

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD SEPTEMBER 25, 2018**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 25th day of September 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 Whitemore
Susan Soloyanis
Mike Herr
Troy Eason

Also in Attendance Were:

Kevin Walker, Walker Schooler District Managers
Jason Meyer, GMS
Mark Hornberger, GMS
Andre Kilik, District employee
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 Whitemore. Director Borden 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. Mr. Walker 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 moved to approve the Agenda; seconded by Director Soloyanis. Motion passed unanimously.
4. **Consent Agenda Items:**
 - a. Acknowledge Operations Report
 - b. Acknowledge Manager's Report
 - c. Approval of Board Meeting Minutes from the August 28, 2018 Meeting
 - d. Approval of Payables for the Period Ending September 24, 2018 in the amount of:

General Fund:	\$ 35,804.04
Capital Projects Fund:	\$249,828.48
Grant Capital Projects Fund:	\$147,684.73
<u>Debt Service Fund:</u>	<u>\$ 30,829.17</u>
Total	\$464,146.42

- e. Acceptance of Unaudited Financial Statements as of September 24, 2018, the schedule of cash position updated as of September 24, 2018 and bank statements
- f. Approval of Requisition No. 39 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 stated he completed the reconciliation of the accounts. The Board thanked him for his efforts on their behalf. Director Soloyanis moved to accept the Consent Agenda; seconded by Director Eason. Motion passed unanimously.

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

6. Management Matters:

- a. General Update on Water Construction Project: Director Soloyanis stated that progress continued on the project. President Whittemore requested clarification about the leak from the tank. Mr. Hornberger replied the cause was due to operator error in the cross connection of the high pressure and low pressure systems caused the tank to overflow and that it was corrected immediately upon discovery. President Whittemore asked about the pressure valve pit on Outpost. Mr. Hornberger said they did the testing and the tie in of the new main to the existing main should be done next week. President Whittemore asked about the cleanup at Fire House. Mr. Hornberger said they will do the service tomorrow and remove the brush from the hill and get everything put back into place shortly thereafter. President Whittemore reminded them of the Fire Department event the weekend after. Mr. Schorman asked about a boulder that was hit near Fountain Creek. Mr. Hornberger said they went over it and it was at a 7 foot depth. Mr. Hornberger further discussed the services from that line. Director Soloyanis stated that there was now a calendar for the next 3 weeks. The contractor is working on connecting services Topeka, Highway 24, Hagerman and Marriott and all of Outpost. Mr. Hornberger noted they will finish the ones by the Post Office next, and then work on the others. Mr. Meyer discussed Fountain Creek and how their plan was to do an open cut and they have to move to the west. This necessitates a new easement and the owner will discuss the plan with their architects and get back to us. Mr. Meyer explained that side of the valley is where we were hitting bigger rocks and it is a better time to do it because of the stream. President Whittemore said CSU could divert the water and dry it up if needed.
- b. Project Contractor Pay Request:
 - 1. GMS Bond Payable - \$ 59,835.95
 - 2. RMS Bond Payable - \$ 189,726.11
 - 3. RMS Grant Payable - \$ 147,684.73

Mr. Meyer said in reference to the GMS bond payable of \$59,835.95, in the last month there has been more effort on the construction piece causing extra hours that bumped it up more than he was expecting. In reference to the RMS bond payable, Mr. Hornberger has been on site and occasionally had another GMS employee that would help him. Mr. Meyer recommends paying the draw as presented and as distributed between grant funds and bond funds. Director Soloyanis moved to approve the project contractor pay requests; seconded by Director Eason. Motion passed unanimously.

President Whittemore asked Mr. Meyer about the outlook for grants and opportunities and if there have been any changes on that. Mr. Meyer replied no noting that the District has tapped all the grants it can get. We do not qualify for the additional grants due to not being a municipality, and the others are for raw water. Mr. Walker said Colorado Springs Utilities may be able to apply for those grants that Cascade cannot. Mr. Meyer said one program we could use is the community development block grant, but it has to be filed through the county or have a sponsor. Mr. Walker suggested we get an appointment with the Commissioner and see if there are available funds. Mr. Walker said he will look into it and see what we can do on the block grant. President Whittemore asked if we could use the block grant for repaving expenses. Mr. Meyer said they are very specific and the execution of the contract may prevent us from using them.

Mr. Meyer presented paperwork to the Board and explained the dollar amounts of additional costs that the District has been incurring. Broken into several components, the total costs that can potentially be discussed is nearly \$500,000. Mr. Meyer would like feedback from the Board on other things he may have missed. Mr. Walker suggested that some of this may be appropriate for executive session and these discussions about negotiation strategy should be off the record. President Whittemore suggested having a more robust discussion at next month's meeting in executive session. Director Soloyanis recommended talking with CSU after next month's meeting. Mr. Meyer noted that he thinks we need to get the 2 crossings done sooner than later because they are the big unknowns. Director Soloyanis asked if we should have Ms. Tanaka at the meeting next month. Mr. Walker said we can have her there and there is also the option to have a special meeting when needed.

- c. Review of Billing Processes and Recent Concerns: Mr. Walker said he was asked by Director Soloyanis to review the rate pay billing due to some late payers being upset about the fee and issues with not receiving the bill in the mail. Mr. Walker said we do have problems with the mail system occasionally and have gotten mail returned 3 months later. Mr. Walker said those people who are not late payers every month were given breaks on their late payment. President Whittemore said there are a few people who have gotten upset and complained on Nextdoor trying to get others involved. Mr. Walker said there have been times that they have made mistakes, such as re-reads or operator errors. Director Soloyanis said she is comfortable that there is no systemic problem on our end that needs to be addressed.

President Whittemore said if there are consistent late payers then they need to be charged the late fee. Mr. Walker said for constant late payers, they will have to pay the Treasurer which will be on the next month's agenda. He added that we still have a backflow person, but they have been paying their monthly fee.

8. **Operations Matters:** Mr. Kilik said we have been busy getting things done. President Whittemore asked if we have to retest lines before we tie in. Mr. Hornberger said for new lines we chlorinate it, pressure test, flush, take a sample and can tie into it. President Whittemore asked Mr. Kilik about how we are doing with the reader and if it is still having battery issues. Mr. Kilik said it dies quick, but it is working. Mr. Walker said he looked into replacing it, but they are \$2,000 used. Mr. Kilik said he will take care of it as best as we can. President Whittemore asked about any suspected leaks. Mr. Hornberger said there was only one leak on Pikes Peak Highway. It was replaced early on in the process, and as a result of the hail storm and the road being undercut with a huge gulley the main was in free air and without support. Mr. Kilik said they did not even know it existed. Mr. Kilik suggested turning it off, and Mr. Hornberger and Director Soloyanis confirmed it has been deactivated.

9. **Financial Matters:**

- a. Review of Draft 2019 Budget and End of Year 2018 Budget: Mr. Walker discussed the end of year budget. He said we will have less going into next year than we did last year with his estimate of the beginning fund balance being \$65,000. Mr. Walker said he and Ms. Tanaka are going over the proposed budget and will have it distributed to the Board by the October 15th statutory deadline. Director Herr asked about potential offsets. Mr. Walker is hoping for less water purchase and loss for next year, but it is hard to estimate the loss at this point. Also, less employee costs and repairs next year.
- b. Confirm Budget Hearing Date: The Board confirmed the date of November 27, 2018.

10. **Legal Matters:** None.

11. **Public Comment:** Mr. Kevin Taylor said he was the backflow test account and he was under the impression that he shouldn't be due to not operating and being zoned residential with a special use permit. Mr. Walker said he thinks it is due to the ability to operate, but he will double check. Mr. Walker told Mr. Taylor that he will call him tomorrow and try to work this out. Mr. Taylor also said that the locators from USIC have marked Hagerman with yellow dots and he wants to know if there are plans to do something. Mr. Hornberger said no, there are no plans to dig. Mr. Hornberger said we may tie in the hydrant to the existing line, but that would be the only work done. Mr. Taylor said the guy driving the front loader went through a school bus stop sign yesterday and was driving while on the phone. Mr. Hornberger said these issues have been brought up to the Superintendent and they will discuss it with the Operator. Mr. Taylor said the guys have been backing up the entire street and he was concerned about children playing nearby. Director Soloyanis said the road was closed and there was no way to turn around. Mr. Hornberger said they were

trying to get that road paved and closed up. The Board thanked Mr. Taylor for coming and for the information.

12. Other Business:

a. Next Meeting - October 23, 2018 at 5:30 p.m.

13. Adjournment: The meeting was adjourned at 6:40 p.m.

Respectfully submitted,

By: 
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 25, 2018
MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE
BOARD OF DIRECTORS SIGNING BELOW:


Mike Whittemore


Mike Herr


Troy Eason


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.

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