

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CASCADE METROPOLITAN DISTRICT NO. 1  
HELD JULY 26, 2016 at 5:30 PM**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 26th day of July, 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:**

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 5:35 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. Mr. Walker reported that disclosures for those directors with potential or existing conflicts of interest were filed by Ms. Tanaka 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 Spaulding moved to approve the agenda as it was presented. The motion was seconded by Director Soloyanis. 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 June 28, 2016 Meeting
  - D. Approval of Payables for the Period Ending July 25, 2016 in the amount of:

|                                    |             |
|------------------------------------|-------------|
| General Fund:                      | \$42,115.52 |
| Capital Projects Fund:             | \$ 5,101.99 |
| Pyramid Mountain Review Retainer*: | \$ 3,413.80 |
| Grant Capital Projects Fund:       | \$ 0.00     |

|                           |                     |
|---------------------------|---------------------|
| <u>Debt Service Fund:</u> | <u>\$ 23,493.75</u> |
| Total                     | \$74,125.06         |

- E. Acceptance of Unaudited Financial Statements as June 30, 2016, the schedule of cash position updated as of June 30, 2016 and bank statements
- F. Approval of Requisition No. 14 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. Ratify modification of the EIAF grant application of March 30, 2016 to supplemental grant

Mr. Walker reviewed the payables for the period ending July 25, 2016, including the change in the General Fund line item from \$30,359.05 to \$42,115.52, changing the Total to \$74,125.06. Director Spaulding moved to approve all items on the Consent Agenda. The motion was seconded by Director Herr. The motion passed unanimously.

**5. Consideration of items removed from Consent Agenda**

None

**6. Management Matters**

A. CSU report update

- 1) Consider Approval of Improvement Requirements Report and Conversion to CSU System per Settlement Agreement:

Director Soloyanis discussed the status of the Improvements Requirement Report. She stated that the District and the City are extremely close to finalizing negotiations due to productive discussions including the provision of the looped systems, agreements on changing line sizes from proposed 4” lines to 6” and 8” pipe. CSU has agreed to the majority of the District’s requests. The water tank will only be used for wildfire fighting purposes if necessary. It will be empty but plumbed and attached to a non-potable water hydrant so that trucks can be refilled from the tank in the event of wildfires. Improvements consist of new water mains, moving mains into public rights of way, taking the existing water tank out of the system, making loops in the system so water pressure can be maintained, and change in ownership from curb-stop into individual properties so homeowners will be responsible for ownership and repair of meter pit, but not the meter itself. The District will be responsible for relocating the service lines in cases where that is necessary. The District will go back to ask for easements to be no wider than 30’. Value of the easement will be determined at fair market value and will be valued the same from property owner to property owner. District Counsel Jennifer Gruber Tanaka will complete the legal paperwork to memorialize the District’s requests and submit it by the deadline, then the District enters the 5-year conversion period.

Engineers anticipate it will take 6 months to have final plans, estimates, and permits. At that time the work will be bid out as a single project in hopes that one company can do the work to minimize mobilization costs, start and stop costs, and complications that could be caused by switching companies mid-project. CSU and the District hope to start in early of 2017 and complete the project in 2018. District board members want to have an open house during the next 6-month period where District board members and CSU engineers can be available, so that Cascade residents can come in and ask questions about how the project will

impact their properties. The District will work with CSU to keep residents advised of street closures and any other situations that will warrant public announcements. President Whittemore and Director Soloyanis stated they are pleased that CSU has been so cooperative with the District's needs. Director Soloyanis has asked CSU to provide a document that captures all the construction phases so the District can follow along, as with a checklist; CSU has agreed to accommodate this request. Total cost is estimated at \$4.75 million. All the bond and grant money will be spent by the time this project is completed. District board members are still looking for additional grant money. The District is still experiencing a 40% loss even though there is no leak, so the Board is anxious to make the repairs.

Mr. Kilik will look for patterns in water loss.

Director Soloyanis has drafted a newsletter and would like to include it with the September water bills.

Following a question from Mr. Borden, Director Soloyanis commented that residents will have the option to replace the water lines from their house to the CSU line during the construction phase, which could possibly improve the water quality from their internal system.

Director Soloyanis moved to accept the Improvements Requirement Report as it is currently written, subject to review by Ms. Tanaka, and to seek conversion of the system. The motion was seconded by Director Eason. The motion passed unanimously.

#### B. SDA Conference

Mr. Walker advised the Board of the upcoming Special District Association conference from September 21<sup>st</sup> to 23<sup>rd</sup> and asked if anyone is interested in attending or submitting a scholarship. The board members will consider it and will let advise Mr. Walker if they would like to attend. Mr. Walker advised the Board that some scholarships for board members to attend may still be available. President Whittemore encouraged attendance and said the District will assume any costs expended by board members as the information in the various sessions is very valuable. Director Soloyanis commented that she had attended an SDA workshop and had found the information valuable.

### 7. Operations Matters

#### A. Truck repair

Repairs have been completed but the operators need to take it back down to reinsure the warranty. The work was completed by the Transmission Clinic and final cost was just under \$2,300, which was a fair price for good repairs.

Safety equipment has been obtained and distributed to the appropriate locations.

Mr. Kilik is completing the roof demolition, and will be completed before the end of the summer. Removing debris will be challenging and time consuming, and will require 1 full dumpster which will be paid by the District. The initial estimate of \$1,000 for the wooden roof supports is likely to be lower than actual costs because the sill plate needs to be replaced. The newest estimate is \$1,200. Mr. Kilik will add a "Do Not Enter" sign. Steel roofing will be used.

A request has been made for the District to connect a new service on Aspenglow but the Operators have been unable to find the service line or the stop box. Main lines are PVC and stops are copper, so it is difficult to locate. Mr. Kilik and Mr. Schorman were in contact with the contactor who built the system. Mr. Walker stated we may have some cost exposure during this process. Mr. Walker has contacted the engineer and will continue to work to find and accommodate the service request.

Mr. Kilik registered to take the exam to obtain a C license on September 22<sup>nd</sup>. The board approved the purchase of any necessary study aids; Mr. Kilik will follow up.

**8. Financial Matters.**

**A. Mid-year Budget Update**

Mr. Walker reviewed the Budget Update with the Board. The Board stated it was a worthwhile effort to go through to catch some details. Overall, the Board felt that the report was well done and easy to understand. The District bought less, but sold more than was originally projected. The Board specified that the District is not losing money. Director Herr requested Mr. Walker to clarify the bulk water sales and asked if it could be separated out; Mr. Walker will follow up. The Board thanked Mr. Walker for being so diligent in ensuring that the budget explanation was clear to eliminate any confusion.

**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) - None

**11. Other Business**

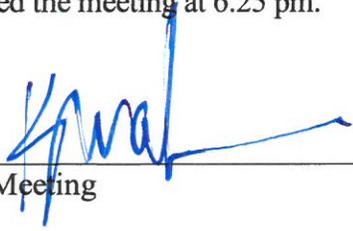
A. Next Meeting—August 23, 2016 at 5:30 PM

**12. Adjournment**

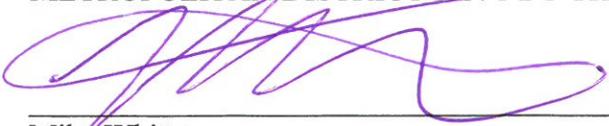
Director Spaulding moved to adjourn the meeting. The motion was seconded by Director Eason. President Whittemore adjourned the meeting at 6.25 pm.

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



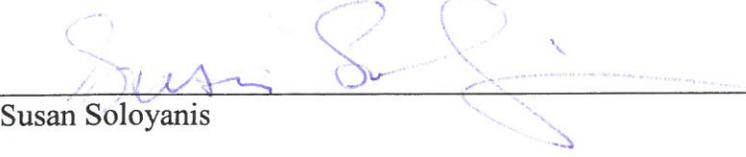
---

Troy Eason



---

Stephen Spaulding



---

Susan Soloyanis

# CASCADE METROPOLITAN DISTRICT NO. 1

## July 26, 2016

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.

| Name         | Address     | Telephone/Email | Public Comment<br>Please check if you wish to address the Board.<br>Please note comments are limited to 3 minutes. |
|--------------|-------------|-----------------|--|
| Jan Borden   | MARGUSTA CA |                 | <input type="checkbox"/>   |
| Diane Rossia | Forest Rd   |                 | <input type="checkbox"/>   |
|              |             |                 | <input type="checkbox"/>   |