

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1**

Cascade Fire Station
8015 Severy Road Cascade, Colorado
Tuesday, August 23, 2016 at 5:30 P.M.

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 August, 2016, at 5:30 p.m., at the Cascade Fire Station, 8015 Severy Road, Cascade, CO. The meeting was open to the public.

Directors in Attendance Were:

Mike Whittemore, President	Term Expires May 2020
Mike Herr, Secretary/Treasurer	Term Expires May 2020
Stephen Spaulding, Assistant Secretary	Term Expires May 2018
Susan Soloyanis, Assistant Secretary	Term Expires May 2020
Troy Eason, Assistant Secretary	Term Expires May 2018

Also in Attendance Were:

Jennifer Gruber-Tanaka, White Bear Ankele Tanaka Waldron (via Phone conference)
Kevin Walker, Schooler and Associates, Inc.
Brenda Quinones, Schooler and Associates, Inc.
Andre Kilik, Cascade Water District Operator
Duane Schorman, Cascade Water District Operator
Members of the Public; see attached list

1. Call to Order: President Whittemore called the meeting to order at 5:30 p.m.

- Board member Troy Eason arrived at 5:44 pm
- Board member Steve Spaulding arrived at 5:50 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. President Whittemore 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 moved to approve the agenda as it was presented. The motion was seconded by Director Herr. 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 (included with board packet)

- b. Acknowledge Manager's Report (distributed at board meeting)
- c. Approval of Board Meeting Minutes from the July 26, 2016 Meeting (included with board packet)
- d. Approval of Payables for the Period Ending August 23, 2016 (included with board packet) in the amount of:

General Fund:	\$ 34,595.79
Capital Projects Fund:	\$ 0.00
Pyramid Mountain Review Retainer*:	\$ 0.00
Grant Capital Projects Fund:	\$ 0.00
Debt Service Fund:	<u>\$ 23,493.75</u>
Total	\$ 58,089.54

- e. Acceptance of Unaudited Financial Statements as July 31, 2016, the schedule of cash position updated as of and bank statements (included with board packet)
- f. Approval of Requisition No. 15 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 (distributed at board meeting)
- g. Approval of Seventh Addendum Independent Contractors Agreement with GMS, Inc. for General Engineering Services (included with board packet)

Mr. Walker brought attention to the Manager's Report that was presented and provided the following updates:

General Fund:	\$35,220.42
Capital Projects Fund:	\$10,883.20
Total:	\$69,597.37

Requisition #15 was presented to the Board. After a brief review by Mr. Walker, Director Herr moved to approve the requisition. Director Soloyanis seconded the motion. There being no further discussion, the motion passed unanimously.

5. Consideration of items removed from Consent Agenda

None.

6. Management Matters

Director Soloyanis provided an update on the conversion of the current water system.

Director Soloyanis reported that the District has finalized the agreement with Colorado Springs Utilities (CSU). CSU will convert the District's current system and the District will become a part of the CSU system. President Whittemore explained that this will be good for the District as it will improve the water quality, the water pressure, and the availability of water. The current water tank will not be connected to the redundant system. It will be reconfigured and used for fire protection activities if necessary. The engineers are conducting the surveying procedures and will provide definitions for the proposed changes. Geotechnical tests are also being conducted to understand the local soil conditions and how they will impact the project, especially when locating the water lines.

The District will participate in a meeting with CSU and the engineers during various phases of the project to get updates. The District Directors will relay the updates to the residents via newsletter, public announcements, and open house forums. The project is designed in phases and will be scheduled according to the location of the water mains. Water mains will be put in the right-of-way as much as possible.

Easements will be coordinated where necessary with the intention of getting water mains out of the resident's private property as much as possible. The value of easements will be determined by an outside party in a fair and equal manner. The project is scheduled for completion in 2019 and will replace approximately 60% of the District's water lines.

The Directors will work with Mr. Walker to schedule community meetings within a 6 month time period. In addition to having maps of the project boundaries available at the community meetings, as much relevant information will be posted on the District's website as possible.

At a resident's request, Director Soloyanis reviewed the budget for the project and explained the District's financial resources to cover the costs.

Mr. Walker reported the Pyramid Mountain project is on hold.

7. Operations Matters

Mr. Kilik reported he and Mr. Schorman have been doing a great deal of work on locating water lines. The water testing is complete. Additional lead and copper reporting requirements are being completed and will be submitted. Mr. Kilik reported that he is making progress on the repairs of the pump house; framing will begin soon.

Mr. Walker reported the Aspenglow water line has not yet been located. Mr. Kilik reported that the excavator has not been available to locate the line and advised Mr. Kilik to look for another excavator. The engineer has 3 sets of plans; none show where the stop boxes were located. Mark is up to 10 days out before he can come out to try to locate the service line at the curb stop. The main line is PVC and service line is copper and are not tied in, so Mr. Kilik can't find it. They are spending a lot of time with surveyors. Mr. Walker will clarify that they can be paid from bond proceeds.

Mr. Kilik reported that the master meter reads, on average, 70,000 gallons of water per day. Water usage went up a little in July indicating that people may be using it more due to the summer season and higher temperatures. The estimated loss is 42%.

8. Financial Matters

Discuss Assessment of Availability of Service Fee and Consider Adoption of Resolution No. 2016-08-01: Resolution Regarding Assessment of Availability of Service or Facilities Charges (under separate cover)

Mr. Walker explained the properties that will be impacted by this are within 100 feet of a water line but do not currently have a meter or tap on them. Mr. Walker illustrated these properties on a map that was made available at the meeting. The fee will be 50% of fixed fees for a metered service, or approximately \$55.00 per month. All fees go toward debt.

Mr. Walker explained that a resident may join two lots to create a single lot by applying for a vacation of a lot line, but the second lot will not be buildable.

Questions and discussion ensued from the audience. A question regarding whether this matter had been discussed at previous meetings and if it was advertised. Mr. Walker explained that this was discussed at least twice at previous Board meetings and the agenda as well as a special notice was posted on the website. In a follow-up question regarding whether this required a vote of the residents, President Whittemore

answered that it was the Board's decisions and did not need an election.

In response to a question regarding the location and expense of new service lines, Director Soloyanis answered that the relocation of service lines would be a project expense when the main and tap location were being modified.

The question of how to remove properties from the restriction was answered by Mr. Walker and Ms. Tanaka that there needs to be a permanent combining of lots or removal of the lot line by the County. Mr. Walker agreed to discuss this with any property owners who were interested in these processes.

In discussion regarding easements and relocating lines that cross properties, Director Soloyanis answered that easements will have to be obtained for new locations and that they were attempting to get as many of the improvements as possible into road rights of way.

Upon completion of all discussion, Director Soloyanis moved to adopt Resolution No. 2016-08-01. The motion was seconded by Director Herr. There being no further discussion, the motion passed unanimously. The Board directed Mr. Walker to notify the appropriate property owners in the October water bill so that residents will have time to ask questions before it is implemented.

9. Legal Matters –

None.

10. **Public Comment** (Items Not on the Agenda Only. Comments limited to 3 minutes per person and taken in Order in which they appear on sign-up sheet). President Whittemore invited members of the public that were on the sign-in sheet to speak at this time. The residents that signed up were as follows:

- a. Larry and Cheri Sayers – Questions were answered during general discussion on items 6 and 8.
- b. Bill & Marilyn Hensley- Questions were answered during general discussion on items 6 and 8.
- c. Colleen Gafford- Questions were answered during general discussion on items 6 and 8.
- d. Chris Clothier- Questions were answered during general discussion on items 6 and 8.
- e. Jim Bordon- Questions were answered during general discussion on items 6 and 8.
- f. Dan Wagner – Mr. Wagner stated that his home was constructed before Pyramid was paved. Because of this and the age of the system that runs to their home, they have always experienced low water pressure. He is excited that a new water line may get relocated to the front of house, and is hopeful this will improve the water pressure. He believes his water line is currently in back of house, which is at 4710 Pyramid Mountain Road (behind Mariposa). If his water line is relocated from the back to the front will any associated costs be covered in the project cost? Director Soloyanis stated that this type of expense has already been included in the cost of the overall project. President Whittemore agreed.
- g. Judith Rayer - Questions were answered during general discussion on items 6 and 8.
- h. Diane Rossin - Questions were answered during general discussion on items 6 and 8.
- i. Rafael Cintron – No Questions.

11. Other Business

Next Meeting—September 27, 2016 at 5:30 PM
Director Spaulding reported that he will likely be late for the September meeting.

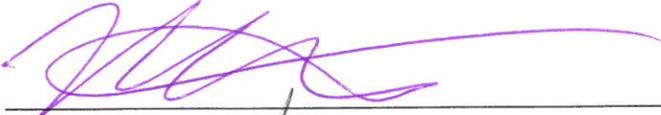
12. Adjournment

President Whittemore adjourned the meeting at 6:07 pm

Respectfully submitted,

By: 
Secretary for the Meeting

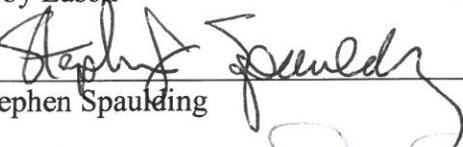
THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 26, 2016, MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:



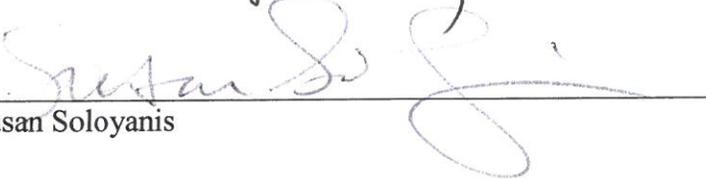
Mike Whittemore



Mike Herr

Troy Eason


Stephen Spaulding



Susan Soloyanis