

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD JUNE 26, 2018**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 26th day of June 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

Mike Herr

James Borden

Troy Eason (arrived at 5:54 PM)

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

Jason Meyer, P.E. GMS

Mark Hornberger, GMS

Andre Kilik, District employee

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 5:33 p.m. by President Whittemore. Director Soloyanis was excused. Director Eason would be arriving late.
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:** Director Herr asked about changes to the Agenda. Mr. Walker said there were changes to the Payables and they are reflected accurately on the updated Agenda. Director Herr moved to approve the Agenda, as amended; seconded by Director Borden. Motion passed unanimously.
4. **Consent Agenda Items:** The Board was presented with the following Consent Agenda items for consideration:
 - a. Acknowledge Operations Report

- b. Acknowledge Manager's Report
- c. Approval of Board Meeting Minutes from the May 22, 2018 Meeting
- d. Approval of Payables for the Period Ending June 26, 2018 in the amount of:

General Fund:	\$ 38,519.62
Capital Projects Fund:	\$194,096.19
Grant Capital Projects Fund:	\$106,420.22
<u>Debt Service Fund:</u>	<u>\$ 30,829.17</u>
Total	\$369,865.20
- e. Acceptance of Unaudited Financial Statements as of June 25, 2018, the schedule of cash position updated as of June 25, 2018 and bank statements
- f. Approval of Requisition No. 36 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
- g. Approval of Independent Contractor Agreements for on-call excavation and water line repair and replacement services:
 - Frei Excavating Inc.
 - Olson Plumbing and Heating, Inc.
 - Dennis Wagner, dba D+D Everything on the Outside
 - Affordable Rooter, Inc.

Mr. Walker told the Board the independent contractor agreements are being approved, subject finalization, including the attachment of the exhibits. These are all contractors that have performed work recently and agreed to be engaged on an on-call basis. President Whittemore asked if liability insurance was confirmed and required; Mr. Walker acknowledged said it is the standard form of contract and insurance is required and will be confirmed. Director Herr said he checked the last 2 months for the reconciliation of the accounts and it is good. He added that Ms. Hardekopf is great and doing things exactly how he needs it. Director Borden moved to approve the Consent Agenda Items; seconded by Director Herr. Motion passed unanimously.

5. Consideration of items removed from Consent Agenda: None

6. **Management Matters:** Mr. Walker said there have been 4 leaks found and repaired in the past 30 days. Very good cooperation with property owners and Mr. Kilik did great work to get this done. This has expanded our list of calls to contractors to help on the weekends when these leaks occurred. President Whittemore wants to make sure we are using licensed plumbers on this work. The approved vendor list helps when these things happen. Mr. Walker discussed the extra resources to help Mr. Kilik and remove specific tasks from his plate to free up his time. This is not a criticism of Mr. Kilik, but an acknowledgement that he needs help.

- a. General Update on Water Construction Project: Mr. Meyer passed out the pay request for the month of May 5 – June 1. He said there are 2 invoices and the GMS amount is not eligible for grant funds. There is also an RMS invoice and a portion is being requested from the grant funds and the rest coming from a

local match. Mr. Meyer recommends payment to RMS. Mr. Hornberger said quantities were matching plans except for the import bedding, from 480 to 700 tons. Mr. Meyer explained that the areas closer to the creek were more wet than anticipated and as the work progresses away from the creek this will become less of a problem. Director Herr asked what they are doing with the matter that is removed that is too wet. Mr. Meyer said they are trying to dry it out and will try to reuse as much as possible. Mr. Meyer told the Board that last week was the first construction progress meeting and there are no issues from any party. CSU and the County expressed satisfaction with the quality product going into the ground and how it's being done is good. Schedule wise, they should be getting a new schedule from RMS later this week that will help get focus on Mr. Kilik's time. He wants to schedule out more ahead of time. President Whittemore asked if Mr. Walker was looking at additional locate services. Mr. Walker acknowledged that he was. Mr. Meyer added that RMS is starting to fall behind and there is no way they will hit the completion date set forth in the contract. Overall, they are very happy with product they are getting. President Whittemore asked if they are doing anything to compensate for the time lost. Mr. Meyer said they could use crews, but the quality wouldn't be as good and they would be slower. He said from his perspective, he would view it as a project eligible expense for hiring locate services. Mr. Walker said the locate service would exceed the payroll budget, but it would be all project driven and a construction draw would help the general fund budget. Mr. Kilik asked if we could use this service whenever we need him. Mr. Walker said it would be expensive and it is better to keep it scheduled at a few hours a week for one day. Director Herr asked if we already had a locate service. Mr. Meyer responded that this was setup at the beginning to mark for engineering purposes and now the locator is marking for construction purposes. Director Herr asked if we knew we would need the locate services why the budget was tight. Mr. Walker said there has been more to it than expected and anticipated. Mr. Meyer confirmed the locate services are only paid for services rendered. Mr. Kilik said if he has a tighter schedule he could make it work and do the locate services himself. (Director Eason arrived at 5:54 p.m.)

- b. Mr. Meyer discussed the CSU major pipeline. CSU located this major facility, not the engineer in design and the 28" high pressure line location has been off about 50% of the time in the field and is being found in the design of the new facility alignment. GMS has proposed alternatives to CSU but none have been satisfactory and they asked for a redesign. Two options were developed and were being reviewed. President Whittemore asked about the "throw away" construction effort already paid for. Mr. Hornberger said there is already 400 feet in the ground with 2 hydrants. Mr. Meyer suggested we communicate this situation to CSU and ask for compensation for the mislocated facility. The Board discussed possible issues with the pressure and pressure reducing valves and to make sure that the pressure is the same as customers have always received. President Whittemore asked for cost

estimates on the alternatives. GMS agreed to develop alternatives. Mr. Meyer will keep the Board updated.

- c. Leak detection: Mr. Meyer outlined the need for CSU to do leak detection on Pyramid Mountain and Severy sooner than later. This will be setup in the next 2 or 3 weeks. He said it will need coordination from Mr. Kilik and Mr. Hornberger on valves. Mr. Meyer discussed meter replacement and service line relocations. Mr. Meyer discussed the secondary redundant connection and said the CSU technical group had made a recommendation and it is now going to the Water Commissioner and will know more in 30 days. Mr. Meyer discussed the update of the improvement requirements report from 2 years ago. CSU wants it brought up to current date and all easements documented to show progression. President Whittemore asked if it is our responsibility contractually to do it. Mr. Meyer said he has people working on it to get it done so things are not forgotten and the reasons for doing them.
- d. Approval of Easements for Following Properties:
 - 8002 W. Highway 24
 - 7920 Forest Road
 - 5320 Rampart Terrace Road

Mr. Walker said these three 3 easements have been signed and approved by the District's attorneys. Director Herr moved to approve the easements; seconded by Director Borden. Motion passed unanimously.

Mr. Meyer passed out a list of outstanding easements to the Board stating that only 4 are outstanding. One requested a language change and that was being reviewed with CSU. Others have outstanding title issues and are waiting on FHA appraisals. Ms. Hartung explained the ongoing joinder issues. Ms. Tanaka and Ms. Hartung said they are not getting responses on some joinders but they have until June 30th. Director Eason asked about a ballpark number on what has been spent on easements so far. Ms. Tanaka will review and report that amount to the Board. Mr. Meyer discussed easements between individual property owners for service lines, and suggested that the District should take a role in assisting with these agreements. Ms. Tanaka said the District may need to be involved in neighbor-to-neighbor easements to the extent they are required for the project.

7. **Operations Matters:** Mr. Kilik said the valve that feeds Mesa is leaking. Should have 3 of the 5 affected services moved shortly and then the valve can be repaired/replaced. All required water quality testing is done and no violations reported. Water loss is 62% this month due to construction and breaks. Director Eason asked about tap fees and whether it is executed before it's turned over to CSU. Ms. Tanaka said if there is a tap fee that has already been purchased from the District then it is grandfathered into CSU. Taps purchased after the conversion are due to CSU at its then-current rate.

8. Financial Matters: Mr. Walker gave a quick update to the Board and said the field work for the Audit is complete and will share the office review copy with Ms. Tanaka as soon as possible. Director Herr asked if the auditors got the information from the Bank directly. Mr. Walker confirmed that process. Mr. Walker told the Board that there will be a 6-month review of the budget next month and everything but the payroll budget is looking in line.

9. Legal Matters: None.

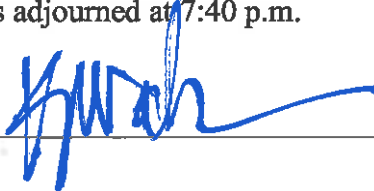
10. Public Comment: Ms. Sterling requested clarification and discussion with the Board on her requests for changes to the easement for her property and her neighbors' properties. Issues discussed included construction related access issues, long term access issues to her property, concerns about responsibility for damage to improvements and trees on the property, and language changes to the easement. The Board explained the option of making this segment of the system private and the ramifications of that decision. Director Borden moved to privatize this segment of the system; seconded by Director Eason. Ms. Sterling agreed that if the word "Sell" were changed to "Convey," she would agree to the easement. Ms. Hartung does not believe CSU will have a problem with that word change but they do need to agree to it. President Whittemore asked the Board to retract their motion to privatize with her moving forward and signing the easement. Ms. Sterling will have 3 business days to review and sign once she receives the new easement. If Ms. Sterling does not sign, then the Board will move forward and privatize the system. If CSU does not approve the change of language from "Sell" to "Convey", Ms. Sterling will have a chance to sign then as well. Ms. Hartung confirmed that the word "Sell" may be removed and it already says "Convey". Director Borden moved to approve the agreement that Ms. Sterling will have 72 hours to review and sign the new easement or it will be privatized. Seconded by Director Eason. Motion passed unanimously.

11. Other Business:

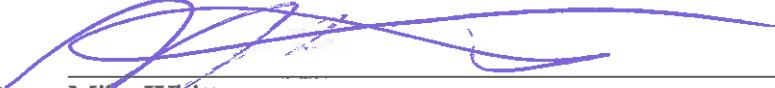
a. Next Meeting—July 24, 2018 at 5:30 p.m.

12. Adjournment: Meeting was adjourned at 7:40 p.m.

Respectfully submitted,
By: _____
Secretary for the Meeting



THESE MINUTES ARE APPROVED AS THE OFFICIAL JUNE 26, 2018 MINUTES
OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF
DIRECTORS SIGNING BELOW:



Mike Whittemore

Mike Herr

Mike Herr

Troy Eason

Troy Eason

James Borden

James Borden

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.

Name	Address	Telephone/Email	Public Comment Please check if you wish to address the Board. Please note comments are limited to 3 minutes.
Kevin Abney			<input type="checkbox"/>
Earl Steeles	8236 Hwy 24		<input checked="" type="checkbox"/>
Sterling Nelson	8234 Hwy 24	850 598 4405	<input checked="" type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>