

**CHEROKEE METROPOLITAN DISTRICT**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**

October 14, 2008

MINUTES

The Regular Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, October 14, 2008, at 5:30 p.m. at 6250 Palmer Park Blvd., Colorado Springs, Colorado.

BOARD OF DIRECTORS PRESENT

Ted Schubert	Gayle Jones
Steve Hasbrouck	Andy Anderson
Robert Lovato	

OTHERS PRESENT

Kip Petersen	Pete Heidebrecht
Dian Hardekopf	Sandy DeCarolis
Jim Culichia	Griff Rainford
Ed Meyer	Todd Larson
Sara Howard	Lily Baker
Bryan English	

OTHER GUESTS SIGNING ATTENDANCE LOG

Jim and Judy Burnside	Lynne Bliss
Ken and Rita Martinez	Chloe Olson
Frank and Terry Spitzer	Jan Olson
Dave and Linda Mattes	Mary Hernandez

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 Directors were present.

ITEM 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 THE AGENDA, AS WRITTEN, FOR THE REGULAR MEETING OF OCTOBER 14, 2008. SECONDED BY MR. HASBROUCK. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).**

ITEM 4:

The Minutes of the Regular Meeting of September 9, 2008, were reviewed. Mr. Schubert asked if there were any changes that needed to be made to the Minutes. There were none noted.

**\*\*\*MOTION\*\*\***

**MR. HASBROUCK MADE A MOTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 9, 2008. SECONDED BY MR. ANDERSON. 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. There were no show of hands for public comments.

ITEM 6:

⇒ Legal Report – Mr. Jim Culichia

- Mr. Culichia updated the Board on the Denver Basin Lease case by stating the trial has been set for March 2, 2009. The five-day trial will take place at the headquarters of the Department of Wildlife on N. Sinton Rd. Two motions are still pending, and legal counsel has asked for the hearing officer to enter a ruling on the quantification. Discovery documents have been prepared and are ready for the trial which is open to the public.
- A trial is scheduled with the Colorado Springs Airport concerning the Williams #2 well. The airport is requesting 60 acre feet of water to be used for their consumption. The District has objected to this request, as this well is located within the leased water lands; on October 20, 2008, a meeting will be held to facilitate an understanding of this lease between parties.

- Four statements of opposition have been filed regarding the Replacement Plan. Those who have filed are Mr. Goss, Mr. Farmer, the Upper Black Squirrel Water Management District, and Mr. Morielli.
- The District has authorized Mr. Scott Medford to renew the substitute supply plan for the Golf Course Well. Cherokee will eventually convert that contract into a permanent augmentation plan.
- Glacier Construction has asked that a contract be accepted in that the District hold the retainage funds in an account whereby they could receive interest from the retainage funds. The District currently deducts 10 % retainage from their payments, this money would in turn be placed in an account with ColoTrust and the interest from this would then be made payable to Glacier Construction. The retainage funds, to date, amount to \$364,680.70. Mr. Petersen requested that a motion be made to accept this contract.

**\*\*\*MOTION\*\*\***

**MR. LOVATO MADE A MOTION TO ALLOW MR. PETERSEN TO AUTHORIZE SIGNATURE ON THE GLACIER CONSTRUCTION RETAINAGE CONTRACT WHEREBY INTEREST EARNED FROM RETAINAGE WOULD BE MADE PAYABLE TO GLACIER. SECONDED BY MS. JONES. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).**

ITEM 7:

⇒ Engineering Report - Mr. Ed Meyer

- Mr. Meyer provided a report on the wastewater project and related issues (see attached). An initial quotation of \$41,557.00 for equipment and services for the WWTF SCADA system has been received from Timberline. Services will be performed in three phases, including two amended agreements, before project completion. GMS recommends approval of the initial contract in that amount.

**\*\*\*MOTION\*\*\***

**MR. LOVATO MADE A MOTION TO APPROVE THE INITIAL CONTRACT AMOUNT OF \$41,557.00 TO TIMBERLINE. SECONDED BY MR. HASBROUCK. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).**

- Glacier Construction's 3<sup>rd</sup> pay request has been received. It reflects \$3,646,807.00 earned to date. Retainage of 10% at this time is \$364,680.70. As approved in the aforementioned Motion, taking both the retainage and the prior payments into account, the net amount due the Contractor is \$2,278,305.90. GMS recommends approval of the pay request in that amount.

**\*\*\*MOTION\*\*\***

**MS. JONES MADE A MOTION TO APPROVE PAY REQUEST NO. 3 TO GLACIER CONSTRUCTION IN THE AMOUNT OF \$2,278,305.90. SECONDED BY MR. HASBROUCK. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).**

- The provision for an extension of seven additional months for ITT-Advanced Water Treatment to store sensitive sequencing batch reactor (SBR) equipment was formally addressed as Change Order No. 1 in the amount of \$8,400.00. GMS recommends approval of the Change Order in that amount to ITT-Advanced Water Treatment.

**\*\*\*MOTION\*\*\***

**MR. HASBROUCK MADE A MOTION TO APPROVE CHANGE ORDER NO. 1 TO ITT-ADVANCED WATER TREATMENT IN THE AMOUNT OF \$8,400.00. SECONDED BY MR. ANDERSON. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).**

- ITT-Advanced Water Treatment's 3<sup>rd</sup> pay request has been received. All equipment has been manufactured and adequately stored. Total amount earned is \$1,134,000.00 . With retainage at 10%, and taking into account the amount paid to date, together with the change order, the net amount due the Contractor is \$121,800.00 GMS recommends approval of the pay request in that amount.

**\*\*\*MOTION\*\*\***

**MR. LOVATO MADE A MOTION TO APPROVE PAY REQUEST NO. 3 TO ITT-ADVANCED WATER TREATMENT IN THE AMOUNT OF \$121,800.00. SECONDED BY MR. HASBROUCK. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).**

- The Water Pollution Control Revolving Fund Loan Request No. 9 has been prepared, and it requests a total of \$1,519,404.83 to be remitted to the District to cover eligible costs occurring within the month of September. GMS recommends approval of the requisition in that amount.

**\*\*\*MOTION\*\*\***

**MR. LOVATO MADE A MOTION TO AUTHORIZIE REIMBURSEMENT OF WPCRF REQUISITION #9 BACK TO THE DISTRICT IN THE AMOUNT OF \$1,519,404.83. SECONDED BY MR. HASBROUCK. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).**

At this time, Mr. Schubert asked for a short break. The meeting recessed at 6:23 p.m.

The regular meeting resumed at 6:29 p.m.

ITEM 8:

⇒ Manager's Report – Kip Petersen

- Mr. Petersen turned the meeting over to Mr. Bryan English who has been actively involved in the District's Water Return Program the past seven months. Beginning in late April, this unique pilot program began to offer water-wise landscape workshops to select homeowners from 10 participating communities throughout El Paso County. Nine of the 38 participants reside locally in the District, and Mr. English wanted to recognize those participants; two were present, Frank and Terri Spitzer, and also Ms. Jones and Mr. Anderson who attended the workshops in order to redesign existing landscape.
- Mr. Petersen provided the Board the first draft of the 2009 Budget (see attached), stating the next step is to review the budget over the next 30 days. The next regular Board Meeting, set for November 11, 2008, will entail reviewing and discussing the budget, line item by line item. Mr. Petersen received a challenge to

meet 2009 non-fixed costs at or lower than the 2008 budget, and he stated he believed he had met this challenge which he'll address at November's meeting. Mr. Petersen has been pleased with the staff's work and participation in preparing this preliminary budget, and continual reviews and adjustments will be made until the budget's final review in December.

- A work session the week before prompted the Board to have staff put together a budget eliminating water and sewer tap fees as part of the developmental charges this resulted in staff having to consider a 49% increase in water rates to make the bond coverage.
- Mr. Lovato commented he may be out of town November 11, 2008, and will contact Mr. Petersen to confirm his absence. After considering an earlier meeting time, Mr. Petersen recommended to the Board that the meeting begin at 5:30 p.m., not as originally discussed at 4:30 p.m. Mr. Petersen would like the first hour or more to be held as the Budget Hearing then go into the normal agenda for the evening.
- Mr. Petersen updated the Board on the Venezia wells located on the golf course. He stated that while the contractor was pulling the pump it snapped and dropped. This well was not a large producer so wouldn't be worth pumping. They are still testing the 2<sup>nd</sup> well.
- In Mr. Sintas' excused absence, Mr. Petersen reported to the Board that the Guthrie Well, and Wells No. 9, 11, and 12 have been shut off; however, the Tipton Well is still pumping.
- Questions arose from the audience. With the days getting darker, earlier, Ms. Hernandez asked if it would be permissible to water earlier in the day. Mr. Petersen said that would be fine. Ms. Olson asked when the water rate increase would take effect. Mr. Petersen responded by stating the increase would go into effect with the January, 2009 billing statements.

ITEM 9:

⇒ Water/Wastewater Report – Art Sintas

- There was no report at this time.

ITEM 10:⇒ Golf Course, Pro Shop – Todd Laxson

- Mr. Laxson provided his monthly report to the Board (see attached). Through a survey compiled by Golf Datatech, it was determined the Golf Course's rounds of golf from January-August 31, 2008, were down 4.6% compared to 2007. Mr. Laxson provided the Board a national rounds study from the State of Colorado to assure the Board that Cherokee Ridge is not alone.
- To date, the Grill is 18% ahead of 2007, and the Golf Course is ahead of 2007 by just under 2% in its grand total from 2008.
- On September 24, 2008, the Course hosted the third annual Mitchell High School junior varsity golf tournament. Sixteen area high schools participated.

Maintenance – Griff Rainford

- Mr. Rainford updated the Board on the September maintenance of the Golf Course (see attached). September was a dry month except for almost four inches of rain received on September 11. September highlights included aerification of all greens, fertilizing greens with a new organic fertilizer, reducing watering with weather changes, fertilizing tees, reducing mowing and rebuilding a greenside bunker on #9. Course maintenance routines will be reduced in October, and tee boxes will start to be leveled as the winter maintenance schedule commences.

ITEM 11:Old Business

- Mr. Petersen provided to the Board, and read, the attached Resolution #08-05, Resolution of the Board of Directors of Cherokee Metropolitan District Condemning a Well Easement Site for Well Permit No. 11691-FP. Discussion prevailed. Mr. Schubert personally didn't condone this action, nor did he believe there was very much water in the well. Mr. Jim Burnside, from the audience, concurred with Mr. Schubert. However, Mr. Petersen stated the signed Resolution would only authorize the Board's approval of any further processing and action, if necessary.

**\*\*\*MOTION\*\*\***

**MR. LOVATO MADE A MOTION TO AUTHORIZE SIGNATURE ON RESOLUTION #08-05, RESOLUTION OF THE BOARD OF DIRECTORS OF CHEROKEE METROPOLITAN DISTRICT CONDEMNING A WELL EASEMENT SITE FOR WELL PERMIT NO. 11691-FP TO PROCEED ONLY IF NECESSARY. SECONDED BY MS. JONES. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).**

- Mr. Lovato asked if the parks care and maintenance would be conducted in-house and proposed in the 2009 budget. Mr. Petersen stated that it would be. Mr. Lovato also requested that a three-day water proposal be placed on the "wish list" for next year.

ITEM 12:

⇒ New Business

There was no new business to report.

ITEM 13:

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

**\*\*\*MOTION\*\*\***

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

A short break was taken at 7:13 p.m.  
Executive Session was entered into at 7:19 p.m.

**\*\*\*MOTION\*\*\***

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

The Regular Session began at 8:15 P.M.

Mr. Petersen stated that continued negotiations of water purchases were discussed during the executive session and that no decisions were requested or made.

ITEM 17:

⇒ Adjournment

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

The Meeting adjourned at 8:16 p.m.

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Gayle Jones, Treasurer

Board Members

Term Expires

Ted Schubert, President	May, 2010
Steve Hasbrouck, Vice President	May, 2112
Gayle Jones, Secretary	May, 2010
Andy Anderson, Director	May, 2010
Robert Lovato, Director	May, 2112