

CHEROKEE METROPOLITAN DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS

March 13, 2007

MINUTES

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

BOARD OF DIRECTORS PRESENT

Ted Schubert	Dave Hacker
Andy Anderson	Robert Lovato
Gayle Jones	

OTHERS PRESENT

Kip Petersen	Assunta Manning, Resident
Art Sintas	Thomas Mannino, Resident
Dian Hardekopf	Chloe (Jane) Olson, Resident
Jim Culichia	Karl Raymond, Resident
Sara Howard	Mary Hernandez, Resident
Todd Laxson	Jeff Bunyea, Resident
Griff Rainford	Pam Telly, Resident
Bill Beahan	Robert Helton, Cimarron Hills Fire Dept
Jon Maroon	Scott Whatcott

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.

Because of Mr. Schubert's surgery and subsequent recovery and recuperation over the last several weeks, he requested Vice President Anderson to conduct the evening's meeting.

ITEMS 2 AND 3:

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 March 13, 2007. Mr. Petersen requested the Board to consider Item No. 13, New Business, to be rescheduled to such time whereby the Board could

concentrate solely on the presentation and discussion of a public education and public relations program, and asked the Board to allow for a Special Meeting to conduct this on Tuesday, March 27, 2007, at 5:30 p.m. Mr. Schubert also asked the Board to consider moving Item No. 11, Executive Session; to a point in time earlier in the meeting to allow for his excusal later in the meeting should he need to leave.

*****MOTION*****

MS. JONES MADE A MOTION TO CHANGE AND APPROVE THE AGENDA ALLOWING FOR ITEM NO. 11, EXECUTIVE SESSION, TO BE MOVED AND PLACED BEFORE THE EVENING MEETING'S TREASURER REPORT. SECONDED BY MR. LOVATO. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

*****MOTION*****

MS. JONES MADE A MOTION TO APPROVE THE AGENDA AS CHANGED, ALLOWING FOR THE POSTPONEMENT OF ITEM NO. 13, NEW BUSINESS, PRESENTATION AND DISCUSSION ON THE PUBLIC EDUCATION PROGRAM, TO BE SCHEDULED AS AN AGENDA ITEM FOR A SPECIAL MEETING ON TUESDAY, MARCH 27, 2007, AT 5:30 P.M. SECONDED BY MR. HACKER. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

ITEM 4:

The Minutes of the Regular Meeting of February 13, 2007, were reviewed. No changes were noted.

*****MOTION*****

MR. HACKER MADE A MOTION TO APPROVE, AS WRITTEN, THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 13, 2007. SECONDED BY MS. JONES. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

The Minutes of the Special Meeting of February 20, 2007, were reviewed, and no changes were noted.

*****MOTION*****

MR. HACKER MADE A MOTION TO APPROVE, AS WRITTEN, THE MINUTES OF THE SPECIAL MEETING OF FEBRUARY 20, 2007. SECONDED BY MS. JONES. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

ITEM 5:

⇒ Public Comments

- Public comments for items not on the agenda were invited. Mr. Anderson requested that the comments be kept brief and explained that a Conservation Committee on water restriction issues was specifically formulated with the Chairman of that Committee to address the Board with concerns and issues.
- Seven people had signed in, and there was a show of hands. It was encouraged once again to limit comments to two minutes.
- Mr. Bill Beahan, as past Director of the Board, commented five to 10 years ago Schriever Air Force Base (SAFB) was not a very large complex and the demand of water was minimal. However, with expected new development on the base, the demand of water could substantially increase. Mr. Beahan asked that there be some education for all on the SAFB development.
- Mr. Scott Whatcott addressed the Board with regard to his request to obtain and purchase from the District a small parcel of land adjacent to his property located in Claremont Ranch. It was his understanding this lot incurs approximately \$8,000 in park fees and he offered to buy the property from the District for \$1,000, providing he could fulfill the obligation to pay these fees within 90 days. Mr. Whatcott asked for the Boards permission to put together a contract for him to purchase the property. He also state that he would put down \$1,000 earnest money now.

Ms. Jones asked Mr. Whatcott if the property he's interested in bordered on any other residential property, and he answered that it did. He also interjected there was a developed park close by accessible to property owners in the area. Mr. Schubert, Mr. Anderson, and Mr. Petersen all believed that adjoining property owners should be aware, and informed of, Mr. Whatcott's request; Mr. Whatcott suggested this could be facilitated by a public hearing. Ms. Jones stated this request needed to be thoroughly looked into and evaluated, and until such time the property should be open and accessible to the public until it is resolved. Mr. Hacker asked if there was anything located on the property at this time. Mr. Whatcott stated that there was. Mr. Petersen stated that there was some trash and other items that have been constructed on the property; a fence and shed. Mr. Hacker stated that since the property belongs to Cherokee, Mr. Whatcott should not have done anything to the property. Mr. Petersen stated that Mr. Whatcott is aware and has been given notice that this action was not proper and at this time the items can remain as long as the property is left open to the public and

until Cherokee Metropolitan District takes action on whether or not to sell.

- Ms. Assunta Manning asked the Board why there was an increase to her sewer bill for the month of February. Mr. Petersen advised that several years ago the Board of Directors entered into a negotiation to construct a multi-million dollar wastewater treatment facility (WWTF) to accommodate the District's sewer needs. This resulted in an increase to our customers, residential and commercial, last year and subsequently this calendar year. Mr. Petersen went on to explain that the WWTF had to be constructed because of the change in compliance from the State Health Department. He added that the cost to treat wastewater far exceeds the cost of bringing fresh water to our customers.
- Mr. Jon Maroon stated he was familiar with Mr. Whatcott's request to obtain the aforementioned property as it was addressed in a Board Meeting several months ago. He cautioned the Board to thoroughly review and scrutinize the request.
- Ms. Jane Olson addressed a concern that, since the District's customers are being charged a street light fee, she had noticed excessive use of street lights on undeveloped, unpaved streets near Constitution and Hwy 24. Mr. Petersen said he and Mr. Sintas would investigate.
- Mr. Christopher Telly asked to be briefed on the schedule of allowing sod permits. Mr. Sintas explained the timeframe and also stated that the sod permits would again be \$50 this year for up to 1500 square feet.

There were no further comments or questions by the public.

Although the Executive Session was to be entered into at this time, Mr. Schubert addressed the group, stating he felt the meeting should continue.

ITEM 6:

⇒ Treasurer's Report

- Ms. Jones presented to, and briefed the Board, on the financial highlights as of February 28, 2007 (see attached).

ITEM 7:

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

- Mr. Culichia apprised the Board of a recent meeting with the Groundwater Hydrologist, Scott Mefford, involved in the drilling of the wells on the District's Golf Course and stated he had hoped to be further along with the developments however, the drilling within this area requires special drillers that are just not available at this time. Mr. Culichia did express that he is pleased with Mr. Mefford's detail and thoroughness. An area for drilling has been identified adjacent to the Golf Course, located to the east near Sand Creek. This would complement the other two wells directly drilled on the Golf Course.
- Mr. Culichia stated the contempt hearing has now been rescheduled to July 25, 2007.
- It is anticipated there will be a need to re-drill the Tipton Wells; and since funds are already available from the developers, it is hoped to get this done as soon as possible. The Tipton wells should pump at 700 gpm.

At the conclusion of Mr. Culichia's legal report, Mr. Petersen did have an announcement that the District's website is now online and can be accessed at www.chereokemetro.org. He anticipates this, along with the increased frequency of newsletters, will provide the District's customers with up-to-date information regarding the developments and water restrictions for the District. He also anticipates the Public Education Program, that will be addressed in a Special Meeting of March 27, 2007, will aid in the District's public awareness.

Mr. Karl Raymond referred to an article in the Gazette on March 27, 2007, addressing the possibility of the District obtaining additional water from Colorado Springs Utilities. Mr. Culichia stated that at this time they were re-negotiation on the cost of water and hopefully will have a timely and good outcome to this negotiation. He stated that Cherokee was hoping for the water to be available for summer irrigation.

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), CONFERENCE WITH AN ATTORNEY FOR THE PURPOSE OF RECEIVING LEGAL ADVICE. SECONDED BY MS. JONES. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

Executive Session was entered into at 6:08 p.m.

*****MOTION*****

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

The regular session began at 6:47 p.m.

ITEM 8:

⇒ Engineer Report – Ed Meyer

There was no report required at this time.

ITEM 9:

⇒ Water/Wastewater Report – Art Sintas
Water Conservation Update

Mr. Sintas presented to the Board and highlighted on the District's demand of water over the last seven years using self-explanatory charts and graphs (see attached). With the restriction of Wells 1-8, but with the new allowances of water from the Tipton and Guthrie Wells, the anticipated availability of water for 2007 is calculated at 3504 acre feet, which is roughly the same as 2006. This encompasses the stage II watering of two days per week. Mr. Sintas stated that this projected availability does not include any water from Colorado Springs Utilities. Mr. Sintas also stated that Harding Nursery is permitted 60-70 acre feet from the Upper Black Squirrel Basin and is exempt from the restriction of water from Wells 1-8.

ITEM 10:

⇒ Golf Course
Pro Shop – Todd Laxson

- Mr. Laxson presented to the Board February business of the Golf Course Pro Shop (see attached). February, 2007, was much more like their "off-season" months in 2006, in which they had 19 days that some or all of the facility was open and able to generate revenue.
- The Golf Course is proactively pursuing various measures to lower operational costs for the upcoming summer and have made a major change with their paper product supplies by contracting with a new supplier in lieu of the current supplier, Sam's Club.
- This Spring, there will be a total of seven junior golf programs utilizing the golf Course as their main practice facility, those being five girls' high school golf programs, the Pikes Peak Linkers, and the Colorado School for the Deaf and Blind.

⇒ Maintenance – Griff Rainford

- February's highlights for the Golf Course focused on preparing the greens to protect them during the early spring weather. Per his memo (see attached), Mr. Rainford stated that all carts, mowers and equipment have been serviced and prepared for the upcoming season. The well sites were surveyed and locations are being selected for test/production wells.
- Mr. Rainford asked for suggestions from the Board as to how the Golf Course can be watered to prevent further drought damage in lieu of the water restrictions placed upon the District. Mr. Anderson asked Mr. Petersen and Mr. Sintas to research alternatives to balance out the Golf Course's demand and supply of resources. Mr. Hacker asked when the wells could possibly be on line to produce the non-potable water for the Course, and Mr. Petersen said he hoped this would take affect in July or August of this year.

ITEM 12:

⇒ Old Business

There was no old business to report at this time.

ITEM 13:

⇒ New Business

As previously motioned and approved earlier in the meeting, the presentation was tabled to a Special Meeting to be held on Tuesday, March 27, 2007.

ITEM 14: Public Comments

Public Comments were encouraged at this time and again to be limited to approximately two minutes per person.

- Mr. Raymond asked about the policy on the issuance of sod permits, and Mr. Sintas stated the issuance of one sod permit, to be equivalent to 1,500 square feet, was decided by the Water Conservation Committee. Mr. Sintas generalized that if customers wanted to sod their front and back yard at the same time, two sod permits equaling 3,000 square feet would be configured. Mr. Raymond felt that the recommendations and decisions enforced by the Committee had been downplayed and over-ruled by the staff's latter decisions. Mr. Anderson reiterated that the recommendations of the Committee need to be adopted by the Board of Directors. Mr. Raymond felt the recommendations by the Committee were not being presented to the Board. He suggested that the Board stays late at night to address all items on the Agenda in a Regular Board Meeting and suggested that perhaps another night, or even a Saturday morning, would be appropriate to address public comments.
- Ms. Mary Hernandez wanted to know how the District was going to be affected by the possible development of new housing at Schriever Air Force Base (SAFB). Mr. Petersen reported that SAFB Base was only allowed a certain commitment of water and that any development that happens on the base has to meet that commitment. There will not be any more water committed for more development.

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 7:15 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