

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD MARCH 7, 2019**

A special meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Thursday, the 7th day of March 2019 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
Mike Whittemore

Also in Attendance Were:

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law (via telephone)
Heather Hartung, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law (via telephone)
Jason Meyer, GMS
Andre Kilik, District employee
Dwayne Schorman, District employee
Kevin Walker, Walker Schooler District Managers
Kristina Kulick, Walker Schooler District Managers
Members of the public (see sign-in sheet attached)

1. **Call to Order:** President Whittemore called the meeting to order at 5:32 p.m. Director Eason moved to excuse Director Herr; seconded by Director Soloyanis. Motion passed unanimously.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:** President Whittemore confirmed a quorum. 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 Eason moved to approve the Agenda; seconded by Director Soloyanis. Motion passed unanimously.
4. **Consent Agenda Items:** Director __ moved to approve the following Consent Agenda Items. Director __ seconded the motion and, upon vote, the motion passed unanimously.

- a. Acknowledge Operations Report
- b. Acknowledge Manager's Report
- c. Approval of Board Meeting Minutes from the Regular meeting held on November 27, 2018 Meeting
- d. Ratify Payables for the period ending January 22, 2019 in the amount of:

General Fund:	\$ 41,782.93
Capital Projects Fund:	\$ 145,986.66
Grant Capital Projects Fund:	\$ 127,747.91
<u>Debt Service Fund:</u>	<u>\$ 22,128.55</u>
Total	\$ 337,646.05
- e. Approval of Payables for the period ending February 18, 2019 in the amount of:

General Fund:	\$ 23,343.34
Capital Projects Fund:	\$ 8,833.72
Grant Capital Projects Fund:	\$ 86,416.38
<u>Debt Service Fund:</u>	<u>\$ 22,128.55</u>
Total	\$ 140,721.99
- f. Acceptance of Unaudited Financial Statements as of December 31, 2018, the schedule of cash position updated as of December 31, 2018 and bank statements
- g. Acceptance of Unaudited Financial Statements as of January 31, 2019, the schedule of cash position updated as of January 31, 2019 and bank statements
- h. Ratify approval of Requisition No. 42 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
- i. Approval of Requisition No. 43 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

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

6. Management Matters:

- a. Update on Construction Project:
 - Report on CSU status
 - General project report

Mr. Meyer discussed the CSU response to the District's letter of November and noted the additional costs accrued to the project that CSU created including the mis-located 28-inch line, redundant feed, CSU staff time, stringent easement requirements and field adds throughout construction. Mr. Meyer discussed the easements, the fire hydrant installations in lieu of the redundant feed, the Highway 24 crossings and inspections, and water service cards. Mr. Meyer recommends coming up with a response that will not leave the project in the hole financially. Director Eason asked if we need to de-scope if we cannot afford it; Mr. Meyer agreed that was a possibility. Director Soloyanis said she thinks CSU is still planning on taking us over, we just need to get to the project to the end.

President Whittemore noted CSU did not recognize all the money spent on easements either. Ms. Hartung noted all the effort on the title work and thinks it is a good thing that they are only requesting O&E level of response at this point. She added they are waiting to process information once they get the green light. Mr. Meyer went over the easement list. Out of twelve easements, one is executed signed and recorded so the District is left with eleven outstanding easements. Two easements only require additional easement area on the edge of the road. Only one needs survey work and where we survey the lines is where they were marked. The Board agreed that the lines did not need to be exposed to survey them. Ms. Hartung said she will be preparing easement documents and Mr. Meyer will be doing the exhibits as has been done in the past. The anticipated cost for the 11 remaining easements is \$30,000, but they are hoping to lower that price. The Board discussed the District will meet with the County to discuss the easements that are under roads even though the road is not in the ROW. Legal counsel is not necessary at this meeting. Mr. Meyer recommends meeting with CSU before meeting with the County. The Board agreed that would be the most productive.

Director Soloyanis suggested they bring up those things that were not addressed in their letter. The District cannot afford to fix the Highway 24 crossings. Mr. Meyer discussed redundant feed fire hydrants and that he thinks it is still a negotiation piece. Director Soloyanis noted we need to save that for last if we have money left over because it does not do anything to reduce water loss. Fixing the leaks takes priority over the redundant feed. Water loss is currently 30 percent and was 20 percent last month. Director Soloyanis noted that Mr. Walker is working on a graph to show the water loss from the last 3 years. Mr. Meyer said the one thing CSU did agree to was not having to replace service lines in Chipita Park and the Board agreed that was good news. Mr. Meyer discussed Highway 24. The Board agreed to let CSU do the crossing review. President Whittemore said we have spent way over budget on easements, so that may carry weight with the technical staff. Mr. Meyer went over the funds and costs and said we have a little over \$4.8 Million committed and it has only gone up \$1,000 since the last budget. He noted the construction observation and CSU engineering costs. Director Soloyanis said she thinks the costs associated with engineer's construction observation is valuable. Mr. Meyer said the Contractor estimates ten weeks left with a start date in April but exact timing will be up to the County's allowance for a start date.

Mr. Meyer went over the change orders with RMS. He noted a savings of \$123,000 and he is hoping those savings will grow. Director Soloyanis mentioned the snow plow driver had damaged the asphalt all over town and they need to show the County the damage. President Whittemore asked about the \$150,000 for fire hydrants. Mr. Meyer said it is for 5 fire hydrants that CSU wants. President Whittemore asked since it is their line, would they do it. Mr. Meyer said it was in the letter to CSU, but they argued that we agreed to it and should do it. Director Soloyanis said we should do it last if there is money left

over. Mr. Meyer said overall he estimates that the District is going to be \$246,918.33 short. The Board discussed the easements and how they were unexpected costs associated with the project. They also discussed how they received only one competitive bid for the project. Mr. Meyer suggests sitting down with CSU to see what we can recover in costs and what we can do with the funds we have and figure out how to overcome the shortfalls. Director Soloyanis said she is encouraged by Mr. Meyer's analysis. The Board discussed that their main goal is to fix the leaks. Ms. Hartung said they do have a plan in place to streamline the remaining easements. Mr. Meyer will email Mr. Rose right away to get the meeting scheduled. Mr. Walker noted the Apotheker easement does not seem to be accurately depicted. Mr. Meyer said he is aware that it's not accurate on that specific document. Director Soloyanis said we owe CSU a list of clients who are flagged as difficult to work with and the fire department also has a list to give to Mr. Walker so he can give the list of flagged properties to CSU. Director Soloyanis moved to accept GMS's analysis; seconded by Director Borden. Motion passed unanimously.

- b. Easements – If needed: None.
- c. Ratify Project Contractor Pay request for January:
 - i. GMS Bond Payable - \$ 34,920.14
 - ii. RMS Bond Payable - \$111,016.52
 - iii. RMS Grant Payable - \$ 86,416.38
- d. Project Contractor Pay request for January:
 - i. GMS Bond Payable - \$ 8,833.72

Mr. Walker noted that these had been approved earlier on the consent agenda.

- e. Request by AT&T to lease water tank site: Mr. Walker explained that AT&T is constructing a 5G technology system for emergency first responder equipment and noted that they had visited the station and the water tank site and their preference then seemed to be the tank due to the height of the pole and need for approval from El Paso County. They are considering a \$2,000 per month lease agreement and are working out the technical details. President Whittemore noted the tank site would be a source of income and asked Ms. Tanaka if that would be an issue. She said that would be fine for as long as the District owns the tank and a great revenue source for the District. The cost of removing the tank would be \$90,000. President Whittemore noted Verizon expressed interest a while ago, so it may be a good idea to contact them again. Mr. Walker noted they would be reviewing cost estimates in a few months for life after the construction project.
- f. Other management matters: Mr. Walker discussed conversations with Mr. Beisel and reported that he is disputing the AOS charge and asked for water service information which was given to him. Mr. Walker explained his payment is owed to the Treasurer, and it is not our issue except he claimed that one of the

properties has an easement across it which it does; however, it is not the only parcel that has the AOS fee imposed on it. Director Soloyanis asked about Mr. Lynn Taylor on Gardner. Mr. Walker said he has not heard anything about them flooding his garage. Mr. Walker said he sent out a graph and they will continue to monitor losses, but it's improving and heading in the right direction.

7. **Management Matters:** Mr. Kilik discussed a couple of freeze-ups that were taken care of. He noted the I-Tron is on its last leg and would cost \$2,000 - \$4,000 to fix, so he is hoping to get to the finish line with it. Mr. Kilik suggested an inverter in the truck to see if that helps. Director Soloyanis asked about a battery, and it was discussed they are very expensive. Mr. Walker noted it still costs money in time for Mr. Kilik, and at some point, we may have to bite the bullet and fix it. Director Soloyanis asked about the freeze-up on Mesa; Mr. Kilik said it was in the meter pit. Director Soloyanis suggested a public note about preventing leaks. Mr. Kilik added that testing has been successfully completed.

8. **Financial Matters:**

- a. Public Hearing on 2019 Budget and 2018 Budget Amendment and Adoption of Resolution No. 2019-03-01: Ratifying Adoption Of 2019 Budget And 2018 Budget Amendment: Ms. Tanaka explained the error in the publication of the notices for the public hearings that were conducted in November and noted the need to remedy the situation. Ms. Tanaka noted that the publication was properly made for today's meeting and there are no changes in the budget or the amendment; rather, the resolution ratifies the budget and amendment that were adopted by the Board in November. Mr. Walker opened the public hearing on the ratification of the adoption of the 2019 budget and 2018 amendment budget. Ms. Tanaka noted that publication was properly made and no written comments were received prior to the hearing. There was no public comment. The public hearing was closed. Director Soloyanis moved to adopt Resolution No. 2019-03-01; seconded by Director Borden. Motion passed unanimously.

9. **Legal Matters:** There were no updates.

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

11. **Other Business:**

- a. Next Meeting— Scheduled for March 26, 2019, at 5:30 p.m.: Mr. Walker said he would not be able to attend the March 26th meeting due to his son's wedding.

12. **Adjournment:** The meeting was adjourned at 6:41 p.m.


Respectfully submitted,

By: _____

Secretary for the Meeting



THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH 7, 2019 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