

CHEROKEE METROPOLITAN DISTRICT

REGULAR MEETING AND PUBLIC HEARING OF THE BOARD OF DIRECTORS

December 19, 2023

MINUTES

The Regular Meeting and Public Hearing of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, December 19, 2023 at 5:30 p.m. at 6250 Palmer Park Blvd., Colorado Springs, Colorado.

Board of Directors Present: Michelle Marie Kinney, Tracey Ferguson, Steve Hasbrouck, Linda L. Keleher

CMD Staff Present: Amy Lathen, Tyler Dunich, Connie Hughes, Kevin Brown, Sara Howard, Jeff Munger, Joshua Watkins, Shawn Puente, Julie Wells, Mark Cuchiara, Jonah Purcell, Matthew Mevis, Brian Beaudette, Dino Brown, Preston Kimball, Cole Miller

Others Present: Jeremy Atkinson, Bob Lathen, Dan Wall, Rene Sintas, Holly Wilder, Grover Cassada, Jon Selken, Carmen Serrano, Dave Mattes, Dennis Daniels, Laurie Nelson, Clayton Nelson, Roger Stolz; Virtual: Jan Cederberg, Kim Wilson, Matt C, Al and Elke Drayton, Cathy Fromm, Mike, Chris

ITEM 1: Call to Order

The meeting was called to order by Director Kinney at 5:30 p.m. Kevin Brown was asked to lead those in attendance with the Pledge of Allegiance. All four Directors were present and there were no Directors' qualifications or disclosures.

ITEM 2: Review and Approval of the Agenda

The Agenda was reviewed for any changes. Amy Lathen requested the Board to add a PFAs Update under Item 9. on the Agenda.

MOTION: DIRECTOR FERGERSON MOVED, SECONDED BY DIRECTOR KELEHER, TO APPROVE THE DECEMBER 19, 2023 AGENDA AS AMENDED. ALL IN FAVOR. MOTION PASSED BY GENERAL CONSENT.

ITEM 3: Minutes

The Minutes for the November 21, 2023 Regular Board Meeting were brought before the Board. There were no corrections. Director ~~McKinney~~ requested a motion to approve the November 21, 2023 Minutes. There was no motion. Motion died.

ITEM 4: Consent Agenda

SKH mmm

There were no items.

ITEM 5: Called Up Consent Items-Items from Consent Agenda Only

There were no items.

ITEM 6: Public Hearing

MOTION: DIRECTOR KELEHER MOVED, SECONDED BY DIRECTOR FERGERSON, TO RECESS THE REGULAR SESSION AND MOVE INTO PUBLIC HEARING. ALL IN FAVOR. MOTION PASSED BY GENERAL CONSENT.

The Public Hearing began at 5:35 p.m.

Mrs. Lathen began the 2024 budget presentation starting with an historical overview of the District and a detailed review of the general fund, operational revenues, critical projects – including PFAS project planning and design, tank rehabilitation, critical WRF projects, and the water replacement plan to be heard in July, 2024.

The District meets or exceeds CDPHE, EPA, and HR compliance. Mrs. Lathen continued with a review of the cost of water and wastewater, vendor and commodity increases, and the effects of inflation, savings, and expense reduction.

A comparison of regional rates was provided, highlighting those specific districts where their customers are responsible for paying mill levy taxes.

Sara Howard provided an explanation and breakdown of the number and type of the District's residential, commercial and irrigation accounts.

Mr. Brown explained the proposed rates would increase 6% in the water category for all customers.

Julie Wells went over the drafted budget beginning with the general fund, parks fund, water and wastewater enterprise fund, and Golf Course fund.

Cole Miller answered Director Kinney’s questions about the Golf Course’s yearly revenue and increases.

Director Kinney stated she had concerns that the streetlight cash reserves being transferred to the parks operational line were not noticed to customers nor was it noted on their billing statements. This transfer amounts to an \$.18 decrease in the streetlight fund and an \$.18 increase in the parks fund.

Director Kinney asked if there were any other questions or comments.

Mrs. Lathen stated that Cathy Fromm, who was attending online, stated she would not be comfortable with a full \$.18 transfer from the streetlights fund to the parks fund at this time, because without the rate increase, the District will require a cushion to operate.

Director Kinney asked again if there were any comments or questions.

A member of the audience asked how the \$.18 increase had occurred, and Mrs. Lathen stated the payments paid out for electrical costs and expenses to the City of Colorado Springs and Mountain View Electric were smaller than the revenue collected.

A customer attending the meeting virtually stated the District is currently operating “in the black,” after it was mentioned the District is maintaining at least a three-month cash reserve.

MOTION: DIRECTOR KELEHER MOVED, SECONDED BY DIRECTOR FERGERSON, TO RETURN THE MEETING TO REGULAR SESSION. ALL IN FAVOR. MOTION PASSED BY GENERAL CONSENT.

Regular Session resumed at 7:21 p.m.

The Board entertained comments from the public.

ITEM 7: Public Hearing Action Items

MOTION: DIRECTOR FERGERSON MOVED, SECONDED BY DIRECTOR KELEHER, TO APPROVE RESOLUTION 2023-13, A RESOLUTION ADOPTING THE 2024 BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE CHEROKEE METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024, AND ENDING ON THE LAST DAY OF DECEMBER 2024.

Legal Counsel Paul Rufien interjected stating the rate increase was included in the 2024 Budget; and therefore, if there was a vote to approve the Budget, the rate increase would also be approved. Director Ferguson stated that was not her intention and withdrew the motion.

MOTION: DIRECTOR KELEHER MOVED, SECONDED BY DIRECTOR HASBROUCK, TO APPROVE RESOLUTION 2023-14, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHEROKEE METROPOLITAN DISTRICT ADOPTING A SCHEDULE OF RATES AND FEES AND OTHERWISE ESTABLISHING THE RATE STRUCTURE APPLICABLE TO DISTRICT SERVICES. TRACEY FERGERSON-NO. STEVE HASBROUCK-YES. LINDA L. KELEHER-YES. MICHELLE MARIE KINNEY-NO. MOTION FAILED (2-2).

MOTION: DIRECTOR FERGERSON MOVED, SECONDED BY DIRECTOR KELEHER, TO APPROVE RESOLUTION 2023-13, A RESOLUTION ADOPTING THE 2024 BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE CHEROKEE METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024, AND ENDING ON THE LAST DAY OF DECEMBER 2024. APPROVAL OF THIS RESOLUTION WOULD NOT INCLUDE THE PROPOSED RATE INCREASE. TRACEY FERGERSON-YES. STEVE HASBROUCK-NO. LINDA L. KELEHER-YES. MICHELLE MARIE KINNEY-YES. MOTION PASSED (3-1).

ITEM 8: Public Comments

A member of the audience asked if there was any other information on PFAS which included planning for a new water treatment plant. Mr. Brown provided several options and a range of technologies to dispose the PFAS residuals.

ITEM 9: Action Item Requests and Staff Reports – 30 Minutes

Jeff Munger presented an Agreement for Services with CGRS, Inc. for Blower Replacement at the Water Reclamation Facility. He requested the Board review and approve the GSA.

MOTION: DIRECTOR KELEHER MOVED, SECONDED BY DIRECTOR FERGERSON, TO APPROVE THE GSA WITH CGRS, INC. FOR THE BLOWER REPLACEMENT AT THE WRF. TRACEY FERGERSON-YES. STEVE HASBROUCK-YES. LINDA L. KELEHER-YES. MICHELLE MARIE KINNEY-YES. MOTION PASSED (4-0).

Several changes and revisions were made to the templates of the Agreement for Professional Services, Master or General Service Agreements, and General Services for Professional Services with Auto Insurance. Mr. Munger provided an explanation of those changes and requested the Board to approve those revisions.

MOTION: DIRECTOR FERGERSON MOVED, SECONDED BY DIRECTOR KELEHER, TO APPROVE THE MSA AND GSA TEMPLATE CHANGES. TRACEY FERGERSON-YES. STEVE HASBROUCK-YES. LINDA L. KELEHER-YES. MICHELLE MARIE KINNEY-YES. MOTION PASSED (4-0).

The Board Member vacancy was on the Agenda as a topic for discussion.

Board of Directors
Mr. Ruffen received a letter from the Board of County Commissioners stating they were providing a 30-day notice, at the request of the District, for the Board vacancy matter to be addressed on January 16th by the County Commissioners.

Director Ferguson requested everyone, who had an interest in becoming a Board Director, be given consideration by Board vote.

MOTION: DIRECTOR FERGERSON MOVED, SECONDED BY DIRECTOR KINNEY, TO APPROVE KIM WILSON TO FILL THE VACANT BOARD POSITION. TRACEY FERGERSON-YES. STEVE HASBROUCK-NO. LINDA L. KELEHER-NO. MICHELLE MARIE KINNEY-YES. MOTION FAILED (2-2).

MOTION: DIRECTOR FERGERSON MOVED, SECONDED BY DIRECTOR KINNEY, TO APPROVE HALEY NELSON TO FILL THE VACANT BOARD POSITION. TRACEY FERGERSON-YES. STEVE HASBROUCK-NO. LINDA L. KELEHER-NO. MICHELLE MARIE KINNEY-YES. MOTION FAILED (2-2).

MOTION: DIRECTOR KINNEY MOVED, SECONDED BY DIRECTOR FERGERSON, TO APPROVE JAN CEDERBERG TO FILL THE VACANT BOARD POSITION. TRACEY FERGERSON-NO. STEVE HASBROUCK-NO. LINDA L. KELEHER-NO. MICHELLE MARIE KINNEY-YES. MOTION FAILED (1-3).

MOTION: DIRECTOR FERGERSON MOVED, SECONDED BY DIRECTOR KINNEY, TO APPROVE MICHAEL BETTERTON TO FILL THE VACANT BOARD POSITION. TRACEY FERGERSON-NO. STEVE

HASBROUCK-NO. LINDA L. KELEHER-NO. MICHELLE MARIE KINNEY-YES. MOTION FAILED (1-3).

MOTION: DIRECTOR FERGERSON MOVED, SECONDED BY DIRECTOR KELEHER, TO APPROVE DENNIS DANIELS TO FILL THE VACANT BOARD POSITION. TRACEY FERGERSON-NO. STEVE HASBROUCK-YES. LINDA L. KELEHER-YES. MICHELLE MARIE KINNEY-NO. MOTION FAILED (2-2).

MOTION: DIRECTOR FERGERSON MOVED, SECONDED BY DIRECTOR KINNEY, TO APPROVE RENE SINTAS TO FILL THE VACANT BOARD POSITION. TRACEY FERGERSON-YES. STEVE HASBROUCK-NO. LINDA L. KELEHER-NO. MICHELLE MARIE KINNEY-YES. MOTION FAILED (2-2).

MOTION: DIRECTOR FERGERSON MOVED, SECONDED BY DIRECTOR KINNEY, TO APPROVE JEREMY ATKINSON TO FILL THE VACANT BOARD POSITION. TRACEY FERGERSON-YES. STEVE HASBROUCK-NO. LINDA L. KELEHER-NO. MICHELLE MARIE KINNEY-NO. MOTION FAILED (2-2).

YES. *Michelle*
OKH

ITEM 9: Finance and Accounting

Ms. Wells, and Mrs. Fromm, who was in attendance virtually, provided the November Monthly Financials to the Board.

ITEM 10: Attorney Items

A report was provided to the Directors earlier via email.

ITEM 11: Other Business/Directors Items-No Action Taken

There were no items.

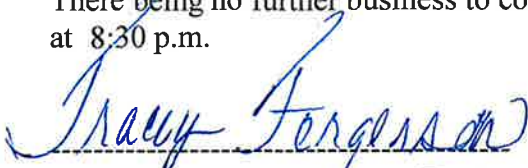
ITEM 12: Executive Session

There was no Executive Session.

ITEM 13: Other Meetings of Importance – As Listed on Agenda

ITEM 14: Adjournment

There being no further business to come before the Board at this time, the meeting was adjourned at 8:30 p.m.

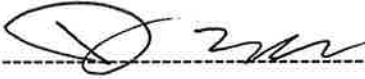


Tracey Fergerson, Secretary/Treasurer
Treasurer


Board Members

Term Expires

Mmm
Vacant
Michelle Marie Kinney, President May 2025
Vacant, Vice-President May 2027
Tracey Fergerson, Secretary/Treasurer *Treasurer* May 2027
Steve Hasbrouck, Director May 2025
Linda L. Keleher, Director *Director* May 2025

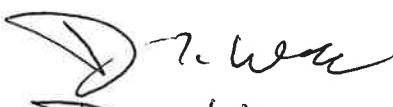


Michelle Marie Kinney, President
Dan Wall skh



Steve Hasbrouck, Director

Linda L. Keleher, Director
Director


DAN WALL

