

CHEROKEE METROPOLITAN DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

MINUTES – SEPTEMBER 23, 2025

The Regular Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, September 23, 2025 at 5:30 p.m. at 6250 Palmer Park Blvd., Colorado Springs, Colorado.

Board of Directors Present: Dan Wall, Kim Hale and Jeff Bandy.

Excused Absence: Bonnie Hunter

CMD Staff Present: Kevin Brown, General Manager; Julie Wells, Accountant; Joshua Watkins, Wastewater Supervisor/ORC; and Tyler Drennan, Pretreatment Coordinator

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

ITEM 1: Call to Order

The meeting was called to order by Director Wall at 5:31 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.

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR HALE, TO EXCUSE THE ABSENCE OF DIRECTOR HUNTER. MOTION UNANIMOUSLY PASSED.

ITEM 2: Review and Approval of the Agenda

The agenda was reviewed for any changes.

MOTION: DIRECTOR HALE MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE AGENDA AS AMENDED TO MOVE AGENDA ITEM 7.B TO FOLLOWING ITEM 5.A. MOTION UNANIMOUSLY PASSED.

ITEM 3: Public Comment

None.

ITEM 5: Consent Agenda

Items on the Consent Agenda:

- A. August 19, 2025 Regular Board Meeting Minutes
- B. JB Landscape Co – Plower Court Erosion Mitigation Design (Standard Contract Amendment)

MOTION: DIRECTOR HALE MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE ITEMS A THROUGH B ON THE CONSENT AGENDA. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

ITEM 5: Financial Report

- A. August Financial Report

Ms. Wells asked the Board if they had any questions regarding the August Financial Report. Ms. Wells noted the 2025 budget is on track for the year. Total revenue is at 73% and total overall expenses are at 57%. Ms. Wells noted the District has received \$720,000 in settlement proceeds from the PFAs litigation. The Board had no additional questions.

MOTION: DIRECTOR HALE MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE AUGUST FINANCIAL REPORTS. MOTION PASSED UNANIMOUSLY.

- B. Pretreatment Local Limits Report Approval

Mr. Drennan presented the Local Limits Documentation Report for the District’s Water Reclamation Facility. All wastewater plants are required to set limits pursuant to EPA requirements. Mr. Drennan reviewed the background and noted the local limits documented in the report are the result of a year-long study and based upon groundwater standards for the protection of municipal drinking water wells. The District utilized the “EPA Local Limits Development Guidance” as an aid in completing this project. Mr. Drennan noted that Board approval of the limits set forth in the Report will allow the limits to be enforceable for the pre-treatment program. Mr. Brown and Mr. Drennan discussed significant industrial users and the number of pre-treatment monitor users within the District. The Board had no additional questions.

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR HALE, TO APPROVE THE REPORT AS PRESENTED AND APPROVE INTERGRATION OF THE LIMITS OUTLINED IN THE REPORT. MOTION PASSED UNANIMOUSLY.

ITEM 6: Unfinished Business

- A. Board Vacancy Discussion

President Wall reported that no letters of interest for the Board vacancy were delivered by the deadline. The Board and Ms. Fritsche discussed moving the Notice of Vacancy to the Homepage of the website for more visibility and removing the deadline for submitting a letter of interest. Attorney Fritsche noted her office would forward an updated Notice for posting.

ITEM 7: New Business**A. Parks Committee Meeting Report**

Robert Hernandez, Co-Chair of the Citizens Parks Committee, spoke to the Board about the parks within the District and reviewed the report he provided to the Board. Mr. Hernandez asked that the Committee's email address be added to the District's website to improve citizen communication. Mr. Hernandez also discussed improving facilities that are already within the District, instead of replacing, and additional measures to improve the parks including installing benches, fixing fences and additional lighting. The Board and Mr. Hernandez discussed the Parks Master Plan.

B. *This item was moved up on the agenda.***C. Wilshire Metropolitan District Nos. 1 and 2 Overlapping Services**

Ms. Fritsche discussed the statutory provision that prohibits a new special district from providing overlapping services within an existing district. Ms. Fritsche requested amending the Service Plan for the proposed Wilshire Metropolitan District Nos. 1-2 to allow the districts to construct and finance water and sanitary sewer public infrastructure to be conveyed to Cherokee Metropolitan District for ownership, operations and maintenance. After the metro districts are formed, the districts and Cherokee will enter into an IGA confirming the terms of the Service Plan. Board discussion followed.

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR HALE, TO APPROVE RESOLUTION 2025-07 GRANTING CONSENT TO THE PROVISION OF SERVICES BY OVERLAPPING TITLE 32 SPECIAL DISTRICTS. MOTION PASSED UNANIMOUSLY.

D. Bioreactor Covers Progressive Design-Build Contract with Moltz Construction

Mr. Brown reviewed the District's wastewater treatment process and the basins which are currently uncovered. There is a serious concern over tumbleweeds potentially getting into the basins and causing maintenance issues and clogging the pumps. Tumbleweeds could also destroy the new membranes. After researching alternatives, the most viable solution is to cover the basins to protect from tumbleweeds, dust and debris getting into the basins and to provide temperature regulation, which improves efficiency. Mr. Brown suggested the cost of designing and constructing the bioreactor basin covers equates to an "insurance policy" protecting the bioreactor membranes which cost \$12M to replace with a three month procurement timeframe. Mr. Brown stated that only one bid was received for the project. Board discussion followed.

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE DESIGN-BUILD CONTRACT WITH MOLTZ CONSTRUCTION FOR BIOREACTOR FIBERGLASS REINFORCED COVERS. MOTION PASSED UNANIMOUSLY.

E. North Ellicott Highway Line Lowering Construction Contract with BT Construction, Inc.

Mr. Brown reviewed the North Ellicott Highway 20" Line Lowering and Replacement Project, which will lower the main below the frost line due to El Paso County conducting storm drainage infrastructure work, without notifying the District of the activity. Mr. Brown and the Board discussed issues with coordination with the County and the increased costs of this project and others due to the County's lack of coordination and communication. The Board also discussed seeking restitution from the County and steps to get the County's attention on these matters in the future.

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE NORTH ELLICOTT HIGHWAY LINE LOWERING CONSTRUCTION CONTRACT WITH BT CONSTRUCTION, INC. BOARD DISCUSSION FOLLOWED. DIRECTOR HALE VOTED AGAINST APPROVAL OF THE CONTRACT. MOTION PASSED 2 TO 1.

F. 2026 Budget Study Session Schedule

Mr. Brown and the Board discussed a Study Session on the 2026 Budget. The Study Session was scheduled for Thursday, October 16th from 3:00-4:30 p.m.

ITEM 8: Staff Reports

Mr. Brown presented his Manager's Report. Mr. Brown updated the Board on the PFAS Treatment Plant design contract award and timeline. The District completed interviews with the Hazen & Sawyer – JVA team and the AE2S Team. Both teams are qualified and will be able to deliver the project.

Mr. Brown noted he has been focused on adding the softening and PFAS treatment report results into the District's five-year capital plan and running a new set of scenarios. A full report will be provided at the budget study session. He noted it will be nearly impossible to accommodate PFAS Treatment, softening treatment, and the new Ellicott pipeline in the next five years without extraordinary bond issuances and extremely high rate increases. Completing either softening or the new pipeline alongside the PFAS treatment facility would result in smaller rate increases.

Mr. Brown noted that he attended Mountain View Electric's annual customer appreciation night on September 10th. MVEA discussed moving to a time of day based power rate system in 2026, which would be a change from the District's historic flat rates. Time of day based rates will provide the opportunity to save money by reducing water pumping during certain key daily intervals but will raise rates on District sites that must run 24/7. MVEA committed to meeting with the District ahead of the rollout to forecast which sites could benefit from modified operations and which ones will pay higher rates.

Concerning the District's moratorium on inclusions, Mr. Brown reported that Leonard Rice Engineers (LRE) revised its scope of services and cut its estimate roughly in half to just under \$50,000 by focusing on researching water service area inclusion criteria in use statewide and developing an evaluation matrix for the District. Under the revised proposal, the District will formalize and administer the review process based on the evaluation matrix developed by LRE.

There were no additional questions from the Board.

ITEM 9. Executive Session

MOTION: DIRECTOR HALE MOVED, SECONDED BY DIRECTOR WALL, 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; AND SECTION 24-6-402(4)(F) FOR DISCUSSION OF A PERSONNEL MATTER. NO FORMAL ACTION OR VOTING WILL TAKE PLACE IN THE EXECUTIVE SESSION.

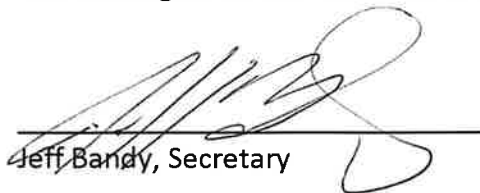
- A. The Loop Proposed Contract Terms Discussion
- B. PFAS Treatment Site Acquisition Discussion
- C. Cimarron Hills Fire Protection District Discussion
- D. Personnel Issue

There was a short break from 6:40-6:46 p.m. before the Executive Session convened. The Directors, Mr. Brown, and Ms. Fritsche attended the Executive Session.

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR HUNTER, TO COME OUT OF EXECUTIVE SESSION AT 7:27 P.M. MOTION UNANIMOUSLY PASSED.

ITEM 10. Adjournment

There being no further business to come before the Board, the meeting adjourned at 7:28 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.

