

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

**HELD MARCH 22, 2016**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 22<sup>nd</sup> day of March, 2016, 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  
Stephen Spaulding  
Susan Soloyanis

**Absent Directors (excused absence)**

Mike Herr  
Troy Eason

**Also in Attendance Were:**

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

1. **Call to Order:** The meeting was called to Order by President Mike Whittemore at 5:30 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 and Excusal of Absences:** Due to time constraints, Mr. Walker recommended a change in the order of the agenda so that matters requiring full Board action be addressed before item 4. Public Comment.

Motion to approve the agenda as amended and to excuse the absences of Directors Herr and Eason was made by Director Spaulding, seconded by Director Soloyanis. Motion passed unanimously.

**(Modified Agenda order)**

**6. Consent Agenda Items:**

- a. Acknowledge Operations Report
- b. Acknowledge Manager's Report
- c. Approval of Board Meeting Minutes from February 23, 2016.
- d. of Payables for the Period Ending March 21, 2016 in the amount of
  1. General Fund: \$38,432.59 (amended)
  2. Capital Projects Fund: \$ 8,462.92 (amended)
  3. Grant Projects Fund: \$ 0.00
  4. Debt Service Fund: \$23,512.42
  5. Total \$70,407.95 (amended)
- e. Approval of Requisition No. 10 to UMB Bank, as Trustee, for payment of Working Capital Project funds from Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and 2015B.
- f. Ratify approval of Infrastructure Construction and Conveyance Agreement with Pyramid Mountain Properties, LLC, dated March 11, 2016.
- g. Ratify Waiver of Conflicts of Interest for Spencer Fane for Foreclosure Services
- h. Ratify Addendum No. 1 to System Inventory and Assessment Study

Director Spaulding commented that the mathematics on the water usage table in the Manager's report was in error. Mr. Walker will review.

Motion to approve the Consent Agenda was made by Director Spaulding. Motion was seconded by Director Soloyanis. Motion passed unanimously.

8. c. **Review Engineer's Recommendation for Adjustments in District Tap Fees and Consider Adoption of Resolution No. 2016-03-01: Concerning the Imposition of Various Fees, Rates, Penalties, and Charges for Water Services and Facilities.** - Mr. Walker reviewed the details of the recommendation. Director Soloyanis stated the tap fee is \$15,000, but there is a very detailed breakdown of how it was derived. The tap fee is the same as Metro District Two. There is an additional charge for a backflow preventer violation of \$100 per month. She also clarified that the debt service fee is applicable to all lots, unless it is undevelopable.

Motion to approve the Item 8.c was made by Director Spaulding. Motion was seconded by Director Soloyanis. Motion passed unanimously.

**4. Public Comment:**

- a. Mr. Jim Borden asked if an election was still necessary and if there would be charges associated with holding an election. Director Soloyanis explained that since there were no more nominations than positions up for election, she and Director Whittemore were deemed elected by acclamation and will be sworn into office for another term. There will be very little expenses resulting from this process due to the cancellation.
- b. Mr. Borden asked if the past leak has been repaired. Operator Kilik responded that the leak has been repaired.
- c. Mr. Borden also requested a status update on the pursuit of claims against the former auditor. Director Soloyanis responded that there is no new information to report since the Board is waiting for a response from the former auditor.
- d. Mr. Wayne Hassla, Secretary of the Cascade Park Association, made a request to include their annual 1 page letter requesting park donations in the June water bill. Mr. Walker responded that he would be happy to accommodate, and asked that the letter be delivered to Schooler & Associates no later than June 1<sup>st</sup> for inclusion in the June billing. President Whittemore took the opportunity to thank Mr. Hassla for stepping up to volunteer for the Park Association Board of Directors.

**5. Correspondence:** Nothing received.

**6. Consideration of items removed from Consent Agenda:** None.

**7. Management Matters:**

- a. CSU Report Update - Director Soloyanis provided an update regarding the submittal of Addendum No. 1 to System Inventory and Assessment Study for CSU Water System to CSU. Director Soloyanis reviewed the three options resulting from the meetings with CSU. The options are:
  - i. Rehabbing the current tank where it is currently located (approximately \$400k)
  - ii. Replacing tank in a better location to help with fire flow (approximately \$1.5M due to new lines that would be necessary)
  - iii. Tie into auxiliary line that CSU has that is very close to Aspen Glow (approximately \$300k for everything) due to work on both systems.

Director Soloyanis stated that the 3<sup>rd</sup> alternative was chosen and submitted in a letter to CSU. CSU has 45 days to respond. President Whittemore asked if CSU assessed their storage capability. Director Soloyanis advised they did and it is adequate. Operator Schorman asked about the size of the 2<sup>nd</sup> line and where it is located. Director Soloyanis and President Whittemore clarified that it is a 6 inch line and will connect from Aspenglw Lane across the ridge to where Mountain Road connects to Kulsa Road.

- b. Update on progress toward backflow installations. Discussion and Consideration of fees and charges for noncompliance. Mr. Walker provided an update noting that there are a total of 25 accounts requiring the backflow preventers. Two owners have stated their properties are in foreclosure proceedings so they will not pay any additional charges. Mr. Walker will provide the names and addresses of the two homeowners mentioned above. Mr. Walker removed one property from the list since it is not a commercial property. Three of the accounts were in compliance and testing had been received. Two accounts

had not been in any contact. The remainder had been granted additional time to comply. For those that exceeded the time frame or had not been in contact, a letter will be sent to them stating that a new fee would be applied to their account if they were not in compliance.

President Whittemore commented that the correspondence on late payments indicated some significant late payments. Mr. Whittemore inquired into how many accounts were over \$1,000. Mr. Walker acknowledged that collections had not been aggressively pursued and that coordination with the attorneys had taken place and an emphasis on this would occur in the next 30 days. Mr. Walker reported that due to the billing issues with Schooler, he gave accounts a grace period for payment. He noted that there are 9 delinquent accounts and 5 have responded to letters. Ms. Tanaka noted that the collections policy needs to be followed and the best way to catch people's attention is to shut off the services and to follow the shut off policy.

- c. Discuss Water Tank Insurance Claim. Mr. Walker reported that he located the claim from the 2002 fire incident but there was no claim submitted for the Water Tank. He was advised by the insurance company the claim deadline has expired. The Board acknowledged the expired deadline and advised Mr. Walker not to pursue it further.
- d. Update on District's Request for Additional DOLA Grant Funds. Director Soloyanis stated that the DOLA grants are based on mineral extraction fees. The State is not getting the same revenue as before due to the declining prices for minerals so the District may not be approved for the same amount as was previously awarded, but any amount will help. GMS is going to submit an application again as soon as possible.

Director Soloyanis moved to authorize President Whittemore to sign the DOLA grant application upon its completion and to authorize GMS to submit the application by the April 1<sup>st</sup> deadline. Director Spaulding seconded the motion. The motion passed unanimously.

- e. Update on Engagement of Operator for Backup On-Call Services: Mr. Walker has reached out to three companies. Two companies have been slow to respond; the third company has requested clarification on the contract. Communications are on-going. Mr. Walker took the opportunity to commend Operator Kilik and Operator Schorman for their diligence and efforts in adapting to the new hourly reporting. The Board supported the need to move forward in implementing shut-off procedures. They reminded the Operators they may not accept payments when a citizen attempts to submit it to them. Mr. Walker will add a reminder to the water bills advising citizens they MUST submit their payments to the District by mail or on-line.

## **8. Operations Matters**

- a. Operator Kilik reported that he is getting a new computer which will help with his communications and preparation of the operator's report.

- b. Operator Kilik reported there was a main break on a 2" main and it has since been repaired.
- c. Operators Kilik and Schorman reported they will be working to begin uncovering valves. Director Soloyanis asked if these valves were going to be worked on during the CSU project in an effort to determine if this would be duplicated work. Mr. Schorman advised they are not in the same area and will not be included in the CSU scope of work. They will need more risers and rings; no backhoe will be necessary. The Board advised them to acquire the supplies they need to ensure operations of the system
- d. President Whittemore asked if the B&B has a shared line. Mr. Walker advised him that it is and that he informed Kevin Hunt (owner) that it needs to be removed from the shared line to be compliant with CSU's regulations since it is split into two properties.
- e. Mr. Kilik described a small leak on Mesa. The new system will include a main that will be a closed loop.

**9. Financial Matters:** Nothing to report.

**10. Legal Matters:**

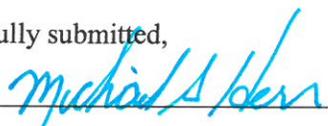
- a. Update on May 3, 2016 Director Election. This was addressed during the public comment section.

**11. Other Business** – Next meeting date is scheduled on April 26, 2016 at 5:30 p.m.

**12. Adjournment:** Director Spaulding moved to adjourn the meeting. The motion was seconded by Director Soloyanis. Motion passed unanimously. The Meeting Adjourned at 6:16 pm.

Respectfully submitted,

By: \_\_\_\_\_

  
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH 22, 2016, MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
602 Mike Whittemore

*Mike Herr*

Mike Herr

Troy Eason

*Stephen Spaulding*

Stephen Spaulding

Susan Soloyanis

*Susan Soloyanis*

# CASCADE METROPOLITAN DISTRICT NO. 1

## March 22, 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 Please check if you wish to address the Board. Please note comments are limited to 3 minutes.
Jim Bucher	MANASSAS VA 8220 ANEMONE HILL	281 3007258	<input checked="" type="checkbox"/>
WAYNE HASLE	CASCADIA, CO	JOHN WAY H@SBCGLOBAL.NET	<input checked="" type="checkbox"/>
Ben Ludow	4670 Columbus Ln	714 232 7893	<input type="checkbox"/>
Rachel Ludow	"	"	<input type="checkbox"/>
			<input type="checkbox"/>