

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

MINUTES

The Board of Directors Regular Meeting was held on Tuesday, November 19, 2024, at 5:30 p.m. at 6250 Palmer Park Boulevard, Colorado Springs, Colorado.

#1. Call to Order

Director Kinney called the meeting to order at 5:30 p.m. Robert Hernandez was asked to lead the Pledge of Allegiance. Directors Kinney, Wall, Bandy, Wilson and Sintas were present, and there were no Directors' qualifications or disclosures.

#2. Review and Approval of Agenda

The agenda was reviewed for any changes. Interim General Manager Kevin Brown requested two additional items to be added to the agenda under the Item. 9, New Business, General Manager's Report: (1) An update of the S & P ratings for the District, and (2) the lead and copper service line update. Director Sintas asked to add an item under #8. New Business, General Manager Selection Process.

Motion: Director Wall motioned, seconded by Director Sintas, to accept the November 19, 2024, Agenda with addendums. Motion unanimously passed.

#3. Minutes

The Minutes would be approved under Consent Agenda.

#4. Public Comments

Robert Hernandez, Co-Chair of the Citizens' Park Committee, addressed the Board stating he had received calls from upset citizens regarding the planting of new trees at Pronghorn Meadows Park. They wanted to know who authorized the planting of the trees, who was responsible for the Parks operations, and if those individuals had the proper qualifications to perform those duties. With winter approaching, they also asked if there were sufficient tools and equipment available for snow removal. He stated there would be no December parks meeting until after the budget vote to see if ideas would be feasible and fit into the budget. Director Kinney stated those questions would be addressed later in the evening.

#5. Consent Agenda

The following minutes, meetings, and work sessions, as listed on the evening's Agenda, were brought to the table for review and consideration.

Regular Board Meeting and Public Hearing May 21, 2024
Virtual Special Board Meeting June 28, 2024

Regular Board Meeting July 16, 2024
Virtual Special Board Meeting July 24, 2024
Parks Committee Meeting July 27, 2024
Special Board Meeting July 29, 2024
Work Session August 13, 2024
Regular Board Meeting August 20, 2024
Special Board Meeting August 26, 2024
Special Board Meeting October 2, 2024
Regular Board Meeting, October 7, 2024

Motion: Director Sintas motioned, seconded by Director Wall, to approve all items under the Consent Agenda. Motion unanimously passed.

#6. Financial Report

Julie Wells asked the Board if they had any questions regarding the October 2024 financials provided to them earlier. Director Wilson stated the percentages of line items were high in operating considering there were two months remaining in the calendar year. Ms. Wells stated she would have to look at a few under Collections for Chemicals being at 130% and another at 211% to see if there would be more expenditures before December 31.

Director Kinney advised there is \$120,000.00 in the Parks line item yet to be used on capital outlay. With incoming revenue for park fees, and the Conservation Trust Fund, total revenue so far for 2024 was \$310,667.00.

Motion: Director Wall motioned, seconded by Director Bandy, to accept the October financials. Motion unanimously passed.

Mr. Brown reported that CLA received comments back at the beginning of November on the 2023 audit submission. They then revised the audit submission on November 18th and there were a few more weeks in the next review cycle and hopefully that will be the last round of comments CLA receives.

Director Kinney asked if there was any hold up and said the auditor had previously anticipated being done by September, but they were frustrated with the time it took to get the information. Mr. Brown stated he was just as frustrated. Director Wall suggested we compile a Lessons Learned report and also identify ways to prevent this from happening in the future. Ms. Wells stated much of the problems arose with the last CFO and she would work with CLA to refine processes to ensure it will go more smoothly next time. Director Kinney said we would check back in a few weeks and get an update.

Motion: Director Wilson motioned, seconded by Director Bandy (for discussion purposes), to reduce the number of company credit cards from 13 to four. Mr. Brown stated he would like to have a comprehensive purchasing policy ready for Board review at the January Board meeting. After discussion, Director Wall called for the vote. Motion unanimously failed.

Motion: Director Wall motioned, seconded by Director Bandy, to direct Mr. Brown to prepare a short-written policy to be referred to before the final purchasing policy was established. Motion unanimously passed.

#7. Old Business/Follow Up

Legal Counsel Joan Fritsche provided guidance on conducting inclusion proceedings to align the District's water service boundaries with its legal boundaries. A list of approximately 406 parcels obtained from the El Paso County Assessor's Office was provided to the Board along with a memorandum outlining statutory procedure.

C.R.S. Statute Title 32 provides three options for special districts to facilitate the inclusion of property: (1) Owner petitions for inclusion; (2) a Petition for Inclusion from 20% or 200 Taxpaying Electors, and (3) a Resolution for Inclusion adopted by the Board of Directors.

The three options were discussed. It was the consensus of the Board that a resolution would be the best option to accommodate the District's needs. Ms. Fritsche will continue to proceed with the Board's direction.

Mr. Brown summarized events that have occurred over the past several weeks regarding the need for maintenance on the dead trees on the Springside Drive parcels and stated the trees were scheduled to be removed by an arborist.

#8. New Business

The Filanc Construction Services Contract for the WRF Screwpress Replacement Project was reviewed. Their scope of services was not to exceed \$1,247,897.00.

Motion: Director Sintas motioned, seconded by Director Wall, to approve the Filanc Construction Services Contract in the amount of \$1,247,897.00. Motion unanimously passed.

Jeff Munger will be retiring from Cherokee at the end of November has agreed to continue working on existing engineering projects through under a Professional Services Contract, including, but are not limited to, well 15, 048 generator, and selective electrical projects. The duration of Mr. Munger's contract will be open ended to complete those projects.

Motion: Director Sintas motioned, seconded by Director Wall, to approve Mr. Munger's Master Service Agreement. Motion unanimously passed.

Resolution 2024-01 – An Amended Resolution Concerning 2024 Annual Administrative Matters was discussed including engaging Wayne Williams as the designated election official for the 2025 Directors' Election.

Motion: Director Wall motioned, seconded by Director Bandy, to approve Resolution 2024-01 – An Amended Resolution Concerning 2024 Annual Administrative Matters. Motion unanimously passed.

Resolution 2024-08 – A Resolution to Appoint a Representative of the Cherokee Metropolitan District to the Loop Water Authority was reviewed. The Board agreed to have Mr. Brown appointed as the designated Board Member, and Brandon Zembles as his alternate, representing the LWA on behalf of the District.

Motion: Director Bandy motioned, seconded by Director Wall, to approve Resolution 2024-08 – A Resolution to Appoint a Board Member to Represent the Cherokee Metropolitan District to the Loop Water Authority. Motion unanimously passed.

Administrative Order 2024-01 – Gifts, Benefits, and Meals was discussed. This order directs all employees of Cherokee Metropolitan District to disclose receipt of any gift, gratuity, or meal to the General Manager or his designee, and any gift, gratuity, or meal received that has a value of more than \$25.00 is prohibited.

Motion: Director Wall motioned to approve Administrative Order 2024-01 – Gifts, Benefits, and Meals. Motion died for lack of a second.

The wall located on the north end of Pinyon Jay Park is deteriorating after it went through in-house modifications and repairs several years ago.

Motion: Director Kinney motioned, seconded by Director Wilson, to have the wall professionally repaired up to a cost of \$10,000.00. There was no further discussion. Motion unanimously passed.

There is \$120,000.00 allocated to the parks fund but no capital costs have incurred. It is hoped several projects could be completed by year end which included replacement of two bleachers at Eastridge Park and a barrier wall to be erected on Dewhirst Dr.

Motion: Director Bandy motioned, seconded by Director Sintas, to schedule a parks committee work session on January 7, 2025, beginning at 4 p.m. There was further discussion to schedule a 2025 budget workshop. Director Wilson motioned, seconded by Director Sintas, to schedule a budget work session for December 2, 2024, beginning at 4 p.m. Motion unanimously passed.

Motion: Director Wilson motioned, seconded by Director Wall, to proceed by year end and authorize the professional replacement of bleachers at Eastridge Park -- at up to \$5,000.00 for two bleachers -- and to professionally erect a barrier wall, up to a cost of \$5,000.00, on Dewhirst Dr. Motion unanimously passed.

There was an update on the proposed ballot box. Two bids, one from Fort Knox Ballot Box and the other from American Security Cabinets, ranged from \$2,029.95 to \$2,260.00. The ballot box would be erected around the drive-through payment box in time for the May, 2025, Board of Directors' election. There would be security coverage and lighting.

Motion: Director Bandy motioned, seconded by Director Wall, to approve the purchase of the ballot box from Fort Knox in the amount of \$2,260.00, and to have it erected by the May, 2025, election. All in favor. Motion unanimously passed.

Mr. Brown provided an update on the current staffing situation. He reviewed future needs for the District and stated the WRF has ten wastewater operators but ideally should have 12 operators. He is considering hiring an accounting clerk for the finance division. Director Wilson felt otherwise and suggested a hiring freeze should go into effect during this time of transition.

Motion: Director Wilson motioned to enact a temporary hiring freeze. Motion died for lack of a second.

The Board was in agreement that Mr. Brown should have approximately six months in his interim position to see if this was an opportunity he would like to pursue, and it also gives the Board ample amount of time to work with him in his capacity and/or to pursue a timeline in permanently filling the position.

Motion: Director Sintas motioned, seconded by Director Bandy, to provide Mr. Brown with an interim period of six months, if he desires, before any decision is made to select or advertise for a permanent General Manager. All in favor. Motion unanimously passed.

#9. Staff Reports

Mr. Brown began his General Manager's report by introducing Noah Vogel, SCADA Engineer, who provided a cyber security discussion with the Board pursuant to the District's insurance requirements. Cherokee continually strives to secure personally identifiable information by requiring company-owned and managed devices to access the network and securing strong password policies to promote device and network encryption, among other factors.

Cyber security audits are performed semi-annually. Based on the findings of these audits, the District is continuing to improve its cyber security by implementing two-factor authentication, eliminating aging equipment, creating written procedures for incident response, and creating relationships with cyber security incident-response vendors and governmental agencies.

In the next year, Cherokee plans to remain vigilant of threats by reviewing threat advisories from organizations such as CISA and continuing to improve implementation of more secure software and hardware practices.

Mr. Brown's top priority for the last two months was to refine the 2025 Annual Budget. He and department heads worked to create a detailed capital project listing which included cost estimate sources and methods for 2025 capital projects over \$100,000.00.

Last month S & P (Standard & Poor's) requested a surveillance meeting with CMD staff to evaluate the District's bond rating for existing and future bonds which may be needed in the future.

Mr. Brown advised CMD received a rating of “A” in their report, a copy of which was delivered to the Directors before the meeting.

CMD is in the final stages of compliance with the new EPA and CDPHE Lead and Copper Rule and has excavated 320 service lines and thus far has found no lead lines.

The Parks Superintendent is in the process of consolidating a current standard operating procedure into a single document describing all the regular parks maintenance work currently performed including mowing, weeding, trash pickup, and ballfield preparation. A draft of this SOP is expected to be completed in January.

Mr. Brown is preparing a purchasing policy for all employees which will include credit card transactions and purchases through company accounts. CLA is providing a draft purchasing policy adapted to CMD’s needs. There was discussion regarding authorized limits to meet the General Manager’s contract approval authority.

There was a five-minute break before the Executive Session.

#10. Executive Session

In accordance with the Colorado Open Meetings Act, the Board, in Open Session, determined to hold an Executive Session pursuant to §24-6-402(4)(b), C.R.S., conference with the District’s attorney regarding legal advice on specific legal questions, and §24-6-402(4)(e), C.R.S., determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators, and §24-6-402(4)(a), C.R.S.,. Upon the affirmative vote of two-thirds of the members present, the Board held an Executive Session on:

1. Woodmen Hills Arbitration Update
2. Loop Water Authority Update

Motion: Ms. Fritsche cited the statutes leading into the Executive Session. Director Wall motioned, seconded by Director Sintas, to close the Regular Session and move into Executive Session. Motion unanimously passed.

The Executive Session began at 8:10 p.m.

Motion: It was motioned and moved to come out of the Executive Session. All in favor. Motion unanimously passed.

#11. Adjournment

There being no other business to come before the Board, the meeting adjourned at 9:10 p.m.


Jeff Bandy, Secretary