

CHEROKEE METROPOLITAN DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS

September 11, 2007

MINUTES

The Regular Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, September 11, 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	Ken White
Dian Hardekopf	Len Meyer
Art Sintas	Lily Baker
Jim Felt	Sandy DeCarolis
Sara Howard	Brian Beaudette
Todd Laxson	Robert Helton

OTHER GUESTS SIGNING ATTENDANCE LOG

Karl Raymond	Mary Hernandez
Bill McAfee	William Beahan
Chloe Olson	Jan Olson

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 were present.

ITEMS 2 AND 3:

Mr. Schubert asked if there were any changes or amendments that needed to be made to the agenda. Ms. Jones noted approval of the minutes of the Special Meeting on August 29th was unintentionally omitted from the evening's Agenda and requested it to be inserted with Item No. 4 on the Agenda.

MOTION

MS. JONES MADE A MOTION TO INSERT AN APPROVAL OF THE SPECIAL MINUTES OF AUGUST 29, 2007, WITH ITEM NO. 4 ON THE AGENDA. SECONDED BY MR. ANDERSON. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

ITEM 4:

The Minutes of the Regular Meeting of August 14, 2007, were reviewed. No changes were noted.

*****MOTION*****

MS. JONES MADE A MOTION TO APPROVE, AS WRITTEN, THE MINUTES OF THE REGULAR MEETING OF AUGUST 14, 2007. SECONDED BY MR. ANDERSON. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

The Minutes of the Special Meeting of August 29, 2007, were reviewed. No changes were noted.

*****MOTION*****

MR. ANDERSON MADE A MOTION TO APPROVE, AS WRITTEN, THE MINUTES OF THE SPECIAL MEETING OF AUGUST 29, 2007. SECONDED BY MR. HACKER. 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, and two individuals raised their hands. He requested the comments to be limited to five minutes.
- Jan Olson asked for the status on the situation of the "shed man," and Mr. Petersen advised that the corners of the property have been located and appropriate action was being taken.
- Mary Hernandez wanted to know how a special meeting was posted, and she was told announcements of those meetings were placed at the District Office, the Golf Course, the Fire Station and the County offices. It is hoped they will be included on the website in the near future. She asked what the last special meeting was about and was told it was in reference to the bids on the Golf Course wells.

There were no further comments or questions by the public.

ITEM 6:⇒ Treasurer's Report

A financial packet was provided for the Board's review (see attached). There were no questions or comments at this time.

ITEM 7:⇒ Legal Report – Mr. Jim Felt

- Mr. Felt stated the Tipton Well is now online and that Cherokee is allowed to pump 225 acre feet each year into the District. Mr. Felt also reported that the Guthrie well, will be started up soon and will bring in temporary water to the District under a lease basis. With these two sources being on line, the District has been able to turn off the water that was being wheeled through the City of Colorado Springs.
- Mr. Felt stated that the replacement plan would be re-filed with the State by November 1st. Dr. Willem Schreuder has been hired to make revisions to the model of the hydraulics of the basin. This hopefully will be approved by the time the wastewater treatment facility is online.
- It is anticipated the Golf Course Well will run at 175gpm. Again, this water will be non-potable use only and should be online for golf course use next summer. Cherokee's Hydrologist is working on the Substitute Supply Plan (SSP) that is needed in order to use the well. This process takes 60-90 days for approval.
- The publication went out on the District's leases on the Denver Basin water rights. An error in the number of letters that the State sent out was made; however, this error was corrected by the State Engineer's Office.

ITEM 8:⇒ Engineering Report – Ken White

- In Mr. Meyer's absence, Mr. Ken White provided a report on the wastewater project and related issues (see attached). He informed the Board that HD Supply has completed their contract, and Change Order No. 2 has been compiled. The overall Change Order increases the contract amount by \$14,479.60 and brings the adjusted contract amount to \$1,898,521.33. GMS recommends approval of the change order in the amount of \$14,479.60.

*****MOTION*****

MR. LOVATO MADE A MOTION TO APPROVE CHANGE ORDER NO. 2 TO HD SUPPLY WATERWORKS, LTD., IN THE AMOUNT OF \$14,479.60. SECONDED BY MR. HACKER. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- HD Supply's fifth pay request has been received and incorporates Change Order No. 2 in that request. Taking 5% retaining of the total contract amount into account, the net amount due the Contractor is \$126,333.10. GMS recommends approval of the pay request in that amount.

*****MOTION*****

MR. LOVATO MADE A MOTION TO APPROVE PAY REQUEST #5 TO HD SUPPLY WATERWORKS, LTD., IN THE AMOUNT OF \$126,333.10. SECONDED BY MR. HACKER. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- Change Order No. 1 on Pate Construction's contract for the 24"/20" main installations has been compiled and reflects quantity adjustments and additional work undertaken on the project. The overall Change Order results in a decrease in the contract amount by \$3,962.00 bringing the adjusted contract amount to \$887,750.00. GMS recommends approval of that change order.

*****MOTION*****

MR. LOVATO MADE A MOTION TO APPROVE CHANGE ORDER NO. 1 TO PATE CONSTRUCTION IN THE AMOUNT OF \$3,962.00. SECONDED BY MR. HACKER. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- Pate Construction has submitted Pay Request #6. It reflects the contract as being completed. GMS will initiate advertising for the Notice of Final Payment next month to allow for the release of retainage. Taking 5% retaining of the total contract amount, and the adjustment from Change Order No. 2, the net amount due the Contractor is \$1,176.10. GMS recommends approval in that amount.

*****MOTION*****

MR. LOVATO MADE A MOTION TO APPROVE PAY REQUEST #6 TO PATE CONSTRUCTION IN THE AMOUNT OF \$1,176.10. SECONDED BY

MR. HACKER. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- Velocity Constructors' pay request #5 has been received and is effective through August 26, 2007. The pay request shows \$1,063,976.88 earned. With retaining at 5%, the net amount due the Contractor is \$474,054.40. GMS recommends approval of the pay request in that amount.

*****MOTION*****

MR. LOVATO MADE A MOTION TO APPROVE PAY REQUEST #5 TO VELOCITY CONSTRUCTORS IN THE AMOUNT OF \$474,054.40. SECONDED BY MR. HACKER. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- Mr. Hacker asked how far along Velocity Constructors was in their project, and Mr. White informed him they were 84% complete. However, because of over-excavation of unacceptable material within the basins, Velocity Constructors will be requesting an additional 30 days to complete their project.

*****MOTION*****

MR. LOVATO MADE A MOTION TO APPROVE A 30-DAY EXTENSION TO VELOCITY CONSTRUCTIONS TO COMPLETE THEIR PROJECT. SECONDED BY MR. HACKER. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- Mr. Petersen advised the Board that he is advertising for a Class A Operator for the Water/Wastewater Treatment Facility Project. He hopes to have the operator on Board in October.
- Change Order No. 1 on Carrigan Excavating's contract for the Tipton water line extension has been prepared and reflects quantity adjustments and additional work undertaken on the project. The overall Change Order results in an increase in the contract amount by \$1,295.80, and GMS recommends approval of that change order.

*****MOTION*****

MR. LOVATO MADE A MOTION TO APPROVE CHANGE ORDER NO. 1 TO CARRIGAN EXCAVATING IN THE AMOUNT OF \$1,295.80. SECONDED BY MR. HACKER. THERE WAS NO FURTHER DISCUSSION. WITH A

ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- Carrigan Excavating's pay request #3 has been received and reflects work completed per the adjusted contract amount. With retainage at 5%, the net amount due the Contractor is \$47,985.21. GMS recommends approval of the pay request in that amount.

*****MOTION*****

MR. LOVATO MADE A MOTION TO APPROVE PAY REQUEST #3 IN THE AMOUNT OF \$47,985.21 TO CARRIGAN EXCAVATING. SECONDED BY MR. HACKER. THERE WAS NO FURTHER DISCUSSION. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

- GMS is beginning to receive the initial bids on the equipment acquisition and installation of improvements for the Golf Course.

ITEM 9:

⇒ Manager's Report – Kip Petersen

- Mr. Petersen advised that the District is statutorily required to provide the Board a preliminary budget of its operations by October 15, 2007, and he informed them it will be provided to them on the October 9th Board Meeting.
- Ms. Jones asked if there was any progress on a tentative date for the 'town hall' meeting. Mr. Petersen stated he is looking at scheduling something for mid-October. This meeting will not need an agenda, it will simply be for questions and answers with an open forum. Thereafter he hopes to arrange for a public tour of the District area and wells.

ITEM 10:

⇒ Water/Wastewater Report – Art Sintas

- Mr. Sintas reported to the Board the passing of past Board Member and long-time friend of the District, Mr. Ernie Niemeyer. He will be sadly missed.

- Mr. Sintas requested clarification from the Board on their interpretation of the square footage of sod allowed in a sod permit purchase. Mr. Lovato believed an accumulative total of 1,500 square feet of sod would be allowed for a property for the lifetime of that property, not 1,500 square feet for each front and back yard of a property or per year. Mr. Sintas offered the scenario of a new homeowner purchasing a home after the original (old) homeowner who had already placed 1,500 square feet of sod in the yard. Poor management of the existing sod by the original homeowner, re-landscaping and xeriscaping all were factors to be considered in the request to grant a new sod permit to the new homeowner. Mr. Felt believed the sod permit should be issued for the lifetime of the property, and reiterated that under a water conservation program, the District can legally restrict the amount of sod that goes into a yard. After lengthy discussion, it was the consensus of the Board that a sod permit for only 1,500 square foot should be granted, per property, per lifetime. Mr. Sintas requested this information to be placed on the website under the conservation plan category.
- Mr. Beahan, representing himself as a past Board Member, interjected that the District has tried for 20 years to conserve water. If the District is going to control water, it's going to also control growth and development. Mr. Lovato responded by saying there was a huge difference now than in the past. New development is entertained and invited if the new developers can bring in their own water supply.

At this time, Mr. Schubert asked for a short break. The meeting recessed at 6:43 p.m.

The regular meeting resumed at 6:55 p.m.

ITEM 11:

⇒ Golf Course, Pro Shop – Todd Laxson

- Mr. Laxson highlighted on August's developments of the Golf Course stating the months of June and July are consistently the highest yielding months for the golf course with August and May falling in line after that (see attached)
- Three major tournaments were held in conjunction with six "outside" tournaments, one of them being the Club Championship which is a two-day stroke play event. Thanks to Mr. Rainford and his staff, Mr. Laxson said he had experienced the best golf course conditions he had seen in his eight seasons of experience with this tournament.

- Mr. Hacker asked how the restaurant was doing. Mr. Laxson said their sales were pretty even, and there was some changes coming in the near future. He will keep the Board apprised of these changes.

Maintenance – Todd Laxson

- In Mr. Rainford’s absence, Mr. Laxson updated the Board on the August maintenance of the Golf Course (see attached). McPhilomy Commercial Projects loaned the Course a greens roller for the Club Championship tournament, and results were exceptional. Watering took place at a reduced rate and further cuts will take place as the weather cools. September is the beginning of the fall maintenance schedule, and the course will be prepared for winter and next spring.

ITEM 12:

⇒ Old Business

- Mr. Lovato wanted to thank Mr. Petersen for setting up the day tour for the Board Members this past month.

ITEM 13:

⇒ New Business

There was no new business to report.

Mr. Petersen thanked Ms. Hardekopf for her excellent organizational skills in planning for the company’s summer picnic held September 8, 2007. Ms. Jones said it was very well done.

ITEM 14:

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

*****MOTION*****

MR. HACKER MADE A MOTION TO ENTER INTO AN EXECUTIVE SESSION CITING 24-6-402(4)(b), CONFERENCE WITH AN ATTORNEY 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 7:09 p.m.

*****MOTION*****

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

The Regular Session resumed at 8:15 p.m.

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 8:16 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