

CHEROKEE METROPOLITAN DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS

November 13, 2007

MINUTES

The Regular Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, November 13, 2007, at 5:30 p.m. at 6250 Palmer Park Blvd., Colorado Springs, Colorado.

BOARD OF DIRECTORS PRESENT

Ted Schubert	Dave Hacker
Andy Anderson	Robert Lovato
Gayle Jones	

OTHERS PRESENT

Kip Petersen	Ed Meyer
Dian Hardekopf	Len Meyer
Art Sintas	Sandy DeCarolis
Jim Felt	Griff Rainford
Sara Howard	
Todd Laxson	

OTHER GUESTS SIGNING ATTENDANCE LOG

Michael Rasdall	Pastor John Fuller
Barney Hammond	Ramona Fricosu
Mary Hernandez	Terry Shaw
Jim and Judy Burnside	Debra Greer
Chloe Olson	Jan Olson

ITEM 1:

The meeting was called to order by Chairman Ted Schubert at 5:30 p.m.

Ms. Hardekopf called roll call of the Board of Directors. All were present.

ITEMS 2 AND 3:

Mr. Schubert asked if there were any changes or amendments that needed to be made to the agenda. There were none noted.

*****MOTION*****

MS. JONES MADE A MOTION TO APPROVE, AS WRITTEN, THE AGENDA OF NOVEMBER 13, 2007. SECONDED BY MR. HACKER. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

ITEM 4:

The Minutes of the Regular Meeting of October 9, 2007, were reviewed. No changes were noted.

*****MOTION*****

MR. HACKER MADE A MOTION TO APPROVE, AS WRITTEN, THE MINUTES OF THE REGULAR MEETING OF OCTOBER 9, 2007. SECONDED BY MS. JONES. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

ITEM 5:

⇒ Public Comments

Mr. Schubert asked for a show of hands from the audience who wished to speak, and there were no comments or questions by the public.

ITEM 6:

⇒ Treasurer's Report

The financial highlights (attached) were provided for the Board's review. There was no discussion.

ITEM 7:

⇒ Legal Report – Mr. Jim Felt

- Mr. Felt first wanted to inform the Board and those in attendance that the District was able to obtain a contract to the Goss family water rights in the Upper Black Squirrel Basin. Because of the legal nature of the Goss contract, it was the consensus of the Board to discuss Agenda Item #14 at this time rather than later in the meeting.

The Goss water rights already have a current export permit from the Colorado Groundwater Commission. Mr. Felt assured the Board the District will make sure the export permit is valid and determine if there is a pumping capacity of 420 acre feet from the three wells. One advantage for the District is the water is ready to be pumped and exported, and a 30-day pump test will be initiated to determine the endurance of the rotation of the wells. By the end of December, the District will know if it can move forward with this contract. Obtaining these water rights will allow the District to fulfill additional water commitments, the first one being to Pastor John Fuller, Harbor Lights Church.

Mr. Anderson raised concerns about the \$30,000 expenditure to conduct the due diligence and also the \$100,000 cost to connect the system to the District's existing wells. Mr. Felt believed 30 days would be sufficient time to conduct a diligence pump test. He added that the developers would be covering the costs.

Mr. Schubert wanted to know what repercussions the District would face should the developer's money fall through and not purchase the Goss water. Mr. Felt assured Mr. Schubert the District had firm commitments for purchase and, if necessary, the District could also purchase the water.

Further discussion ensued concerning the potential call on senior water right vs. junior water right law. Mr. Felt said he would take a serious look into this matter. Mr. Felt stated the District needed to execute the contract to initiate the due diligence, so the contract needs to be approved. Ms. Debra Greer added that she wanted it on the record that another individual, Antonio Colon, is another applicant for receipt of the water commitment in discussion.

Because of past associations between the District and the Goss family, Mr. Schubert raised some concerns with regard to a long term unfavorable relationship. Mr. Felt stressed the District needed to separate the personal animosity from the Goss family and consider the water needs of the District and its customers.

*****MOTION*****

MS. JONES MADE A MOTION TO SUPPORT THE CONTRACT OF THE GOSS WATER PURCHASE. SECONDED BY MR. HACKER. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, MR. HACKER-YES; MR. LOVATO-YES; MR. ANDERSON-YES; MS. JONES-YES, AND MR. SCHUBERT-NO. MOTION CARRIED (4-1).

- Mr. Felt stated that there would be a meeting held in Denver with URS, Willem Schreuder, Wayne Schroeder, Curt Wells, Ed Meyer,

and CMD staff to further and complete the response to the State Office on the Recharge Plan.

- In regards to the status of the application for quantification of the Denver Basin ground water, Mr. Felt advised the Board that a trial, with a hearing officer, is scheduled for April 8, 9, and 11, 2008.
- The District has filed the application for export for the Gunzelman (Poleson) well and has asked the Upper Black Squirrel Management District for its support in this application.

ITEM 8:

⇒ Engineering Report – Ed Meyer

- Mr. Meyer provided a report on the wastewater project and related issues (see attached). As completion of the earthwork associated with the recharge facility has progressed, a shortage of dirt has arisen. Both the contractor and the subcontractor have accepted a portion of the cost of resolving this issue; Change Order No. 2 for \$25,000 has been negotiated with them to address the added borrow activity and placement of fill. In addition, 30 calendar days are being added to the contract period to accommodate the length of time required to complete the overall site work. GMS recommends approval of the change order in that amount.

*****MOTION*****

MR. LOVATO MADE A MOTION TO APPROVE CHANGE ORDER NO. 2 TO VELOCITY CONSTRUCTORS TO INCREASE THE CONTRACT AMOUNT BY \$25,000. SECONDED BY MS. JONES. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- Velocity Constructors' Pay Request No. 7 has been received and is effective through October 26, 2007. With retainage at 5%, the net amount due the contractor is \$68,114.87. GMS recommends approval of the pay request in that amount.

*****MOTION*****

MS. JONES MADE A MOTION TO APPROVE PAY REQUEST NO. 7 TO VELOCITY CONSTRUCTORS' IN THE AMOUNT OF \$68,114.87. SECONDED BY MR. HACKER. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- The skid-mounted unit for the Golf Course Irrigation Well Project was scheduled for delivery on November 13. Hume Constructors, Inc. has completed a substantial amount of the work on the project including installation of the new well. They have submitted their first pay request. With retainage at 5%, the net amount due the Contractor is \$126,290.05. GMS recommends approval of the pay request in that amount.

*****MOTION*****

MS. JONES MADE A MOTION TO APPROVE PAY REQUEST NO. 1 TO HUME CONSTRUCTORS, INC., IN THE AMOUNT OF \$126,290.05. SECONDED BY MR. HACKER. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- Two building permits are required by Regional Building in order to finalize the Golf Course Well Project, and one has been held up with the Colorado Springs Development Services. GMS hopes to have the issue resolved in the very near future with a projected completion date in March, 2008.
- Mr. Meyer provided an allocation of Costs on October's Contractor Draw Request for the Board's review (see attached).

ITEM 9:

⇒ Manager's Report – Kip Petersen

- Mr. Petersen informed the Board the District tour, scheduled for the morning of November 17th, 2007, is almost full with only about ten seats left. The office is taking reservations until Friday, November 16. He has, however, received a letter from a concerned customer addressing issues of vulnerability and terrorism, as a result of the tour, which may expose vulnerabilities in the District's security measures.
- Mr. Petersen provided for the Board (see attached) a well put-together and positive article referring to the Cherokee Metropolitan District in *The Colorado Springs Business Journal*.
- Mr. Petersen reported that a revision of the Water Conservation Plan was completed by Art, Dian, and Himself and was resubmitted to the State. Mr. Petersen contacted Mr. Keith McLaughlin in hopes of helping to expedite the approval of the plan.

- The surveying is continuing on Mr. Whatcott's property versus the District's open space property. Once this is completed, the District will be able to go in and remove any improvements that were placed on the property, without District's approval.
- The Lower Fountain Water Quality Management Association has invited the Board to attend its annual Christmas party to be held December 20th at the Patty Jewitt Golf Course. All Board members are invited to attend. Mr. Petersen will need to know soon who would like to go so that he may get the total to Cindy at the Fountain Sanitation District.

At this time, Mr. Schubert asked for a short break. The meeting recessed at 6:36 p.m.

The regular meeting resumed at 6:50 p.m.

ITEM 10:

⇒ Water/Wastewater Report – Art Sintas

- Mr. Sintas provided an update on the District's water demands (see attached). Demands for October this year were 2.794 mgd compared to the same time last year of 1.77 mgd. The remaining capacity for the Pikes Peak Wells is 64 acre feet, mainly in part to Well #10 and #11 being repaired. The Tipton Wells has produced 205 acre feet from the 225 available and will be turned off Sunday, November 18, 2007. The Guthrie Well has produced its maximum 185 acre feet and has been turned off. Mr. Sintas reminded the Board that the Guthrie water was leased for the 2007 year. CMD may look into leasing the water for 2008 if it is available.
- There have not been any more water violations issued since the last board meeting, and the total sod permits sold for this year were 321.

ITEM 11:

⇒ Golf Course, Pro Shop – Todd Laxson

- Mr. Laxson provided the attached update on October, 2007, activities, stating there were only three days in October, compared to ten days in October, 2006, where the Golf Course was closed because of winter weather.

- In October, 2007, 4127 rounds of golf were played compared to 2,784 in October, 2006. Grill sales are \$2,934.26 ahead of this time last year.
- The Golf Course is proposing its second phase fee increase to commence in 2008. The increase entails .50 cents on weekend green fees from May 1st through October 31st, and the new rate will be \$14.00 per nine holes, per person. This phase will also include a .50 cent increase for Par 3 green fees. The Junior/Senior green fee will go \$7 from \$6.50, and the Regular Par 3 green fee will go to \$9.00 from \$8.50. There will be slight increase to the driving range ball prices as well as grill prices.
- The main change for 2008 will be the elimination of the Golf Course's 30-round punch card for the regulation course. Prices and discounts are still being discussed but will be finalized and ready for review at the December Board Meeting.
- Mr. Hacker commended Mr. Laxson on the change in management at the Grill, stating he had recently eaten there on a couple occasions and the food was very good.

Maintenance – Griff Rainford

- Mr. Rainford updated the Board on the September maintenance of the Golf Course (see attached). The pond on the course has been drained and some of the fish have been removed. Mowing has been reduced to twice a week, and leaf removal is continuous. Mr. Rainford and staff worked with the contractors to protect the course during the well project.
- November will bring an end to the seasonal help and the irrigation system will be decommissioned. Winter service will be performed on all carts and equipment in the oncoming months.

ITEM 12:

⇒ Budget Hearing – 2008 Budget

*****MOTION*****

MR. HACKER MADE A MOTION TO OPEN ITEM NO. 12, BUDGET HEARING, TO A PUBLIC HEARING. SECONDED BY MS. JONES. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- Mr. Schubert advised the meeting was now a Public Hearing. Mr. Petersen advised this was the first of two hearings. The other public hearing will be held in December. Mr. Petersen introduced Ms. DeCarolis who reviewed the 2008 Budget, second draft, page by page, with the Board (see attached).
- There are two changes proposed for 2008, which will affect customers' bills; an increase in a street light fee from the current \$1.00/month to \$1.08/month, and an increase in the last tier of the District's water rate; the increase will affect those customers that use over 35 units of water per month. With the Board's approval, the rate will increase from \$3.31 per unit to \$4.31 per unit.

*****MOTION*****

MR. HACKER MADE A MOTION TO CLOSE THE PUBLIC HEARING AND RETURN TO THE REGULAR MEETING. SECONDED BY MS. JONES. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

ITEM 13: Old Business

⇒ Old Business

- There was no old business to report.

ITEM 14: New Business

- Ms. DeCarolis highlighted on the District's Christmas Party to be held on December 21, 2007, at 6:30 p.m. at Giuseppe's Restaurant.

ITEM 15:

⇒ Executive Session: CRS 24-6-402(4)(b)

*****MOTION*****

MR. HACKER MADE A MOTION TO ENTER INTO AN EXECUTIVE SESSION CITING 24-6-402(4)(b) LEGAL CONSULTATION. SECONDED BY MS. JONES. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

Executive Session was entered into at 8:46. p.m.

*****MOTION*****

MR. HACKER MADE A MOTION TO COME OUT OF EXECUTIVE SESSION AND RETURN THE MEETING TO THE OPEN SESSION OF THE REGULAR MEETING. SECONDED BY MS. JONES. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

The Regular Session began at 9:11 p.m.

ITEM 16:

⇒ Adjournment

There being no further business to come before the Board at this time, a motion was made for adjournment.

The Meeting adjourned at 9:12 p.m.

Gayle Jones, Treasurer

Board Members

Term Expires

Ted Schubert, President
Andy Anderson, Vice President
Gayle Jones, Secretary
Dave Hacker, Director
Robert Lovato, Director

May, 2010
May, 2010
May, 2010
May, 2008
May, 2008