

# RECORD OF PROCEEDINGS

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**MINUTES OF A REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
CHEROKEE METROPOLITAN DISTRICT  
HELD  
January 9, 2018**

A Regular Board of Directors' Meeting of the Cherokee Metropolitan District was held on January 9, 2018, at 3:00 p.m. at the District offices located at 6250 Palmer Park Boulevard, Colorado Springs, CO. The meeting was open to the public.

**ATTENDANCE:**

In attendance were Directors:

Jan Cederberg; President  
Dave Mattes; Vice-President  
Melody Helton; Secretary  
Larry Keleher; Director  
David Hacker; Director

Also in attendance were:

Kurt Schlegel; General Manager  
Cathy Fromm; Chief Financial Officer  
Kathryn Sellars; General Counsel  
Peter Johnson; PC Johnson Attorney at Law, LLC (via telephone)  
Will Koger; Forsgren Associates, Inc.  
Al Watson; Development Services, Inc.  
Roger Sams; GMS, Inc.  
Gary Barber  
Jonathon Smith; CMD Staff  
Brian Beaudette; CMD Staff  
Doug Schwenke  
Dan Farmer  
Assunta Manning  
Roger Stolz  
Keith Koski  
Chloe Brown  
Parker Scheffield  
Patti Teall

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**CALL TO ORDER:**

Mr. Schlegel conducted a roll call of Officers and President Cederberg, noting that a quorum of the Board was present, called the meeting to order at 3:02 p.m. Director Cederberg led those in attendance in the Pledge of Allegiance.

**CONFLICTS &  
DISCLOSURE  
STATEMENTS:**

Mr. Schlegel stated that the required Conflict Disclosure Statements have been filed with the Colorado Secretary of State. No additional or unreported conflicts or disclosures were noted by any of the Directors.

**AGENDA:**

Director Helton moved that the Board amend the agenda by adding a second item, regarding water rights negotiations, to the Executive Session. Upon a second by Director Keleher, a vote was taken and the motion carried unanimously. Director Helton then moved that the Board approve the agenda as amended. Upon a second by Director Hacker, a vote was taken and the motion carried unanimously.

**CONSENT AGENDA:**

The Consent Agenda consists of matters that occur in the normal course of business, and are approved with one motion and vote. Regarding the meeting minutes for the Board's December business meeting, Director Keleher made note of the fact that he also disagreed with the contracting of landscaping services for the District's Parks and Open Space areas (page #3). Mr. Schlegel will add Director Keleher as a dissenting opinion to paragraph #4 of that page. Director Helton then move that the Board approve the Consent Agenda as amended. Upon a second by Director Mattes, a vote was taken and the motion carried unanimously.

**CORRESPONDENCE:**

None Presented

**PUBLIC COMMENT:**

None

**NEW BUSINESS:**

2018 Administrative Matters Resolution: Mr. Schlegel presented the 2018 Annual Administrative Resolution to the Board for their consideration. Following some discussion Director Helton moved that the Board Adopt Resolution #2018-01 as presented. Upon a second by Director Keleher, a vote was taken and the motion carried unanimously.

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2018 Election Call Resolution: Mr. Schlegel presented the 2018 Election Call Resolution to the Board for their consideration. Following some discussion Director Helton moved that the Board Adopt Resolution #2018-01 as presented. Upon a second by Director Hacker, a vote was taken and the motion carried unanimously.

Pronghorn Meadows Street Lighting Request: Mr. Schlegel reminded the Board that the Pronghorn Meadows Home Owner's Association (HOA) have requested four (4) additional street lights in their development. Mr. Schlegel stated that he met with the HOA President and drove the areas in question after dark. Mr. Schlegel agreed that the areas requested were "dark spots" and public safety would be enhanced by the addition of the four streetlights. Director Keleher moved that the Board approve the request for the additional streetlights in Pronghorn Meadows. Upon a second by Director Hacker, a vote was taken and the motion carried 4 in favor and Director Helton opposed.

Professional Services Agreement with JDS Hydro: Mr. Schlegel presented to the Board a proposed Professional Engineering Services Agreement with JDS Hydro and explained that this agreement, if executed, would not bind the District to any monetary cost at this time but would provide the District with a third engineering services option when required. Mr. Schwenke addressed the Board members and provided a description of his company, along with a list of references and projects they have participated in throughout the Colorado Springs area. Director Cederberg stated that she did not understand why JDS Hydro was the only firm being considered at this time and stated that she wished for other firms to be included. No action was taken by the Board on this issue and staff thanked Mr. Schwenke for attending the meeting.

## ATTORNEY'S ITEMS:

Mr. Johnson addressed the Board regarding current water issues he is working on for the District including, but not necessarily limited to:

- Contact with Kerri Preisser regarding Dawson aquifer water
  - Nothing new to report at this time
- Case #09CW115 - Cherokee / Fontana, Addition of Fountain Mutual Irrigation Company (FMIC) Shares
  - Court date regarding this issue has been set for February 2018

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- Case #17CW3027 – TC&C, LLC
  - Counsel executed a stipulation and filed same with the Court
  - The Court has approved the stipulation, but a final decree has not yet been entered
- Horse Creek Water Users Association / Horse Creek Farms
  - Nothing new to report at this time
- Cherokee Metropolitan District’s Replacement Plan
  - Counsel recognizes this is a time sensitive issue and is amending a previous motion that will be recirculated when complete
- Colorado Ground Water Commission (CGWC) Rulemaking Hearing
  - Rulemaking hearing will take place June 18 through June 22, 2018 in Denver
  - Mr. Johnson stated that since this will most likely affect the District’s recharge plan, he believes Cherokee should request “Party Status” for this hearing
  - Director Helton moved that the Board authorize Mr. Jonson to file an application for party status on behalf of the Cherokee Metropolitan District in Case #17GW05, In the Matter of A Proposal to the Colorado Ground Water Commission for Rulemaking to Amend Rules 5.6 and 5.8 of the Rules and Regulations for the Management and Control of Designated Ground Water to Provide for More Detail and Clarity on the Requirements for Approval of Replacement Plans. Upon a second by Director Hacker, a vote was taken and the motion carried unanimously.

## **WATER RIGHTS CONSULTANT REPORT:**

Water Rights Consultant Report: Mr. Barber presented his monthly report, which included the following items:

- Focus of Mr. Barber’s Work Activities on behalf of the District
  - Evaluation of available water resource opportunities
  - Generation of new water resource opportunities
  - Participation and coordination with the District’s Manager and the Cherokee Consulting Team as directed by the Board

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- Mobile Office Permitting with El Paso County
  - Mr. Koger presented a current project timeline tracking and projection tool for the Board and explained their progress to date
- Headworks Facility Access
  - Mr. Koger presented a current project timeline tracking and projection tool for the Board and explained their progress to date
- On-Call Engineering Work Order NO. 2018-01
  - Mr. Koger presented a Work Order for the Board's review and consideration.
  - Director Helton moved that the Board approve and execute Forsgren Work Order No. 2018-01 for On-Call Engineering Services at a price to not exceed \$45,000.00. Upon a second by Director Mattes, a vote was taken and the motion carried unanimously.

GMS, Inc.: Mr. Sams reported on the status of the following projects:

- Sweetwater Well No. 5

Mr. Sams presented the following items to the Board for their consideration –

  - Proposed Lease agreement with Tri-States Generation and Transmission Association for use of land within the existing Tri-States easement
  - Proposed grant of utility easement for Mountain View Electric Association for the provision of electric service to the well site
  - Utility and Access Easements between the District and Daniel L. Farmer et al to accommodate the new well, related infrastructure, and existing access conditions

The Board discussed these items however, there are several outstanding questions regarding these proposed agreements. Director Helton moved that the Board table these three (3) items at this time, and reconsider at the Board's February 2018 business meeting. Upon a second by Director Hacker, a vote was taken and the motion carried unanimously.
- Terminal Avenue Wastewater Pump Station
  - Bid opening is currently planned for February 22, 2018

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- Brookings Drive CSU Electric Transmission Tower – runoff issue
  - Mr. Schlegel stated that he is still waiting for a response from CSU regarding the proposed remediation of the run-off issues at that location
  - The Board requested that Ms. Sellars look into the District’s property rights regarding the impacted residential lots
- AFCURE activities and preparation, with District’s legal counsel, for WQCC Regulation No. 32 Issues Formulation Hearing (IFH) and other WQCD workgroup and stakeholder activities
  - Triennial review and rulemaking hearing scheduled for 12 June, 2018
- Mr. Sams also included a document that describes District related Development Reviews that are in-process as of January 2, 2018

## **FINANCIAL ITEMS:**

Review of Cash Position and Financial Statements: Ms. Fromm presented the District’s Unaudited Cash Position and Financial Statements dated November 2017 to the Directors for their review, and discussed the contents in detail with the Board members.

Ratification of Claims Paid Between Meetings: Mr. Schlegel presented a list of Water & Wastewater Account claims that were previously reviewed by Directors and paid, for the period that closed on December 15, 2017. After review of these claims Director Helton moved that the Board ratify the payment of claims totaling \$497,298.50, represented by checks #44729 through #44840. Upon a second by Director Hacker, a vote was taken and the motion carried unanimously.

Mr. Schlegel presented a list of Golf Course Account claims that were previously reviewed by Directors and paid, for the period that closed on December 15, 2017. After review of these claims Director Helton moved that the Board ratify the payment of claims totaling \$5122.62, represented by checks #10366 through #10381 (check #10380 was voided). Upon a second by Director Hacker, a vote was taken and the motion carried unanimously.

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- Mr. Barber presented a “Pro and Con” list regarding the District’s participation in a Alluvial Aquifer Storage Project, as requested by the Board at their November 2017 meeting

Development Services, Inc.: Mr. Watson updated the Board on the status of the following projects:

- Sundance Water Project:
  - Wildcat’s warranty work is ongoing
  - QualCorr staff will complete Wildcat’s warranty work and then invoice Wildcat for that work
- Water Tanks #1 & #2 Rehabilitation Projects
  - Tank #2 retainage has been released
  - D & R erection crew is on-site assembling Tank #1
  - Change Order #1 for miscellaneous changes in underground piping for Tank #1 is pending
  - Engineering proposals for chlorination modifications are pending
- Ellicott 30” Pipeline Rehabilitation / Repair Project
  - Segment #1 – 24” slip-line design is ongoing
  - Location designation for adding valves to the existing water supply line is ongoing
- Sundance Wellfield Expansion
  - Hydro Resources contract has been executed with work to begin later in January
  - Gas chlorination design is underway

## INTERMISSION:

The Board requested a break at 4:40 p.m.

The meeting was reconvened at 4:55 p.m.

## ENGINEERING REPORTS:

Forsgren Associates, Inc.: Mr. Koger updated the Board on the status of the following projects:

- Forsgren Associates, Inc. has opened a satellite office in the Colorado Springs area
- Water Reclamation Facility (WRF) Compliance Support
  - Mr. Koger presented a current project timeline tracking and projection tool for the Board and explained their progress to date
- Small Hydropower Feasibility Study
  - Mr. Koger presented a current project timeline tracking and projection tool for the Board and explained their progress to date

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Mr. Schlegel presented a list of Water and Wastewater Account claims that were previously reviewed by Directors and paid, for the period that closed on December 31, 2017. After review of these claims Director Mattes moved that the Board ratify the payment of claims totaling \$767,800.86, represented by checks #44841 through #44945. Upon a second by Director Helton, a vote was taken and the motion carried unanimously.

Mr. Schlegel presented a list of Golf Course Account claims that were previously reviewed by Directors and paid, for the period that closed on December 31, 2017. After review of these claims Director Helton moved that the Board ratify the payment of claims totaling \$6,167.92, represented by checks #10382 through #10395. Upon a second by Director Hacker, a vote was taken and the motion carried unanimously.

District Credit Card Statements: Mr. Schlegel presented the Board with a summary of the District's credit card charges dated December 28, 2017 for their review. These statements have already been processed and paid. Directors Helton and Cederberg questioned staff regarding several charges that appeared on this statement of transactions. Ms. Fromm stated that she would look into this and report back to the Board at their next meeting.

## STAFF REPORTS:

District Department Managers provided their monthly operational reports in the Board's meeting packets.

### Technical Services Report – Mr. Beaudette:

- Mr. Beaudette reviewed his report to the Board on a Computerized Maintenance Management System (CMMS), which was included in the Board's Packets prior to the meeting
  - Mr. Beaudette presented a proposed Professional Services Agreement and contract with MPulse Software for the provision of their Computerized Maintenance Management System and related support.
  - The Board members asked several questions about the system. After some discussion Director Mattes moved that the Board execute the PSA and related contract with MPulse Software, Inc. as presented. Upon a second by Director Keleher, a vote was taken and the motion carried unanimously.



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- Mr. Beaudette presented an amended flow chart / algorithm that is being proposed for Fleet vehicle replacement. The Board members discussed the pros and cons of this type of protocol.
- The Directors expressed their concern that only the Board can approve vehicle purchases. Mr. Schlegel stated that this is the policy that staff is working under and that only the Directors can approve such purchases.
  - Mr. Schlegel stated that any purchases over \$5,000, even if budgeted, are always brought before the Directors for their review
  - The Directors requested that Mr. Schlegel develop a written policy that states all Capital purchases over \$5,000 will be brought before the Board of Directors for their consideration and approval.

## Human Resources and Information Technology Report – Mr. Ortega

- Director Helton inquired as to why there are only minutes from the past two (2) years posted on the new District website and requested that all available electronic version of Board meeting minutes be posted and available for download
  - Mr. Schlegel stated that he will work with Mr. Ortega and staff to make this happen

## Golf Course Maintenance Report – Mr. Miller

- Mr. Miller's report included a request for a sole-source purchase order to upgrade the irrigation system software at the Golf Course. Upgrading the system software will decrease operating costs and vastly improve water use and efficiency.
  - Director Helton moved that the Board approve a purchase order with L.L. Johnson distributing for a Toro Site Lynx Irrigation Software System Upgrade at a cost of \$23,489.40. Upon a second by Director Hacker, a vote was taken and the motion carried unanimously.

## Golf Course Operations Report – Mr. Laxson

The Directors inquired about the carpet that was recently installed at the Golf Course Pro Shop. Mr. Schlegel explained that the carpet may have been installed incorrectly or the carpet may be defective. Staff is working with the supplier and the installer to replace the carpet, once again, at no cost to the District.

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## **OLD BUSINESS:**

### General Manager Position

Director Helton expressed her desire to advertise again for a full-time General Manager for the District. The Board members discussed past searches and results obtained from these searches. Director Helton moved that the Board direct staff to advertise the job opening with professional organizations (e.g. Special District Association of Colorado, American Water Works, etc.) for 30 – 45 days, at the same salary and requirements as advertised in late 2017. Upon a second by Director Keleher, a vote was taken and the motion carried unanimously. Staff will post this opening this week.

## **EXECUTIVE SESSION:**

Director Cederberg moved that the Board enter into an Executive Session for the following items:

- Per Colo. Rev. Stat. § 24-6-402(4)(b), for a conference with the District’s General Counsel to receive legal advice on specific legal questions regarding a pending legal matter
- Per Colo. Rev. Stat. § 24-6-402(4)(e), for a conference with the District’s water rights legal counsel for the purpose of receiving legal advice on the acquisition of renewable water rights

Upon a second by Director Helton, a vote was taken and the motion carried unanimously. Members of the public and uninvolved staff were asked to leave the room and the Board entered into Executive Session at 7:30 p.m.

Upon a duly made motion, second, and subsequent vote the Executive Session was terminated at 8:55 p.m. The Executive Session included the following individuals:

Director Cederberg	Ms. Sellars
Director Mattes	Mr. Johnson (via telephone)
Director Helton	Mr. Barber
Director Keleher	Mr. Schlegel
Director Hacker	

The General Session of the Board of Director’s meeting was reconvened at 8:55 p.m. The public and members of staff were invited back into the Boardroom.

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## MANAGER'S ITEMS:

2018 Staff Christmas Party - Mr. Schlegel stated that he and Ms. Meyers had looked at four (4) different venues for the 2018 Christmas Party and discussed the particulars of each including pricing. Mr. Schlegel stated that based on pricing and availability, staff was recommending the Double Tree Hotel in Colorado Springs. The Directors discussed the pros and cons of each and directed Mr. Schlegel to schedule the 2018 Christmas Party at the Double Tree Hotel.

Golf Course Wells - Mr. Schlegel stated that at several times over the past ten years the District has been approached by the individual that owns three (3) water wells on District Golf Course property regarding the sale of this resource to the District. This option was never entertained or exercised. At the direction of the Board Mr. Schlegel has been in contact with the Attorney for the owner of the water rights and is working to schedule a meeting to discuss the possible sale of this resource to the District.

## PUBLIC COMMENT:

Mr. Farmer spoke to his request for an easement near the Sweetwater #5 Well and how this will benefit the District and his operations.

## DIRECTOR'S ITEMS & COMMENTS:

Director Mattes suggested that the District purchase and contribute up to \$500 indoor prizes for the District's 2018 Christmas Party.

Director Keleher requested that information regarding the 2018 District election be included in customer bills in February 2018.

Director Helton stated that she wished to see the Board's regular meeting start time move to 1:00 p.m. The Board agreed that since their meetings typically exceed several hours that they would be in favor of the time change. Director Helton moved that the Board approve changing the start time for their regular meetings, on the second Tuesday of each month, from 3:00 p.m. to 1:00 p.m. Upon a second by Director Keleher, a vote was taken and the motion carried unanimously.

Director Helton also requested that the "Executive Session" portion of the meeting, if required, be moved to immediately follow the 1<sup>st</sup> Public Comment section of the meeting agenda. The other Board members stated that they agreed with this request, and Mr. Schlegel will make that change.

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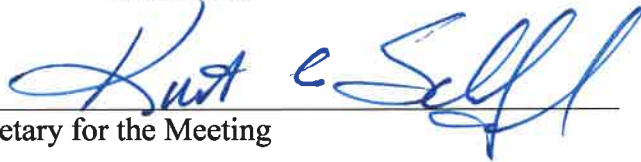
**NEXT MEETING:**

**NEXT BOARD MEETING IS SCHEDULED FOR TUESDAY**  
**- February 13, 2018 @ 1:00 p.m.**

**ADJOURNMENT:**

There being no further business to come before the Board, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 9:24 p.m.

Respectfully Submitted,



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Secretary for the Meeting



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Jan Cederberg; President



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Dave Mattes; Vice President



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Melody Helton; Secretary



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Larry Keleher; Assistant Secretary



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David Hacker; Assistant Secretary