

CHEROKEE METROPOLITAN DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS

March 27, 2007

MINUTES

The Special Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, March 27, 2007 at 5:30 P.M. at 6250 Palmer Park Blvd., Colorado Springs, Colorado.

BOARD OF DIRECTORS PRESENT

Ted Schubert	Gayle Jones
David Hacker	Robert Lovato

OTHERS PRESENT

Kip Petersen	Dian Hardekopf
Art Sintas	Steve Moorhead
Doug Shane	Heath Herber
Danny Mientka	Steve Hammers
Mary Hernandez	Avigerya Kormiyenko
Anna Seder	Robert Haueizt
Ryan Mayfield	Debi Mayfield
Assunta Manning	

ITEM 1:

The meeting was called to order by President Schubert at 5:30 P.M. Ms. Hardekopf called roll call of the Board of Directors, all Directors were present with the exception of Mr. Anderson. Mr. Hacker asked that Mr. Anderson be excused from the March 27, 2007 Special Meeting.

ITEMS 2 & 3:

Mr. Schubert asked if there were any changes or amendments to be made to the March 27th Special Meeting Agenda. There were none given.

*****MOTION*****

MS. JONES MADE A MOTION TO ACCEPT THE SPECIAL MEETING AGENDA FOR MARCH 27, 2007 AS WRITTEN. SECONDED BY MR. HACKER. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. (4-0).

ITEM 4:

Public Comments:

Mr. Schubert asked for any public comments that were not on the agenda. There were none at this time.

ITEM 5:

Public Relations Development:

Mr. Petersen gave an overview of why the meeting was scheduled and appreciated the Board for setting a special meeting to discuss the Public Relations aspect for Cherokee. Mr. Petersen explained that Mr. Herber, Mr. Moorhead and he have been meeting for almost a year on establishing a way to communicate and educate to our customers and the community as a whole the importance of water conservation, ongoing projects and the water issues that Cherokee is experiencing. Mr. Petersen explained that Cherokee needs to do something about the negative publicity that has resulted from Judge Maes' decision on the stipulation back in March of 2006. The articles from the Gazette and negative comments from the public have caused many problems for the District's existing customers and the developers and that Cherokee seems to always be reactive instead of proactive. Mr. Petersen stated that the proposal given to the Board (see attached) deals with education and communication steps relating to the public to help preserve property values as well as new home sales and to get accurate information out to the community. The public needs to understand that this water issue was not caused by the new development; it was the loss of the use of 8 wells that served the District's water needs. There are two phases within the proposal; public education and public relations

At this time, Mr. Petersen introduced Mr. Steve Moorhead and Mr. Doug Shane, who has put together the proposal brought before the Board. Also, Mr. Heath Herber, Mr. Steve Hammers, and Mr. Danny Mientka who all have been largely involved in the purchase of 'new' water for their developments but will be used by the existing customers in the interim while their developments are progressing.

Mr. Herber stated that the Board should consider the fact that the developers present have provided new water for the Districts use and that they will also be development their subdivisions to "use water wisely". They will be developing their areas to allow for xeriscaping landscape. Mr. Herber stated that

the District needs to show usage curves on the differences with water consumption on xeriscaped yards versus grassed area yards.

Mr. Mientka reiterated the fact that the developers are helping in the interim with the purchase of the new water. Cherokee Metropolitan District must stop the misunderstanding of the water issue, the statements being made that "Cherokee has no water" and to let everyone know that the Cherokee Metropolitan District is a good place to live. This will not only help with the new development but also keep the existing customer's property value at the level they need. Mr. Mientka stated that Cherokee must work to change the mind set of the public to maintain the value of this District.

Mr. Hammers added that his development, the Claremont Business Park, has worked long hours with Cherokee to continue their commercial development and also purchased new water for the District. The Claremont Business Park developed their area with xeriscape plans and with such has saved roughly 19 acre feet that would have normally been used yearly. Mr. Hammers stated that with the right education, the public can learn about techniques for good water conservation.

Mr. Moorhead talked about a new group that he is involved with, "Partners for Responsible Water Use". This group includes individuals as homeowners, builders, developers, landscape contractors, lenders, El Paso County representatives, appraisers and other service providers. The group will attempt to change the mind set of the public with more "responsible water use". Mr. Moorhead explains that the future is water conservation and if we don't start now, the precious resource will be gone. Mr. Hacker added that we are just the first of many Districts to follow that will be implementing water conservation and responsible water use.

At this time, Mr. Moorhead reviewed and explained the proposal presented, section by section explaining his company name, which stands for "C4 Project Development"; Community, Consciousness, Communication, and Collaboration. Mr. Lovato stated that he did not see any items to communicate the new WWTF and the recharge facility which should be included for public education. All agreed that this needed to be part of the Public Relations information. At this time, the Board reviewed the cost of the total project and the concerns that it may be too much. Ms. Jones stated that Cherokee should look at using this money to purchase more water rights and take a more in depth look at cutting the costs for the public relations. Both Mr. Hacker and Mr. Lovato felt good about the proposal presented and thought that the Board needed to move on approving the plan. Mr. Schubert felt that more review was needed and that with Mr. Anderson being absent that the Board should wait until all members were present to discuss further and motion on the proposal. Mr. Moorhead stated that Mr. Shane and he could create a formal contract that could be stopped at anytime with a 30 day notice. Mr. Petersen stated that Cherokee could apply for grant money to help with the costs. More discussion ensued on accepting the proposal or holding off until the next regular Board meeting. Mr. Petersen stated that he would have a conference call with Mr. Anderson and Mr. Moorhead and present the same information to him that the rest

of the Board heard at the meeting. Ms. Anna Seder, CSU Water Conservation Specialist, stated that with her experience from CSU that it is better to do it right and not fast and feels that Cherokee should wait and think things through. Ms. Seder stated that she would be willing to help Cherokee and that Cherokee could learn from CSU's mistakes.

ITEM 6:

Public Comments:

Mr. Schubert asked if there were any public comments at this time. Ms. Manning stated that getting the information out to the customers is important as long as it's the truth. She stated that the Board needs to do something. Ms. Hernandez asked that the Board allow the public to speak and to not cut them off as in previous meetings. She stated the public that has attending in the past has been very upset about the way they have been treated with the limitation of the time that they can speak. The perception is not a good one.

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

The Meeting adjourned at 7:18 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