

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD AUGUST 27, 2019**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 27th day of August 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
Mike Herr
James Borden
Troy Eason

Also in Attendance Were:

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

1. **Call to Order:** Director Soloyanis called the meeting to order at 5:30
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:** Director Soloyanis 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. 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 noted a few changes to the Agenda; Item 4 will be postponed until September and he added Item 7.e. under Management Matters – water and electric meters at the pump house and tank. He explained the Board will need to authorize the Manager to call the utilities and cancel them. Mr. Walker confirmed all the numbers were correct on the Agenda. Director Herr asked about DOLA funds to pay for Easement costs. Mr. Walker requested to remove item 5.e. from the Consent Agenda to explain it further. Director Herr noted he was able to reconcile the accounts as of July 31, 2019. Director Borden moved to approve the agenda and to excuse President Whittemore from the meeting; seconded by Director Eason Motion passed unanimously.
4. **Resolution of Appreciation for Duane Schormann:** The Board postponed this item until September.

5. Consent Agenda Items:

- a. Acknowledge Managers Report
- b. Approval of Board Meeting Minutes from the Regular meeting held on July 23, 2019 Meeting
- c. Approval of Payables for the period ending August 23, 2019 in the amount of:

General Fund:	\$ 38,202.26
Capital Projects Fund:	\$ 212,639.03
Grant Capital Projects Fund:	\$ 202,624.89
<u>Debt Service Fund:</u>	<u>\$ 31,266.84</u>
Total	\$ 484,733.02
- d. Acceptance of Unaudited Financial Statements as of July 31, 2019, the schedule of cash position updated as of July 31, 2019 and bank statements

Director Eason moved to accept the Consent Agenda as modified by the removal of item 5.e.; seconded by Director Borden. Motion passed unanimously.

- 6. Consideration of items removed from Consent Agenda:** Item 5.e., Ratify approval of Requisition No. 47 to UMB Bank, as Trustee, for payment of Working Capital Project funds from Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and 2015B. Mr. Walker explained they are at the end of the contract, and one account we have run out of money and the other account we have about \$200,000 extra. Mrs. Hartung asked if it was extra or remaining funds, Mr. Walker clarified that it was funds remaining. He explained that checks that we have issued will show a negative balance because we do not have enough money in the project account to cover them, but we have requested through this Requisition No. 47 funds from the DOLA account and put that money in the project fund so it is available to pay the rest of the bills. Mr. Walker noted this was made possible thanks to Mr. Meyer. Mrs. Hartung asked if this payment is considered the final payment. The Board said no, and Mrs. Hartung said she wanted to make sure it was not because there must be 10 days between the final publication and the final payment. Director Eason moved to approve the Requisition No. 47; seconded by Director Borden. Motion passed unanimously.

7. Management Matters:

- a. Update on Construction Project
 - i. Outpost Road service lines

Director Soloyanis reported that the construction project is completed except for warranty items. RMS has been demobilized and they are no longer working. She noted Mr. Meyer will update the Board on where we are financially, and we have met with Mr. Rose and they would like to meet with two of the Board members after September 9th to go over the items that have not been completed. Director Soloyanis went over the items such as the stop box that doesn't work, an area where the service line runs under three houses, and the redundant feed. Basically, we have enumerated these items to CSU, and they will put a cost to them and treat them as a liability.

Mr. Meyer reported to the Board and went over the additional items such as

removal of the park pump house and quantity adjustments that caused a reduction in the contract price of \$370,779.54. The additional work that was put back in was \$64,367.42 so a net reduction of \$306,412.22. He thinks this will end up being the final change order as long as CDOT does not come back and say we have to do the striping, and the County has already signed off on their striping and said that we have completed everything that we need to. The Board discussed that the cost for the road striping would be around \$5,000. Mr. Meyer discussed the two additional items of cutting the asphalt that was \$15,500 and the pothole repairs that was a little over \$24,000. The Board discussed that RMS was very fair and the project went well with them.

Mr. Meyer recommended that the Board approves Change Order No. 5. Director Borden moved to approve Change Order No. 5; seconded by Director Herr. Motion passed unanimously. The Board asked Mrs. Hartung if President Whittemore had to sign or if another board member could sign for him. Mrs. Hartung confirmed another board member could sign in President Whittemore's absence.

Mr. Meyer discussed Pay Application No. 13 from RMS. He said he thinks this would be the last one before the final payment. Mr. Meyer recommended approval based on the review. Director Borden moved to approve pay application No. 13; seconded by Director Eason. Motion passed unanimously.

Mr. Meyer explained the way the DOLA contract and budget was set up. He said they requested a budget amendment from DOLA and Mr. Clay Brown from DOLA suggested that we work within the existing budget. GMS has worked out the steps to have the easement costs and be part of the construction budget. Mr. Meyer discussed two requests for DOLA. First, the pay application No. 13 from RMS that includes both RMS and GMS invoices. Mr. Meyer went over the macro-level budget and the expenditures related to CSU. Director Soloyanis noted the Berryman property is on Outpost and explained the old main is under the concrete slab, so they will need a plumber to come in and dig a hole and the District is responsible for fixing the mistake. Mr. Meyer said he thinks we will save in other areas and it may end up being around \$35,000 on the plus side. The Board discussed that they are in a good position for meeting with CSU.

Mr. Meyer discussed the impact reimbursement request No. 14. He said he went back and got all the engineering invoices associated with easements and CSU to recoup funds totaling \$103,140.04. It is still a little short of what we need to cover expenses for this month. The other dollars we will recoup are from the legal expenses related to the easements, so once those documents are all received, he will put together a packet to submit. Director Herr moved to approve reimbursement request No. 14; seconded by Director Borden. Motion passed unanimously.

Mr. Meyer asked Mrs. Hartung if they will need to pick up the lien releases for

all the companies used by the contractor. Mrs. Hartung confirmed they will need the lien releases. Mrs. Hartung also noted they have 10 days after the last publication. Mr. Meyer noted the only items left are the redundant feed and the service cards and those will be wrapped up.

- b. Easements: Mrs. Hartung said she spoke with Mr. Gustafson at CSU yesterday regarding the phase 1 easements, Hunter unreleased Trust and the prescriptive right-away on a few of the properties in the phase 2 easements. Phase 1 easements are in good order and there were just a few minor questions he had to ask his legal about and then he will get back to us but overall, they are done. On the Hunter unreleased dated trust, Mrs. Hartung explained they have been working on trying to clear the title issue for the last 18 months and have not had any success so we requested yet again that CSU waives that requirement, so he should be getting back in touch with us shortly. The other item is the prescriptive right-away argument that we have been trying to make with a few properties on the phase 2 easements. The City has not made a decision on that yet. Mrs. Hartung said they have received the exhibits for the phase 2 easements, so they will be sending the packets out to the owners hopefully by next week. Mrs. Hartung said she thinks there are 17 phase 2 easements. Mr. Meyer said they will be emailing all their packets to Mrs. Hartung tomorrow. The Board confirmed they are just trying to legalize existing pipes in the ground without any additional work on the properties.
 - c. Report on request by AT&T to lease water tank site – WSDM:
 - i. Lease Review: Mr. Walker noted they are going to postpone the lease review because the status of the project is on hold based on El Paso County's fees and process to rezone the property. Mrs. Hartung did complete her review of the lease, so just waiting to hear back from AT&T on if they want to move forward. Mr. Walker discussed the revenue sharing and the fee idea that would need to be added into the contract, so if they do not give us the revenue share, they will at least need to pay the fee.
 - d. Utilities at the pump house and tank: Mr. Walker explained the Board will need to authorize him to close the utilities accounts. The Board authorized Mr. Walker to close the utilities accounts. The Board discussed the fire department needing to take over the tower for their communications. The Board also discussed the gas meter on the pump house off Topeka and how it is no longer needed. The gas meter just needs to be pulled by the gas company. Mr. Walker noted the District is still paying for a cell phone that is no longer needed so he will cancel that as well.
8. **Operations Matters:** Mr. Walker explained that Mr. Kilik could not attend the meeting tonight. He noted there was a technical violation that was discussed last month that has been cured, but they will have a violation in the CCR's next year. Mr. Walker noted that Ms. Hardekopf went above and beyond to help by contacting the IRS and waiting on hold for four and a half hours

and had to speak to multiple people to clarify the IRS issue with 2013 payments.

9. **Financial Matters:** Mr. Walker reported there is about \$100,000 in the Operating account and we are above our revenue projections and below our cost projections due to having a significant legal budget that was not used. Mr. Walker noted there is nothing over budget to be concerned about. Mr. Walker explained there may be expenses related to the turnover so they may want to discuss further during the Budget Hearing. The Board discussed the bonds and the possibility of refinancing and wanting to have a plan in place for the end.
10. **Legal Matters:** There was no discussion.
11. **Public Comment:** There was no public comment.
12. **Other Business:**
 - a. Next Meeting— Scheduled for September 24, 2019 at 5:30 PM: Director Soloyanis noted she will be unable to attend the meeting. The Board discussed a couple issues including a customer with a pre-existing berm in the driveway that the customer wants removed, but the Board feels they do not need to do the driveway.
13. **Adjournment:** The meeting was adjourned at 6:41 PM

Respectfully submitted,
By:

Secretary for the Meeting

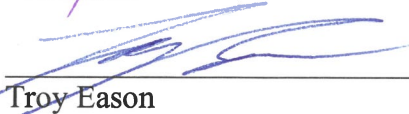


THESE MINUTES ARE APPROVED AS THE OFFICIAL AUGUST 27, 2019
MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE
BOARD OF DIRECTORS SIGNING BELOW:

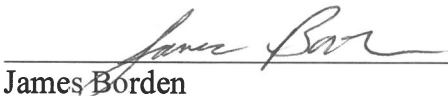
Mike Whittemore



Mike Herr



Troy Eason



James Borden

Susan Soloyanis