

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD JULY 23, 2019**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 23rd day of July 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:

Mike Whittemore
Mike Herr
James Borden
Troy Eason

Also in Attendance Were:

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law (via telephone)
Mark Hornberger, GMS
Jason Meyer, GMS
Andre Kilik, District employee
Thia Hauptert, AT&T
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 5:30 p.m.
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. Mrs. 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 moved to approve the Agenda and excuse Director Soloyanis; seconded by Director Eason. Motion passed unanimously.
4. **Consent Agenda Items:**
 - a. Acknowledge Managers Report
 - b. Approval of Board Meeting Minutes from the Regular meeting held on June 25, 2019 Meeting
 - c. Approval of Payables for the period ending July 22, 2019 in the amount of:

General Fund:	\$ 39,436.68
Capital Projects Fund:	\$ 112,066.90
Grant Capital Projects Fund:	\$ 104,385.11
<u>Debt Service Fund:</u>	<u>\$ 31,266.84</u>
Total	\$ 287,155.53

- d. Acceptance of Unaudited Financial Statements as of June 30, 2019, the schedule of cash position updated as of June 30, 2019 and bank statements
- e. Ratify approval of Requisition No. 46 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
- f. Adoption of Resolution No. 2019-07-01 Concerning Online Notice of Regular and Special Meetings
- g. Ratify approval of Resolution No. 2019-03-1 Designating the District's 24-Hour Posting Location

Mr. Walker confirmed the numbers were correct on the Board's copy. Director Herr noted he did not receive the reconciliations this month due to Ms. Hardekopf being out of town. Director Herr said he will get it done when she gets back. Director Eason moved to approve the Consent Agenda; seconded by Director Borden. Motion passed unanimously

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

6. Management Matters:

- a. Update on Construction Project: Director Borden reported that seven houses are connected to the new main on Rampart Terrace and fifteen more taps and two curb stops, then cleanup. Outpost is paved and the Board reported it looks nice. Mr. Hornberger noted the County will be reviewing the roads next week for repairs that may be needed. The major paving left to do is on Rampart Terrace. Director Borden said everything has gone well and the tank is disconnected and mostly drained but needs to be completely drained. Mr. Kilik said he will work on that.
- b. Easements – Mrs. Tanaka reported that everything is completed and they are just waiting on exhibits. Mr. Meyer said they will begin working on exhibits soon and will get them all done at the same time. Mr. Meyer noted the County and CSU discussions about the possibility of there being a prescriptive right for roadways. Mr. Meyer said proving the County have been maintaining the road for 20 years in that configuration should help.
- c. Approve Project Contractor Pay Request for June
 - i. GMS Bond Payable - \$ 29,487.14
 - ii. RMS Bond Payable - \$ 81,254.43
 - iii. RMS Grant Payable - \$ 104,385.11

Mr. Hornberger discussed the Outlay Report and the Contractor Pay Request for

June.

Mr. Meyer went over the current project budget with the Board. He discussed the costs from the construction items that increased the number since last month with the largest being the fire hydrants on Chipita Park Dr. Mr. Meyer went over areas of potential savings - the bond audit savings, in geotechnical services, having CSU take over the leak detection and construction observation - totaling around \$19,000. Mr. Meyer said he has not included interest in any of the amounts with \$23,000 in interest earned in the bonds fund. He asked if those funds are available for construction and does the Board want to use those funds for construction. Mrs. Tanaka said if the money is in the capital project fund, we could use it, but not debt service funds. Mr. Meyer said they don't see a lot of additional work needed at this point. Mr. Hornberger discussed some minor costs remaining. Director Borden noted one house on Outpost not hooked up to service and another that was paid for by the owner. Director Borden said the District needs to compensate the owners for both situations.

Director Eason asked about water loss for the month. Mr. Walker said last month was 41% loss, and we were under construction and it was still significantly lower than years past at this time. Mr. Walker said we are encouraged, but not quite there yet. Director Eason asked about the Operations budget and Mr. Walker said he thinks the District is in good shape. Mr. Meyer said the only things he has outstanding are the easements and the service cards which we will fill in the GPS and hand over to CSU. Director Borden asked if CSU will charge us for the highway crossings; Mr. Meyer thinks they will not, and he will monitor. Director Borden moved to approve the pay requests; seconded by Director Herr. Motion passed unanimously. Mr. Meyer asked if the Board read the letter to DOLA. The Board said Mrs. Tanaka read it, but the Board has not reviewed it yet. Mr. Meyer asked that the Board review and sign it so we can send it to DOLA for the Budget request. Mr. Walker said he will work on getting it to the Board tomorrow.

- d. Report on request by AT&T to lease water tank site – WSDM: Mrs. Hauptert passed out photos of the recommended mono-pine instead of the mono-pole, and the size will be 70 feet instead of 80 feet since El Paso County has approved a 70-foot pole in the past. She said she has a meeting with El Paso County on August 1st and will report back next meeting. The lease is being reviewed by Ms. Hartung. Mr. Walker asked if it is a smaller area than last time. She said it is now a 40' x 60'. Mr. Walker asked about timing and the process with El Paso County; Ms. Hauptert stated that if everything is good with location and the mono-pine being 70 feet with the County, then they will work on zoning and approval. Director Herr asked about additional carriers on the mono-pine and does it affect the monthly amount the District would get. She said they could have the lawyer address that in negotiations with the contract such as a portion share of revenue coming in. Mrs. Tanaka said she will follow up with Mrs. Hartung on that. Director Herr asked about downsizing to 70 feet from 80 feet, and the EMS and emergency services coverage with First Net. Mrs. Hauptert

explained AT&T has a contract with First Net and it will be included on the 70-foot pole and it will not be affected by the change in the pole size. She said she hopes to have some feedback in the next couple of weeks so she can get back to the Board by next meeting after going to AT&T. The Board discussed adding any maintenance and updates to the road in the contract with AT&T. Director Herr asked about the adjacent property owners to the site, and do they know what is going on. Mr. Walker said the County will inform them but added he could inform them if needed and the sooner they know about it the better.

7. **Operations Matters:** Mr. Kilik reported to the Board and said he was working on testing sites and had a technical violation for not submitting the reports on the portal correctly. Mr. Walker confirmed we are in compliance as far as water quality. Mr. Kilik said he has been doing a lot of meter cleaning after the construction as well. Mr. Hornberger said he has told the crews to flush the service lines. Mr. Walker explained we are in a dispute with U Lock relative to the locate of an electric line that was located poorly. They are supposed to locate within 18 inches, and they were not within that. It cost the District \$1,800 to fix it and he said we are trying to have U Lock pay for it. Mr. Walker is not sure what will happen, but he will get back to the Board with any updates.
8. **Financial Matters:** There was no additional discussion.
9. **Legal Matters:** There was no discussion.
4. **Public Comment:** Mrs. Becky Schorman said on behalf of the popcorn store, she is seeking restitution when the store was flooded. She said she was assured that business would not be interrupted during the placement of the lines. The store was shutdown for days when they set up the main and service lines since they were unable to get customers in during that time. President Whittemore asked if she has put it in writing yet, and recommended she send a formal request to the District. Mrs. Schorman said she will do that and will be sending it to an attorney as well. She said she used to have a 20 foot service line at her house now has a 120-foot service line and she asked who is responsible for the huge service line. The Board said she would be responsible for her service line and it was the only way to get service. She said she was out of town when it was placed and did not want the new line. Director Borden showed her a photo of the line that was coming out of her house the day it was replaced and said that showed it was not a new line. Mr. Hornberger confirmed the old service line was leaking when it was exposed.

President Whittemore asked who put the Popcorn Shop PRV in and they didn't put a catch basin in; Director Borden responded that it was a backflow preventer and it was not near a drain as is required. He also added that the water did not flood the popcorn store. Ms. Schorman said they had to hire help to clean up the flooding and a computer was ruined that was on the floor. President Whittemore encouraged her to put her issue in writing and send it to the Board. Mrs. Schorman said they also had a loss in revenue due to the construction. She said she stayed open but had no customers due to the construction. Mr. Hornberger noted they had signs up that said businesses were open. She also asked about the terminology change on the bills. Mr. Walker said the change in terminology of the fee was changed a couple years ago, possibly May of 2017.

Mr. Abney asked what the percentage of water loss requirement from CSU is. Mrs. Tanaka said she will need to look it up in the agreement, but thought it was 15% or 20% water loss based on their requirement.

10. Other Business:

- a. Next Meeting— Scheduled for August 27, 2019 at 5:30 PM

11. Adjournment: Director Borden moved to adjourn at 6:36 p.m.; seconded by Director Herr. Motion passed unanimously.

Respectfully submitted,

By:

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 23, 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

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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