

**MINUTES OF A REGULAR MEETING OF
OF THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD SEPTEMBER 22, 2015**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 22nd day of September, 2015, 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 Whittlemore
Mike Herr
Troy Eason
Stephen Spaulding (arrived at 6:25PM)
Susan Soloyanis

Also In Attendance Were:

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law.
Andre Kilik and Duane Schorman, District Operators
Kevin Walker and Lori VonFeldt, Schooler & Associates, Inc., District Managers

Members of the Public; see attached list

1. **Call to Order** – The meeting was called to order Board President Whittlemore at 5:33 PM.
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. Ms. Tanaka noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No additional disclosures were noted
3. **Approval of Agenda** – Director Soloyanis discussed having additional documentation for the Operations report. Ms. Tanaka requested that Item 11 be deferred until October with the comment that the Employee Handbook and Job Description need to be completed as soon as possible. Mr. Walker requested a modification of the Item 6d. of the Consent Agenda to reflect recent invoices. The proposed General Fund amount is \$38,615.23 with and adjusted total of \$65,581.00. Motion by Director Herr and a second by Director Soloyanis to approve the Agenda as amended. Motion passed unanimously (Director Spaulding excused)
4. **Public** - No comments.
5. **Correspondence** – No Correspondence.
6. **Consent Agenda Items** -
 - a. Acknowledge Operations Report (**enclosure**)
 - b. Acknowledge Manager's Report (**enclosure**)
 - c. Approval of Board Meeting Minutes from the August 25, 2015 Meeting (**enclosure**)
 - d. Approval of Payables for the Period Ending June 23, 2015 (**enclosure**) in the amount of:

General Fund:	\$38,615.23 (amended)
<u>Debt Service Fund:</u>	<u>\$26,965.77</u>
Total	\$65,581.00 (amended)

- e. Acceptance of Unaudited Financial Statements as of May 31, 2015, the schedule of cash position updated as of May 31, 2015 and bank statements (**enclosure**)
- f. Acceptance of Unaudited Financial Statements as of June 30, 2015, the schedule of cash position updated as of June 30, 2015 and bank statements (**enclosure**)
- g. Acceptance of Unaudited Financial Statements as of July 31, 2015, the schedule of cash position updated as of July 31, 2015 and bank statements (**enclosure**)
- h. Acceptance of Unaudited Financial Statements as of August 31, 2015, the schedule of cash position updated as of August 31, 2015 and bank statements (**enclosure**)
- i. Ratify approval of Independent Contractors Agreement With GMS, Inc. for General Engineering Services (**enclosure**)

Director Soloyanis requested that the minutes be amended to correct spelling of commenter Pennick. Director Herr commented that he had reviewed and reconciled the financial statements with the previous management company and with Ms. VonFeldt and Mr. Walker and was comfortable that they could be approved. Motion to approve the Consent Calendar as amended by Director Soloyanis, second by Director Eason. Approved unanimously (Director Spaulding excused).

7. Consideration of items removed from Consent Agenda - None

8. Management Matters

- a. Grant for Fitz Gulch/Stults property – Mr. Walker discussed the status of the grant to fix the washout that has removed cover over the 2” line that services the nearby properties. Schooler submitted a notice of a possible claim to FEMA for 75% of the costs if the previous grant is not able to be funded or completed in time. Mr. Walker is communicating with El Paso County, the State and Federal agencies to coordinate this effort. It is a slow moving process. The Board requested Mr. Walker to stay engaged to facilitate resolution of the District’s concerns. The District’s engineer (GMS) may be able to expedite the design for the previous grant. Discussion occurred about the segregation of the funds if there were to be a grant needed for the District’s work.
- b. Additional matters –
 - i. Mr. Walker discussed the effort to resolve the Automatic check withdrawal authorizations from the August billings. This matter is mostly resolved with automatic payments to begin again in the next billing cycle.
 - ii. Mr. Walker reported approximately a 26% loss for the month of August between purchased and sold water and will continue to develop data and history on this matter.
 - iii. Billing will occur through Schooler next month and switch of the meter reading software is occurring this week. Mr. Kilik requested that we change the meter read date to the first of every month and the Board agreed to this change.
 - iv. Mr. Walker reported that the truck title and insurance issues are close to resolution.
 - v. Director Eason asked about the fee to pay on billings on the website. Mr. Walker reported that there is an approximately 2% fee that is charged by the State to process these types of transactions.

9. Financial Matters

- a. 2016 Budget procedures
 - i. General Board discussion on Priorities and Objectives – Preliminary budgets for

2016 will be presented to the Board at the October meeting with a preliminary budget forwarded to the Board by October 15. The bond fund, capital project funds and general fund will need to be segregated for the final budget to be adopted. Projected incomes and expenses will be presented. A change in the rates and charges will also require special notice. The rate study prepared by the Colorado Rural Water Association that recommended a substantial increase in the rates was discussed. More discussion will be needed to finalize the 2016 budget recommendation.

- ii. Set public hearing date – It was noted that the regularly scheduled meeting of the Board in November is on the Tuesday prior to Thanksgiving. Ms. Tanaka advised the Board of the requirements for special noticing of this hearing since it is a budget hearing. It was agreed to move the meeting to November 17, 2015 and for the Managers to prepare the proper notices.
- iii. Other matters – Director Whittimore and Director Soloyanis discussed the possibility of a newsletter for mailing with the next billing. It was generally agreed that this would be a good idea.

Bulk water sales were discussed. Mr. Walker reported two customers on a regular basis; Mr. Schorman identified other possible bulk users. It was agreed to pursue metering these users. The Board directed Ms. Tanaka to provide notification to the City regarding the requirement to install a meter for their use within 30 days.

10. Operations Matters

- a. Chlorinator replacement – Mr. Kilik reported that the chlorinator had been ordered with a cost of \$400-450. It would be the same type of chlorinator so that parts could be used from the older systems for repair if needed.
- b. Other matters – Director Soloyanis reported on efforts to continue negotiations with CSU regarding the operations and engineering of the overall system and that the District engineer was to assist the operations with locating all of the valves and the other repairs that were being completed. Improved reporting of maintenance work was noted as a need for CSU. It was requested that the log books from 1968 on were in the possession of the District Attorney and Ms. Tanaka was tasked with requesting that they be returned. Backflow prevention continues to be pursued and a necessary work item. A letter from the Manager would go out to all of the commercial property owners outlining the requirement and asking that this be completed within 60 – 90 days.

11. Legal Matters

- a. Employment Handbook and Job Descriptions - deferred to the October meeting.

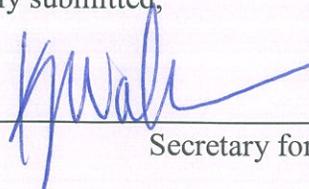
12. Other Business

- a. Next Meeting—October 27, 2015 at 5:30 PM

13. Adjournment – Meeting was adjourned at 6:43 PM.

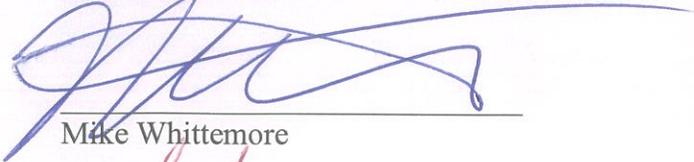
Respectfully submitted,

By _____



Secretary for the Meeting

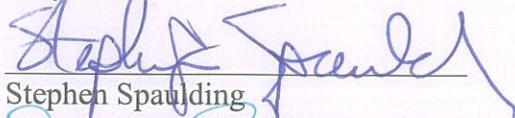
THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 22, 2015 MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:



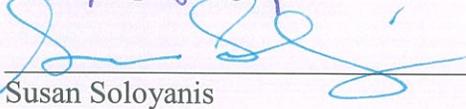
Mike Whittimore


Mike Herr

Troy Eason



Stephen Spaulding



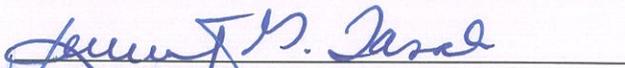
Susan Soloyanis

Attorney Statement

Regarding Privileged Attorney-Client Communication

September 22, 2015

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Cascade Metropolitan District No. 1, I attended the executive session on ~~August 25~~, 2015 for the sole purposes of conferencing with the District's legal counsel for the purposes of receiving legal advice on specific legal questions and discussing matters subject to negotiation, as authorized by §§24-6-402(4)(b) and (e), C.R.S. I further attest that it is my opinion that all or a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.


Jennifer Gruber Tanaka, Esq.
General Counsel
Cascade Metropolitan District No. 1