31 P.M. by Director Soloyanis, as Acting Chair for the meeting. The absences of Director Whittemore and Director Herr were excused by the Board.
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. **Administration of Oaths of Office and Election of Officers:** Mr. Walker reported that the oaths of office for Director Borden and Director Eason were administered. Director Borden is the newly elected board member and Director Eason is re-elected. Ms. Tanaka noted that Director Borden needs to be appointed to an officer position and inquired into whether the Board wanted to designate Director Borden as Assistant Secretary. Director Eason moved to make Director Borden Assistant Secretary; seconded by Director Soloyanis. Motion passed unanimously.

4. **Approval of Agenda:** Director Borden moved to approve the agenda; seconded by Director Eason. Motion passed unanimously.

**4. Consent Agenda Items**

- a. Acknowledge Operations Report (**enclosure**)
- b. Acknowledge Manager's Report (**enclosure**)
- c. Approval of Board Meeting Minutes from the April 24, 2018 Meeting (**enclosure**)
- d. Approval of Payables for the Period Ending May 22, 2018 (**enclosure**) in the amount of:

General Fund:	\$ 30,625.72
Capital Projects Fund:	\$ 361,687.97
Grant Capital Projects Fund:	\$235,867.12
<u>Debt Service Fund:</u>	<u>\$30,829.17</u>
Total	\$659,009.98

- e. Acceptance of Unaudited Financial Statements as of May 15, 2018, the schedule of cash position updated as of May 15, 2018 and bank statements (**enclosure**)
- f. Approval of Requisition No. 35 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 (**enclosure**)

Director Eason moved to approve the Consent Agenda as modified; seconded by Director Borden. Motion passed unanimously.

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

**6. Management Matters**

- a. General Update on Water Construction Project: Mr. White updated the Board on the status of the construction project. Mr. Hornberger stated that work was proceeding on the service lines on Fountain Avenue and Pikes Peak. Asphalt repair will follow. Director Soloyanis asked about leaks found on the District's side of the service meters and that they will result in losses. Director Borden inquired if they were old galvanized lines. Director Soloyanis replied they were copper. Mr. Hornberger said they have been replaced and tied to the new line. He said the property owners have been very good and understanding. Director Eason asked if everything is going as planned. Mr. Hornberger said they are a little behind schedule, but they are planning on bringing another crew up to get ahead of schedule. There are tough segments coming up that may go slower but they are trying to get 140 feet per day. Director Eason asked if the spoils could be reused. Mr. Hornberger confirmed they are still needing to use the structural fill. Director Soloyanis said they are stock piling the spoils to dry out.
- b. Approval of Change Order No. 1 to the RMS Contract: Mr. White said the change order has a cost adjustment on the piping. PVC prices were established at the bid and as part of the contract they were going to adjust the price and it went down. This reduced the price by about \$25,000. He explained the additional work is the import material and they went back and forth with the contractor and the initial

source was expensive so they found a second source and the price went down. Mr. White anticipates they will hit some more additional costs. Mr. White discussed the deduction in the contract amount of \$13,000 and said that all supporting documents are attached to the change order. Director Eason moved to approve Change Order No. 1 to the RMS Contract; seconded by Director Borden. Motion passed unanimously.

- c. Pay Application #2: The Board discussed the current payment due. Director Soloyanis asked how many days we are in to the project. Mr. White replied that we are approximately 51 days into it. He said to date, they have installed 4,000 lf, or about 25%, and that it's important to keep service lines crews in. Mr. White said he asked for another deduct and discussed the HDP and how it is cheaper than copper. He is asking for a price decrease in overall material and it will be coming up in a future change order. Director Soloyanis asked if it must be buried any deeper. Mr. White said no and that it is the same as copper. Mr. Hornberger said majority depth has been 4 to 5 feet and we are putting ours at 7 feet and when tying onto existing lines we are matching the existing depth. Mr. White said we will have to replace meters and are coming up to that soon.
- d. Status of Request to CSU for Amendment to Improvements Required Report to Remove 6" Redundant Connection: Director Soloyanis discussed the redundant connection and how GMS advised taking out the existing tank and not replacing it since the system is designed to work without it. She explained that CSU requests to take it over in case of fire but would feel more comfortable with a redundant supply of water to our system. They want us to tie another line into a system. Director Soloyanis said it would cost \$350,000 to \$500,000. This expense is not planned and looking at the cost we do not have the funds to install that redundant line and CSU knows this. She said the staff they work with do not have the authority to remove that requirement and requested an official letter requesting to remove the requirement. GMS has documented the costs and the reasons why we do not want to ask the rate payers to pay for this redundant line and the letter has been prepared and submitted to CSU. CSU staff requested this letter from the District so they could take it to their management and see where the funding would come from or what will happen. Director Soloyanis told the Board we may hear more about this in the future and she is expecting them to come back and say that we must find the money to do this. Mr. White said the decision will be made by CSU on June 4<sup>th</sup>. Mr. Walker asked if anyone has asked them about access to grant money for it; Director Soloyanis said yes, and they would do that so it is still a possibility. Mr. White said we can look at the end of our project and see if we have the money. Director Soloyanis wants the pipe system in the ground first. Director Borden moved to approve the request for removal of the second line; seconded by Director Eason. Motion passed unanimously.
- e. Approval of Easements for Following Properties: Upon motion of Director Eason, seconded by Director Borden, the Board unanimously approved the following easements and quitclaim deed:
  - Quitclaim deed from the District to Wood

- Hagerman Avenue easement
- 4645 Columbine Lane easement
- 8025 W Highway 24

Director Soloyanis updated the Board on easements; the Poplar Ave. issue had been resolved with some creative work by the Mr. White. Ms. Hartung said official approval was obtained from CSU and it has been taken off the easement list. Mr. White discussed the property on Forest Road; the owner read the language as giving broader rights than intended. Mr. White was going to continue to work on the matter. Director Soloyanis reviewed the option of the District opting to make it a private system if proper easements could not be obtained.

Director Soloyanis and Ms. Hartung offered to attend the meeting with the Rampart Terrace residents if needed. Mr. White is looking forward to it and moving it along.

Mr. White discussed the Cascade Park easement situation and is hoping CSU will agree to suggested language changes. Mr. Spaulding does not think we are going to get the easement unless we have the correct verbiage. Director Borden suggested the District give them the pump house property and pave it for them. Director Soloyanis asked if we own the property; Mr. Walker confirmed that the District did not. Director Soloyanis asked what else they would be interested in. Mr. Spaulding said he will ask them. Mr. White suggested waiting to see how CSU reacts and go from there. Ms. Hartung recommends waiting for CSU to respond to her email from today first.

Ms. Hartung updated the Board on the issue of getting joinders processed and signed. She reported we will only need one joinder to sign per property and waivers will be reviewed case by case, not a blanket waiver by CSU. Ms. Hartung said that some joinders are taking a long time to get responses so anything to cut down on obtaining the joinder is beneficial. She said there are ongoing negotiations on re-wording some easement language. Ms. Hartung said she is also making progress on licenses with the County. She is hoping to conclude the 4690 Fountain Avenue soon. There is progress overall on completing the packets and the largest one left is Rampart, but after the meeting with Mr. White she is hoping they will convince their neighbors to sign the easements. Mr. Walker reported on his progress with the Post office site. . Ms. Hartung left the meeting.

- 7. Operations Matters:** Mr. Walker told the Board Mr. Kilik and Mr. Schorman have been performing extended hours and that he is working to develop some options for assistance. Director Eason asked how quickly we can get him relief; Mr. Walker said there are number of options and can be accomplished quickly. Director Eason complimented the contractor and engineer for work to date; Mr. Walker said he had expected there to be more contentiousness when he first started and it has not been, so that is a testament to Messrs. White, Hornberger, Kilik and Schorman. Mr. Hornberger said he has been getting compliments and most people have been understanding. Director Soloyanis complimented the field staff and said the entire Board appreciates both GMS and Walker Schooler District Managers as their team working on this. Director Eason asked what the completion date is. Mr. White said the completion date is October 19<sup>th</sup>.

**8. Financial Matters:**

- a. Status of 2017 Audit: Mr. Walker gave a quick update on the auditors. He said they are in the office now conducting the field workd and he is answering questions and getting them data and things are progressing without any concern. He said they are on track to get it done in a timely matter.
- b. Mr. Walker discussed another financial matter regarding the people who bought the Brown's house and the filling of their pool. They had asked Mr. Walker if the District could give them a break on the price of water. Mr. Walker said he researched what Colorado Springs charges, so if we were to give them Springs rates, it would save him \$100, but we don't have a bulk rate. Mr. Walker's recommendation is that we deny them their request. The Board concurred.

**9. Legal Matters:** None.

**10. Public Comment:** There was no public comment.

**11. Other Business:**

- a. Next Meeting—June 26, 2018 at 5:30 P.M. Director Soloyanis let the Board know that she will be absent for the next meeting.

**1. Adjournment:** Meeting was adjourned at 6:35 P.M.

Respectfully submitted,  
By: \_\_\_\_\_  
Secretary for the Meeting



THESE MINUTES ARE APPROVED AS THE OFFICIAL MAY 22, 2018 MINUTES  
OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF  
DIRECTORS SIGNING BELOW:

  
\_\_\_\_\_  
Mike Whitemore  
\_\_\_\_\_  
Mike Herr  
\_\_\_\_\_  
Troy Eason  
\_\_\_\_\_  
Susan Soloyanis  
\_\_\_\_\_  
James Borden

**CASCADE METROPOLITAN DISTRICT NO. 1**

**May 22, 2018**

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.
Steve Spaulding			<input type="checkbox"/>
			<input type="checkbox"/>
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