

## CHEROKEE METROPOLITAN DISTRICT

### REGULAR MEETING OF THE BOARD OF DIRECTORS

MINUTES – AUGUST 19, 2025

The Regular Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, August 19, 2025 at 5:30 p.m. at 6250 Palmer Park Blvd., Colorado Springs, Colorado.

Board of Directors Present: Dan Wall, Kim Hale (via Zoom), Jeff Bandy and Bonnie Hunter

CMD Staff Present: Kevin Brown, General Manager; Julie Wells, Accountant; Joshua Watkins, Wastewater Supervisor/ORC; and Matthew Mevis, Water Treatment Supervisor/ORC.

Others Present: Joan Fritsche, Fritsche Law LLC; Steve Hochstetter, Chris Stager, and Courtney Vance, Stockman Kast Ryan & Co., LLP; and Rahul Subramanian (in-person), Natalia Hoogesteijn and Connor Murray (via zoom), Hazen & Sawyer; and members of the public.

ITEM 1: Call to Order

The meeting was called to order by Director Wall at 5:34 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 WALL MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE AGENDA AS AMENDED TO REMOVE AGENDA ITEM 7(C). MOTION UNANIMOUSLY PASSED.**

ITEM 3: Public Comment

None.

ITEM 5: Consent Agenda

Items on the Consent Agenda:

- A. Accept Resignation Letter from Director Art Sintas
- B. July 15 2025 Regular Board Meeting Minutes

- C. Beabout Brock Easley (Unmodified MSA)
- D. Benesch Engineering MSA (Unmodified MSA)
- E. Atlas Control Systems (Standard Contract Amendment)

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

**ITEM 5:      Financial Report**

- A. 2024 Audit Presentation (Stockman Kast Ryan & Co)

Mr. Hochsetter, Ms. Vance and Mr. Stager presented the District’s 2024 Audit Report. Mr. Hochsetter provided a brief overview of the audit process and conclusions. Ms. Vance reviewed the financial statements and the Auditor’s requirements, and Mr. Stager noted the District received a clean opinion from the Auditor. There were no questions from the Board.

**MOTION: DIRECTOR HUNTER MOVED, SECONDED BY DIRECTOR HALE, TO ACCEPT THE DISTRICT’S 2024 AUDIT REPORT AS PRESENTED. MOTION PASSED UNANIMOUSLY.**

- B. July Financial Report

Ms. Wells asked the Board if they had any questions regarding the July Financial Report. Ms. Wells commented on the 2024 audit and noted the 2025 budget is on track for the year. The Board had no additional questions.

**MOTION: DIRECTOR HUNTER MOVED, SECONDED BY DIRECTOR HALE, TO APPROVE THE JULY FINANCIAL REPORT. MOTION PASSED UNANIMOUSLY.**

**ITEM 6:      Unfinished Business**

- A. Softening Report – Hazen & Sawyer

Mr. Subramanian provided an overview of the project goals and scope, and a review of the technologies available to achieve the District’s water hardness goals. The purpose is to create a comprehensive, defensible and objective report. Ms. Hoogesteijn noted that in a nutshell “softening” is taking the calcium and magnesium ions in the water which can cause scale and removing them by various methods. She presented the technical data that was collected and the results of the alternatives analysis. Board discussion followed. Mr. Subramanian presented the financial considerations including capital expenses and operating expenses. The Board discussed sending a survey to District customers and also the possibility of a special election for voters to consider one or more of the three softening options presented. The Board discussed holding study sessions with staff to review the options in more detail. Mr. Brown will prepare a financial analysis for the next meeting. The Board thanked Hazen & Sawyer for the presentation.

B. Pinyon Jay Park Wall Options

Mr. Brown reported the bid he received to stucco the pillars to match the wall color was \$1,000. He has not yet received a bid to re-sand and re-paint the entire wall, including the pillars. Director Wall noted the Board has not heard from the Parks Committee regarding the options, and suggested Parks Committee meetings be scheduled and held publicly. Board discussion followed regarding the relevance and process for the Parks Committee, and the Committee's responsibility to assist the Board, not override Board decisions.

**MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR HUNTER, TO APPROVE MOVING FORWARD WITH STUCCOING THE PINYON JAY WALL PILLARS FOR A COST OF \$1,000.00. MOTION PASSED UNANIMOUSLY.**

**ITEM 7: New Business**

A. Board Vacancy Discussion

The Board noted there is one vacant position on the Board, for a term ending May 2027. Ms. Fritsche noted there is no statutory procedure required to be followed for filling a Board vacancy. She reviewed a memo outlining a procedure for filling a vacancy and noted the Board could post a Notice of Vacancy on the website to seek letters of interest. Ms. Fritsche recommended forming a Board committee to review letters of interest and meet with any candidates. Board discussion followed. The Board directed staff to post the Notice of Vacancy on the website, and Directors Wall and Hunter were appointed as the committee to review letters of interest and meet with candidates, if any.

B. DN Tanks - Tank 5 Construction Contract

Mr. Brown presented the Construction Contract with DN Tanks, Inc. for the 2025 At-Grade Water Storage Tank Improvements and reviewed the project schedule. Board discussion followed.

**MOTION: DIRECTOR HUNTER MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE CONSTRUCTION CONTRACT WITH DN TANKS, INC. MOTION PASSED UNANIMOUSLY.**

C. Solids Handling Project Change Order 3 – *This item was removed from Agenda.*

D. September Meeting Scheduling

Mr. Brown noted the next regular Board meeting is scheduled for September 15<sup>th</sup> and noted it conflicts with the annual Special District Association Conference. Board discussion followed. The Board directed rescheduling the September meeting to September 23, 2025 at 5:30 p.m.

ITEM 8: Staff Reports

Ms. Fritsche and Mr. Brown reviewed the 2025 Legislative Update prepared by Ms. Fritsche with the Board, focusing on the bills that affect water and sanitation districts. Board discussion followed.

Mr. Brown presented his Manager's Report. Mr. Brown updated the Board on the cyber security and site security upgrade projects and noted the upgrades are underway. An external audit of system devices is conducted every two years including installing the site security system at select sites and evaluating the most efficient and secure procedures for install. Board discussion followed.

Mr. Brown provided a brief overview of the hydrant flushing and sewer cleaning project. There are approximately 800 hydrants in the District and all are scheduled to be flushed in 2025. This ensures the lines are clean and the hydrants will work properly when needed. The wastewater team has continued their scheduled jetting and video inspection of a portion of the sewer system. Both projects are at the halfway point and are on track to be completed by the end of the summer.

Mr. Brown provided an update on District capital projects, including the Galley Road Water Main Replacement and the PFAS Treatment Project. For Galley Road, Miller Pipeline completed several steps in late July and anticipates final paving and striping to be completed by August 17<sup>th</sup>. Mr. Brown noted additional Mains may need to be replaced in the future, when the budget allows.

The PFAS Treatment Project is out to bid with final proposals due by August 29<sup>th</sup>. The pre-proposal meeting was attended by over a dozen engineering firms. The Hazen & Sawyer pilot study report will be available by the end of September. A technical memorandum focusing on the chemical results and media performance was delivered in July and supplied to the PFAS design project bidders so they would have equal access to the technical data.

Mr. Brown noted Golf Course revenue have increased, with rounds of golf and main course revenue up slightly and merchandise and restaurant sales increased by substantially higher margins. Cart fees are down slightly.

Ms. Fritsche discussed the 2026 statutory budget process for the District. The District's draft 2026 Budget will be provided to the Board prior to October 15<sup>th</sup>. The statutory public hearing on the proposed budget is scheduled to be held during the Board meeting on December 16, 2025, after which the Board may adopt the budget, as presented or amended, or continue the budget hearing and adopt the budget at a subsequent Board meeting held before December 31<sup>st</sup>. The proposed 2026 Schedule of Fees and Charges will also be an agenda item for the December 16<sup>th</sup> Board meeting.

Mr. Brown discussed rescheduling the study session on the 2025 Budget and reviewed his timing for the 2026 budget process. Draft 2026 budget will be provided early October and Mr. Brown suggested scheduling one or more study sessions in late October/early November.

Mr. Brown provided an update on the Water Service Area Expansion Project. Leonard Rice Engineers (LRE) submitted a quote of \$97,000 for developing a CMD inclusion policy. The price includes work sessions with the Board and examinations of other communities' strategies. The proposal will be

presented at the next Board meeting. Mr. Brown would like to refine the scope of work.

There were no additional questions from the Board.

ITEM 9. Executive Session

**MOTION:** DIRECTOR HUNTER 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), DETERMINING POSITIONS RELATIVE TO MATTERS SUBJECT TO NEGOTIATIONS, DEVELOPING STRATEGY FOR NEGOTIATIONS, AND INSTRUCTING NEGOTIATORS; AND SECTION 24-6-402(4)(A), REGARDING THE PURCHASE, ACQUISITION, LEASE, TRANSFER, OR SALE OF REAL PROPERTY. NO FORMAL ACTION OR VOTING WILL TAKE PLACE IN THE EXECUTIVE SESSION.

- A. The Loop Proposed Contract Discussion
- B. Ellicott Pipeline Easement Acquisition Update

There was a short break from 7:58 – 8:08 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 8:25 P.M. MOTION UNANIMOUSLY PASSED.

ITEM 10. Adjournment

There being no further business to come before the Board, the meeting adjourned at 8:25 p.m.

  
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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.

  
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Joan M. Fritsche, Esq.

