CHEROKEE METROPOLITAN DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

MINUTES – JUNE 17, 2025

The Regular Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, June 17, 2025 at 5:30 p.m. at 6250 Palmer Park Blvd., Colorado Springs, Colorado.

Board of Directors Present: Dan Wall, Arthur B. Sintas, Jeff Bandy, Kim Wilson (via Zoom) and Bonnie Hunter

CMD Staff Present: Kevin Brown, General Manager, Brandon Zembles, Brian Beaudette, Julie Wells.

Others Present: Joan Fritsche, Fritsche Law LLC; and members of the public (via Zoom).

ITEM 1: Call to Order

The meeting was called to order by Director Wall at 5:35 p.m. Those in attendance were asked to stand and cite the Pledge of Allegiance. A quorum of the Directors was present and there were no changes to Directors' qualifications or disclosures.

ITEM 2: Review and Approval of the Agenda

The agenda was reviewed for any changes.

MOTION: DIRECTOR SINTAS MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE AGENDA AS AMENDED TO INCLUDE TWO ADDITIONAL ITEMS DURING THE GENERAL MANAGER'S REPORT – SDA CONFERENCE AND UPDATE ON POLESON WELL LITIGATION. MOTION UNANIMOUSLY PASSED.

ITEM 3: Public Comment

None.

ITEM 5: Consent Agenda

Item on the Consent Agenda:

A. May 20, 2025 Regular Board Meeting Minutes

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR SINTAS, TO ACCEPT ITEM A. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

ITEM 5: Financial Report

A. May Financial Report

Ms. Wells asked the Board if they had any questions regarding the May Financial Report. Ms. Wells noted that the District has received CTF distributions for the last quarter of 2024 and the first and second quarters of 2025, for a total of $180,822. Interest income continues to be a large percentage of revenue. Ballfield and park pavilion rentals have generated approximately parks almost $8,000 in revenue through May 31st. Tina Melzo has transitioned to the AP Specialist position and is doing a great job. Preparation of the District's 2024 audit began on June 9th and field work is complete. CLA is reviewing the draft financial statements and all is progressing smoothly. Ms. Wells anticipates the auditor will attend the July Board meeting.

MOTION: DIRECTOR HUNTER MOVED, SECONDED BY DIRECTOR WILSON, TO APPROVE THE MAY FINANCIAL REPORT. MOTION PASSED UNANIMOUSLY.

ITEM 6: Old Business/Follow Up

A. Construction Meter Backflow Regulation

Mr. Beaudette reviewed the proposed revisions to the District's Backflow Prevention and Cross Connection Control Regulation related to private meter regulations and to comply with new federal regulations. Board discussion followed.

MOTION: DIRECTOR HUNTER MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE UPDATED BACKFLOW PREVENTION AND CROSS CONNECTION CONTROL REGULATION. MOTION PASSED UNANIMOUSLY.

ITEM 7: New Business

A. Filanc Solids Handling Project Change Order No. 1 – Addition of Overhead Hoist

B. Filanc Solids Handling Project Change Order No. 2 – Solids Hoppers for Conveyance

Mr. Brown updated the Board on the status of the project to replace the 15-year old system at the District's wastewater plant to make the process of solids handling more efficient, and noted two items came up during construction and are the subject of the Change Orders. The proposed Change Orders equal approximately 3% of the total project cost.

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR SINTAS, TO APPROVE FILANC SOLIDS CHANGE ORDER NO. 1 IN THE AMOUNT OF $14,565.00 AND CHANGE ORDER NO. 2 IN THE AMOUNT OF $17,407.00. MOTION PASSED UNANIMOUSLY.

ITEM 9: Staff Reports

Mr. Brown presented his Manager's Report. Mr. Brown discussed scheduling a tour of District Facilities and anticipates the tour will take a half-day. Mr. Brown will coordinate the tour will all who are interested in attending.

Mr. Brown discussed the SDA Conference scheduled for September 16-18 in Keystone, Colorado, and asked if the Directors would like to attend. Director Hunter expressed interest in attending.

Mr. Brown discussed possible adjustments to the District's 2025 Budget and provided a draft. No formal amendment is expected, only changes within line items in the Capital Projects Fund and General Fund. The Board scheduled a budget work session for August 5th at 4:00 p.m. to review further.

Mr. Brown discussed the Five-Year Fleet Plan for the District's general field maintenance pickup trucks. Mr. Beaudette has been reviewing and working on the plan and provided an overview of philosophies and the pros and cons of leasing vs. buying vehicles. Board discussion followed regarding anticipated costs and maintenance and the number of vehicles needed for the fleet. The Board consensus was to purchase vehicles instead of leasing. Staff will review the proposed plan for operational efficiencies and determine the number of vehicles needed for the fleet, included which trucks should be replaced first.

Mr. Brown updated the Board on the status of the Rate Study. He has researched consultants who provide this service. Board discussion followed.

Mr. Brown noted nothing conclusive has been determined so far related to the April 22nd Sewer Backup Investigation. Additional work is being done. No major updates this month. The invoice from ServPro is not available yet.

Mr. Brown updated the Board on the Poleson Well litigation. A Finding and Order from the Judge was issued granting a water right of 72-acre feet. There are additional procedural steps to be completed. Video inspection of the well is complete.

Status of parks projects was also discussed.

There were no additional questions from the Board.

ITEM 10. Executive Session

MOTION: DIRECTOR SINTAS MOVED, SECONDED BY DIRECTOR HUNTER, TO GO INTO EXECUTIVE SESSION PURSUANT TO SECTION 24-6-402(4)(B), C.R.S., FOR A CONFERENCE WITH THE DISTRICT'S ATTORNEYS REGARDING LEGAL ADVICE ON SPECIFIC LEGAL QUESTIONS; AND SECTION 24-6-402(4)(E), C.R.S., TO DETERMINE POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS,

DEVELOPING STRATEGY FOR NEGOTIATIONS, AND INSTRUCTING NEGOTIATORS, ON THE FOLLOWING TOPICS:

1. Six Month Moratorium on Water Service Area Expansions

There was a short break from 7:00-7:10 p.m. before the Executive Session convened. The Directors, Mr. Brown and Ms. Fritsche attended the Executive Session.

MOTION: **DIRECTOR SINTAS MOVED, SECONDED BY DIRECTOR HUNTER, TO COME OUT OF EXECUTIVE SESSION AT 7:30 P.M. MOTION UNANIMOUSLY PASSED.**

ITEM 10. Further Action

A. Resolution 2025-05 – Temporary Moratorium on Water Service Area Expansions Until December 31, 2025

MOTION: **DIRECTOR SINTAS MOVED, SECONDED BY DIRECTOR HUNTER, TO APPROVE RESOLUTION 2025-5 IMPOSING A TEMPORARY MORATORIUM ON WATER SERVICE AREA EXPANSIONS AND EXTERNAL CONTRACTUAL WATER COMMITMENTS AS AMENDED. MOTION UNANIMOUSLY PASSED.**

ITEM 12. Adjournment

There being no further business to come before the Board, the meeting adjourned at 7:36 p.m.

~~Jeff Bandy, Secretary~~
DAN WALL, PRESIDENT

Attorney Fritsche certified for the record that the Executive Session was not recorded, as the matters discussed in Executive Session constituted privileged attorney-client communications.

Joan M. Fritsche, Esq.