

**MINUTES OF A SPECIAL MEETING OF
OF THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD NOVEMBER 17, 2015**

A special meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 17th day of November, 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 Whittemore
Mike Herr
Stephen Spaulding
Susan Soloyanis

Also In Attendance Were:

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law (via telephone)
Duane Schorman, District Operator
Kevin Walker and Terry Schooler, Schooler & Associates, Inc., District Managers

Members of the Public; see attached list (None)

1. **Call to Order** – The meeting was called to order by Board President Whittemore 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** – Mr. Walker requested the addition of approval of a contract with American Leak Detection under Finance section. Moved by Director Soloyanis and seconded by Director Spaulding to approve agenda as amended. Motion passed unanimously.

The Board noted the absence of Director Eason. Upon motion of Director Soloyanis, seconded by Director Spaulding, the Board unanimously excused Director Eason's absence.

4. **Public Comment** - None
5. **Correspondence** - None

6. Consent Agenda Items

- a. Acknowledge Manager's Report
- b. Approval of Board Meeting Minutes from the October 27, 2015 Meeting
- c. Approval of Payables for the Period Ending November 16, 2015 in the amount of:

General Fund:	\$37,255.78
Debt Service Fund:	\$23,512.44
Total	\$60,768.22
- d. Acceptance of Unaudited Financial Statements as of October 31, 2015, the schedule of cash position updated as of October 31, 2015 and bank statements (**enclosure**)
- e. Ratification of Independent Contractor Agreement with Marine Diving Solutions for Water Tank Inspection Services
- f. Adoption of Resolution No. 2015-11-01: Annual Administrative Resolution
- g. Adoption of Resolution No. 2015-11-02: Regarding Election
- h. Consider Approval and Renewal of Consultant Agreements for 2016 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 proposed modification of the c. General Fund to \$37,255.78 and the total of \$60,768.22. Director Herr stated that he had reviewed the financial statements and they were acceptable. He also requested a spread sheet on the status of the bond fund. Motion made by Director Soloyanis, seconded by Director Herr, to approve the Consent Calendar. Approved unanimously.

7. Consideration of items removed from Consent Agenda – None

8. Management Matters

- a. Update on Fitz Gulch project - Mr. Walker updated the Board that the project was behind schedule and not likely to be completed in time to protect the water line. The Board reiterated its position to continue to be involved so long as the District was not assuming responsibility or liability for the project.
- b. CSU report update – Director Soloyanis updated the Board on her ongoing efforts at GMS offices to assist with the preparation of the additional information required to be provided to CSU regarding the system. GIS data has been coordinated and shared to confirm its compatibility with CSU's system. The system loss objective that the District is attempting to achieve is 20% after ongoing discussions with CSU and recognition that 20% is the standard in the industry. The question arose as to whether the 6% loss that

had been the previous objective was a contractual matter. Ms. Tanaka will confirm whether this is included in the Settlement Agreement or was a stated objective in the discussions. The working relationship with GMS and the District with CSU was much improved. The “log books” from the District for 2011 – 2012 had been taken from the District’s control and were not available. Concerns about last minute issues were expressed by the Board and it was suggested that the District and GMS follow up with CSU with written correspondence clarifying “what we think we heard.” Director Soloyanis is updating the SOP’s and may be assisted by information from Colorado Rural Water Association from Mr. Walker.

Director Soloyanis informed the Board of a request from GMS, Inc. for an increase in their compensation schedule by \$25,000 to complete the final report for CSU. The improved relationships with CSU were noted as a positive for this effort.

Director Soloyanis discussed the observation that there are a number of 5/8” meters that are in the system. This may affect the rates and charges set forth in the fee resolution to be discussed later in the meeting.

Motion by Director Soloyanis, seconded by Director Spaulding to approve an additional \$25,000 for GMS, Consulting Engineers, Inc., to be reflected in the First Addendum to GMS’s Independent Contractor Agreement, to complete the capital facilities report for CSU. Motion passed 3-0 with Board President Whittemore excused.

9. **Operations Matters** – Mr. Walker reported that the backflow letters had not been sent to commercial property owners. Board directed that this be a priority and sent out by Thanksgiving.

The status of the leak was discussed with Mr. Schorman. Efforts to isolate the leak near the Popcorn Shop were reviewed. Leak detection could not successfully find the leak and it is clear there is a leak in the area.

It was noted that American Leak Detection of Southern Colorado was available to perform the work and Ms. Tanaka presented the Board with an agreement with them for this purpose. It was moved by Director Soloyanis, seconded by Director Spaulding to approve the Agreement with American Leak Detection of Southern Colorado and the expenditure of funds to fix the leak in this area. Motion passed unanimously.

10. **Financial Matters**

Requisition No. 5 to UMB Bank: Moved by Director Spaulding, second by Director Soloyanis to approve Requisition No. 5 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 in the amount of \$42,907.10. Motion passed unanimously.

Public Hearing on 2015 Budget Amendment and 2016 Budget: Public Hearing was opened by President Whittemore on Amendment of 2015 Budget and 2016 budget. Closed with no comments.

Motion to adopt by Director Spaulding, second by Director Soloyanis the Amendment of 2015 Budget and Adoption of Resolution No. 2015-11-03 on Amendment of 2015 Budget. Motion passed unanimously.

Motion to approve the 2016 Budget and Adoption of Resolution No. 2015-11-04 by Director Spaulding, second by Director Soloyanis. Motion passed unanimously.

Review Fees and Rates and Consider Adoption of Resolution No. 2015-11-05: Motion to approve Resolution No. 2015-11-05 Concerning the Imposition of Various Fees, Rates, Penalties and Charges for Water Services and Facilities by Director Spaulding, second by Director Soloyanis. Motion passed unanimously. The Board directed Mr. Walker to advise the highway authority and others getting deals on water rates that the rates will be the same as others starting January 1, 2016. Director Whittemore inquired into the availability of service charges and what those fees are used for. Ms. Tanaka explained the fees are imposed on lots where service is located within 100 feet of the property line and the fees can be used to discharge debt. The Board inquired into how many lots would be subject to the possible fee and requested that Mr. Walker make that determination.

Resolution No. 2015-11-06 Establishing Collections Guidelines: Motion to approve the Resolution No. 2015-11-06 Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges by Director Spaulding, second by Director Soloyanis. Motion passed unanimously.

Resolution No. 2015-11-07 Certifying Delinquent Accounts to County Treasurer: Motion to approve Resolution No. 2015-11-07 Certifying Delinquent Accounts to County Treasurer by Director Spaulding, second by Director Soloyanis. Mr. Walker discussed recent communication from rate payer who wanted to negotiate a payment plan for 7850 Gardiner Road. Board rejected this proposal. Motion passed unanimously.

2015 Audit Engagement Letter: The approval of an engagement letter with Biggs Kofford, PC for 2015 audit services was tabled until the next meeting.

11. **Legal Matters** – None
12. **Other Business** – Next meeting date was discussed and kept at the currently scheduled date of December 22, 2015.

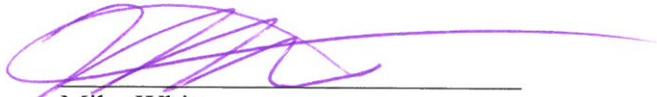
Meeting adjourned at 7:02 P.M.

Respectfully submitted,

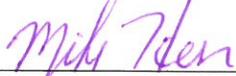
By _____

Secretary for the Meeting

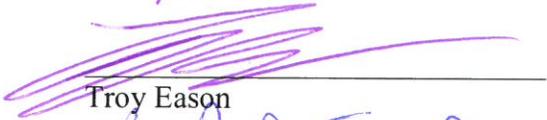
THESE MINUTES ARE APPROVED AS THE OFFICIAL OCTOBER 27, 2015
MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE
BOARD OF DIRECTORS SIGNING BELOW:



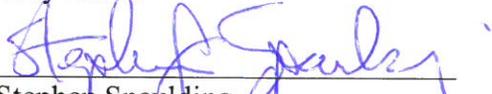
Mike Whittlemore



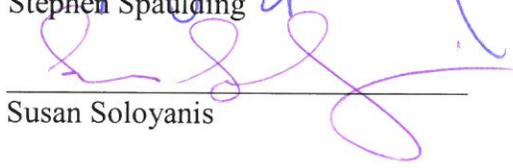
Mike Herr



Troy Eason



Stephen Spaulding



Susan Soloyanis