CHEROKEE METROPOLITAN DISTRICT

SPECIAL MEETING OF THE BOARD OF DIRECTORS

MINUTES – SEPTEMBER 17, 2026

The Special Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Thursday, September 17, 2026 at 5:30 p.m. at 6250 Palmer Park Blvd., Colorado Springs, Colorado.

Board of Directors Present: Dan Wall, Kim Hale, Jeff Bandy, Jeremy Atkinson, Dolly Letriz

CMD Staff Present: Kevin Brown, General Manager; Julie Wells, Accountant; Joshua Watkins, Wastewater Supervisor/ORC

Others Present: Joan Fritsche, Fritsche Law LLC; members of the public.

ITEM 1: Call to Order

The meeting was called to order by Director Wall at 5:34 p.m. A quorum of the Directors was present and there were no changes to Directors' qualifications or disclosures. Those in attendance were asked to stand and cite the Pledge of Allegiance.

ITEM 2: Review and Approval of the Agenda

A. Addendums/Amendments to Agenda

The Board reviewed the agenda.

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR HALE, TO APPROVE THE AGENDA AS PRESENTED. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

ITEM 3: Public Comment

None.

ITEM 4: Consent Agenda

Items on the Consent Agenda:

A. August 18, 2026 Regular Meeting Minutes

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR LETRIZ, TO APPROVE ITEM A ON THE CONSENT AGENDA. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

ITEM 5: Financial Report

A. August 2026 Financial Report

Ms. Wells reviewed the August 2026 Financial Report. The Board had no additional questions on the Financial Report. Mr. Brown and Ms. Wells reviewed the District's accounts with COLOTRUST and noted there are currently four accounts designated for capital projects, but the accounts have never been used. Mr. Brown discussed consolidating the accounts into one account designated for the Water Treatment Facility capital project, so funds do not have to be transferred between the various accounts and to eliminate the unnecessary accounts. Mr. Brown also discussed utilizing COLOTRUST's Certificate of Deposit Program that would allow the District to set aside funds for a set period of time and earn a higher interest rate. Based on Board feedback, a resolution to consolidate four of the District's COLOTRUST accounts into one Water Treatment Facility Capital Project account will be brought before the Board at its next meeting.

MOTION: DIRECTOR HALE MOVED, SECONDED BY DIRECTOR ATKINSON, TO ACCEPT THE AUGUST 2026 FINANCIAL REPORT AS PRESENTED. MOTION PASSED UNANIMOUSLY.

ITEM 6: Unfinished Business

A. CMD Parks Survey Discussion

Mr. Brown reviewed the Professional Services Agreement with Colorado Community Research, LLC related to the community survey on District parks projects. Discussion followed.

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR ATKINSON, TO APPROVE THE PROFESSIONAL SERVICES AGREEMENT AND SCOPE OF WORK WITH COLORADO COMMUNITY RESEARCH. MOTION FAILED 4 TO 1.

Discussion continued regarding options for District staff to send a short survey to District customers. The Board directed Mr. Brown to prepare a draft email survey to send to District customers who have provided an email address. Mr. Brown will provide an update at the next Board meeting.

B. Resolution 2026-09: Extending Water Service Area Expansion Moratorium

Mr. Brown reviewed the history of the Water Service Area Expansion Moratorium, the status of finalizing the District's inclusion criteria, and the need for an additional extension on the Moratorium. Discussion followed.

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR ATKINSON, TO APPROVE RESOLUTION NO. 2026-09 - RESOLUTION EXTENDING THE DISTRICT'S TEMPORARY MORATORIUM ON WATER SERVICE AREA EXPANSIONS AND EXTERNAL CONTRACTUAL WATER COMMITMENTS UNTIL DECEMBER 31, 2026. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

MOTION: **DIRECTOR WALL MOVED, SECONDED BY DIRECTOR ATKINSON, TO AMEND THE AGENDA TO ADD ITEM 9(C) TO THE EXECUTIVE SESSION TO DISCUSS LEGAL ISSUES RELATED TO THE WATER SERVICE AREA EXPANSION MORATORIUM AND THE DISTRICT'S INCLUSION CRITERIA. MOTION PASSED UNANIMOUSLY.**

ITEM 7: New Business

A. Pinyon Environmental General Services Agreement Ratification

Mr. Brown reviewed the Agreement for Services with Pinyon Environmental, the firm that is performing a Phase 1 environmental due diligence assessment on the parcels the District is under contract to purchase from Cimarron Hills Fire Protection District.

MOTION: **DIRECTOR ATKINSON MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE AND RATIFY THE AGREEMENT FOR SERVICES BETWEEN THE DISTRICT AND PINYON ENVIRONMENTAL, LLC. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

B. Sage Intacct Statement of Work and Support Agreement – Accounting Software

Mr. Brown noted staff has worked to identify new accounting software for the District. After evaluating three options, staff recommends Sage Intacct. Sage Intacct's pricing was more competitive and the product is better targeted for smaller organizations. This software will modernize the District's processes with digital receipt management, improved reports, and current day to day visibility on spending, rather than just end of month.

MOTION: **DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR LETRIZ, TO APPROVE THE STATEMENT OF WORK TO THE MASTER SERVICE AGREEMENT BETWEEN THE DISTRICT AND CLIFTON LARSON ALLEN, LLP FOR IMPLEMENTATION AND ONGOING SUBSCRIPTION OF SAGE INTACCT ONLINE ACCOUNTING SOFTWARE. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

C. Five Year Capital Projects Financial Plan Update with PFAS Treatment Plant

Mr. Brown provided an update on the District's Five-Year Capital Projects Financial Plan. The Five Year Plan has changed due to the higher than anticipated cost of the PFAS Water Treatment Plant project, and the loss of future revenue from sale of the Sundance Pipeline because the Loop Water Authority has dissolved. Mr. Brown noted the necessity of a debt issuance in 2027, either through issuing bonds, a subsidized loan, or combination of options. The amount to be financed will depend on how much grant funding the District receives of the $18 million the District is eligible for. Additional information will be provided during the October budget study session. Discussion followed.

D. Parks Financial Plan Scenarios

Mr. Brown reviewed a presentation on Parks Financial Plan Scenarios and how changes in the amount

of the Parks Maintenance Fee could increase available funds for parks capital projects and support increased park maintenance costs, since the Parks Maintenance Fee has not been increased in over ten years. Discussion followed.

ITEM 8: Staff Reports

Mr. Brown presented his Manager's Report. He updated the Board on the 2027 Budget process and timing. A draft budget will be provided to the Board prior to October 15th. Mr. Brown and the Board discussed timing for holding a Budget Study Session. The Board consensus was to hold the Study Session on October 22, 2026 at 4:30 p.m.

Mr. Brown updated the Board on August water use. August set a monthly production record for the last ten years; however, August 2007 and August 2014 were higher than August 2026. This summer has stressed the water system but has proven that theoretical maximum flows can be maintained long-term. District staff is closely monitoring aquifer water levels for long-term impacts from higher withdrawals and lower recharge this year.

Mr. Brown updated the Board on capital projects. District staff is exploring value engineering to reduce the cost of the PFAS Water Treatment Plant. The Tank 5 project received City Planning Commission approval this month and is slated for final City Council approval at the beginning of October. The Tank 5 easement access gate relocation was approved and construction is expected to begin in October. The schedule has shifted to site work this fall and winter, followed by tank construction in 2027. The intersection valve replacement project has been fully completed. The bioreactor covers project had its first delay due to delays in the manufacturer's delivery. Substantial completion has moved to November and no monetary change orders are expected.

There were no additional questions from the Board.

ITEM 9. Public Comment

District resident Kristin Carlson addressed the Board regarding her District water bill and options for helping customers pay their utility bills.

ITEM 10. Executive Session

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR BANDY, TO GO INTO EXECUTIVE SESSION PURSUANT TO SECTION 24-6-402(4)(B), C.R.S., FOR A CONFERENCE WITH THE DISTRICT'S ATTORNEY REGARDING LEGAL ADVICE ON SPECIFIC LEGAL QUESTIONS; SECTION 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 SECTION 24-6-402(4)(A), C.R.S., REGARDING THE PURCHASE, ACQUISITION, LEASE, TRANSFER, OR SALE OF ANY REAL, PERSONAL, OR OTHER PROPERTY INTEREST. NO FORMAL ACTION OR VOTING WILL TAKE PLACE IN THE EXECUTIVE SESSION.

ITEM 4: Study Session

A. Presentation on Cherokee Draft Inclusion Application Process
B. Discussion of Cherokee Draft Inclusion Application Process

Mr. Brown provided a comprehensive presentation and review of the District's water rights position with and without the Replacement Plan, existing boundary development, potential expansion and considerations, the proposed framework and timeline for inclusion into the District's boundaries and expansion of water and wastewater services, and recommendations. Discussion followed.

ITEM 5. Adjournment

No Board action was taken. There being no further business to come before the Board, the meeting adjourned at 5:14 p.m.

Acting Secretary

CHEROKEE METROPOLITAN DISTRICT

SPECIAL MEETING OF THE BOARD OF DIRECTORS

MINUTES – SEPTEMBER 11, 2026

The Special Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Friday, September 11, 2026 at 4:00 p.m., remotely via Zoom:
https://zoom.us/j/96422002711?pwd=CUZedE5zq7uNb0F9n1lTbSNOQsgROK.1
Meeting ID: 964 2200 2711; Passcode: 386159

Board of Directors Present: Dan Wall, Kim Hale, Jeremy Atkinson, Dolly Letriz

Absence Excused: Jeff Bandy

CMD Staff Present: Kevin Brown, General Manager

Others Present: Joan Fritsche, Fritsche Law LLC

ITEM 1: Call to Order

The meeting was called to order by Director Wall at 4:00 p.m. Those in attendance were asked to stand and cite the Pledge of Allegiance. Those in attendance also observed a moment of silence in honor of the September 11, 2001 victims.

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

A. Addendums/Amendments to Agenda

The agenda was reviewed for any changes.

MOTION: FOLLOWING DISCUSSION, THE BOARD APPROVED THE AGENDA AS PRESENTED. ALL IN FAVOR.

ITEM 3: Public Comment

None.

A. Ellicott Pipeline Easement Acquisition Update
B. CHFD Headquarters Building Status Update
C. Inclusion and Expansion of Service Criteria and Moratorium Discussion

The Executive Session convened at 7:25 p.m., after a short break. The Directors, Mr. Brown and Ms. Fritsche attended the Executive Session.

MOTION: **DIRECTOR WALL MOVED, SECONDED BY DIRECTOR HALE, TO COME OUT OF EXECUTIVE SESSION AT 8:08 P.M. MOTION UNANIMOUSLY PASSED.**

ITEM 11. Adjournment

There being no further business to come before the Board, the meeting adjourned at 8:09 p.m.

Jeff Bandy, Secretary

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.

CHEROKEE METROPOLITAN DISTRICT
RESOLUTION 2026-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF CHEROKEE METROPOLITAN DISTRICT CONSOLIDATING COLOTRUST ACCOUNTS

WHEREAS, the Cherokee Metropolitan District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado, operating pursuant to the Special District Act, C.R.S. §§ 32-1-101, *et seq.*; and

WHEREAS, Section 32-1-1001(h), C.R.S., empowers the Board of Directors of the District (the "Board") to manage, control and supervise the business and affairs of the District; and

WHEREAS, the Board has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, it is necessary for the District to manage its funds through appropriate accounts with banking institutions; and

WHEREAS, the District currently utilizes COLOTRUST, a statutory trust organized and existing under the laws of the state of Colorado intended solely for use by Colorado local governments. COLOTRUST provides local governments with a convenient method for investing in high-quality, short to medium term securities chosen to provide for safety and liquidity while prioritizing interest earnings; and

WHEREAS, the District currently has eight accounts with COLOTRUST; and

WHEREAS, four of the COLORTRUST accounts were created by previous Boards, apparently to fund specific capital projects and are identified as follows:

a. ColoTrust WWTF Reserve (7026) (Opened before December 2011)
b. ColoTrust 5% Construction Fund (7028) (Opened before December 2011)
c. ColoTrust 7% Capital Reserve (7030) (Opened February 2018)
d. ColoTrust Water Capital (7031) (Opened October 2019)

(collectively, the "Board-Designated Accounts"); and

WHEREAS, the Board-Designated Accounts have not been used for any project in the last 10 years and have continued to accumulate funds; and

WHEREAS, the Board desires to consolidate the Board-Designated Accounts into one COLOTRUST account.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cherokee Metropolitan District, El Paso County, Colorado:

1. COLOTRUST Accounts. The District currently maintains the appropriate and necessary investment accounts with COLOTRUST, Colorado.

2. Account Consolidation. The Board hereby directs that the Board-Designated Accounts be consolidated into one unrestricted COLOTRUST account entitled "Water Treatment Facility Account" to be used for the District's water treatment facility capital project.

3. Cancellation of Automatic Transfers. All automatic transfers currently in place with the Board-Designated Accounts are directed to be cancelled immediately.

4. Short Term Certificates of Deposit. The Board directs staff to utilize COLOTRUST's short term Certificates of Deposit program to maximize the amount of interest earned on funds being held in the Water Treatment Facility Account until needed.

5. Effective Date. The provisions of this Resolution shall take effect immediately.

ADOPTED this 20th day of October, 2026.

CHEROKEE METROPOLITAN DISTRICT

By: _____
Danial Wall, President

ATTEST

_____
Jeff Bandy, Secretary