

CHEROKEE METROPOLITAN DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS

February 13, 2007

MINUTES

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

BOARD OF DIRECTORS PRESENT

Andy Anderson	Gayle Jones
Dave Hacker	Robert Lovato

OTHERS PRESENT

Kip Petersen	Assunta Manning, Resident
Art Sintas	Jeff Bunyea, Resident
Dian Hardekopf	Chloe (Jane) Olson, Resident
Jim Culichia	Carl Raymond, Resident
Sandy DeCarolis	Mary Hernandez, Resident
Sara Howard	Jan Cederbery, Resident
Bill Beahan	Robert Helton, Cimarron Hills
Jon Maroon	Fire Department

ITEM 1:

The meeting was called to order by Vice President Andy Anderson at 5:30 p.m.

Ms. Hardekopf called roll call of the Board of Directors. All Directors were present with the exception of Ted Schubert.

*****MOTION*****

MS. JONES MADE A MOTION TO EXCUSE TED SCHUBERT FROM THE EVENING'S MEETING. SECONDED BY MR. HACKER. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (4-0).

ITEM 2:

Mr. Anderson asked the members of the Board if there were any changes or amendments that needed to be made to the Meeting's Agenda for February 13, 2007. A question was raised as to whether or not the Agenda required two insertions for public comments or if one insertion for public comments towards the end of the Agenda would suffice. It was brought to the attention of the Board that a motion was made for an additional insertion for public comments in May, 2006, and to allow at this meeting, two opportunities for the public to comment.

Mr. Anderson motioned to remove and discontinue public comments at the beginning of the meeting's Agenda. Ms. Jones suggested that a full Board should discuss this removal. Mr. Anderson withdrew his motion.

ITEM 3:

The Agenda of the Board Meeting of February 13, 2007, was reviewed.

*****MOTION*****

MS. JONES MADE A MOTION TO APPROVE AND ACCEPT THE AGENDA OF THE REGULAR MEETING OF FEBRUARY 13, 2007, AS WRITTEN. SECONDED BY MR. HACKER. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (4-0).

ITEM 4:

The Minutes of the Regular Meeting of January 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 JANUARY 9, 2007. SECONDED BY MR. LOVATO. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (4-0).

ITEM 5:

⇒ Public Comments

- Public comments for items not on the agenda were invited. Mr. Anderson requested a show of hands, and four interested citizens were asked to address the Board for a maximum time of two minutes after Mr. Petersen introduced them to the Board.
- Assunta Manning commented on all the new development in the District and mentioned the newly defined restrictions which are

to be enforced commencing April, 2007. Mr. Anderson responded by stating any new developers are now required to furnish their own water and asked Mr. Culichia to provide a brief synopsis of the history of the District from the timeframe of the District losing water rights from the UBSMD to the present time. Mr. Anderson also stated that this has been discussed extensively in every Board Meeting for the past several months and a Water Conservation Committee recently formed should be encouraged to address some of these public concerns regarding water restrictions.

- Jon Maroon asked the Board for everyone (staff and Board included) to have name plates at the meetings so the audience would know who they were.

Although there was initially a show of four hands, only two citizens raised comments; and there were no further comments or questions by the public.

ITEM 6:

⇒ Treasurer's Report

- Ms. DeCarolis presented, and generalized, for the Board the District's Financial Highlights ending January 31, 2007. It was suggested by the District's auditor, Mr. Jim Giblin, to start showing the Board the percentage of budget year passed, which is currently 8.33%.

ITEM 7:

⇒ Legal Report – Mr. Jim Culichia Discussion on Pending Legal Matters

- Mr. Culichia apprised the Board of the development of the Tipton Wells, stating that the remaining 37 acre feet of water was contractually obtained Monday, February 6, 2007. The construction of pipeline to pump water from the Tipton Wells will cost developers approximately \$442,000, and Mr. Sintas hopes to have the pipeline on line by summer, 2007. The Tipton Wells should produce 700 gallons per minute, and although the acre feet of water is limited to 221, it will take most of that to supplement the District for summer irrigation.
- Another ongoing project for the District is the acquirement of water for Golf Course irrigation. The District has hired a new hydrological engineer, Scott Mefford, to perform the calculations to place five wells on the Course. It is not the intent of the District to obtain water from the Denver Basin at this time. Projected cost of this project is \$200,000, and it is hoped the Golf Course can derive 150

acre feet from these wells to cover most of the Golf Course irrigation demands. Mr. Petersen explained to the public that the District is trying to accomplish watering of the golf course with non-potable water and have more water available for our residential customers.

ITEM 8:

⇒ Engineer Report – Ed Meyer

There was no report required at this time.

Although there was no Manager's Report at this time, Mr. Petersen, having recently returned from an absence, wanted to thank the Board, the Staff and Management for the support he received during, and while he is recuperating.

ITEM 9:

⇒ Water/Wastewater Report – Art Sintas

As this time of year is commonly noted as the water leak season, Mr. Sintas advised the Board of five major water leaks which have occurred within the District since the first of the year, there have been 15 total since the beginning of the water leak season. Art also reported that there was a sewer backup on January 27th that was quite serious in nature and was located on Peterson Road, the blockage was caused by roots growing in the sewer line. Mr. Sintas stated that the insurance would be covering the costs.

Consider Approval On Increases for:

Credit Card Convenience Rate Charge

- Referring to his memo (attached), Mr. Sintas requested the Board to consider an increase on the credit card convenience fee from the current \$1.00 to a \$2.00 over-the-phone transaction fee. This request is based on the high influx of credit card transactions now experienced at the front desk, a cost comparison of other utility companies charging similar convenience fees, and the need to offset the high costs of fees placed upon the District to utilize this feature. Considerable discussion as to changing the convenience fee entailed.

*****MOTION*****

MR. HACKER MADE A MOTION TO INCREASE THE OVER-THE-PHONE CREDIT CARD CONVENIENCE FEE FROM \$1.00 TO \$2.50 EFFECTIVE

IMMEDIATELY. SECONDED BY MS. JONES. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (4-0).

Sod Permit Rate Charge

It was Mr. Sintas' recommendation to the Board that the cost of sod permits remain unchanged from last year and those customers requiring sod and seed permits for newly landscaped yards are charged \$50. In his memo, he also reflected a change from last month's meeting to show that no sod permits would be issued in Stages 3 and 4; however, sod permits would be allowed in Stage 1 regardless of the time of year.

Water Restriction Violation Rate Change
2007 Water Restrictions as Adopted by the Board

Again, Mr. Sintas' desire was to have the water violation penalties to remain the same as last year, which are as follows:

- 1st Violation – Written Warning
- 2nd Violation - \$50.00 Penalty
- 3rd Violation - \$100.00 Penalty
- 4th Violation - \$350.00 Penalty
- 5th Violation - \$600.00 Penalty

Subsequent violations will be increased \$250.00 for each occurrence.

He also briefed the Board on additional changes regarding water restrictions as outlined in his memo.

Mr. Beahan interjected his request to the Board that an additional water stage should be included in the District's plan, that being a state of emergency stage whereby no outside watering, shrub watering, or vehicle washing would be allowed. It was determined and brought to Mr. Beahan's attention that a stage for that already exists and is considered Stage 4.

A question was raised from the audience whether or not the District could obtain water from the City of Colorado Springs, if the District was placed in a Stage 4 emergency for the purpose of fire fighting. Mr. Petersen explained that getting water from the City may be a possibility in an emergency and if it is for the safety of our community would not be a problem. Mr. Petersen requested from the Board that the General Manager could declare a Stage 4 emergency if needed.

*****MOTION*****

MS. JONES MADE A MOTION TO GIVE PERMISSION, AND AUTHORIZE THE GENERAL MANAGER TO, AT ANY GIVEN TIME DEEMED NECESSARY, DECLARE AN EMERGENCY AND IMPLEMENT STAGE 4 FOR THE DISTRICT. SECONDED BY MR. HACKER. NO FURTHER DISCUSSION ENTAILED. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (4-0).

ITEM 10:

⇒ Golf Course
Pro-Shop – Todd Laxson
Maintenance – Griff Rainford

- Memos from Mr. Laxson and Mr. Rainford regarding the Pro-Shop and Maintenance for the Golf Course were reviewed. There were no questions or comments at this time.

ITEM 11: Executive Session: CRS 24-6-402(4)(b)

Mr. Petersen requested this item be placed at the end of the Board Meeting to allow those in attendance who wished to leave the meeting the opportunity to do so after Public Comments.

ITEM 12:

⇒ Old Business

There was no old business to report at this time.

ITEM 13:

⇒ New Business

There was no new business to report at this time.

ITEM 14: Public Comments

Public Comments were encouraged at this time, and because Vice President had to call the meeting to order several times during the course of the evening's meeting, he reiterated this was not a time for debate and arguing.

A resident from the audience raised the question as to what would happen if the District enforced a more strict watering stage immediately after his sod permit expired from laying new sod. Mr. Petersen stated that it is a risk the homeowner will take, and the decision to lay sod is solely placed on the homeowner. Since there were multiple questions addressed at the same time from several in

the audience concerning water conservation and the District's desire to earn revenue, Mr. Petersen stated he would be happy to discuss customers' concerns outside of the Board Meeting.

Jane Olson asked if there was any outcome in the UBSWMD requesting water from 1998, and she was told no.

One customer asked if the District had heard a story whereby a customer was considering suing the District because they couldn't sell their home, and they were told no.

Mr. Anderson thanked the public for their comments and asked for a five-minute break at 6:43 p.m. before reconvening the meeting to go into an executive session.

Mr. Beahan asked that the Board read the statutes and rules of an Executive Session and to cite the statute before entering into an Executive Session.

The Regular Meeting reconvened at 6:49 p.m.

ITEM 11:

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

*****MOTION*****

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

Executive Session was entered into at 6:50 p.m.

*****MOTION*****

MR. HACKER MADE A MOTION TO COME OUT OF EXECUTIVE SESSION AND RETURN TO THE REGULAR BOARD MEETING SESSION. SECONDED BY MS. JONES. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (4-0).

The regular session reconvened at 7:28 p.m.

There were no items to approve or review from the Executive Session. Ms. Hardekopf reminded the Board of the scheduled special meeting on February 20, 2007 at 5:30 p.m. to review and award the bids for the Recharge Facility, 24" Interceptor Sewer and the 20" Nonpotable Water Main.

ITEM 15:

⇒ Adjournment

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

The Meeting adjourned at 7:30 p.m.

Gayle Jones, Treasurer

Board Members

Term Expires

Ted Schubert, President

May, 2010

Andy Anderson, Vice President

May, 2010

Gayle Jones, Secretary

May, 2010

Dave Hacker, Director

May, 2008

Robert Lovato, Director

May, 2008