

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD NOVEMBER 28, 2017**

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 November 2017, 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
Stephen Spaulding

Also in Attendance Were:

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law (via telephone)
Mr. Jason Meyer, GMS engineer
Kevin Walker, Walker Schooler District Managers
Jacqueline Armendariz, Walker Schooler District Managers
Mr. Duane Schorman, District employee
Members of the public (see sign-in sheet attached)

- 1. Call to Order:** The meeting was called to Order by Director Spaulding at 5:36 p.m.
- 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. 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 Soloyanis moved to approve the agenda. Motion seconded by Director Eason, With President Whittemore and Director Herr excused. The motion passed unanimously.
- 4. Consent Agenda Items:** (These items are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless requested, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda)
 - a. Acknowledge Operations Report
 - b. Acknowledge Manager's Report
 - c. Approval of Board Meeting Minutes from the Special Meeting held on October 17, 2017 and the Regular meeting held on October 24, 2017 Meeting
 - d. Approval of Payables for the period ending November 28, 2017 in the amount of:

General Fund: \$ 36,169.32

Capital Projects Fund:	\$ 30,346.65
Grant Capital Projects Fund:	\$
Debt Service Fund:	\$ 22,745.83
Total	\$ 89,261.80

- e. Acceptance of Unaudited Financial Statements as of October 31, 2017, the schedule of cash position updated as of October 31, 2017 and bank statements
- f. Approval of Requisition No. 28 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
- g. Adoption of Resolution No. 2017-11-01: Annual Administrative Resolution
- h. Adoption of Resolution No. 2017-11-02: Calling Election
- i. Adoption of Updated Public Records Request Policy
- j. Approval of Engagement Letter with Biggs Kofford, PC for 2017 Audit Services
- k. Approval and Renewal of Consultant Agreements for 2018 Services:

- i. WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law, for General Counsel Services
- ii. Schooler & Associates, Inc. for Management, Accounting and Billing Services
- iii. Meyer & Sams, Inc., d/b/a GMS, Inc., Consulting Engineers for Engineering Services
- iv. Lamb Plumbing & Excavating, Inc., for Plumbing and Excavation Services

Mr. Walker noted on the consent agenda that the general fund amount changed as reflected. Director Spaulding asked whether the amount in capital projects funded was correct in the original document. Mr. Walker noted it was in the wrong category and has been corrected. Director Eason made a motion to approve the Consent Agenda as amended, seconded by Director Soloyanis. Motion passed unanimously.

5. Consideration of items removed from Consent Agenda: None

6. Management Matters

- a) Update on Construction Project
 - i. CSU Discussion and General Project Update - Director Soloyanis reported there was a meeting with Colorado Springs Utilities (CSU), for which GMS engineering provided a detailed list of proposals to reduce costs. Director Soloyanis reported that most of the changes were approved by CSU, getting closer to the amount of money available to carry out both contracts; however, the cost of a redundant connection for CSU was not included and was likely much higher than that estimate, more in the \$500,000 range which was not available from current funds. Mr. Meyer, GMS engineer, provided a list of updates (see attached), and explained that they had gone back to the and that they came up with new bid form based on what was agreed with CSU on reductions. Mr. Meyer said that was given to RMS and both projects were

combined; the calendar days for construction work were increased from 120 to 200 days to reflect one contractor not two.

Mr. Meyer explained there was a \$1 million savings in the bidder combining unit prices under the two contracts. He added that this bid for the total cost was \$3,670,800.26, which fits in the available funds. Mr. Meyer also explained that GMS spoke with suppliers regarding fluctuations in PVC pricing due to hurricane making for a 10 percent drop in pipe pricing by the end of year. He explained that for this reason GMS requested the bidder specifically breakout the cost for PVC piping and that there may be 25 percent to get back in cost by the end of the year, leading to a potential savings of \$175,000. Mr. Meyer said the only other price at issue with the bidder was for the tank, which is very high, so they reserved the right to pull that out of the contract if a better price is found. Mr. Meyer said the contractor was OK with that and added that he expects a savings of \$30,000 when adding PVC pricing and the tank. He noted this does not include an anticipated reduction in valves. Director Soloyanis added that CSU also went through this list and evaluated how to get costs down, demonstrating their commitment to helping. Director Eason asked whether fuel prices would remain locked. Mr. Meyer responded the numbers hold with the exception of the PVC piping, which allows flexibility and should save funds. Mr. Meyer explained further that a little over \$4.8 million is available, while about \$974,000 has been committed; \$3,833,894.30 is available for construction. He said RMS provided a bid of \$3,670,000 and there is \$163,886.05 in contingencies, which does not include potential savings. Director Soloyanis said this still leaves the issue of the cost of a redundant line. Director Soloyanis said the Board would like CSU to either reduce the requirement or offer to pay for it and that the Board intends to ask. Director Eason asked about metering issues. Mr. Meyer said according to the agreement with CSU, every single meter and components must be checked to see if they're in working condition if it's outside the home, with District staff carrying this out to avoid additional costs. He recommended that if components located within a home are found to be not up to par, that the District should send a letter to the homeowner notifying them it is their responsibility; if components are outside, this would fall back on the District. Mr. Meyer said the District has options to address this and CSU will replace meters. Director Soloyanis said she also intended to ask CSU the following day for assistance in listening to service lines based on a list of homes to see if there's a leak because the District has noticed a drop from 40 percent to 20 percent in losses which could be attributed to homes that have meters turned off for winter.

ii. Easements

1. Approval of easements - Mr. Walker presented the Board with six easements – Heintz, Bingham, Durben, Guthrie, Romano, Garrison - for approval. Director Soloyanis motioned to approve, Director Eason seconded. The motion was approved unanimously.
2. Update on incomplete easements - Mr. Meyer said GMS hit a wall regarding the collection of easements, explaining they had collected

all they would get without the board knocking on doors. He recommended the Board work off a list to be split up among members for conversation eye-to-eye and said that list would be sent within the week.

3. Approval of easement and transfer of property to owner of 8012 West Highway 24 (documents to be finalized by attorneys) - Mr. Walker said the District owns the property on which the driveway is located, which is next to the post office. The property owner requested that the District deed the property on which the driveway is located in exchange for the granting of the easement on the owners lot. Director Soloyanis said a swap is appropriate for the easement which is on the other side of the property. Director Soloyanis motioned to approve the deed for the parcel in exchange for the easement, Director Eason seconded. The motion passed unanimously.
- iii. Award of Contracts for Construction - Mr. Meyer recommended that RMS Utilities be awarded a total contract of \$3,670,008.75 and to include specific motions he provided, which are included as follows: Director Soloyanis moved that the District formally rejects the bid received from Global Underground Corp. on Contract 1, Water System Improvements received on September 21, 2017 at 3 p.m. together with the rejection of the RMS Utilities, Inc. low bid received for Contract 2, Water System Improvements received on September 21, 2017 at 3:45 p.m. The rejections of both bids are based upon the bids exceeding available funds. Insufficient funds exist with which to award the projects as bid. Director Eason seconded the motion. The motion was unanimously approved.

Director Soloyanis then moved that based upon the rejection of the bids received on Contract 1 and Contract 2 for Water System Improvements, the Improvements have subsequently been combined into one project titled "Water System Improvements." Negotiations have occurred with Colorado Springs Utilities wherein modifications have been made to the project's requirements in regard to both material types and components. A modified Bid Form reflecting the overall modified project entitled "Water System Improvements" has been developed. Negotiations with RMS Utilities, Inc. have resulted in a Water System Improvement project Bid of Three Million, Six Hundred Seventy Thousand, Eight dollars and 25/100 (\$3,670,008.25). Cascade Metropolitan District No. 1 hereby accepts, approves and awards the Bid negotiated with RMS Utilities, Inc. with the acknowledgement that the PVC unit prices contained in the Bid on Line Items 4a, b and c will be adjusted by Change Order after the first of the year based on actual invoiced PVC pricing in anticipation of a reduction in PVC material costs. In addition, the District reserves the right to exclude Bid Item 34a, the existing tank modifications by Change Order in the event a more competitive quotation can be secured. The combined project is acknowledged to have a two hundred (200) calendar day duration. All other aspects of the original Specifications that applied to the two independent contracts shall apply to

the combined awarded project except as modified in the new Bid Form. Director Eason seconded the motion. The motion passed unanimously.

Mr. Dwayne Schorman asked whether the 200 days in the contract are consecutive, to which the Board responded they are calendar days. He also asked about the issue regarding the tank. Mr. Meyer explained that the tank is a pressure relief vessel and to make it meet health department requirements there must be an air gap between water surface elevation and where the water wells, which requires a vertical steel pipe in tank and modifying the piping underground; there will also be a line from the tank that allows firetrucks to fill off the street in case of a fire.

- b. Other Management Matters - Mr. Walker noted the loss situation discussed earlier regarding CSU listening to service lines. He said the next item was a request by a contract purchaser for the RMG property, a 36-acre site above Santa's workshop, which is within the District. He said they have contract to purchase the property and have applied to state engineer for well permit. He explained that the cost of a tap of the system to get to building site exceeds \$65,000 and the well is a \$10,000 matter, so the Board must agree to allow them to drill a well inside of district or nothing will be built. Mr. Walker also said this issue has been discussed with CSU and Ms. Tanaka and had been cleared. He added that he is able to sign a form on the District's behalf to allow a state engineer to give them a permit. Mr. Walker said because the improvements will be within 100 feet of a water line after the construction, the District will charge them \$55 a month this time next year. Director Soloyanis asked where the well would draw from and whether that would affect stream flow. Mr. Walker answered there would be no impact and recommended the Board approve authorization of the well. Director Soloyanis motioned to authorize Mr. Walker to sign for the District to allow the purchaser to apply for a permit with the state to drill a well. Director Eason seconded the motion, which was unanimously approved. Mr. Walker noted for the Board's information there was also a significant number of shutoff notices this month; whereas it is usually 4 to 6, it was 14. He said he was uncertain of the reasons why and said only a few were actually shut off, while only one was shut off in the last six months.

7. **Operations Matters** — Mr. Walker reported a congratulations to District staff after an event several weeks ago when a resident's home began to flood, but the shut off valve couldn't be located. He said Rampart Terrace needed to be shut down and drain the pipe to get a new valve installed. He said District staff Andre and Dwayne went up and down the street to let residents know what had happened and that he didn't receive a single complaint.

Mr. Schorman, inquired about a de-chlorinator for the water system and Mr. Walker responded that the District needed this device and if it cannot be fixed, it will need to be replaced.

8. Financial Matters

- a. Public Hearing on the 2018 Budget and Adoption of Resolution No. 2017-11-03

Director Spaulding opened the public meeting at 6:26 p.m. Ms. Tanaka noted that a notice of public hearing on the budget was published in accordance with Colorado law and noted that no written objections were received prior to the hearing. There being no public comment, Director Spaulding closed the public hearing at 6:27 p.m. After review of the budget, Director Eason moved to adopt the budget and to adopt the budget resolution, which was seconded by Director Soloyanis. The motion passed unanimously. Director Spaulding said it was notable that the District was heading into a budget surplus of about \$120,000 and would operate in the black for the second consecutive year.

9. Legal Matters – None

10. Public Comment – None

11. Other Business

a. Next Meeting— the Board determined to hold the next scheduled meeting on December 26, 2017 at 5:30 p.m., unless not otherwise needed.

12. Adjournment - Director Soloyanis moved for adjournment at 6:31 PM. Seconded by Director Eason. Motion passed unanimously.

Respectfully submitted,

By: _____

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 28, 2017
MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD
OF DIRECTORS SIGNING BELOW:


Mike Whitemore


Mike Herr


Troy Eason


Stephen Spaulding


Susan Soloyanis

CASCADE METROPOLITAN DISTRICT NO. 1

November 28, 2017

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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