

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD AUGUST 28, 2018**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 28th day of August 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
James Borden
Troy Eason (5:35 p.m.)

Also in Attendance Were:

Heather Hartung, Esq., White Bear Ankele Tanaka & Waldron,
Attorneys at Law (via telephone)
Kevin Walker, Walker Schooler District Managers
Mark Hornberger, GMS
Ken White, GMS
Jason Meyer, GMS
Dwayne Schorman, 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 5:32 p.m. by President Whittemore. Reported that Director Eason would be arriving late. Director Herr was excused.
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. Hartung 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 stated that he had made a change to the agenda, the general fund to \$50,856.66. President Whittemore confirmed the numbers on the Consent Agenda were correct. Director Soloyanis motioned to approve the Agenda; seconded by Director Borden. Motion passed unanimously.
4. **Consent Agenda Items:**
 - a. Acknowledge Operations Report

- b. Acknowledge Manager's Report
- c. Approval of Board Meeting Minutes from the July 24, 2018 Meeting
- d. Approval of Payables for the Period Ending August 27, 2018 in the amount of:

General Fund:	\$ 50,856.66
Capital Projects Fund:	\$213,448.22
Grant Capital Projects Fund:	\$122,517.97
<u>Debt Service Fund:</u>	<u>\$ 30,829.17</u>
Total	\$417,652.02
- e. Acceptance of Unaudited Financial Statements as of August 28, 2018, the schedule of cash position updated as of August 28, 2018 and bank statements
- f. Approval of Requisition No. 38 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 Soloyanis moved to accept the Consent Agenda; 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: (Director Eason arrived at 5:35 p.m.) Director Soloyanis discussed progress on the project. Mr. Hornberger stated that the contractor was two-thirds finished on Hagerman. Director Soloyanis discussed the discovery that on Topeka a number of services were not connected to the Topeka mainline and noted further that they were not plumbed to the newer 6 inch main but to a heretofore unknown 2 inch main. It was noted that all connections will need to be moved to the larger line. Completion of this will likely reduce losses because the line is galvanized. Director Soloyanis reported also that both pump houses were out of service; both will be able to be disposed of by the property disposition committee. Director Eason asked if anything is chemical or hazmat that will need to be removed. Mr. Hornberger and Mr. Schorman reported that there are paints and lubricants as well as a meter testing bench that cannot be taken out of service until the District no longer serves customers. President Whittemore suggested demolishing the building and then they may have a scrap opportunity. President Whittemore asked if the hydrant in the park is out of commission; Mr. Hornberger confirmed that it was. President Whittemore asked if Parks knows about it and that it will be a financial issue for them. Director Soloyanis said the contractor is working on Topeka and there are a lot of places where we need to finish things up, including water service to the Library which is currently being provided by the Fire Station. Director Soloyanis said she and Director Borden are in the communication with the field crews as much as they can be, and Director Borden helps turn the valves when needed.
- b. Project Contractor Pay Request:
 - 1. GMS Bond Payable - \$ 31,920.23
 - 2. RMS Bond Payable - \$ 157,426.16

3. RMS Grant Payable - \$ 122,517.97

Director Soloyanis introduced Mr. Meyer with GMS to discuss the project contractor pay request. Mr. Meyer distributed the pay requests for RMS and GMS to the Board. He recommends payment to RMS and noted that the quantities and work had been confirmed. President Whittemore asked for a progress update. Mr. Meyer said they are behind time-wise. He said dollar-wise to contract time-wise, there is a 20% difference and it is becoming more substantial as they move forward. President Whittemore asked about the spending and time spent and if that matches up. Mr. Hornberger said he believes that part is matching up. Director Soloyanis confirmed the major problem is time. Mr. Meyer said yes, time is an issue and dollars are already an issue. He said we will need to get a game plan on how they will bring this issue up for discussion with CSU. The sooner the better and the District needs to pinpoint costs for CSU. He said easements have contributed as well as the Chipita Park poorly located 28" main casing throw-away work. Director Soloyanis said CSU is asking for additional improvements after agreeing to removing the redundant line and that is causing additional costs. Mr. Meyer confirmed that there had been internal CSU discussions on how this was a betterment to CSU and that CSU should pay for it, but that was overruled. Mr. Meyer said the easement costs were mostly due to requirements from CSU. He added that the easements are not done, and that is another topic that needs to be addressed. Director Soloyanis suggested meeting with CSU, and Mr. Meyer thinks it would be a good idea. Mr. Meyer said he has a draft change order with a breakdown of time, 51 days that we have been behind because of the 2-inch line. Director Soloyanis motioned to accept the pay requests; seconded by Director Eason. Motion passed unanimously.

A woman from the public asked about the grant and the rest of the local match. The Board confirmed that a portion of the RMS invoice would come from the energy grant, and the remainder of RMS and GMS Bond payables would come from local match through the bonds. Mr. Meyer asked Mr. White to discuss Change Order #2, which includes cost and time and they are trying to bring everything current. Mr. White reviewed the line items on Change Order #2 with the Board and explained each one of them. He also discussed the massive rain event and how the District decided to help with the cleanup for the customers and the costs. Mr. White explained the 51 additional days and how it was broken down to justify the events with regards to the construction. This brings the completion date to 12/9/18, and if we are shut down before that we will have a stop work date. Mr. Meyer said we are trying to estimate the additional costs and he thinks there may be another \$42,614 needed on top of this. Director Soloyanis confirmed there are only a few hundred dollars left in the contingency fund. Mr. Meyer said the Board will need to vote on this due to it being a modification of the contract. Mr. White said it could be done separately for the additional time and then for the \$42,614 increase. Mr. Meyer gave his recommendation to move forward on this. The Board confirmed with Mr. Schorman that there is no lead-based paint on the tank. Mr. Meyer agrees and thinks that it was tested. Director

Soloyanis motioned to accept the change order which adds 51 days to the contract calculated by GMS, and the increase in \$42,614; seconded by Director Borden. Motion passed unanimously.

Mr. Meyer discussed the budget overruns, primarily the easements. Those costs were also not complete with 35-40 easements left to obtain as well as the additional joinders. They are working on getting exact locations of existing mains and how those may not need additional easements. He said on the title perspective, there may be some issues. In response to an inquiry for a member of the public, discussion about the need for an easement north from Outpost Rd. was discussed. Mr. Meyer said originally, they were going to put in a new line in that location but it had been removed from the budget. He said there is still an existing line and CSU will require easements. Once the whole system is given to CSU they will take care of that existing line, but CSU will require an easement before it accepts the line. Director Soloyanis explained that if there were a problem with the line, they would have to get access to the property to fix it. She said once they get certain things done and meet CSU requirements they will transfer the system and CSU will take over the lines, but this will probably be in 2 years. President Whittemore asked Ms. Hartung if there is an update on this issue. Ms. Hartung said we have not gotten to the second phase of the easements, and at this point the easement is not needed so it has been on hold as well. Director Soloyanis apologized to the woman from the public for not getting back to her sooner on this issue. President Whittemore said a condition from CSU is that the easements are secured before they can pass the system on to CSU. Mr. Otis said the contract says a 30-foot easement is needed and that he cannot build or even put a garden in that area. Discussion about the specific requirements of the easement ensued. Mr. Meyer said that easement language is not from the District. Director Soloyanis said the alternative to the easement would be to place a valve on it and make it a private system and the owners. Ms. Hartung said she had communication with someone in November but had not restarted the discussion. The woman also said she would be open to them constructing the new line if needed and asked if they cancelled it for another reason. President Whittemore said they decided it was not needed and the existing system is sufficient. Mr. Meyer said he will get the costs together and present the total costs related to CSU.

Mr. Meyer discussed the secondary redundant connection and additional costs for the hydrants connecting to CSU lines and how it would be very expensive. Mr. Meyer also discussed the improvement requirement report and that they are trying to hold off on making the changes until all the construction was complete. Director Soloyanis agrees there is no point in changing it right now.

- c. Approval of Easements for Following Properties:
 - 1. 8295 Park Street
 - 2. 7885 W Highway 24

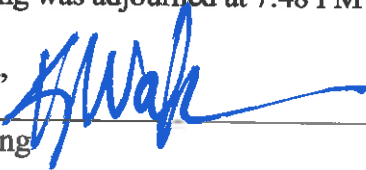
Director Soloyanis moved to approve the easements; seconded by Director Borden. Motion passed unanimously.

7. **Operations Matters:** Mr. Schorman said things are as good as expected with operations. There are no issues with testing.
8. **Financial Matters:** Mr. Walker said there was just the additional expense for worker's compensation coverage due to Board members doing additional work on the water system project. This was approved earlier in the meeting.
9. **Legal Matters:** Ms. Hartung said there are a few outstanding construction-related easements but making great progress. She said they are close to having them wrapped up and CSU waived a lot of joinder required requests which has helped. Ms. Hartung asked Mr. Walker about the email on worker's compensation coverage. Mr. Walker confirmed that has been addressed and passed by the Board. Ms. Hartung left the meeting at 6:33 p.m.
10. **Public Comment:**
 - a. Discussion on Outpost Rd. and Bluff Rd. construction plans: The Board and the residents explored options for reducing the impact of the Outpost Road construction including emergency access, trash pickup, etc. The road will be passable each evening at 7:00 PM and construction would commence at 7:00 AM. The owners were informed that the work would take from 2 – 8 weeks depending on underground conditions that could not be predicted.
11. **Other Business:**
 - a. Next Meeting—September 25, 2018 at 5:30 p.m.

12. **Adjournment:** The meeting was adjourned at 7:48 PM

Respectfully submitted,

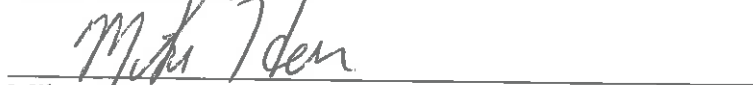
By: _____
Secretary for the Meeting



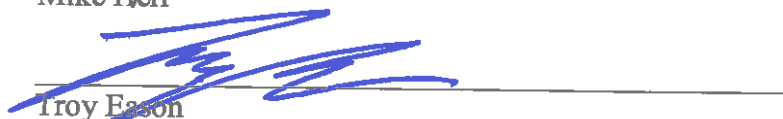
THESE MINUTES ARE APPROVED AS THE OFFICIAL AUGUST 28, 2018
MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE
BOARD OF DIRECTORS SIGNING BELOW:



Mike Whitemore



Mike Herr



Troy Eason

James Borden

Susan Soloyanis

A handwritten signature in black ink, appearing to read 'Susan Soloyanis', is written over a horizontal line. The signature is fluid and cursive, with a large loop at the end.

CASCADE METROPOLITAN DISTRICT NO. 1

August 28 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.
Jeanne Barnes	4250 Outpost Rd	641-0850 jeanne.e.barnes@gmail.com	<input checked="" type="checkbox"/>
Mary Lichina	7835 + 7845 Bluff Rd	641-4023 lichinam@msn.com	<input type="checkbox"/>
Tara Kelley	7850 Bluff	499-2549 cokelley@msn.com	<input checked="" type="checkbox"/>
Bob Rose	4265 Outpost Rd	684-9988 bobrose@msn.com	<input checked="" type="checkbox"/>
Tina Jauschek	4255 Outpost	937-974-6389 jauschek@gmail.com	<input type="checkbox"/>
Lisa Powell	4220 Outpost	504/ 913-7647 Lpowell879@gmail.com	<input type="checkbox"/>
Tony Powell	4320 Outpost	217-741-6936 snapper_01@hotmail.com	<input type="checkbox"/>
Donald Schunk	4275 Outpost	dschunk@harcocclaims.com 719-290-3220	<input type="checkbox"/>
Neil & Adrienne Waters	4325 Outpost	719-424-5335	<input type="checkbox"/>
Randy & Jenika Kuyale	4260 Outpost Rd	719-213-6237 719-290-3975 rkrayles@msn.com rkrayle@hotmail.com	

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Name	Address	Telephone/Email	Public Comment Please check if you wish to address the Board. Please note comments are limited to 3 minutes.
Ellen (Tory Lucack) Hardman	1116 Elgysian Field Dr Unit B Lafayette, CO 80026	720-965-9528 tory.393@aol.com	<input checked="" type="checkbox"/>
CHARIS REIMER	4335 HEIZER ST.	(719) 649-2890 CHRISREIMER@COMCAST.NET	<input checked="" type="checkbox"/>
ANDREA VICKERMAN	4226 Outpost	(719) 684-7495	<input type="checkbox"/>
DIANE ROSSIN	7915 Forest Rd	719 494-4261	<input checked="" type="checkbox"/>
Mike and Julie Sullivan	7830 Bluff	719 684 9596 msulli1787@aol.com	<input type="checkbox"/>
James Taylor	4220 Outpost	504-913-7611 jamestaylor532@gmail.com	<input type="checkbox"/>
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