CHEROKEE METROPOLITAN DISTRICT
6250 Palmer Park Blvd., Colorado Springs, CO 80915-2842
Telephone: (719) 597-5080 Fax: (719) 597-5145

July 21, 2026 Board Meeting Packet

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CHEROKEE METROPOLITAN DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

MINUTES – JUNE 16, 2026

The Regular Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, June 16, 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
Others Present:	Joan Fritsche, Fritsche Law LLC*; Steven Hochstetter and Chris Stager, Sorren, CPAs, P.C.; members of the public. *Arrived where indicated.

ITEM 1: Call to Order

The meeting was called to order by Director Wall at 5:30 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 agenda was reviewed for any changes. Mr. Brown requested the following changes to the agenda: Financial Report item A: "2025 Audit Presentation," moved up on the agenda to item (3) before Public Comment; and addition of "Perimeter Access License Agreement" as item 6.A.e under the "PFAS Treatment Plant Site Purchase" agenda item.

MOTION: DIRECTOR ATKINSON MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE AGENDA AS AMENDED. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

ITEM 3: 2025 Audit Presentation

Steven Hochstetter and Chris Stager, Sorren CPAs, presented the District's 2025 Audit Report. Mr. Stager provided an overview of the audit process and reviewed the Governance Letter. He noted there were no audit adjustments and acknowledged the quality of District management and accounting procedures. Mr. Hochstetter reviewed the financial statements and the Auditor's requirements, and noted the District received a clean opinion from the Auditor. There were no questions from the Board. The Board and Mr. Brown thanked Sorren for the timely preparation of the Audit.

*Ms. Fritsche arrived at this time.

MOTION: DIRECTOR HALE MOVED, SECONDED BY DIRECTOR ATKINSON, TO ACCEPT THE DISTRICT'S 2025 AUDIT REPORT AS PRESENTED. MOTION PASSED UNANIMOUSLY.

ITEM 4: Public Comment

A District resident asked about dry patches at three District park properties. Mr. Brown stated staff plans to increase the irrigation schedule and sprinkler pressure to help counteract the dry and hot temperatures that are affecting the turf.

ITEM 5: Financial Report

A. May 2026 Financial Report

Ms. Wells reviewed the May 2026 Financial Report. Short discussion followed regarding wastewater expenses and revenue. The new form of the Fund Balance Report will be available at the next meeting. The Board had no additional questions.

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

ITEM 6: Unfinished Business

A. PFAS Treatment Plant Site Purchase

a. Special Warranty Deed
b. Road and Access Easement
c. Temporary Construction Easement
d. Post-Closing Agreement with Arete Commons
e. Perimeter Access License Agreement

Ms. Fritsche and Mr. Brown briefly reviewed the required closing documents for purchase of the PFAS Treatment Plant site pursuant to the approved Amended and Restated Purchase and Sale Agreement. The Closing is scheduled for 10:00 a.m. on Friday, June 19, 2026.

Ms. Fritsche reviewed the Special Warranty Deed for the property purchase and noted the updated signature blocks. The District is purchasing the southern 37.715 acres of the 77-acre parcel owned by Arete Commons. Ms. Fritsche noted the Seller was able to get a release of the Deed of Trust for the property and no subordination agreements are required from the Seller's lender. Ms. Fritsche noted it is common to add an acceptance signature block to deeds for acceptance by local governments.

Ms. Fritsche and Mr. Brown reviewed the terms of the Post-Closing Agreement between the District and the Seller, the Access Road Easement and Maintenance Agreement between the District, the

Seller and Wishing Star Entertainment, and the Temporary Construction Easement Agreement between the District and the Seller.

Ms. Fritsche and Mr. Brown also reviewed the Perimeter Access License Agreement between the District and the Seller, which grants the seller, his immediate family members and invitees a license to use the perimeter thirty (30) feet of the District's parcel for nonmotorized recreational access purposes only.

Board discussion followed regarding execution of the documents and delivery to the title company prior to closing. Mr. Brown and Ms. Wells will work with Land Title regarding the final amount to be wired from the District and timing for approval of the wire. Director Wall and Mr. Brown plan to attend the closing.

MOTION: **DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR ATKINSON, TO APPROVE THE FOLLOWING: SPECIAL WARRANTY DEED; POST-CLOSING AGREEMENT BETWEEN THE DISTRICT AND ARETE COMMONS, LLC; ROAD ACCESS EASEMENT DEED AND MAINTENANCE AGREEMENT BETWEEN THE DISTRICT, ARETE COMMONS, LLC AND WISHING STAR ENTERTAINMENT, LLC; ACCESS ROAD TEMPORARY CONSTRUCTION EASEMENT AGREEMENT BETWEEN THE DISTRICT AND ARETE COMMONS, LLC; AND THE PERIMETER ACCESS LICENSE AGREEMENT BETWEEN THE DISTRICT AND JASON WOOD. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

B. Water Service Area Expansion Moratorium Extension

Mr. Brown reviewed the history of the water service area expansion moratorium and the need for an additional extension. Mr. Brown noted the process to develop a framework for development inclusion criteria while also not adversely affecting existing customers is taking longer than expected. The process will be further discussed in Executive Session.

MOTION: **DIRECTOR WALL MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE RESOLUTION NO. 2026-04 - RESOLUTION EXTENDING THE DISTRICT'S TEMPORARY MORATORIUM ON WATER SERVICE AREA EXPANSIONS AND EXTERNAL CONTRACTUAL WATER COMMITMENTS UNTIL SEPTEMBER 30, 2026. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

ITEM 7: New Business

A. Parks Study Session and Agenda Discussion

Director Wall reviewed his request for a Board Study Session on District Parks matters, which will allow sufficient time to review outstanding Parks projects and for the Board to consider Parks Department budget and capital project needs. The consensus was to schedule the Study Session for Tuesday, June 23, 2026 at 5:30 p.m. Discussion followed regarding agenda items for the Study Session. District residents were invited to attend the Study Session and to submit requested agenda items or questions in advance to the Board via email.

B. Lift Station 1 Change Order 10 – Project Closeout Savings

Mr. Brown noted the Contractor has completed project close-out items for Lift Station 1 and the project is ready for final acceptance. All punch items have been addressed and the resulting Change Order reflects a savings to the District of $178,688.20. Mr. Brown reviewed the Progressive Design-Build process and the final payment process. Board discussion followed.

MOTION: **DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR LETRIZ, TO APPROVE CHANGE ORDER NO. 10 WITH RICE LAKE WEST – PROJECT CLOSE OUT SAVINGS IN THE AMOUNT OF $-178,688.20, LESS A 5% RETAINAGE OF THE PROJECT COST. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

C. Ellicott Pipeline Resolution of Necessity

Mr. Brown reviewed the process to purchase easements for the new Ellicott Pipeline. The proposed resolution establishes the necessity for the easements related to constructing and installing the new pipeline and provides authority to use the District's statutory eminent domain authority, if necessary. Board discussion followed.

MOTION: **DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR LETRIZ, TO APPROVE RESOLUTION NO. 2026-05 - RESOLUTION OF NECESSITY FOR ELLICOTT PIPELINE EASEMENTS. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

D. Fontana, World Golf Contract Extension

Mr. Brown noted the District has a long-standing Water Service Agreement with Fontana Enterprises, Inc. (World Golf), which originally expired June 1, 2025. The term of the Water Service Agreement was extended by one year to allow the parties time to negotiate and enter into a new Water Service Agreement, and was further extended until July 1, 2026 during the May Board meeting. The new Agreement will reflect the Augmentation Plan and changes in circumstances since 2010. Mr. Brown requested an additional extension to finalize the draft of the new Agreement.

MOTION: **DIRECTOR HALE MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE AN EXTENSION OF THE WATER SERVICE AGREEMENT WITH FONTANA ENTERPRISES, INC. TO JULY 31, 2026. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

ITEM 8: Staff Reports

Mr. Brown presented his Manager's Report. Mr. Brown noted the PFAS Treatment Plant project is proceeding well; however, the District still does not have the Grant Contract from the State to allow the District's grant funding to begin. The State notified Mr. Brown that the District will be ineligible for any future grants funds, and the current grant award will be revoked, if construction begins before the State Grant Contract is fully executed. If the State Contract is received before the regular July Board meeting, Mr. Brown will request a special meeting for the Board to approve the CMAR

Notice of Award so the project can move forward.

Mr. Brown provided an update on recent developments related to the Tank 5 project. All permits are in, but vertical construction is not allowed until the Colorado Springs City Council formally approves the permits during their August meeting. Staff is reviewing whether any non-vertical work can begin before August. The project may be delayed due to these delays with City approval.

On May 9th, Mr. Brown and Directors Wall and Bandy attended a meeting with a large group of representatives from Schriever Space Force Base, the CO National Guard, and a number of Federal agencies to discuss opportunities for collaboration to improve cybersecurity, disaster preparedness, and overall system integrity. The group identified four key areas to focus on with smaller teams: cybersecurity, physical security, funding opportunities and resilient infrastructure, and consequence management planning and training. Director Wall provided an additional update on the meeting and future activities.

Mr. Brown discussed a possible water restriction policy. He noted the District may set a record for water production this year, but it is not expected to be significantly higher than normal.

Mr. Brown provided a brief update on the District's rate study. The District reached out to three firms for quotes, but only one bid has been received so far. Mr. Brown noted it is probably too late in the year to make any major rate changes starting in January 2027; however, the consultant could complete the first stage of the rate study which includes an analysis of upcoming capital projects and operations cost to determine if the District's current rates are sufficient. The consultant could also recommend new tap fees at this stage. Board discussion followed. Mr. Brown anticipates presenting the rate study bids at the next Board meeting.

Mr. Brown noted the SDA Annual Conference is scheduled for September 15th – 17th in Keystone and asked if any Directors would like to attend. Ms. Fritsche noted the Directors may also attend remotely. Board discussion followed.

There were no additional questions from the Board.

ITEM 9. Executive Session

MOTION: **DIRECTOR HALE MOVED, SECONDED BY DIRECTOR ATKINSON, 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.**

A. Cherokee Water, LLC
B. Service Area Expansion Evaluation Update & Discussion
C. Headquarters Building Property
D. Ellicott Pipeline Easement Acquisition Update

There was a short break from 7:16 – 7:20 p.m. before the Executive Session convened. The Directors, Mr. Brown and Ms. Fritsche attended the Executive Session.

<u>MOTION</u>: **DIRECTOR WALL MOVED, SECONDED BY DIRECTOR HALE, TO COME OUT OF EXECUTIVE SESSION AT 8:14 P.M. MOTION UNANIMOUSLY PASSED.**

<u>ITEM 10</u>: <u>Consent Agenda</u>

Items on the Consent Agenda:

A. May 20, 2026 Special Meeting Minutes

<u>**MOTION:**</u> **DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR ATKINSON, TO APPROVE ITEM A ON THE CONSENT AGENDA. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

<u>ITEM 11</u>. <u>Adjournment</u>

There being no further business to come before the Board, the meeting adjourned at 7:04 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.

CHEROKEE METROPOLITAN DISTRICT

SPECIAL MEETING OF THE BOARD OF DIRECTORS

MINUTES – JUNE 23, 2026

The Special Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, June 23, 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; Lecil Ross

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 5:30 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 agenda was reviewed for any changes.

MOTION: DIRECTOR ATKINSON MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE AGENDA. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

ITEM 3: Public Comment

District residents discussed the status of Parks projects and ideas for additional improvements.

ITEM 4: New Business

A. PFAS Treatment Facility CMAR Contractor Notice of Award

This matter was tabled until the next Board meeting.

ITEM 5. Parks Study Session

A. CMD Parks System Overview and Financial Review
B. Parks Project Priorities Discussion

a. Community Survey

C. Parks Governance Discussion

Mr. Brown provided a comprehensive presentation on District Parks Budget Overview and Project Updates. Ms. Fritsche reviewed a memorandum on the history of the District, how the District came to own and manage parks and limited open space, and the role of parks and trees as assets to the District requiring Board oversight and the importance of a capital investment plan. Ms. Fritsche also reviewed Parks governance and funding sources and options, and options for community involvement. Board discussion followed.

The Board directed Mr. Brown to pursue engagement of an outside firm to draft and conduct a District-wide Parks survey.

ITEM 6. Adjournment

There being no further business to come before the Board, the meeting adjourned at 7:07 p.m.

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Jeff Bandy, Secretary

CHEROKEE METROPOLITAN DISTRICT

SPECIAL MEETING OF THE BOARD OF DIRECTORS

MINUTES – JUNE 26, 2026

The Special Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, June 23, 2026 at 10:30 a.m. at 6250 Palmer Park Blvd., Colorado Springs, Colorado and remotely via Zoom.

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

Absent: Jeremy Atkinson

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 10:30 a.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 agenda was reviewed for any changes.

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

ITEM 3: Public Comment

None.

ITEM 4: Unfinished Business

A. PFAS Treatment Facility CMAR Contractor Notice of Award

Mr. Brown reminded the Board that the District has had a Construction Manager At Risk (CMAR) Contractor selected for over a month but were unable to announce or start contract negotiations until the State completed the Grant Contract. The District received the fully executed Grant Contract on Wednesday afternoon. Mr. Brown noted the District received seven bids for the project. The evaluation committee recommends PCL Construction for the contract. PCL is currently wrapping up the largest PFAS Treatment Facility in Colorado and has proposed the same team for Cherokee's project. Their experience is current and they have been highly recommended.

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR HALE, TO AWARD THE CONSTRUCTION MANAGER AT RISK CONTRACT FOR THE PFAS WATER TREATMENT FACILITY TO PCL CONSTRUCTION, INC., IN THE AMOUNT OF $298,300.00. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

ITEM 5. New Business

A. PFAS Treatment Facility Pipeline Design Notice of Award

Mr. Brown reviewed the Proposal Analysis for the PFAS Water Treatment Facility Pipeline Connections Design Project. Six bids were received for the project. District Staff interviewed the two highest ranking candidates. After review of the proposals and interviews, District Staff recommends awarding the contract for the pipeline connections design to Hazen and Sawyer, D.P.C. Hazen and Sawyer demonstrated clear attention to detail on the proposed alignment and offered relevant suggestions based on past projects. They also have two engineers who worked on the SDS pipeline and navigated regulatory challenges in El Paso County. Further, they have relevant experience with the Town of Gunnison on using federal funding sources to deliver the project.

MOTION: DIRECTOR HALE MOVED, SECONDED BY DIRECTOR LETRIZ, TO AWARD THE CONTRACT FOR THE PFAS WATER TREATMENT FACILITY PIPELINE DESIGN TO HAZEN AND SAWYER, D.P.C., IN THE AMOUNT OF $841,326.00. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

B. Hayward, LLC (Public Information Consultant for PFAS Treatment Construction)

Mr. Brown reviewed the MSA with Hayward, LLC., a public information consulting firm that has worked on a wide variety of construction projects in the Colorado Springs area. District Staff does not have immediate plans to utilize Hayward's services, but the District may host several public meetings as part of project development. Hayward has over 20 years of experience hosting these meetings and performing public outreach for construction projects.

MOTION: DIRECTOR LETRIZ MOVED, SECONDED BY DIRECTOR HALE, TO APPROVE THE MASTER AGREEMENT FOR SERVICES WITH HAYWARD, LLC. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

ITEM 6. Adjournment

There being no further business to come before the Board, the meeting adjourned at 10:45 a.m.

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Jeff Bandy, Secretary

CHEROKEE METROPOLITAN DISTRICT

Financial Statements

June 2026

UNAUDITED

CASH POSITION

CHEROKEE METROPOLITAN DISTRICT

Cash Position Schedule

June 30, 2026

Account	Beginning Balance 5/31/2026	Transfers In/(Out)	Interest/ Dividends Earned	Bond/ Loan Payments	Cash In	Cash Out	Ending Balance 6/30/2026
ColoTrust-WW Enterprise Savings (7024)	**$ 2,766,439**	$ (157,707)	$ 8,314	$ -	$ -	$ -	**$ 2,617,046**
ColoTrust WWTF Reserve (7026**	**$ 2,004,907**	$ -	$ 6,190	$ -	$ -	$ -	**$ 2,011,097**
ColoTrust Project Construction 5% Fund (7028)**	**$ 3,060,081**	$ 24,769	$ 9,483	$ -	$ -	$ -	**$ 3,094,333**
ColoTrust Parks/CTF Funds (7029)**	**$ 47,883**	$ -	$ 213	$ -	$ 28,814	$ -	**$ 76,910**
ColoTrust 7% Capital Reserve (7030)**	**$ 3,557,565**	$ 34,677	$ 11,033	$ -	$ -	$ -	**$ 3,603,275**
ColoTrust Water Capital (7031)**	**$ 1,091,282**	$ -	$ 3,369	$ -	$ -	$ -	**$ 1,094,651**
ColoTrust TDS Surcharges (7032)**	**$ 2,112,707**	$ 98,261	$ 6,664	$ -	$ -	$ -	**$ 2,217,632**
ColoTrust 2020 Bonds-TDS Project (7033)**	**$ 2,059,490**	$ -	$ 6,358	$ -	$ -	$ -	**$ 2,065,848**
Wells Fargo Sweep (Investments Account)	**$ 42,875,148**	$ (460,182)	$ 112,189	$ -	$ -	$ -	**$ 42,527,155**
Wells Fargo Water/Wastewater Operating*	**$ (232,287)**	$ 267,483	$ -	$ -	$ 2,675,629	$ (2,646,288)	**$ 64,536**
Wells Fargo Golf Course Operating*	**$ (101,512)**	$ (248,877)	$ -	$ -	$ 303,334	$ (326,463)	**$ (373,518)**
Wells Fargo Payroll Account*	**$ -**	$ 441,576	$ -	$ -	$ -	$ (441,576)	**$ -**
Total Cash - All Funds	**$ 59,241,703**	**$ -**	**$ 163,814**	**$ -**	**$ 3,007,777**	**$ (3,414,326)**	**$ 58,998,967**

Transfers In/(Out) Detail

ColoTrust-General (WW Enterprise Savings)	
Transfer Out to ColoTrust 5% Fund	$ (24,769)
Transfer Out to ColoTrust 7% Fund	$ (34,677)
Transfer Out to ColoTrust TDS Surcharges	$ (98,261)
Net Transfers In (Out)	$ (157,707)
Wells Fargo Sweep (Investments Account)	
Transfer From/(To) Wells Fargo WW Operating Account*	$ (267,483)
Transfer From/(To) Wells Fargo Golf Course Checking*	$ 248,877
Transfer From/(To) Wells Fargo Payroll Account*	$ (441,576)
Net Transfers In (Out)	$ (460,182)

Additional Comments

01.2026 Zero Balance Account Definition-02.17.26

***Zero Balance Accounts (ZBAs) attached to the main Sweep/Investments account. These account structures are explained in the Word Document link (double click to open).**
****Accounts designated/restricted for Capital/CTF expenditures**

GOVERNMENTAL FUNDS

General Fund

Parks Fund

CHEROKEE METROPOLITAN DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND - STREET LIGHTS - SUMMARY

For the six months ended June 30, 2026

UNAUDITED

	2026 Budget	Year to Date	Percent of Budget (YTD 50%)
REVENUE			
Fees	**$ 149,200**	$ 73,745	49%
Total Revenue	**$ 149,200**	$ 73,745	49%
EXPENDITURES			
Lighting-Streets	**$ 164,800**	$ 66,861	41%
Total Expenditures	**$ 164,800**	$ 66,861	41%
EXCESS REVENUE OVER (UNDER) EXPENDITURES	**$ (15,600)**	$ 6,884	
FUND BALANCE - BEGINNING OF YEAR-Estimated	**$ 175,543**	$ 162,588	
FUND BALANCE - End of Reporting Period-Estimated	**$ 159,943**	$ 169,472	

CHEROKEE METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PARKS FUND - SUMMARY

For the six months ended June 30, 2026

UNAUDITED

	2026 Budget	Year to Date	Percent of Budget (YTD 50%)
REVENUE			
Fees	**$ 228,000**	$ 121,012	53%
Conservation Trust funds	**150,000**	45,970	31%
Interest/Miscellaneous income	**15,200**	2,208	15%
Total Revenue	**$ 393,200**	$ 169,190	43%
EXPENDITURES			
Parks, Landscape and Open Space	**$ 372,180**	$ 158,946	43%
Capital Outlay	**130,000**	132,011	102%
Total Expenditures	**$ 502,180**	$ 290,957	58%
EXCESS REVENUE OVER (UNDER) EXPENDITURES	**(108,980)**	$ (121,767)	
FUND BALANCE - BEGINNING OF YEAR-Estimated	**$ 378,017**	$ 423,659	
FUND BALANCE - End of Reporting Period-Estimated	**$ 269,037**	$ 301,892	

ENTERPRISE/PROPRIETARY FUNDS

Water and Wastewater Fund

Golf Course Fund

CHEROKEE METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE (NON-GAAP BUDGETARY BASIS)

WATER AND WASTEWATER ENTERPRISE FUND - SUMMARY

For the six months ended June 30, 2026

UNAUDITED

	2026 Budget	Year to Date	Percent of Budget (YTD 50%)
REVENUE			
Sale of Water Services	**$ 8,641,500**	$ 4,070,456	47%
Sale of Wastewater Services	**6,420,000**	3,186,298	50%
Other Operating Revenue	**1,907,740**	1,313,576	69%
Capital Revenue (inc. Water/Wastewater Tap Fees)	**4,616,000**	1,190,198	26%
Interest Income	**1,250,000**	950,586	76%
Miscellaneous Income	**185,000**	398,238	215%
Total Revenue	**$ 23,020,240**	$ 11,109,353	48%
EXPENDITURES			
Water System			
Purchased Water	**$ 25,000**	$ -	0%
Pumping	**930,100**	373,666	40%
Treatment	**219,000**	104,156	48%
Transmission and Distribution	**592,500**	282,975	48%
Employee Benefits and Training	**1,566,200**	829,869	53%
Total Water System	**$ 3,332,800**	$ 1,590,667	48%
Wastewater System			
Treatment	**$ 1,514,900**	$ 741,915	49%
Collections	**575,000**	182,234	32%
Employee Benefits and Training	**1,811,000**	835,764	46%
Total Wastewater system	**$ 3,900,900**	$ 1,759,914	45%
Support Services			
Engineering	**$ 20,000**	$ 16,096	80%
Safety and Technical Services	**247,000**	105,047	43%
Employee Benefits and Training	**1,128,900**	488,417	43%
Total Suppport Services	**$ 1,395,900**	$ 609,560	44%
Other			
General and Professional	**$ 2,106,470**	$ 977,197	46%
Capital Expenditures	**22,091,400**	4,149,328	19%
Debt Principal Payments	**1,804,000**	521,708	29%
Interest and Bond Fees	**1,292,000**	937,999	73%
Total Other	**$ 27,293,870**	$ 6,586,232	24%
Total Expenditures	**$ 35,923,470**	$ 10,546,373	29%
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	**$ (12,903,230)**	562,980	
FUND BALANCE - BEGINNING OF YEAR-Estimated	**$ 46,387,764**	$ 41,638,554	
FUND BALANCE - End of Reporting Period-Estimated	**$ 33,484,534**	$ 42,201,534	

CHEROKEE METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE (NON-GAAP BUDGETARY BASIS)

GOLF COURSE FUND - SUMMARY

For the six months ended June 30, 2026

UNAUDITED

	2026 Budget	Year to Date	Percent of Budget (YTD 50%)
REVENUE			
Operating Revenue	**$ 1,466,000**	$ 868,779	59%
Resale	**405,000**	229,431	57%
Other	**34,200**	27,536	81%
Total Revenue	**$ 1,905,200**	$ 1,125,746	59%
EXPENDITURES			
Pro Shop/Grill	**$ 44,000**	$ 30,507	69%
Employee Benefits and Training-Pro Shop/Grill	**404,500**	205,444	51%
Course Maintenance	**219,000**	88,670	40%
Employee Benefits and Training-Maintenance	**339,950**	156,008	46%
Resale Expense	**271,000**	230,931	85%
General and Administrative	**303,137**	149,589	49%
Capital Expenditures	**63,000**	6,324	10%
Total Expenditures	**$ 1,644,587**	$ 867,472	53%
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	**$ 260,613**	$ 258,274	
FUND BALANCE - BEGINNING OF YEAR-Estimated	**$ 2,051,502**	$ 1,936,524	
FUND BALANCE - End of Reporting Period-Estimated	**$ 2,312,115**	$ 2,194,798	

CAPITAL SCHEDULE - ALL FUNDS

CHEROKEE METROPOLITAN DISTRICT

2026 CAPITAL SCHEDULE - ALL FUNDS

FUND/DEPARTMENT	2026 Budget	Previous Months' Costs	June Costs	2026 Costs to Date	Over/(Under) Budget
PARKS FUND:					
Eastridge Ballfields Infield Rebuild	$ 85,000	$ -	$ -	$ -	$ (85,000)
Plower Court Erosion Mitigation	$ 40,000	$ 34,961	$ -	$ 34,961	$ (5,039)
Eastridge 4" Backflow Project	$ -	$ 89,147	$ -	$ 89,147	$ 89,147
Fredericksburg Park Slide Replacement	$ -	$ 7,903	$ -	$ 7,903	$ 7,903
Total - PARKS FUND	**$ 125,000**	**$ 132,011**	**$ -**	**$ 132,011**	**$ 7,011**
GOLF COURSE FUND:					
Pro Shop Expansion	$ 50,000	$ -	$ -	$ -	$ (50,000)
Tee Line Improvements	$ 13,000	$ 6,324	$ -	$ 6,324	$ (6,676)
Total - GOLF COURSE FUND	**$ 63,000**	**$ 6,324**	**$ -**	**$ 6,324**	**$ (56,676)**
WATER/WASTEWATER FUND					
WATER DIVISION:					
Tamlin Tank 5 Site Development	$ 6,000,000	$ 183,063	$ 149,859	$ 332,922	$ (5,667,078)
Possible Land Acquisition	$ 2,750,000	$ 21,987	$ 294,135	$ 316,122	$ (2,433,878)
Replacement Plan	$ 2,400,000	$ 5,907	$ -	$ 5,907	$ (2,394,094)
PFAs Treatment Facility Design	$ 2,200,000	$ 354,355	$ 950	$ 355,305	$ (1,844,695)
Poleson Well Final Closing	$ 1,000,000	$ -	$ 764,385	$ 764,385	$ (235,615)
Ellicott 30" Land Acquisition/Peterson Casing	$ 952,000	$ 53,757	$ 76,498	$ 130,255	$ (821,745)
Ellicott Highway Lowering	$ 820,000	$ 812,631	$ -	$ 812,631	$ (7,369)
Pipeline Connection-PFAs Facility	$ 500,000	$ -	$ -	$ -	$ (500,000)
Distribution System Valve Replacements	$ 290,200	$ -	$ -	$ -	$ (290,200)
Fleet Vehicle Replacements	$ 150,000	$ 42,585	$ 94,155	$ 136,740	$ (13,260)
Well Rehab Phase 3	$ 150,000	$ 751	$ -	$ 751	$ (149,249)
Omaha Rd Water Line Replacement	$ 120,000	$ 7,380	$ -	$ 7,380	$ (112,620)
Pressure-sustaining Valves-North Well Field	$ 120,000	$ 55,345	$ 10,903	$ 66,247	$ (53,753)
Towable LED Light Tower	$ 19,200	$ 16,500	$ -	$ 16,500	$ (2,700)
Galley Rd/Ford St Hydrant Replacement/Relocation	$ 15,000	$ -	$ -	$ -	$ (15,000)
Well 22 (2025 Project)	$ -	$ 63,114	$ 27,039	$ 90,153	$ 90,153
El Paso County Permits & Fees	$ -	$ 53,190	$ 21,787	$ 74,977	$ 74,977
Water Meters-Utility Billing	$ -	$ 10,762	$ -	$ 10,762	$ 10,762
Sundance AR-1 Well Upgrade	$ -	$ 12,792	$ -	$ 12,792	$ 12,792
Total - WATER DIVISION	**$ 17,486,400**	**$ 1,694,118**	**$ 1,439,710**	**$ 3,133,829**	**$ (14,352,571)**
WASTEWATER RECLAMATION FACILITY (WRF):					
Bioreactor Covers	$ 3,500,000	$ 1,051,578	$ 72,393	$ 1,123,971	$ (2,376,029)
Additional RIBS Trenches	$ 400,000	$ 10,977	$ 52,575	$ 63,552	$ (336,448)
RIBs Control Upgrades	$ 150,000	$ -	$ -	$ -	$ (150,000)
EQ Basin Closing	$ 120,000	$ -	$ -	$ -	$ (120,000)
Bioreactor Floating Scum Skimmers	$ 80,000	$ -	$ -	$ -	$ (80,000)
Fleet Vehicle Replacements	$ 45,000	$ -	$ 45,190	$ 45,190	$ 190
Solids Handling-Screw Press (2025 Project)	$ -	$ 5,796	$ -	$ 5,796	$ 5,796
Total - WRF	**$ 4,295,000**	**$ 1,068,351**	**$ 170,158**	**$ 1,238,509**	**$ (3,056,491)**
COLLECTIONS:					
Terminal Lift Station Alternatives Analysis	$ 100,000	$ 6,200	$ -	$ 6,200	$ (93,800)
LS1 Headworks Gate Valves & Actuators	$ 60,000	$ 66,795	$ -	$ 66,795	$ 6,795
Total - COLLECTIONS	**$ 160,000**	**$ 72,995**	**$ -**	**$ 72,995**	**$ (87,005)**
ADMIN/FINANCE					
Accounting Software Setup	$ 90,000	$ -	$ -	$ -	$ (90,000)
Board Room Renovation	$ 30,000	$ -	$ -	$ -	$ (30,000)
Engineering/Office Pool Vehicle	$ 30,000	$ -	$ -	$ -	$ (30,000)
Total - ADMIN/FINANCE	**$ 150,000**	**$ -**	**$ -**	**$ -**	**$ (150,000)**
Total - WATER/WASTEWATER FUND	**$ 22,091,400**	**$ 2,835,464**	**$ 1,609,868**	**$ 4,445,332**	**$ (17,646,068)**
TOTAL DISTRICT CAPITAL - ALL FUNDS	**$ 22,279,400**	**$ 2,973,799**	**$ 1,609,868**	**$ 4,583,667**	**$ (17,695,733)**

LONG-TERM OBLIGATIONS SCHEDULE

CHEROKEE METROPOLITAN DISTRICT

LONG-TERM OBLIGATIONS SCHEDULE

	Principal Balance at January 1, 2026	Additions	Deductions	Principal Balance at June 30, 2026	Remaining Principal Amounts Due 2026
Business-Type Activities:					
2006 CWRPDA Note	$ 1,917,626	$ -	$ 456,444	$ 1,461,182	$ 461,949
2012 CWRPDA Note	1,126,319	-	65,264	1,061,055	65,917
Total CWRPDA Notes	$ 3,043,945	$ -	$ 521,708	$ 2,522,237	$ 527,866
2020 Revenue Bonds	$ 38,755,000	$ -	$ -	$ 38,755,000	$ -
2021A Revenue Bonds	6,070,000	-	-	6,070,000	315,000
2021B Revenue Bonds	6,410,000	-	-	6,410,000	430,000
Total Revenue Bonds	$ 51,235,000	$ -	$ -	$ 51,235,000	$ 745,000
Total - Business-type activities long-term liabilities	**$ 54,278,945**	**$ -**	**$ 521,708**	**$ 53,757,237**	**$ 1,272,866**

WATER SERVICE AGREEMENT BETWEEN CHEROKEE METROPOLITAN DISTRICT AND FONTANA ENTERPRISES, INC.

This Water Service Agreement ("Service Agreement") is entered into this ____ day of __________________, 2026 between Cherokee Metropolitan District ("Cherokee") a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 6250 Palmer Park Blvd., Colorado Springs, Colorado 80915 and Fontana Enterprises, Inc., ("Fontana") whose address is 6865 Galley Road, Colorado Springs, Colorado 80915, individually herein "Party" and collectively the "Parties."

RECITALS

WHEREAS, Fontana is the owner of the World Golf and Sand Creek Golf Course (collectively "World Golf") located at 6865 Galley Road, Colorado Springs, Colorado 80915; and

WHEREAS, Cherokee is the owner of the following wells drilled into the alluvium of the East Fork of Sand Creek (collectively "Cherokee Sand Creek Wells"):

Cherokee Sand Creek Well No. 1, Well Permit No. 31777-F, located in the Northeast 1/4 of the Northeast 1/4 of Section 18, Township 14 South, Range 65 West of the 6th P.M. ("Sand Creek Well No. 1");

Cherokee Sand Creek Well No. 2, Well Permit No. 30957-F, located in the Northwest 1/4 of the Northeast 1/4 of Section 18, Township 14 South, Range 65 West of the 6th P.M. ("Sand Creek Well No. 2");

Cherokee Sand Creek Well No. 3, Well Permit No. 30956-F, located in the Northwest 1/4 of the Northeast 1/4 of Section 18, Township 14 South, Range 65 West of the 6th P.M. ("Sand Creek Well No. 3");

Cherokee Sand Creek Well No. 5, Well Permit No. 67221-F, located in the Northwest 1/4 of the Northwest 1/4 of Section 6, Township 14 South, Range 65 West of the 6th P.M. ("Sand Creek Well No. 5");

Cherokee Sand Creek Well No. 6, Well Permit No. 76859-F, located in the Southwest 1/4 of the Northwest 1/4 of Section 6, Township 14 South, Range 65 West of the 6th P.M. ("Sand Creek Well No. 6");

WHEREAS, Fontana is the owner of Cherokee Sand Creek Well No. 7, Well Permit No. 81010-F, located in the Southeast 1/4 of the Southeast 1/4 of Section 7, Township 14 South, Range 65 West of the 6th P.M. ("Sand Creek Well No. 7"), said well being a replacement of Cherokee Sand Creek Well No. 4 (Well Permit No. 30955-F); and

WHEREAS, Sand Creek Well numbers 1, 2, 3, 4, 5, 6, and 7 are referred to herein as the "Sand Creek Wells"; and

WHEREAS, Cherokee owns, operates, maintains, and uses Sand Creek Well Nos. 5 and 6 for irrigation use at the Cherokee Ridge Golf Course, and Fontana operates and uses Sand Creek Well Nos. 1-3 and Sand Creek Well No. 7 for irrigation use at World Golf; and

WHEREAS, Sand Creek Well Nos. 1-3, 5, and 6 are located on Cherokee Property and Sand Creek Well No. 7 is located on Fontana Property.

WHEREAS, The East Fork of Sand Creek is tributary to Fountain Creek and Fountain Creek and the Arkansas River system are generally over appropriated. As such, the water supply for the river system is generally insufficient to satisfy all of the decreed water rights senior to the Sand Creek Wells, and therefore out of priority depletions caused to the river system by pumping the Sand Creek Wells must be replaced in a manner so as not to cause material injury to any vested water rights or decreed conditional water rights; and

WHEREAS, by decree entered in Case No. 09CW115, District Court, Water Division 2 ("09CW115 Decree"), Cherokee adjudicated a plan for augmentation for six Sand Creek Alluvial Wells (Well Nos. 1-3 and 5-7) (collectively the "Sand Creek Wells") to augment out of priority depletions from the Sand Creek Wells diverted for irrigation of two golf courses, Cherokee Ridge Golf Course and World Golf, located within Cherokee's service area; and

WHEREAS, Fontana owns 10 FMIC Shares, represented by Stock Certificate No. 1680, which were changed by decree entered in Case No. 17CW3036, District Court, Water Division 2 ("17CW3036 Decree"), in which Fontana adjudicated a supplemental plan for augmentation for Sand Creek Well No. 7 to augmentation additional out of priority depletions from Sand Creek Well No. 7 diverted for irrigation use at World Golf, for a combined total maximum annual diversion for Sand Creek Well No. 7 of up to 330.84 acre-feet per year. By the terms of the 17CW3036 Decree, said 10 FMIC Shares are pledged to Cherokee and the 17CW3036 Decree was assigned to Cherokee for use pursuant to the 09CW115 Decree and 17CW3036 Decree for golf course irrigation; and

WHEREAS, Fontana has entered into a lease with Triview Metropolitan District ("TMD") dated March 23, 2023, under which Fontana is leasing 40 Fountain Mutual Irrigation Company ("FMIC") Shares represented by Stock Certificate No. 1679 from TMD for a term running through December 31, 2029. The 40 Fountain Mutual Irrigation Company shares under said Stock Certificate are dedicated as a source of augmentation water under the 09CW115 Decree; and

WHEREAS, Fontana is in need of a source of non-potable irrigation water for World Golf and Cherokee is willing and able to provide such non-potable irrigation water from the Sand Creek Wells (specifically, Sand Creek Well Nos. 1-3 and 7), subject to the terms and conditions of this Service Agreement; and

WHEREAS, this Service Agreement does not pertain to or otherwise cover any right of Fontana to the use or operation of Cherokee's Sand Creek Well Nos. 5 or 6, which shall be used solely by Cherokee; and

WHEREAS, the Parties previously entered into a Service Agreement dated June 8, 2010 ("Prior Agreement"), under which Cherokee agreed to provide non-potable irrigation water to Fontana for World Golf. Said Prior Agreement was subsequently renewed and is in effect until July 31, 2026. The Parties agree that this Service Agreement replaces the Prior Agreement in full force and effect.

AGREEMENT

NOW THEREFORE, in accordance with the terms and conditions of this Service Agreement, Cherokee and Fontana agree as follows:

1. Provision of Non-Potable Irrigation Water. Subject to the terms and conditions of this Service Agreement, Cherokee will provide up to a maximum of 35.0 acre feet annually of non-potable irrigation water to Fontana, from its Sand Creek Wells.

2. Term of Agreement. This Service Agreement shall be in effect for a maximum period of twenty (20) consecutive annually renewing one-year terms. The first term shall commence upon execution of this Agreement, and shall expire on May 31, 2027. If annually renewed as provided herein, the remaining terms shall be June 1 through May 31 of the following years. Either Party upon one (1) years written notice from a November 1 renewal date may terminate this Service Agreement. Termination by either Party

relieves Cherokee and Fontana of any further rights and obligations under this Service Agreement.

3. Water Supply Rate. For all non-potable irrigation water supplied to World Golf from Cherokee's Sand Creek Wells, Fontana shall pay Cherokee the sum of $100 per acre foot, or prorated portion thereof. Cherokee will bill Fontana monthly for the volume of water delivered to World Golf as measured on the last day of each month on the meters for Cherokee's Sand Creek Wells for the previous month. Fontana shall make payment within fifteen (15) days after receiving an invoice for water delivery from Cherokee. Beginning on August 1, 2026, and continuing each year throughout the remaining term of this Service Agreement, the charge for delivery of non-potable irrigation water may be adjusted annually as determined by discretion of the Cherokee Board of Directors. Cherokee will provide Fontana at least thirty (30) days written notice of any general increase pursuant to this paragraph.

4. Sand Creek Wells – Use by Fontana.

a. Sand Creek Well Nos. 1-3. Cherokee authorizes Fontana to operate and use Sand Creek Well Nos. 1-3 for non-potable irrigation use at World Golf, subject to the terms herein, including, but not limited to Paragraph 8.a and 9.

b. Sand Creek Well No. 7. Cherokee authorizes Fontana to operate and use Sand Creek Well No. 7 for non-potable irrigation use at World Golf, subject to the terms herein, including, but not limited to Paragraph 8.b and 9.

5. Sand Creek Well Nos. 1-3 Infrastructure Responsibility. Cherokee shall construct maintain, and if necessary replace all components of Sand Creek Well Nos. 1-3. This responsibility shall include maintaining, calibrating, and certifying the well meter. All water utility improvements downstream of the meter used to convey water from Sand Creek Wells 1-3 to Fontana shall be constructed and maintained by Fontana. Any water utility improvements on Cherokee property must be approved in advance by Cherokee by written approval, in Cherokee's sole discretion. Cherokee and Fontana agree that the existing pipeline from the Cherokee Sand Creek Wells to the World Golf property is an acceptable water delivery and distribution system for the purposes of this Service Agreement.

6. Augmentation Plan. Both Parties acknowledge that all out-of-priority depletions associated with pumping from the Sand Creek Wells must be replaced in accordance with the terms and conditions of the plans for augmentation adjudicated in the 09CW115

Decree and the 17CW3036 Decree.

7. Operation of and Access to Wells.

a. Sand Creek Well Nos. 1-3. Subject to the terms and conditions herein and in the plan for augmentation adjudicated in the 09CW115 Decree, or other directions of Cherokee, including any volumetric and flow rate limitations related to pumping from the Sand Creek Wells, it shall be Fontana's sole responsibility to operate Sand Creek Well Nos. 1-3 to provide non-potable irrigation water to World Golf, including, but not limited to, turning the wells on and off as necessary to meet the irrigation water requirements to Fontana. Cherokee shall provide Fontana with access to the well houses for Sand Creek Well Nos. 1-3 for said purposes. Cherokee shall be solely responsible for all maintenance related to Sand Creek Well Nos. 1-3, subject to Fontana's reimbursement obligations as described below.

b. Sand Creek Well No. 7. Subject to the terms and conditions herein and in the plans for augmentation adjudicated in the 09CW115 Decree and 17CW3036 Decree, or other directions of Cherokee, including any volumetric and flow rate limitations related to pumping from the Sand Creek Wells, it shall be Fontana's sole responsibility to operate Sand Creek Well No. 7 to provide non-potable irrigation water to World Golf, including, but not limited to, turning the well on and off as necessary to meet the irrigation water requirements to Fontana. Fontana shall provide Cherokee with access to the well house for Well No. 7 upon reasonable notice by Cherokee so that Cherokee can take meter readings and monitor the general operation and maintenance of Well No. 7. Fontana shall be solely responsible for all maintenance related to Sand Creek Well No. 7 as described below.

8. Maintenance of Wells.

a. Sand Creek Well Nos. 1-3. Subject to Fontana's reimbursement obligations as described herein, Cherokee will perform all necessary maintenance, repairs, and improvements to Sand Creek Well Nos. 1-3 for Fontana's use under this Service Agreement and for keeping said wells in good working order. Fontana shall be solely responsible financially for the maintenance, repair, and improvement of Sand Creek Well Nos. 1-3, including all appurtenant well equipment and infrastructure. Fontana shall make payment to Cherokee within thirty (30) days after receiving an invoice for services performed under this paragraph. Fontana shall notify Cherokee in writing of any issues or complications associated with Sand Creek Well Nos. 1-3 as soon as possible after discovery of such issues or complications so that Cherokee may remedy same.

b. Sand Creek Well No. 7. Fontana will perform all necessary operation, maintenance, repairs, and improvements to Sand Creek Well No. 7 for Fontana's use under this Service Agreement and for keeping said well in good working order. Fontana shall be solely responsible financially for its operation, maintenance, repair, and improvement of Sand Creek Well No. 7, including all appurtenant well equipment and infrastructure. Cherokee shall have no financial responsibility for such operation, maintenance, repairs, and/or improvements to Sand Creek Well No. 7.

9. Fees. Fontana shall be responsible for one half (1/2) of all fees, including but not limited to, legal, engineering, and consulting fees Cherokee incurs with regard to any continuing obligations related to the 09CW115 Decree, 17CW3036 Decree and/or this Service Agreement. Said fees shall include, but are not limited to, those assessed against Cherokee by the Fountain Mutual Irrigation Company with regard to the 09CW115 Decree, 17CW3036 Decree, and operation of an augmentation station on Sand Creek for the Fountain Mutual Irrigation Company. Fontana shall make payment to Cherokee within thirty (30) days after receiving an invoice for fees under this paragraph. Notwithstanding the foregoing, Cherokee shall be responsible for all assessments and dues assessed by the Fountain Mutual Irrigation Company for the FMIC Shares that Cherokee owns, and Fontana shall be responsible for all assessments and dues assessed by the Fountain Mutual Irrigation Company for the FMIC Shares that Fontana owns.

10. Augmentation Water. The 35 annual acre-feet of non-potable water to be supplied under this Service Agreement is based on the consumptive use available under a total of 50 FMIC Shares under Stock Certificate Nos. 1679 (40 Shares) and 1680 (10 Shares), committed to the augmentation plans adjudicated in the 09CW115 Decree (40 Shares) and 17CW3036 Decree (10 Shares) and irrigation return flows. Cherokee shall only be obligated to provide non-potable irrigation water under this Service Agreement for so long as Fontana continues to lease or own the 50 FMIC shares and continues to commit them to the augmentation plans adjudicated in the 09CW115 Decree and 17CW3036 Decree. If for any reason the 50 FMIC shares cannot be committed to the augmentation plans adjudicated in the 09CW115 Decree and 17CW3036 Decree as contemplated herein, Fontana shall notify Cherokee of same within fourteen (14) days and Cherokee shall only

be obligated thereafter to provide non-potable irrigation water under this Service Agreement to the extent that Cherokee has, in its sole discretion, any excess augmentation water available from other sources to replace the out-of-priority depletions associated with pumping water from the Sand Creek Wells. Fontana may replace or substitute the 50 FMIC Shares with other shares or replacement sources, so long as said replacement sources are legally available for replacement pursuant to the 09CW115 Decree and/or the 17CW3036 Decree, as applicable. Fontana shall be solely responsible for the costs associated with the replacement or substitution of replacement sources, and Cherokee shall only be obligated to provide non-potable irrigation water under this Service Agreement to the extent that said non-potable irrigation water can be provided in accordance with the terms of the 09CW115 Decree and/or the 17CW3036 Decree, including the requirement to replace depletions from the Sand Creek Wells.

a. <u>Fontana's Leased 40 FMIC Shares</u>. If Fontana's 40 leased FMIC Shares committed to the augmentation plan adjudicated in the 09CW115 Decree are deemed insufficient for any reason, including but not limited to the legal availability of same to replace out of priority depletions under the terms of the 09CW115 Decree, Fontana shall immediately cease all use of Sand Creek Wells 1-3 and 7 under the terms of this Service Agreement and subject to the terms of the 09CW115 Decree and 17CW3036 Decree. In such event, Fontana shall be solely responsible for securing a change of water right for its 40 leased FMIC Shares such that said shares can legally be used for augmentation of out of priority depletions from Fontana's use of Sand Creek Wells 1-3 and 7. Any such insufficiency related to Fontana's 40 leased FMIC Shares shall in no way impact Cherokee's rights to use Sand Creek Well Nos. 5 and/or 6 for its own use and for augmentation of out of priority depletions from Sand Creek Well Nos. 5 and/or 6 in accordance with the terms of the 09CW115 Decree.

b. <u>Right of First Refusal on FMIC Shares. In the event either Party elects to sell, assign, convey, or otherwise transfer any of it's FMIC Shares committed to the augmentation plan in the 09CW115 Decree and/or 17CW3036 Decree ("Offered Shares"), to any third party, that Party shall first provide written notice to the other Party under this Service Agreement identifying the number of Offered Shares, the proposed purchase price, and the material terms of the proposed transfer. The Party receiving the notice shall have forty-five (45) days after receipt of such notice to provide written notice to the offering Party of its intent to purchase all (but not less than all) of the Offered Shares on the same terms and conditions. If the Party</u>

receiving the notice does not elect to purchase the Offered Shares within the 45 day period, the offering Party may transfer the Offered Shares to a third-party on terms no more favorable than those offered to the offered Party within ninety (90) days. Any proposed transfer not completed within such 90 day period shall again be subject to this right of first refusal.

11. Provision of Service. The provision of non-potable irrigation water under this Service Agreement shall be subject to the rules, regulations, policies, and resolutions promulgated by Cherokee from time to time. Cherokee shall not be obligated to provide non-potable irrigation water to Fontana, in the event Fontana, its successors or assigns are not in compliance with this Service Agreement.

12. Nature of Work. All work to be performed by Fontana under the terms of this Service Agreement shall be performed using quality materials and shall be performed in a workmanlike manner in compliance with the rules, regulations, specifications, policies and requirements of Cherokee. Compliance with such specifications and requirements shall be determined in accordance with the standard procedures of Cherokee and in Cherokee's sole discretion.

13. Conditions Precedent. This Service Agreement, and all of Cherokee's obligations to provide non-potable irrigation water to World Golf as provided herein are expressly contingent upon: (1) Cherokee's ability to operate the plan for augmentation adjudicated in the 09CW115 Decree; and (2) full compliance by Fontana with this Service Agreement and all of Cherokee's policies, rules and regulations of general applicability throughout the District, as they now exist, and as may be amended or adopted from time to time.

14. Liability of Cherokee; Indemnification. Cherokee shall not be liable for any losses or damages resulting from the inability of Cherokee to supply non-potable irrigation water to World Golf and Fontana expressly waives and releases Cherokee from any and all claims and liabilities associated with this Service Agreement. Fontana agrees to indemnify and hold Cherokee harmless for any and all claims or liabilities, including reasonable attorney fees, associated with this Service Agreement, including, but not limited to, Fontana's and its agents and/or employees access, operation, and use of the Cherokee Sand Creek Wells and all related water distribution infrastructure.

15. Water Quality. Cherokee and Fontana agree that the water delivered from the Cherokee Sand Creek Wells under this Service Agreement shall be raw, untreated water and shall be used exclusively for irrigation purposes. Cherokee makes no representations as to the quality of the non-potable irrigation water that may be provided under this

Service Agreement, and Cherokee does not warrant that any non-potable irrigation water so provided is fit for any specific purpose or use. Cherokee does not represent, warrant, or guarantee that the Cherokee Sand Creek Wells can meet Fontana's full irrigation demands in any given year. Fontana has conducted its own diligence and is satisfied with the quality of the water from the Cherokee Sand Creek Wells for the purposes and uses contemplated in this Service Agreement.

16. Compliance. Fontana shall comply with all applicable Federal, State and County statutes, laws, rules, regulations, policies and resolutions. Fontana agrees to be subject to assessments and other charges of Cherokee and shall comply with all of Cherokee's rules and regulations, both as now existing and as may be enacted in the future.

17. Default/Remedies. A Party shall be in default hereunder in the event it fails to perform its obligations as required hereunder, and if such noncompliance is not cured within fifteen (15) days after written notice of the nature of the alleged noncompliance by the other Party. In the event of default, the non-defaulting Party shall have all remedies available under Colorado law, including the rights to injunctive relief and specific performance. In addition, Cherokee shall have the right to suspend or terminate water service to Fontana if Fontana is in default of any provision of this Service Agreement, including, but not limited to, nonpayment of any sums due to Cherokee hereunder.

18. Governmental Immunity. Nothing contained in this Service Agreement shall in any way waive, diminish, or relinquish Cherokee's rights to Governmental Immunity granted under Colorado law. Such rights are reserved to Cherokee in all respects.

19. Attorney's Fees. In the event any dispute arises among the Parties regarding any provision of this Service Agreement, or in the event any action is required to enforce this Service Agreement or to enforce or collect damages resulting from any breach of the obligations set out herein, the prevailing Party shall be entitled to recover from the other Party all costs and expenses, including reasonable attorney's fees, incurred as a result of such breach, dispute or collection efforts including any costs, expenses or fees incurred in enforcing or collecting any judgment rendered in any such action.

20. Cooperation. The Parties hereto agree to fully cooperate with one another in good faith in the performance of their obligations and requirements under this Service Agreement, and to fulfill the intent and purposes of this Service Agreement.

21. No Third-Party Beneficiary. This Service Agreement is entered into for the sole benefit of the Parties hereto. No other person or entity is entitled hereunder to any rights

or benefits by reason of this Service Agreement as a third-party beneficiary or otherwise.

22. Assignment. This Service Agreement may be assigned by Fontana only as an appurtenance with conveyance of Fontana's golf-related operation(s) with written notice to Cherokee and with Cherokee's prior written consent, which consent will not be unreasonably withheld.

23. Entire Agreement. This Service Agreement represents the entire agreement of the Parties with respect to the subject matter covered herein. All negotiations, considerations, representations, and understandings between the Parties are incorporated and merged herein. This Service Agreement may be modified or altered only by the Parties' written agreement, executed with the same formality as this Service Agreement.

24. Time is of the Essence. Time is of the essence in the performance of the Parties' obligations hereunder.

25. Governing Law. The laws of the State of Colorado shall govern the validity, performance, and enforcement of this Service Agreement. Proper venue for any action regarding this Service Agreement shall be in the District Court of El Paso County, Colorado.

26. Authority. All Parties to this warrant and represent that they have full power and authority to enter into and perform this Service Agreement, and to bind their principals.

27. Severability. Unenforceability of any provision contained in this Service Agreement shall not affect or impair the validity of any other provision of this Service Agreement so long as the primary purpose(s) of this Service Agreement remain effectuated thereby.

28. Binding Effect. The covenants, agreements and obligations contained herein shall extend to, bind and inure to the benefit of the Parties hereto, their respective personal representatives, heirs, successors and assigns.

This Service Agreement is entered into the day and year set forth above.

Cherokee Metropolitan District **Fontana Enterprises, Inc.**

By:_______________________________ By:_______________________________

Title: ____________________________ Title: ____________________________

Date:_____________________________ Date:_____________________________

Preconstruction Services Agreement for the
PFAS Water Treatment Facility Project

This Preconstruction Services Agreement (the "**Agreement**") is made as of **July 8, 2026** ("Effective Date") between the **Cherokee Metropolitan District** ("**Owner**" or "**District**"), 6250 Palmer Park Boulevard, Colorado Springs, CO 80915, and **PCL Construction, Inc.** ("**Contractor**"), 2000 S Colorado Blvd, Suite 2-500 Denver, CO 80222, (each a "**Party**" and together, the "**Parties**"), to provide preconstruction services to evaluate reasonable means and methods to modify the original design and to further identify potential cost saving opportunities for the future construction of the Owner's Construction Manager at Risk for **PFAS Water Treatment Facility Project** ("**Project**").

RECITALS

WHEREAS, the Owner has over the course of several years evaluated the future facilities needs of the District, caused by factors including the expansion of service needs within the District, the ageing facilities, and changes to the regulations governing wastewater treatment and reclamation facilities; and

WHEREAS, the Project was publicly proposed on May 1, 2026, and subsequently it was determined that the Contractor was selected; however, the anticipated cost of the Project was determined to be higher than the District reasonably believed the District desired to finance; and

WHEREAS, Advanced Engineering and Environmental Engineering Services, LLC (AE2S) is the lead design engineer for the Project "**Engineer**"; and

WHEREAS, the Owner (with the assistance of and in coordination with its Engineer) desires to evaluate whether Contractor suggested and Owner requested modifications to the final design may be made such that the Project cost will be lowered and the Project may proceed to construction (the "**Construction**").

NOW THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as set forth below.

AGREEMENT

ARTICLE 1 - GENERAL

1.01 Scope

A. Contractor shall provide the pre-construction services set forth in the **Contractor's Services (Exhibit A)**

B. Work not identified in Exhibit A shall not be performed, and the Owner shall have no obligation to pay for such work, unless an additional scope of such services is approved in writing by Owner.

C. Construction of the Project, in whole or in part, is not included in the scope of Contractor's Services under this Agreement. The Agreement is for professional services only. The Agreement does not guarantee future construction of the Project, either with or without a guaranteed maximum price (GMP) determined for the Project. If Owner and Contractor determine that the best interests of the Project will be served by having some elements of construction take place before the preconstruction services under this Agreement are completed, the Parties may agree to execute a construction agreement reflecting their mutual understanding for performance of the scope of work.

D. The Owner retains the responsibility to evaluate the Project, suggested modifications to the final design of the Project, and the guaranteed maximum price (GMP), before deciding whether or not to enter into subsequent contracts for commencing construction. The Owner reserves the right to terminate the Agreement as set forth herein, without obligation to commence construction of the Project, and is under no obligation to enter into further agreement with Contractor, including an agreement for procurement, construction, installation of facilities or components of the Project.

ARTICLE 2 – OWNER'S RESPONSIBILITIES

2.01 General

A. Owner shall have the responsibilities set forth herein. Owner agrees to:

B. Designate in writing a person or persons to act as Owner's representative with respect to the services to be rendered under this Agreement. Such person(s) shall have authority to transmit instructions, receive information, and obtain interpretations and definitions of Owner's policies and decisions with respect to Contractor's services.

C. Prepare and provide to Contractor the draft construction Agreement, General Conditions, Supplementary Conditions, Bond Forms, and funding documentation requirements which will be included in the Contract Documents.

D. Provide Contractor with criteria and full information as to Owner's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and budgetary limitations.

E. Furnish copies of design and construction standards which Owner will require to be included in the Contract Documents.

F. Furnish to Contractor other available information pertinent to the Project including reports and data relative to previous designs, or investigation at or adjacent to the site(s).

G. Following Contractor's assessment of initially-available Project information and data, upon Contractor's request, furnish or otherwise make available such additional Project-related information and data as is reasonably required to enable Contractor to complete its Contractor's Services. Such additional information or data would generally include the following:

1. Property descriptions;
2. Zoning, deed, and other land use restrictions;
3. Property, boundary, easement, right-of-way, and other special engineering surveys or data, including establishing relevant reference points for design and construction which in Owner's judgment are necessary to enable Contractor to proceed with the work;
4. Data prepared by or services of others, including without limitation explorations and tests of subsurface conditions at or contiguous to the site(s), drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site(s) with appropriate professional interpretation thereof;
5. Environmental assessments, audits, investigations, and impact statements, and other

relevant environmental or cultural studies as to the Project, the site(s), and adjacent areas, and

6. Data or consultations as required for the Project but not otherwise identified in the Agreement or the Exhibits thereto.

H. Give prompt written notice to Contractor whenever Owner observes or otherwise becomes aware of a development that affects the scope or time of performance or furnishing of Contractor's services, or a defect or nonconformance in Contractor's Services.

I. Furnish, as appropriate, other services or provide written authorization to Contractor to provide required additional services.

J. Arrange for safe access to and make provisions for Contractor and Contractor's subcontractors, if any, to enter upon public and private property as may reasonably be required for Contractor to perform services under the Agreement.

K. Examine alternate solutions, studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Contractor (including obtaining advice of an attorney, insurance counselor, and other consultants as Owner deems appropriate with respect to such examination) and render in writing decisions pertaining thereto within a reasonable time after receipt of documents.

L. Obtain reviews, approvals, and permits from governmental authorities having jurisdiction over the Project or from such others as may be necessary for completion of each Phase of the services in this Agreement.

M. Provide at its own cost and without inclusion in any guaranteed maximum price (GMP), for its own use and evaluation of the Project and any component thereof:
   1. Design professionals including but not limited to the Contractor's engineer;
   2. Accounting, bond, financial advisory, and insurance counseling services;
   3. Legal services with regard to the Project.

ARTICLE 3–TIMES FOR RENDERING SERVICES

3.01 Commencement

A. Time is of the essence. Contractor agrees to begin the Contractor's Services as of the Effective Date of this Agreement.

3.02 Time for Completion

A. Specific periods of time for rendering services are set forth or specific dates by which services are to be completed are, if applicable, provided in Exhibit A. If such periods of time or dates are changed through no fault of Contractor, the rates and amounts of compensation provided for herein shall be subject to equitable adjustment.

B. If Owner authorizes material changes in the scope, extent, or character of the Project, the time of performance of Contractor's Services shall be adjusted equitably.

ARTICLE 4–PAYMENTS TO CONTRACTOR

4.01 Payments

A. Owner shall pay Contractor for services performed on the basis set forth in the "**Payments to Contractor for Services and Reimbursable Expenses**" set forth in **Exhibit B**.

B. Owner is a governmental entity and is therefore exempt from state and local sales and use tax. Owner will not pay for or reimburse sales or use tax that may not be directly imposed against the Owner. The Contractor shall use the Owner's sales tax exemption for the purchase of products and equipment on behalf of the Owner, if any.

4.02 Other Provisions Concerning Payments

A. Preparation of Invoices. Contractor shall submit monthly invoices showing employee class, hours, hourly rates, expenses, and totals for services rendered and Reimbursable Expenses incurred, including a written narrative on progress of the work.

B. Requests for payment:

1. Address all payment requests to Cherokee Accounts Payable at ap@cherokeemetro.org.

2. Include the following information:
   a. Payee Name and Remittance address
   b. W-9 prior to first invoice

C. District payment policy: It is the District's policy to pay invoices, net 30 days, unless otherwise agreed to by the District and Contractor. Payments are processed twice per month around the 1st and the 15th and will be mailed to the remittance address or the payment processed electronically.

D. Late Payment. If Owner fails to make payment due Contractor for services and expenses within 60 days after receipt of Contractor's invoice, then:
1. the amounts due Contractor will be increased at the current prime lending rate prorated on a monthly basis from said sixtieth day; and

2. Contractor may, after giving seven days written notice to Owner, suspend services under this Agreement until Owner has paid Contractor in full amounts due for services, expenses, and other related charges.

E. Disputed Invoices. In the event of a disputed or contested invoice, Owner may withhold from payment only that portion so contested and must pay the undisputed portion.

F. Payments Upon Termination. In the event of termination under Article 6.06 or for other basis, Contractor will be entitled to invoice Owner and to receive full payment for services performed and expenses incurred through the effective date of termination. Such payment shall be Contractor's sole and exclusive remedy in the event of termination.

G. Records of Contractor's Costs. Contractor shall keep records of its costs pertinent to compensation under this Agreement in accordance with generally accepted accounting practices. To the extent necessary to verify Contractor's charges and upon Owner's timely request, Contractor shall make copies of such records available to Owner. Contractor shall preserve such records for a period of three (3) years after final payment. Owner may audit records of Contractor relating in any way to the Project.

ARTICLE 5–ESTIMATES OF COST

5.01 Estimate of Probable Construction Cost

A. As part of the preconstruction Services, Contractor shall prepare an Estimate of Probable Construction Cost "Construction Cost" in accordance with standard practices of the Association for the Advancement of Cost Engineering (AACE).

B. The "Construction Cost is the cost to Owner to construct the work. The Construction Cost is limited to the expected cost that the Contractor would provide in a new proposal to complete the construction, and does not include costs of items that will not be provided by Contractor as part of the construction, including but not limited to cost of land and rights of way, compensation for damages to properties, interest and financing charges, and charges for services to be provided to Owner by others.

ARTICLE 6–GENERAL CONSIDERATIONS

6.01 Standards of Performance

A. The standard of care for Preconstruction Services will be the care and skill ordinarily used by construction contractors providing preconstruction services on projects similar to this Project.

B. Contractor shall be responsible for the technical accuracy of the services it performs and documents it prepares, and Owner shall not be responsible for discovering deficiencies in such services or documents. Contractor shall correct such deficiencies without additional compensation, and compensate Owner for losses or damages resulting from such deficiencies. Notwithstanding anything to the contrary in this Agreement, Contractor is not responsible for providing, nor does Contractor control, the Project design and contents of the design documents. By performing design and other reviews described in Exhibit A Contractor is not acting in a manner so as to assume responsibility or liability, in whole or in part, for all or any part of the Project design and design documents.

C. Contractor shall not be allowed to use subcontractors to assist in the performance of the Contractor's Services hereunder unless Owner has in writing agreed to such subcontractor, and the terms and conditions associated with the use of such subcontractor. Owner may authorize Contractor to subcontract with an electrical/IC subcontractor to provide Preconstruction Services for the electrical scope of work. If authorized, the electrical/IC subcontractor will be a subcontractor to Contractor and will provide design reviews, constructability reviews, and cost estimating as described herein.

D. This Agreement is based on requirements of applicable laws or regulations and Owner mandated standards provided to Contractor applicable as of its Effective Date. Changes to these requirements after the Effective Date of the Agreement may be the basis for modifications to Owner's responsibilities or to the scope, schedule, and compensation for Contractor's Services.

E. At the request of the Owner, Contractor shall safeguard the proprietary nature of Owner-provided data.

6.02 Authorized Project Representatives

A. Contemporaneous with the execution of this Agreement, Contractor shall designate specific individuals to act as its representative. Such individual(s) shall have authority to transmit instructions, receive information, and coordinate with the Owner's representative relative to the Project.

6.03 Use of Documents

A. Documents prepared or furnished by Contractor pursuant to this Agreement become the property of Owner whether product is completed or not.

6.04 Electronic Media

A. Copies of data furnished by Owner to Contractor or by Contractor to Owner that may be relied upon are limited to the printed copies (also known as hard copies). Files in electronic media format of text, data, or graphics or of other types are furnished only for the convenience of the other party. Conclusions or information obtained or derived from such electronic files will be at the user's sole risk. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

B. Because data stored on electronic media can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving data in an electronic format agrees that it will perform acceptance tests or procedures within 60 days, after which the receiving party shall be deemed to have accepted the data thus transferred. Errors detected within the 60-day acceptance period will be corrected by the transferring party.

C. When transferring documents in electronic media format, the transferring party makes no representations as to long term compatibility, usability, or readability of data resulting from the use of software application packages, operating systems, or computer hardware differing from those used by data's creator.

6.05 Insurance

A. Contractor shall procure and maintain insurance as follows:

1. Professional Liability covering liability resulting or arising from negligent acts, errors or omissions in connection with the services performed under this Agreement with limits of at least $2,000,000 each claim and $2,000,000 aggregate;

2. Commercial General Liability written on Insurance Services Office (ISO) Form CG0001 or its equivalent, including coverage for premises, personal injury, products, ongoing and completed operations, liability assumed under an insured contract and broad form property damage with limits of at least $1,000,000 each occurrence and $2,000,00 general aggregate;

3. Business Automobile Liability covering bodily injury and property damage arising out of the use and maintenance of owned, non-owned or hired vehicles with a limits at least $1,000,000 combined single limit each accident;

4. Workers Compensation with benefits afforded under the law of the State of Colorado where the work is to be performed;

5. Employers Liability with limits of at least $1,000,000 each accident, $1,000,000 each employee for disease and $1,000,000 policy limit for disease;

6. Umbrella or Excess Liability with limits of at least $2,000,000 each occurrence and $2,000,000 aggregate and coverage must be excess of the Commercial General Liability, Business Automobile Liability and Employers Liability on a following form basis;
7. Deductible or self-insured retention over $10,000 must be declared and approved by Owner;
8. Provide that the Owner, its directors, officers, employees, agents, and representatives shall be named as an Additional Insured, on a primary, non-contributory basis under the Commercial General Liability, Business Automobile Liability and Umbrella or Excess Liability by endorsement or its equivalent;
9. Provide that the Commercial General Liability, Business Automobile Liability, Workers Compensation, Employers' Liability and Umbrella Liability shall include a Waiver of Subrogation endorsement or its equivalent in favor of the Owner;
10. Provide that each required policy shall not be cancelled or non-renewed without at least thirty (30) days' prior written notice except in the event of cancellation due to non-payment of premium, in which ten (10) days' prior written notice shall be given;
11. Provide that with respect to any coverage written on a claims-made basis, the retroactive date must precede the commencement of work under this Agreement and coverage shall be maintained for three (3) years following the term of this Agreement or completion of the services associated with the Agreement, whichever is later;
12. Provide that each required policy shall be written with insurers which have an A.M. Best's rating of A- or higher and a financial size category of VII or higher or which Owner deems in writing to be acceptable;
13. Require each subcontractor who may perform Services under this Agreement to maintain coverages, requirement and limits at least as broad as those required of the Contractor;
14. Provide that upon request by the Owner, complete, certified copies of required insurance policies, including endorsements can be provided as required.

6.06 Termination

A. The obligation to provide further services under this Agreement may be terminated for cause:
   1. by either Party upon seven (7) days written notice in the event of substantial failure by the other Party to perform in accordance with the terms of this Agreement through no fault of the terminating Party.
   2. by Contractor upon seven (7) days written notice if the Contractor's performance of services has been delayed or suspended for more than 90 consecutive days for reasons beyond Contractor's control.

B. Owner may terminate this Agreement for its convenience upon thirty (30) days' notice effective upon Contractor's receipt of notice from Owner.

C. Notwithstanding the foregoing, this Agreement will not terminate as a result of a substantial failure to perform as set forth in Article 6.06.A.1 and 6.06.A.2 if the party receiving notice begins, within seven days of receipt, to correct its failure and proceeds diligently to cure such failure within no more than 30 days of receipt thereof; provided, however, that if and to the extent such substantial failure cannot reasonably be cured within such 30 day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for herein shall extend up to the date mutually agreed to by the parties.

D. The terminating party under Article 6.06.A may set the effective date of termination at a time up to 30 days later than otherwise provided to allow Contractor to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble Project documents in orderly files.

6.07 Controlling Law; Venue

A. This Agreement shall be governed by the laws of the State of Colorado and in a legal action relating to this Agreement, the parties agree to the exercise of jurisdiction and venue over it by the district court in El Paso County, Colorado. Prior to initiating legal action the Parties may agree to binding arbitration proceedings, intended to avoid the cost and delay caused by litigation, a set forth in Subsection 6.09.

6.08 Successors, Assigns, and Beneficiaries

A. Owner and Contractor each is hereby bound and the partners, successors, executors, administrators, and legal representatives of Owner and Contractor (and to the extent permitted by Article 6.08.B the assigns of Owner and Contractor) are hereby bound to the other party to this Preconstruction Services Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of covenants, agreements, and obligations of this Agreement.

B. Neither Owner nor Contractor may assign, sublet, or transfer rights under or interest (including, but without limitation, moneys that are or may become due) in this Agreement without the written consent of the other, except to the extent that an assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this article shall prevent Contractor from employing such independent professional associates and consultants as Contractor may deem appropriate to assist in the performance of services hereunder.

C. Nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than Owner and Contractor, and duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Contractor and not for the benefit of any other party.

6.09 Dispute Resolution

A. Owner and Contractor agree to negotiate disputes between them in good faith for a period of 30 days from the date of notice prior to exercising their rights under Article 6.09.C or other provisions of this Agreement, or under law.

B. If and to the extent that Owner and Contractor have agreed on a method and procedure for resolving disputes between them arising out of or relating to this Agreement, such dispute resolution method and procedure is set forth in Article 6.09.C. In the absence of such an agreement, the Parties may exercise their rights under law.

C. Before bringing action in court pertaining to a decision of Owner, Contractor shall first offer to arbitrate the question with the Owner by notifying Owner in writing and setting forth in such notice the question to be arbitrated. Owner can elect to arbitrate or not. If Owner agrees to arbitrate, it shall so advise Contractor in writing within ten (10) days after receipt of Contractor's notice. Notice by Owner that it does not wish to arbitrate or failure of Owner to notify Contractor within the ten (10) day period will give Contractor the right to start an action in court. If Owner agrees to arbitrate, the question shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association unless the Parties mutually agree otherwise. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with CRS Section 13-22-201 *et. seq*. Notice of the demand for arbitration shall be filed in writing with the Owner and with the American Arbitration Association. The demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable processing based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations. Unless otherwise agreed in writing, Contractor shall carry on the work and maintain its progress during any arbitration proceedings, and Owner shall continue to make payments to Contractor in accordance with the Contract Documents.

6.10 Allocation of Risks – Indemnification

A. Contractor shall defend, indemnify, and hold harmless Owner from and against any and all liability, loss, claims, or suits (including costs, expenses and attorneys' fees) for or on account of bodily injury, sickness, disease, or death, or damage to or destruction of tangible property (Contractor hereby agreeing to repair or replace such property if requested so to do by Owner) occurring by reason of any negligent act or omission of Contractor, Contractor's employees, or agents (including subcontractors) in connection with the performance of this Preconstruction Services Agreement.

6.11 Allocation of Risks – Limitation of Contractor's Liability

A. The limitations on Contractor's liability and on damages set forth in this 6.11.B shall have no force and effect if Contractor and Owner enter into an Agreement for the remainder of the work; in such case the terms of the subsequent Agreement for construction services and completion of the work shall establish the contractual limitations, if any, on Contractor's liability and on damages.

B. Exclusion of Special, Incidental, Indirect and Consequential Damages
   1. To the fullest extent permitted by law, and notwithstanding any other provision in this Agreement, Contractor and Contractor's officers, directors, partners, employees, agents, and Subcontractors shall not be liable to Owner or anyone claiming by, through, or under Owner for any special, incidental, indirect, or consequential damages whatsoever arising out of, resulting from or in any way related to services included in this Agreement from any cause or causes, including but not limited to any such damages caused by the negligence, professional errors or omissions, strict liability, breach of contract or breach of warranty (express or implied) of Contractor or Contractor's officers, directors, partners, employees, agents, or Subcontractors, or any of them.

6.12 Notices

A. Notice required under this Agreement will be in writing, addressed to the appropriate party at its address on the signature page and given personally, by certified mail (return receipt requested), by facsimile, or by a commercial courier service. Notices shall be effective upon the date of receipt.

6.13 Survival

A. Express representations, indemnifications, or limitations of liability made in or given in this Agreement will survive its completion or termination for any reason.

6.14 Severability

A. A provision or part of the Agreement held to be void or unenforceable under law or regulation shall be deemed stricken, and remaining provisions shall continue to be valid and binding upon Owner and Contractor, which agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

6.15 Waiver

A. Non-enforcement of a provision by either Party shall not constitute a waiver of that provision nor shall it affect the enforceability of that provision or of the remainder of this Agreement.

6.16 Headings

A. The headings used in this Agreement are for general reference only and do not have special significance.

6.17 Equal Opportunity

A. Contractor in performing work required by this Agreement, shall afford equal employment opportunity to qualified individuals regardless of their race, color, religion, sex, national origin, age, physical or mental disability or veteran status and shall conform to applicable laws and regulations. Contractor further agrees that each subcontract made under this Agreement will contain this equal opportunity requirement.

6.18 Use of Project Information

A. Contractor shall not use or provide for use by others Project photographs, drawings, data, descriptions, quotations, or other Project information for publication or use in newspapers, television, magazines, brochures, or other media without the prior review and written consent of Owner.

6.19 Compliance with Owner's Policies

A. While on Owner's property, Contractor, or its employees, partners, or agents, shall comply with the Owner's policies.

6.20 Ownership of Work Product

A. Documents such as reports, plans, drawings and contract specifications, information, and other materials prepared or furnished by the Contractor and paid for pursuant to this Agreement are instruments of public information and property of the Owner. The Owner understands such documents are not intended or represented to be suitable for reuse by the Owner or others for purposes outside the specific scope and conditions of the Project. Reuse without written verification or adaptation by the Contractor for the specific purpose intended will be at the Owner's sole risk and without liability or legal exposure to the Contractor, or to the

Contractor's independent professional associates, subcontractors, or consultants.

ARTICLE 7– DEFINITIONS

7.01 Defined Terms

A. Terms printed with initial capital letters have the meanings indicated which are applicable to both the singular and plural thereof:

1. *Effective Date of the Preconstruction Services Agreement* – The date indicated above.

2. *Reimbursable Expenses* – Reimbursable Expenses mean the actual, reasonable expenses incurred (except where specifically provided otherwise) by Contractor directly or indirectly in connection with the Project, such as expenses for: lodging, transportation, meals and miscellaneous expenses incidental thereto; services of independent professional associates and consultants employed by Contractor; providing and maintaining field office facilities including furnishings and utilities; Document Reproduction Services (multiplier shall not be applied to outside services) such as reproduction of reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Exhibit A – "Contractor's Services", and, if authorized in advance by Owner, overtime work requiring higher than regular rates. In addition, if authorized in advance by Owner, Reimbursable Expenses will also include expenses incurred for the use of highly specialized equipment. Contractor is expected to exercise good, reasonable judgment, and obtain proper authorization when required prior to incurring expenses. Reimbursement for expenses requires a valid itemized receipt for each expense, except for situations when receipts are not readily available. Travel arrangements for air transportation, accommodations, and auto rental will be made using the most cost effective method available. The lowest available direct flight fares should be used. First class and business class fares are prohibited unless there are no other options available. A copy of the confirmation or e-ticket showing the cost of the flight must be provided for reimbursement. Rental car reservations should be made prior to travel at the lowest available rate. Contractor will not be reimbursed for a car larger than a mid-size unless more than two are traveling together. Reimbursement will not be allowed for gasoline charges billed on the rental agreement. Leased vehicles are not considered in this Preconstruction Services Agreement. Miscellaneous expenses such as reasonable long-distance telephone calls, internet access fees, and customary tipping for items such as food, beverages, porter, and room service are allowable expenses. Room service for food and beverages should be avoided if possible. Parking, shuttle, toll road and taxi expenses will also be reimbursed if they are reasonable and necessary. Expenses for alcoholic beverages, in-room movies, normal personal convenience items, and laundry will not be reimbursed.

ARTICLE 8–EXHIBITS

8.01 Exhibits Included

A. Exhibit A, "Contractor's Services," consisting of **three (3)** pages.

B. Exhibit B, "Payments to Contractor for Services and Reimbursable Expenses," consisting of **three (3)** pages.

C. Appendix 1 to Exhibit B, consisting of **five (5)** pages.

8.02 Total Agreement/Electronic Signatures

A. This Agreement, with the Exhibits identified above constitutes the entire agreement between Owner and Contractor and supersedes prior written or oral understandings. This Agreement may be amended, supplemented, modified or canceled by a duly executed written instrument by both Parties. This Agreement may be executed in counterparts, each of which shall be an original and together shall constitute one and the same instrument. This Agreement and any other documents requiring a signature may be signed electronically by either Party, pursuant to the Uniform Electronic Transactions Act, § 24-71.3-101, et seq., C.R.S.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Preconstruction Services Agreement as of the day and year first above written.

Owner:	Contractor:
Cherokee Metropolitan District	**PCL Construction, Inc.**
By:________________	By: Jamie Safulko
Signed:________________	Signed: Jamie Safulko
Title:________________	Title: Area Manager

Exhibit A – Contractor's Services

Contractor shall perform the following pre-construction services. The Services are not required to be performed in the sequence in which they are described. **See Appendix 1 to Exhibit B for detailed estimated breakdown of pre-construction services.**

Preconstruction Services will include, but not be limited to the following items.

A. Administration of the Preconstruction Services

- Project management (Scope, Schedule, and Budget Tracking)
- Review background information
- Attend kickoff workshop
- Provide monthly project update via email.
- Telephone coordination as required.
- Assist in preparing documents concerning the construction budget for use in obtaining or reporting on project funding.
- Monthly invoicing.

B. Partnering and Relationship Building

- Coordinate with Owner, Engineer, and others as requested to support relationship building approaches including attendance of up to one (1) virtual meeting with specific stakeholders.

C. Construction Management Plan

- Contractor standard construction management plan approach.
- Develop various alternatives for the sequencing and management of the Project.
- Develop criteria for various contractor led items and deliverables.

D. Project Design Workshops

- Attend up to **three** **(3)** design review workshops.

E. Review of Design Documents

- Provide up to two (2) design document reviews of draft drawings and specifications.
- Review the design documents for clarity, consistency, constructability and coordination among those trade and other contractors performing work.
- Provide input on potential site(s) and equipment alternatives, cost savings, schedule savings, value added items, quality improvements and safety improvements.
- Analyze and report the cost of various design and construction alternatives. As a part of the cost analysis, consider costs relating to efficiency, usable life, maintenance, energy, and operation.
- Make recommendations via memoranda, meeting summaries, and reports as requested with respect to constructability, construction cost, sequence of construction, construction duration, possible means and methods of construction, time for construction, and separation of the Project contracts for various categories of work.
- Identify, in conjunction with Engineer, potential early packages that may be developed during the design phase to expedite the overall work of the Project when the Project enters the construction phase. Work with Engineer to identify and coordinate

construction needs for temporary site utilities, fencing, access, office facilities, storage, and laydown areas.

F. Project Scheduling

- Develop construction schedule in Primavera or equivalent construction scheduling software.
- Identify critical tasks, decisions, and milestones dates.
- Identify proposed start and finish dates for each project activity and the dates by which certain construction activities must be complete.
- Update the schedule to keep current with existing and planned work.
- By the time construction is ready to begin, the Master Schedule should have evolved into a detailed critical path construction schedule which will be used to manage the construction.

G. Risk Register

- Contractor standard construction management plan approach.
- Include a risk register that identifies the risks, severity, probability of occurrence, scoring and ranking, and update to maintain a current list of mitigation measures.

H. Procurement Plan and Prepurchase Services

- Contractor standard construction management plan approach.
- Develop lists of possible bidders and prequalifying bidders.
- Incorporate approach for pre-procured membrane supplier (supply, storage, start-up, warranty).
- Solicit proposals from specific subcontractors and suppliers in accordance with the Procurement Plan. Proposals shall be on an "open book" basis, and shall allow Owner to participate in the receipt and analysis of proposals. Endeavor to invite at least three (3) subcontractor proposers, if practical, for major subcontracts. Contractor shall not employ subcontractor or supplier against whom Owner may have reasonable objection.

I. Preparation of a Construction Cost and review

- Development of the Construction Cost (30% draft documents).
    1. Submit a 30% Draft Construction Cost to the District 30-days following Review Workshop No. 1.
    2. Submit a 30% Final Construction Cost 21-days following Engineer submittal of 30% Final Design.
- Include the following with the Construction Cost:
    1. A complete list of drawings and specifications which were used in the preparation of the Proposal;
    2. A list of the assumptions and clarifications made by Contractor in the preparation of the proposal(s), which list is intended to supplement the information contained in the drawings and specifications;
    3. To the extent not already established, the Scheduled Substantial Completion Date upon which the Construction Cost is based, and a project schedule upon which the

scheduled substantial completion date is based;

4. If applicable, a list of allowance items, allowance values, and a statement of their basis;
5. If applicable, a schedule of alternate prices;
6. If applicable, a schedule of unit prices;
7. If applicable, a statement of additional services which may be performed but which are not included in the Construction Cost and which, if performed, shall be the basis for an increase in the Construction Cost and/or contract time(s);
8. A list of subcontractors, and material and equipment suppliers;
9. An updated letter from its surety or sureties verifying that Contractor has bonding capacity in the amount of the Construction Cost; and
10. The time limit for acceptance of the proposal(s), which shall be no less than 21 calendar days.

- After submission of each Construction Cost, meet with Owner and Engineer to discuss and review the proposal, negotiate in good faith, and attempt to reach agreement on the terms of the proposal. Contractor shall provide such information as Owner may reasonably request relative to the proposal, with the understanding that information that formed the basis for the Construction Cost shall be available to Owner on an "open book" basis.
- If the parties are unable to reach an agreement on a proposal within the time limit for acceptance specified in the proposal, as may be extended by the mutual agreement of the parties, the proposal shall be deemed withdrawn and of no effect. In such event, Owner may terminate the relationship with Contractor and proceed to exercise its available options to perform the construction with parties other than Contractor. If Owner fails to terminate the relationship in a reasonable period of time, Contractor may give written notice to Owner that it considers this Agreement completed. If Owner fails to terminate the relationship with ten (10) days of receipt of Contractor's notice, then this Agreement shall be deemed completed.
- The Preconstruction Services are anticipated to be completed in 120 days and will be considered complete upon the earlier to occur of: (a) execution by Owner and Contractor of a new form of Construction Agreement, including required General and Supplementary Conditions, for Contractor to perform the construction of the Project; (b) Owner or Contractor's exercise of its rights for completion.

Exhibit B to Preconstruction Services Agreement

ARTICLE 4 – PAYMENTS TO CONTRACTOR – STANDARD HOURLY RATES METHOD OF PAYMENT

B4.01 For Contractor's Services

A. Owner shall pay Contractor for Contactor's Services as follows:

1. An amount equal to cumulative hours devoted to the Project by each class of Contractor's employees times Standard Hourly Rates for each applicable billing class for services rendered, plus Reimbursable Expenses and Contractor's Subcontractors' charges, if any.
2. Contractor's Standard Hourly Rates and Reimbursable Expenses Schedule is attached to this Exhibit B as Appendix 1.
3. The total compensation for services under this article is estimated to be **$298,300.00 (Two-hundred ninety-eight thousand, three-hundred dollars and no cents)** and shall not be exceeded without written authorization from Owner.

B4.02 For Reimbursable Expenses

A. Owner shall pay Contractor for Reimbursable Expenses.

Charges for commonly incurred Reimbursable Expenses shall be as follows: Transportation (Contractor's Vehicles) **$0.725 */mile**

Other Transportation and Subsistence Actual Cost Document Reproduction Services Actual Cost

**Prevailing IRS business mileage rate.*

B4.03 For Contractor's Subcontractor's Charges

A. Whenever compensation to Contractor herein is stated to include charges of Contractor's Subcontractors, those charges to Owner shall be the amounts billed to Contractor times a factor of **1.09**.

B4.04 Standard Hourly Rates

A. Standard Hourly Rates set forth in Appendix 1 to this Exhibit B include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.

C4.05 Other Provisions Concerning Payment

A. Progress Payments. The portion of the amounts billed for Contractor's Services which are related to services rendered on the basis of the Standard Hourly Rates Method of Payment will be billed based on the cumulative hours devoted to the Project by each class of Contractor's employees, times the Standard Hourly Rate for each such employee class, plus Reimbursable Expenses and Contractor's Subcontractors' charges incurred during the billing period.

B. Estimated Compensation Amounts.

1. Contractor's estimate of the amounts that will become payable for Contractor's Services are only estimates for planning purposes, are not binding on the parties, and are not the

minimum or maximum amounts payable to Contractor under the Preconstruction Services Agreement. Notwithstanding the fact that the estimated amounts for Contractor's Services are exceeded, Contractor shall receive appropriate compensation based on the Standard Hourly Rates Method of Payment for Contractor's Services furnished or performed under this Preconstruction Services Agreement, in accordance with the provisions as set forth in this Exhibit B.

2. When estimated compensation amounts have been stated herein and it subsequently becomes apparent to Contractor that a compensation amount thus estimated will be exceeded, Contractor shall give Owner written notice thereof. Promptly thereafter Owner and Contractor shall review the matter of services remaining to be performed and compensation for such services. Owner shall either agree to such compensation exceeding said estimated amount or Owner and Contractor shall agree to a reduction in the remaining services to be rendered by Contractor, so that total compensation for such services will not exceed said estimated amount when such services are completed.

Appendix 1 to Exhibit B to Preconstruction Services Agreement

Standard Hourly Rates and Reimbursables Expenses Schedule

Standard Hourly Labor Rates and Reimbursable Expense rates on the date of the Preconstruction Services Agreement are:

SEE ATTACHED pricing proposal ("Appendix E: Pricing Information)

RENDERING OF FINAL COMPLETED FACILITY
See Page 19 of the attached proposal our full Project Approach.

APPENDIX 1 to EXHIBIT B

Appendix E
PRICING INFORMATION

APPENDIX E

Pricing Information Form

Phase I Services

The scope and anticipated schedule of the CMAR services for which pricing is required is defined in Exhibit A of the Draft CMAR Contract (Attachment C). Proposers shall include rates and estimated hours for Key Personnel and additional staff that will support Key Personnel during Phase I in a table similar to the following.

SEE ATTACHED DETAILED PHASE I SERVICES BREAKDOWN EX. ATTACHED	
Total	**$298,300.00**

CMAR Fee

The CMAR Fee shall be applied as described in the Draft CMAR Contract (Attachment C). The CMAR Fee shall be inclusive of corporate overhead and profit.

CMAR Fee Percentage	***9.0%***

Phase II Services

Proposers shall include billing rates for Key Personnel and additional staff that will support Key Personnel during Phase II in a table similar to the following. Rates are for 2026 and shall be used as reference when preparing the Phase II Contract Price Proposal, with appropriate escalation to reflect the start and duration of Phase II.

SEE ATTACHED PCL BILLABLE RATE SHEET FOR STAFF RATES	

By signature hereon, the Proposer's authorized agent ("Agent") certifies that required corporate acts have been taken to authorize the Agent to sign this document and that information provided in the Pricing Information Form are an accurate representation of the information the Proposer is providing.

CMAR Name: PCL Construction, Inc.

Signed by (Authorized Agent): Jamie Safulko

Printed Name: Jamie Safulko

Title: Area Manager

Date: May 1, 2026

Cherokee Metropolitan District - PFAS Water Treatment Facility - Phase I Preconstruction Services

PCL

Name	Jamie Safulko	Scott Colvin	Sean Hewlett	Joel Hernandez	Jessie Farmer	Justin McRae	Multiple	Matt Rodriguez	Luke McClelland / Guillermo	TBD	Jon Vanasdlen	Eric Dill / Matt Padgett	Subtotals by Task / Allocation	
Position	*Project Director	Construction Manager	Precon. Manager	Project Manager	Procurement Manager	Lead Estimator	Discipline Estimator(s)	General Superintendent	Field Superintendent (s)	Project Engineer(s)	Safety Manager (HSE)	Commissioning & Start-up (C&SU)	Hours	$-Cost
7.7.1.1 Task 1 - Project Management														
Kickoff Meeting (4-hr) & Prep	4	4	4	4				4			4	2	26	$2,800
Monthly Reporting (assume 6 ea)				6						6			12	$1,680
Bi-Weekly Progress Meetings (1-hr ea.) x (12 ea.)	6	4	12	12				4		4		3	45	$3,760
Construction Management-Related Coordination														
Project Management Plan	1	2		2				2		8	1	1	17	$2,010
Quality Management Plan		2		2					40	40	2	2	88	$11,870
Document Management										10			10	$1,250
7.7.1.2 Task 2 - Design Support														
Workshops														
Chartering Workshops (4-hr) x (4 ea.)	12	16	16	16		8		16	16	4	8	8	120	$15,444
Onboarding Workshops (4-hr) x (1 ea.)	4	4	4	4	2	4		4	8	4	2	4	44	$5,432
Permitting Support Workshops (2-hr) x (5 ea.)	4		6	10				2	2	10			34	$4,620
Constructability Review Workshops (2-hr) x (7 ea.)	6	14	14	14		6		8	10	4		4	80	$11,778
Ad hoc Virtual Meetings / Workshops (2-hr) x (8 ea.)	4	12	10	12		10		4	4	4		4	64	$9,350
Design Review														
30% Design Value Analysis Development (4-wks)													0	
30% Design Value Analysis Workshop 1 (4-hr)	4	4	4	4		4		4	4			4	32	$3,272
Review of 60% Design Documents														
60% Design Review Workshop (4-hr)		4	4	4		4		4	4	4	1	4	33	$3,772
Review of 90% Design Documents														
90% Design Review Workshop (4-hr)	4	4	4	4		4		4	4	4	1	4	37	$3,772
7.7.1.3 Task 3 - Price Model														
60% Design GMP Price Model Development & Analysis	2	4	12	10		40	180	8	16			4	276	$35,110
60% Design GMP Price Model Workshop & Review (2-hr.)	2	2	2	2		2							10	$986
90% Design GMP Price Model Development & Analysis		4	12	10		40	180	8	16				270	$35,110
90% Design GMP Price Model Workshop & Review (2.-hr)	2	2	2	2		2							10	$986
Risk & Opportunity Workshops (1-hr) x (4 ea.)	2	4	4	4		4		4		4	1	4	31	$3,152
7.7.1.4 Task 4 - Schedule														
Initial Schedule Summit Meeting @ 30%		2	2	2				2					8	$1,010
Schedule & Sequencing Development & Workshop @ 60%		8	8	30				12	12	6		1	77	$10,741
Schedule & Sequencing Development & Workshop @ 90%		8	8	30				12	12	6		1	77	$13,140
7.7.1.5 Task 5 - Procurement Plan														
Procurement Plan Development			8	16	20								44	$5,080
7.7.1.6 Task 6 - Ph. II Price Proposal Development														
Initial 30% Design $-ROM/GMP Development	1	2	8	2		30	40						83	$10,450
Phase II GMP Price Model Development & Analysis	2	8	24	8	40	40	40						162	$19,240
Phase II GMP Price Model Workshop & Review	2	2	2	2	2	2		2		2			16	$1,836
Total Hours	62	116	170	212	64	200	440	104	148	120	20	50	1706	
%-age of Total Hours	3.6%	6.8%	10.0%	12.4%	3.8%	11.7%	25.8%	6.1%	8.7%	7.0%	1.2%	2.9%		
Billable Rate	$0	$180	$195	$155	$130	$158	$126	$170	$155	$125	$0	$0		
Total Unit Cost	See Note 1	$ 20,880.00	$ 33,150.00	$ 32,860.00	$ 8,320.00	$ 31,600.00	$ 55,440.00	$ 17,680.00	$ 22,940.00	$ 15,000.00	See Note 2	See Note 3		$ 237,870

Total Staff Cost	$	237,870	
Electrical / I&C Sub. Precon Services Allowance	$	40,000	See Note 4
Miscellaneous Reimbursable Cost(s)	$	2,500	
Site Investigation Allowance	$	14,500	See Note 5
HSE Assessment (0.85% of Total Cost)	$	2,536	See Note 2
C&SU Assessment (0.3% of Total Cost)	$	895	See Note 3
Total Preconstruction Cost	$	298,300	See Note 6

Notes:

1. Non-billable personnel
2. PCL project health, safety & environmental (HSE) personnel & supplies are charged as an assessment on project cost at a rate of 0.85%
3. PCL Commissioning & Start-up project personnel & expenses are charged as an assessment on project cost at a rate of 0.3%
4. Allowance to select & engage subtrade partner(s) during Phase I; may include, but not limited to: Electrical, I&C, Storage Tank partners as selected by Project T
5. Geotechnical investigation including borings, studies, etc. are excluded and assumed by Others. PCL will provide coordination support
6. Allocation of Phase I service hours are approximated for basis of establishing not-to-exceed Phase I Services $-total. PCL acknowledges that the Phase I Services $-total is binding NTE.

Cherokee Metropolitan District – PFAS Water Treatment Facility CMAR Project
PCL Billable Staff Rates Schedule

The following rates and details are incorporated in the GMP price model(s) for both Phase I and Phase II Services, as applicable:

1. Project Staff Billable Rates:

Project Staff Position	Total Billable Rate ($/hr.)**
*Project Director	***N/C***
*Pre-Construction Manager	***$195***
*Construction Manager	***$180***
*Project Manager	***$155***
Procurement Lead	***$130***
Lead Estimator	***$158***
Discipline Estimator(s)	***$126***
*General Superintendent	***$170***
*Field Superintendent(s)	***$155***
*Quality Manager	***$155***
Project Engineer(s)	***$125***
Field Engineer(s)	***$115***
Computer Modeler	***$115***
General Foreman	***$95***
*Safety Supervisor	***See Note 1 below***
*Commissioning & Start-Up Manager	***See Note 2 below***
Administrative Assistant	***$75***
Communications Specialist	***N/C***

**Denotes Key Personnel identified in the RFP*

***Rates shown are current for 2026 and subject to change annually for escalation and market adjustment*

Note 1 - PCL project health, safety & environmental (HSE) personnel & supplies are charged as an assessment on project cost at a rate of 0.85%

Note 2 - PCL Commissioning & Start-up project personnel & expenses are charged as an assessment on project cost at a rate of 0.3%

End of Appendix E

CONSTRUCTION

PCL CONSTRUCTION, INC.
2000 S. Colorado Blvd., Suite 2-500
Denver, CO 80222
T: 303-550-8421
www.pcl.com

TOGETHER WE BUILD SUCCESS

MASTER AGREEMENT FOR SERVICES

THIS MASTER AGREEMENT ("Agreement") is made and entered into this 6th day of July, 2026 (the "Effective Date"), by and between the Cherokee Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), with a principal place of business at 6250 Palmer Park Boulevard, Colorado Springs, CO 80915, and Hazen and Sawyer, D.P.C., a New York design professional corporation with a principal place of business at 498 Seventh Avenue, 11th floor, New York, NY 10018 ("Contractor") (individually a "Party" and collectively the "Parties").

WHEREAS, the District requires continuing professional engineering services for pipeline design services; and

WHEREAS, Contractor has held itself out to the District as having the requisite expertise and experience to perform the required services.

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein expressed, it is agreed by and between the Parties as follows:

I. SCOPE OF SERVICES AND WORK ORDER PROCESS

A. Contractor shall furnish all labor and materials required for the complete and prompt execution and performance of all duties, obligations, and responsibilities which are described or reasonably implied from the Scope of Services set forth in individual Work Orders entered into by the Parties, which shall be subject to the provisions of this Agreement. Individual Work Orders shall include identification of the project, a description of the services, compensation to be paid to Contractor for the performance of the services, a time and schedule for the performance of the services, and statement of the personnel assigned to the specific project, including a project manager ("Work Order"). Upon mutual agreement of the Parties, the Work Order shall be finalized and executed by the Parties. The effective date of the Work Order and its term shall be as set forth in the individual Work Order. All provisions of Work Orders, including without limitation any terms and conditions included therein, shall be subject to the provisions of this Agreement. In the event of any inconsistency between the provisions of this Agreement and Work Orders, the provisions contained within this Agreement shall control.

B. The services to be performed pursuant to this Agreement shall be initiated and completed as set forth in each Work Order.

C. A change in an executed Work Order shall not be effective unless authorized as a written amendment to that Work Order. If Contractor proceeds without such written authorization, Contractor shall be deemed to have waived any claim for additional compensation, including a claim based on the theory of unjust enrichment, quantum meruit or implied contract. Except as expressly provided herein, no agent, employee, or representative of the District is authorized to modify any term of this Agreement, either directly or implied by a course of action.

II. TERM AND TERMINATION

A. This Agreement shall commence on the Effective Date and shall automatically renew for successive one-year terms unless terminated as provided herein.

B. Notwithstanding the time periods contained herein, the District may terminate this Agreement at any time without cause by providing written notice of termination to the Contractor. Such notice shall be delivered at least seven (7) days prior to the termination date contained in said notice unless otherwise agreed in writing by the Parties. In the event of any such early termination by the District, the Contractor shall be paid for services rendered prior to the date of termination, subject only to the proper performance of the Contractor's obligations in accordance with this Agreement. Such payment shall be the Contractor's sole right and remedy for such termination. If, however, Contractor has materially breached this Agreement and such breach remains uncured after ten (10) days, the District shall have any remedy or right of set-off available at law and in equity, subject to the limitations of this Agreement. The District may set off only undisputed amounts finally determined to be owed by Contractor to the District.

C. Contractor may terminate this Agreement for cause for a material breach of its terms by the District upon ten (10) days advance written notice to the District and failure to cure by the District within such ten-day period. Contractor may terminate this Agreement for convenience by providing the District with advance written notice no later than sixty (60) days prior to the expiration of the then-applicable one-year term.

D. In the event of the expiration or partial termination of this Agreement, other than a termination by Contractor based on a material breach by the District, Contractor shall, unless otherwise directed by the District, complete its performance of any outstanding Work Orders then pending in accordance with the terms and conditions of this Agreement and of such Work Order(s), as may be further amended. In such case, the specifications, terms and conditions of the Work Order(s) and this Agreement shall be deemed to have survived the expiration of this Agreement with respect to such Work Order(s) until such time as the Work Order(s) are completed.

E. Upon the effective date of termination, provided Contractor has been paid in full for work performed, Contractor shall deliver to the District all data, drawings, specifications, reports, summaries, and such other information and materials as may have been produced or accumulated by Contractor in performing the work ("**Work Product**"), whether completed or in process, with the exception of one record copy of such information which shall be kept by Contractor. If the Agreement is terminated, any use of unfinished documents by the District thereafter shall be at the District's sole risk, unless otherwise consented to by Contractor in writing.

F. Where the method of payment identified in a particular Work Order is "lump sum" or cost reimbursement, the final invoice will include all services and expenses associated with the project up to the effective date of termination.

G. Without terminating this Agreement or breaching its obligations hereunder, the District may, at its convenience, suspend the services of the Contractor by giving the Contractor written notice one day in advance of the suspension date. Upon receipt of such notice, the

Contractor shall cease its work in as efficient a manner as reasonably possible so as to keep its total charges to the District for services under this Agreement to the minimum. Contractor shall be entitled to payment for services performed through the suspension date, demobilization, and remobilization costs, and an equitable adjustment to the applicable schedule. No work shall be performed during such suspension except with prior written authorization by the District Representative. After a suspension has been in effect for thirty (30) days, the Contractor may terminate this Agreement at will.

III. COMPENSATION

A. In consideration for the completion of the work by Contractor within in the Scope of Services set forth in a Work Order, the District shall pay Contractor an amount not to exceed the approved amount set forth in separate individual Work Orders. The maximum amount set forth in each Work Order shall include all fees, costs and expenses incurred by Contractor, and no additional amounts shall be paid by the District for such fees, costs and expenses. Contractor shall submit monthly invoices describing the services performed and expenses incurred during the preceding month. The District shall make payment of all undisputed portions of such invoice and provide written justification for the withholding of any disputed portions to Contractor within thirty (30) days from the date of the Contractor's monthly invoice. The District shall provide no benefits to the Contractor other than the compensation stated above.

B. Notwithstanding the maximum amount specified in a Work Order, Contractor shall be paid only for work performed. If Contractor completes a Work Order for less than the maximum amount, Contractor shall be paid the lesser amount, not the maximum amount.

C. If District fails to make payment due to Contractor for services and expenses within sixty (60) days after receipt of Contractor's statement, the amounts due Contractor may include interest at the rate of 1½% per month from said sixty first (61) day and, in addition, Contractor may, after giving seven (7) days written notice to District, suspend services under this Agreement and specific Work Order until paid in full all amounts due for services and expenses under the Work Order(s).

D. Requests for payment:

1. Address all payment requests to Cherokee Accounts Payable at ap@cherokeemetro.org.

2. Include the following information:
   a. Payee Name and Remittance address
   b. W-9 prior to first invoice

3. District payment policy: It is the District's policy to pay invoices, net 30 days, unless otherwise agreed to by the District and Contractor. Payments are processed twice per month around the 1st and the 15th and will be mailed to the remittance address or the payment processed electronically.

4. If applicable, final payment shall be in accordance with the provisions of C.R.S. §§ 38-26-106 and 107, which, among other things require for construction contracts exceeding $150,000 that notice of final settlement under the Contract be published at least twice in a newspaper of general circulation in any county where the work was contracted for or performed no less than ten (10) days prior to final payment.

IV. CONTRACTOR RESPONSIBILITY

A. Contractor hereby represents that it is qualified to assume the responsibilities and render the services described herein and has all requisite corporate authority and professional licenses in good standing, required by law.

B. The work performed by Contractor shall be with the care and skill ordinarily exercised by members of the same profession currently practicing in the same locality on projects of similar size, scope and complexity at the time the services are performed ("Standard of Care"). **Contractor makes no warranties, express or implied, under this Agreement or otherwise.** The work and services to be performed by Contractor hereunder shall be done in compliance with all applicable laws, ordinances, rules and regulations.

C. The District's review, approval or acceptance of, or payment for any services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

D. Any subcontractors and outside associates or contractors required by the Contractor in connection with services under this Agreement will be limited to such individuals or firms as were specifically identified and agreed to in writing between the District and Contractor. The District must give prior written approval for any substitutions, additions or deletions to such subcontractors, associates, or consultants. The work performed by such subcontractors, associates, or consultants shall be in accordance with the Standard of Care.

E. The Contractor represents, covenants, and agrees that its work will be free of material errors that fail to meet the Standard of Care. The District's approval shall not diminish or release the Contractor's duties, since the District is ultimately relying upon the Contractor's skill, knowledge and expertise.

F. The Contractor may rely upon information provided to it by the District, and shall not be liable for damages to the District caused by the errors, omissions or other deficiencies in performance to the extent attributable to the District or District-furnished data. The Contractor shall not be responsible for any time delays identified in Work Orders caused by circumstances not anticipated and reasonably beyond the Contractor's control.

G. The District and Contractor agree that safety is a priority in all services performed under any authorized Work Order. Contractor shall review all District safety procedures and protocols prior to commencing work, including Cherokee Metropolitan District's Safety Manual ("**Safety Manual**"), and adhere to those procedures and protocols during the performance of all work. Contractor may substitute its own safety procedures and protocols for those of District upon submission of such procedures and protocols to the District and receipt of District's written authorization.

H. A Contractor Acknowledgement Form is attached to this Agreement. By its signature, Contractor acknowledges its receipt of a copy of the District's current Safety Manual.

V. DISTRICT RESPONSIBILITIES

A. The District shall provide to the Contractor full and free access to enter upon all District property required for the performance of the Contractor's services under this Agreement, or as allowed in specific Work Orders and provide a reasonable area of storage, equipment, set-up and administration.

B. Furnish to Contractor data prepared by or services of others, including without limitation, aerial photography, surveys, boring, probing and subsurface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials, and equipment; all of which Contractor may use and rely upon in performing services under this Agreement.

C. Examine all studies, reports, sketches, Drawings, Specifications, proposals and other documents presented by Contractor, obtain advice of an attorney, insurance counselor and other consultants as District deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.

D. Unless these services are specifically included in the Contractor's scope of services, to furnish approvals, consents and permits from all governmental authorities having jurisdiction over the work as well as any land, right-of-way, easements and such from others as may be necessary for successful completion of the Work Order(s).

VI. OWNERSHIP

Copies of materials, items, and work specified in any Work Order provided or developed by Contractor shall be provided to the District upon final payment to the Contractor; however, Contractor shall not be liable for any such reuse of those documents. Nothing in this Section shall prevent the Contractor from retaining copies of such materials, continuing to have a property interest therein and using such materials after the termination of this Agreement provided the information contained therein is not confidential. Contractor retains ownership of its pre-existing intellectual property, methodologies, and tools, and grants the District a non-exclusive, royalty-free license to use such pre-existing materials solely to the extent necessary for the District to use the deliverables for the purposes contemplated by this Agreement. Contractor retains all rights to any general knowledge, skills, experience, and non-client-specific templates or code developed during the performance of services.

VII. RELATIONSHIP OF THE PARTIES

A. The services to be performed by the Contractor are those of an independent contractor and not of an employee of the District. The Contractor is obligated to pay federal and state income tax on any moneys earned pursuant to this Agreement. Neither the Contractor nor its employees, if any, are entitled to Workers' Compensation benefits from the District for the performance of the services specified in this Agreement. Contractor shall make no representation that it is a District employee for any purposes.

B. By entering into this Agreement, the Parties are not creating, and shall not be construed as creating, a joint venture, partnership or any other type of relationship, and each Party shall remain a separate and distinct entity for all purposes under this Agreement.

VIII. INSURANCE

A. Contractor agrees to procure and maintain, at its own cost, a policy or policies of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by Contractor pursuant to this Agreement. Such insurance shall be in addition to any other insurance requirements imposed by law.

B. Contractor shall procure and maintain, and shall cause any subcontractor to procure and maintain, the minimum insurance coverages listed below with insurers acceptable to the District. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.

1. Contractor represents and agrees that it has and shall maintain state minimum Workers' Compensation insurance coverage for its employees and Employer's Liability insurance. Evidence of qualified self-insured status may be substituted for the requirements of this Paragraph.

2. Contractor shall maintain broad form general liability, property damage, and automotive liability insurance in the minimum amount of $1,000,000 for bodily injury, death, or damage to property of any person and $2,000,000 in the aggregate. The policy shall be applicable to all premises and operations, and shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, products, and completed operations. The policy shall contain a severability of interests provision, and shall include the District and the District's officers and employees as additional insureds. No additional insured endorsement shall contain any exclusion for bodily injury or property damage arising from completed operations.

3. Professional liability insurance in the minimum amount of $1,000,000, if applicable.

C. Any insurance carried by the District, its officers, its employees, or its contractors shall be excess and not contributory insurance to that provided by Contractor. Contractor shall be solely responsible for any deductible losses under any policy. Coverage amounts may be satisfied through primary or excess umbrella policies.

D. Contractor shall provide to the District certificates of insurance, completed by Contractor's insurance agent, as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect. The policies shall not be cancelled, terminated, or materially changed until at least thirty (30) days prior written notice has been given to the District. The District reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

E. Failure on the part of Contractor to procure or maintain the insurance required herein shall constitute a material breach of this Agreement upon which the District may immediately terminate this Agreement, or at its discretion, the District may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies paid by the District shall be repaid by Contractor to the District upon demand, or the District may offset the cost of the premiums against any monies due to Contractor from the District.

IX. INDEMNIFICATION

Contractor agrees to indemnify and hold harmless the District and its officers and employees from and against third-party claims, liability, damages, losses, expenses and demands, including reasonable attorneys' fees, arising out of Contractor's performance under this Agreement to the extent caused by the negligent act, omission, or error of Contractor, any subcontractor of Contractor, or any officer, employee, representative, or agent of Contractor. Contractor's liability under this indemnification provision shall be to the fullest extent of, but shall not exceed, that amount represented by the degree or percentage of negligence or fault attributable to Contractor, any subcontractor of Contractor, or any officer, employee, representative, or agent of Contractor or of any subcontractor of Contractor. If Contractor is providing architectural, engineering, surveying or other design services under this Agreement, the extent of Contractor's obligation to indemnify and hold harmless the District may be determined only after Contractor's liability or fault has been determined by adjudication, alternative dispute resolution or otherwise resolved by mutual agreement between the Parties, as provided by C.R.S. § 13-50.5-102(8)(c).

X. MISCELLANEOUS

A. Governing Law, Venue and Jurisdiction. The laws of the State of Colorado shall govern the construction, interpretation, execution and enforcement of this Agreement. Jurisdiction and venue for any dispute between the Parties arising out of or relating to this Agreement shall be in the State of Colorado District Court in and for El Paso County, Colorado.

B. No Waiver. Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by the District shall not constitute a waiver of any of the other terms or obligation of this Agreement.

C. Integration. This Agreement constitutes the entire agreement between the Parties, superseding all prior oral or written communications.

D. Third Parties. There are no intended third-party beneficiaries to this Agreement. No person or entity, other than the Parties to this Agreement, shall have any right, legal or equitable, to enforce any provision of this Agreement.

E. Notice. Any notice under this Agreement shall be in writing, and shall be deemed sufficient when hand delivered, sent via overnight national courier, or sent pre-paid, first class United States Mail to the party at the address set forth on the first page of this Agreement.

F. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

G. Modification. This Agreement may only be modified upon written agreement of the Parties.

H. Assignment. Neither this Agreement nor any of the rights or obligations of the Parties hereto, shall be assigned by either Party without the written consent of the other.

I. Governmental Immunity. The District and its officers, attorneys and employees are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended, or otherwise available to the District and its officers, attorneys or employees.

J. Rights and Remedies. The rights and remedies of the District under this Agreement are in addition to any other rights and remedies provided by law. The expiration of this Agreement shall in no way limit the District's legal or equitable remedies, or the period in which such remedies may be asserted, for work negligently or defectively performed.

K. Consequential Damages Waiver. To the fullest extent permitted by law, the District and Contractor waive against each other, and the other's officers, directors, members, partners, agents, employees, subcontractors, and insurers, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to this Agreement, from any cause or causes. Such excluded damages include but are not limited to loss of profits or revenue; loss of use or opportunity; loss of goodwill; cost of substitute facilities, goods, or services; and cost of capital.

L. Attorneys' Fees. In any dispute arising from or relating to this Agreement, the prevailing party shall be awarded its reasonable attorneys' fees, costs, and expenses, including any reasonable attorneys' fees, costs, and expenses incurred in collecting upon any judgment, order or award.

M. Annual Appropriation. Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the District not performed during the current fiscal year is subject to annual appropriation, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year.

N. Counterparts, Electronic Signatures and Electronic Records. This Agreement may be executed in counterparts, each of which shall be an original and together shall constitute one and the same instrument. This Agreement and any other documents requiring a signature may be signed electronically by either Party, pursuant to the Uniform Electronic Transactions Act, C.R.S. § 24-71.3-101, *et seq*.

O. Limitation of Liability. Notwithstanding anything to the contrary in the foregoing, Contractor's aggregate liability in any and all causes of action arising under, out of, or in relation to this Agreement, its negotiation, performance, breach or termination, including any indemnification obligations, shall not exceed two times (2x) the total amount paid to Contractor by the District pursuant to this Agreement. The limitations set forth herein shall not apply to any liability that cannot be limited or excluded under applicable law.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first set forth above.

CHEROKEE METROPOLITAN DISTRICT

By: ______________________________

Name: ______________________________

Title: ______________________________

Attest:

By: ______________________________

Name/Title: ______________________________

CONTRACTOR:

HAZEN AND SAWYER, D.P.C., a New York design professional corporation

By: ______________________

Name: Steve Price

Title: Vice President

STATE OF Colorado)
) ss.
COUNTY OF Jefferson)

The foregoing instrument was subscribed, sworn to and acknowledged before me this 8 day of July, 2026, by Steve Price as Vice President of Hazen and Sawyer, D.P.C..

My commission expires: 12/27/2026

(S E A L)

Suzanne Reiter
Notary Public

SUZANNE REITER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174017149
MY COMMISSION EXPIRES 12/27/2026

Cherokee Metropolitan District

CONTRACTOR ACKNOWLEDGEMENT

Date: ____________________

I hereby acknowledge receipt of a copy of the Cherokee Metropolitan District's 'Safety Manual'. I will become familiar with and abide by the requirements and safe practices as stated herein, as amended from time to time.

Company Name: ____

Company Representative Name (print): ____

Company Representative Signature: ______________________________________

A copy of this acknowledgement will be kept on file with the Master Agreement for Services.

ACCESS EASEMENT AGREEMENT

This Easement Agreement is entered into this ____ day of _____, 2026 by and between **Tamlin Storage, LLC**, a Colorado limited liability company, with a mailing address of 1603 Cheyenne Blvd., Colorado Springs, CO 80906 ("**Grantor**"), and the **Cherokee Metropolitan District**, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 6250 Palmer Park Boulevard, Colorado Springs, CO 80915 ("**Cherokee**"), grantee, and the **Woodmen Hills Metropolitan District** ("**WHMD**"), a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 8046 Eastonville Road Falcon, CO 80831, as consenter only, collectively the "**Parties**".

RECITALS

WHEREAS, Grantor owns the property located at 5080 Tamlin Rd, Colorado Springs, Colorado 80938, El Paso County Assessor's parcel number: 53210-02-001 ("**Grantor's Property**"), as depicted on Exhibit A, attached hereto and incorporated herein; and

WHEREAS, Cherokee owns two parcels south of and adjacent to Grantor's Property, as depicted on Exhibit A ("**Cherokee Parcels**"); and

WHEREAS, WHMD has a perpetual and exclusive utility easement thirty feet (30') wide over Grantor's Property, as described in the Easement Agreement recorded in El Paso County on June 7, 2000 at reception no. 200065375 and as depicted on Exhibit A ("**WHMD Easement Property**"); and

WHEREAS, Cherokee seeks to formalize an access easement across the WHMD Easement Property; and

WHEREAS, Grantor is willing to grant Cherokee an access easement across the WHMD Easement Property for the purposes stated herein, subject to the terms and provisions stated below; and

WHEREAS, WHMD consents to Grantor granting Cherokee an access easement over and across the WHMD Easement Property for access purposes only to the Cherokee Parcels, as stated herein.

NOW THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Grant of Easement. Grantor expressly grants and conveys to Cherokee a perpetual nonexclusive access easement thirty feet wide (30'), over and across the surface of the WHMD Easement Property for the purpose of ingress and egress to the Cherokee Parcels for the purpose of installation, construction, operations, maintenance, repair and replacement of one or more water tanks located on the Cherokee Parcels ("**Cherokee Easement**"). The Cherokee Easement is

granted for surface use only. The Cherokee Easement area is more particularly described on Exhibit A and is contiguous with WHMD Easement area.

2. Cherokee Construction Activity.

a. An unimproved road runs along the WHMD Easement Property. Cherokee shall provide Grantor and WHMD no less than ten (10) business days' notice prior to conducting installation, construction, major maintenance, repair and replacement activity of one or more water tanks located on the Cherokee Parcels that involves additional use of the easement roadway.

b. Should Cherokee seek to improve the easement roadway's current condition prior to any construction activity on the Cherokee Parcels, Cherokee shall contact Grantor and WHMD approximately 30 days prior to planned activity and obtain WHMD's consent to such activity.

3. Property Restoration. Upon completion of construction or maintenance activities described above:

a. Cherokee shall close and secure all gates after entry and use reasonable efforts to minimize interference with Grantor's operations.

b. Cherokee shall repair any and all damage to Grantor's property that may arise from its activities.

c. Cherokee shall restore the access easement roadway to the condition it was in immediately prior to construction activity or shall leave the roadway in an improved condition.

4. Grantor's Covenants. To the fullest extent permitted by applicable law:

a. Grantor hereby warrants title to the Cherokee Easement herein granted and conveyed to Cherokee; and

b. Grantor warrants and guarantees that it has the power and authority to grant the easement created by this Agreement.

5. Retained Rights of Grantor. Grantor reserves the right of ownership, use and occupancy of the Cherokee Easement insofar as said ownership, use and occupancy do not impair the rights granted to Cherokee pursuant to this Agreement or interfere with Cherokee's use of the Easement. Cherokee's rights hereunder are non-exclusive, and Grantor shall have the authority to grant other easements or rights to use the Cherokee Easement area, so long as it does not impair the rights granted to Cherokee.

6. Governmental Immunity. Nothing contained in this Easement Agreement shall be construed to constitute a waiver by Cherokee of the protections, defenses, and immunities,

afforded under the Colorado Governmental Immunity Act or any statute superseding the Act, or the protections, defenses and immunities of the Colorado Constitution.

7. Easement Termination. Cherokee agrees that at such time and in the event that the Cherokee Easement is abandoned by Cherokee or any permitted assignee by written notice to Grantor, such Easement shall terminate and the real property interest represented by such Easement shall revert to the Grantor, its successors and/or assigns by quitclaim deed.

8. Miscellaneous:

A. Subjacent and Lateral Support. Grantor, Cherokee and WHMD shall each have the right of subjacent and lateral support for the Cherokee Easement; neither Grantor nor Cherokee, nor WHMD shall take any action that would impair the lateral or subjacent support for the Cherokee Easement.

B. Binding Effect - Runs With Land. This Agreement shall extend to and be binding upon the successors and assigns of the respective Parties hereto. The rights and responsibilities set forth in this Agreement are intended to be covenants upon the Cherokee Easement area and are to run with the land.

C. Governing Law. The terms, covenants and provisions hereof shall be governed by and construed under the applicable laws of the State of Colorado, and exclusive jurisdiction and venue for any action relating to this Agreement shall be with the District Court of El Paso County, Colorado.

D. Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto relating to the Easement and sets forth the rights, duties and obligations of each to the other as of this date. This Agreement may not be modified, except by a writing executed by both Parties.

E. No Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver, unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

F. Assignment. Cherokee may assign or license all or a portion of its rights hereunder to another political subdivision of the State of Colorado that owns or leases one or more of the water tanks located on a Cherokee Parcel, provided any assignee shall be bound by all terms and conditions set forth herein.

G. Severability. The invalidity or unenforceability of any portion or provision of this Agreement shall not affect the validity or enforceability of any other portion or provision. If any provision of this Agreement or the application thereof to any person, entity or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Agreement that can be given effect without the invalid provision or application, and to this end, the provisions of this Agreement and each and every provision thereof, are declared to be severable.

H. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

I. No Third Party Beneficiary. The Parties enter into this Agreement for the sole benefit of the Parties, to the exclusion of any third-party, and no third-party beneficiary is intended or created by the execution of this Agreement.

J. Recording. This Agreement shall be recorded by Cherokee in the official records of the El Paso County Clerk and Recorder upon full execution.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Access Easement Agreement by their respective duly authorized officers as of the date first written above.

TAMLIN STORAGE, LLC

By: ______________________

Name: ______________________

Title: ______________________

Date: ______________________

STATE OF COLORADO)
) ss.
COUNTY OF_____________)

The foregoing instrument was subscribed, sworn to and acknowledged before me this ___ day of 2026, by as of Tamlin Storage, LLC.

My commission expires: ________

(S E A L)

____
Notary Public

CHEROKEE METROPOLITAN DISTRICT

By: ______________________

Name: ______________________

Title: ______________________

Date ______________________

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was subscribed, sworn to and acknowledged before me this ___ day of , 2026, by as of Cherokee Metropolitan District.

My commission expires:

(S E A L)

____
Notary Public

Consent to Cherokee Access Easement:

WOODMEN HILLS METROPOLITAN DISTRICT

By: ______________________________

Name: ______________________________

Title: ______________________________

Date ______________________________

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was subscribed, sworn to and acknowledged before me this ___ day of , 2026, by as of Woodmen Hills Metropolitan District.

My commission expires:

(S E A L)

____
Notary Public

EXHIBIT A
To
Access Easement Agreement

Legal Description

UTILITY EASEMENT

A 30.00 FOOT WIDE UTILITY EASEMENT OVER, UNDER AND ACROSS A TRACT OF LAND AS RECORDED IN BOOK 3299 AT PAGE 374 OF THE RECORDS OF EL PASO COUNTY, COLORADO, LOCATED IN THE SW 1/4 OF THE NW 1/4 OF SECTION 21, TOWNSHIP 13 SOUTH, RANGE 65 WEST OF THE 6^{TH} P.M., EL PASO COUNTY, COLORADO, THE CENTERLINE OF SAID 30.00 FOOT WIDE UTILITY EASEMENT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 21, THENCE N89°41'43"E ALONG THE SOUTH LINE OF SAID SW 1/4 OF THE NW 1/4 AND THE SOUTH LINE OF SAID TRACT RECORDED IN BK. 3299 AT PG. 374, A DISTANCE OF 766.20 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE:

THENCE N00°07'06"E A DISTANCE OF 605.78 FEET, MORE OR LESS, TO THE POINT OF TERMINUS, SAID POINT BEING ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF TAMLIN ROAD AS IT IS MONUMENTED IN THE FIELD. THE SIDE LINES OF SAID EASEMENT SHALL BE LENGTHENED OR SHORTENED TO BEGIN ON THE SOUTH LINE OF SAID SW 1/4 OF THE NW 1/4, AND TERMINATE ON SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF TAMLIN ROAD.

THE ABOVE DESCRIBED EASEMENT CONTAINS 0 42 ACRES, MORE OR LESS.

BASIS OF BEARINGS FOR THIS DESCRIPTION IS THE SOUTH LINE OF SAID TRACT OF LAND AS RECORDED IN BOOK 3299 AT PAGE 374 OF THE RECORDS OF EL PASO COUNTY, COLORADO, WHICH IS ASSUMED TO BEAR N89°41'43"E FROM THE SOUTHWEST CORNER OF SAID TRACT TO THE SOUTHEAST CORNER OF SAID TRACT (BOTH ENDS MONUMENTED WITH #4 REBAR W/ALUM. CAPS, MARKED D.B. &CO. L.S.17664)

PREPARED BY:
URS GREINER WOODWARD CLYDE
8415 EXPLORER DRIVE, SUITE 110
COLORADO SPRINGS, COLORADO 80920
(719) 531-0001 MARCH 24, 2000

CHEROKEE METROPOLITAN DISTRICT

6250 Palmer Park Blvd., Colorado Springs, CO 80915-1721

Telephone: (719) 597-5080 Fax: (719) 597-5145

General Manager's Report

July 17, 2026

Prepared for the CMD July 21, 2026 Board Meeting

Table of Contents

General Manager's Note

June and July have been defined by high temperatures, high winds, and persistent smoke. The handful of thunderstorms managed to knock out power with unprecedented frequency in eastern El Paso County and Mountain View Electric Association advised us that restoration would take longer than normal since their crews manually check electric lines before restoring service during high fire weather conditions. These outages caused significant operational disruption but the team was able to continue normal water and wastewater service.

The PFAS treatment facility permitting and funding has consumed significant time this month but the project is ready to proceed quickly once the pipeline engineer and contractor are on board. The state has given the final go ahead to spend grant funds and the team is ready to deliver 60% design in September.

The parks team has been busy preparing for and cleaning up after the 4th of July. Thankfully there were no fires and celebrants left less litter than past years. The ballfields have seen heavy use and the parks team has confirmed that the existing grader scraper can service the new field material.

It’s been a challenging but manageable start to summer and the team I am looking forward to the arrival of monsoon moisture to lower temperatures for our team members working outside and reduce the strain on the electric grid.

Parks Study Session Follow Up

The parks meeting in June was productive and I would like to report on progress on several action items. The first is the parks survey. A draft is attached and we have reached out to several polling firms to get a sense of what it would cost to have them help write the questions and process the data. The draft survey based on the meeting is attached as Appendix A.

While there hasn’t been a unified Board direction to bring irrigation back to the Springside/Constitution frontage, individual Board members have expressed interest in exploring this option. Lecil researched pricing on replacing the backflow preventor and an allowance for replacing ten damaged sprinkler heads. The total comes to $2,632 and the work could be completed in about two weeks if everything goes according to plan. If there are underground irrigation system problems, the timeline could be longer. The additional irrigation cost would be approximately $4,000 per year depending on rainfall. This would add to the mowing schedule but irrigated turf would be easier on the mowers than the current unirrigated weeds.

We had a meeting with Timberline onsite to get recommendations for how to reestablish turf in the area. They recommended applying water and mowing regularly for a few weeks to see how much of the old grass bounces back. Depending on the grass coverage at that point, they had some chemical and seeding recommendations. The CMD Parks team can handle chemical application but seeding might need to be contracted out if necessary.

I mentioned at the study session that I was setting up a meeting with the State Forest Service to see how they might be able to help us maintain and expand tree coverage in CMD parks. The meeting was very productive and I am exploring having a tree survey completed in 2027. The SFS team advised us in the initial call that the Emerald Ash Borer beetle has been detected in Colorado Springs after spreading across the country over the past few decades. This means that in the next 10-20 years, all ash trees in the area will be killed and we need to have a plan to either preserve them with treatments or replace them with other trees. A conservative regional estimate places the share of ash trees in CMD’s parks at 20%.

The SFS study would also identify areas to plant trees and recommend varieties that are best suited to thrive in those locations long-term. Their input is crucial since many varieties sold by nurseries have shorter lifespans or are more susceptible to disease and insects. As CMD moves from accepting new parks to caring for parks long-term, I believe it is valuable to develop a long-term tree strategy to replace vulnerable species, care for the urban trees we have, and expand shade coverage in our parks.

Drought and Water Usage

Drought conditions have worsened through June and early July with only 4.84 inches of precipitation recorded at the Colorado Springs Airport from January 1st to July 15th. On average since 1948, COS has received 8.8 inches of precipitation in the same period meaning 2026 has a 3.96 inch precipitation deficit. Recent years with a similar deficit at this point of the year include 2002 and 2012 which each had notable major wildfires and significant water scarcity. 2020 was similarly dry but solid precipitation in August and September kept that year from reaching truly historic drought conditions.

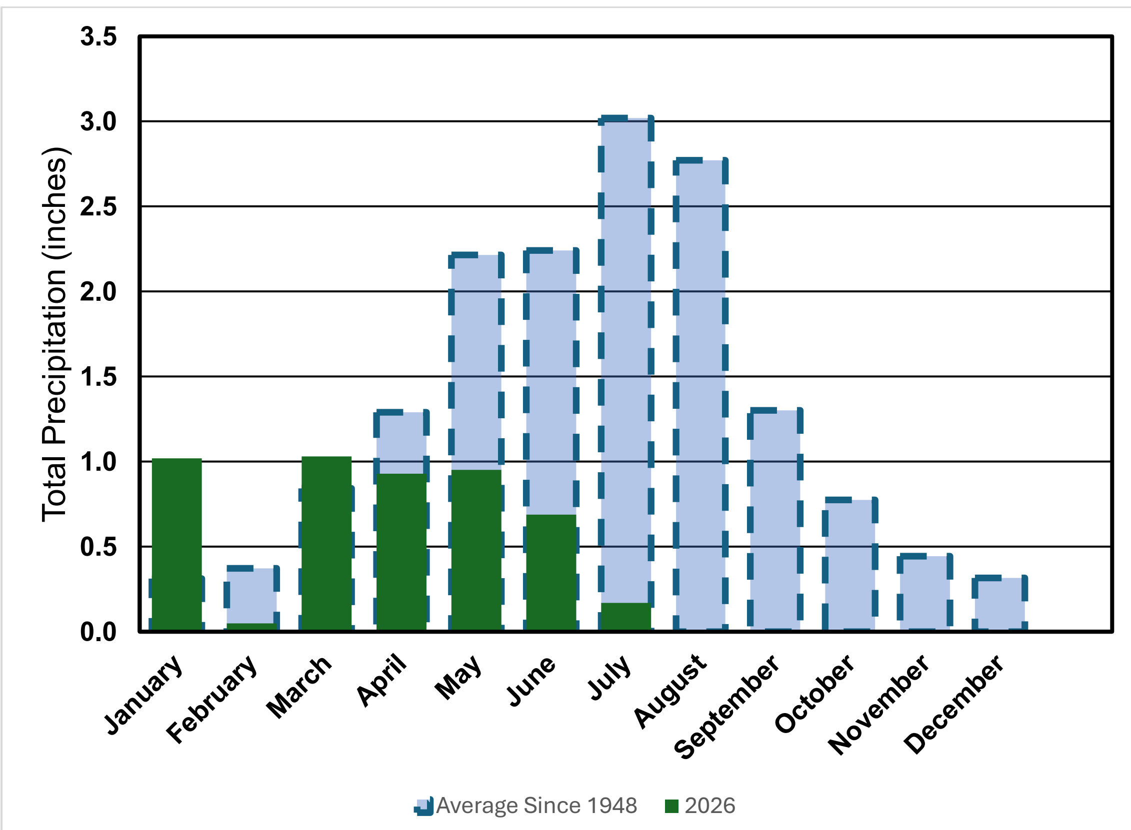


Figure 1: Precipitation in 2026 vs average since 1948.

Low precipitation generally drives up water demand though the relationship isn't always linear. In last month's Board report, I noted that each month from February through May had set a new 10-year water production record. The CMD team gamed out scenarios of continuing record demand and concluded that existing water rights could supply that scenario and adjusted production to keep options open in the event this occurred. It was possible but would be tight and left very little room for pump breakdowns. It was a relief that June water production numbers were below the record and only slightly above average.

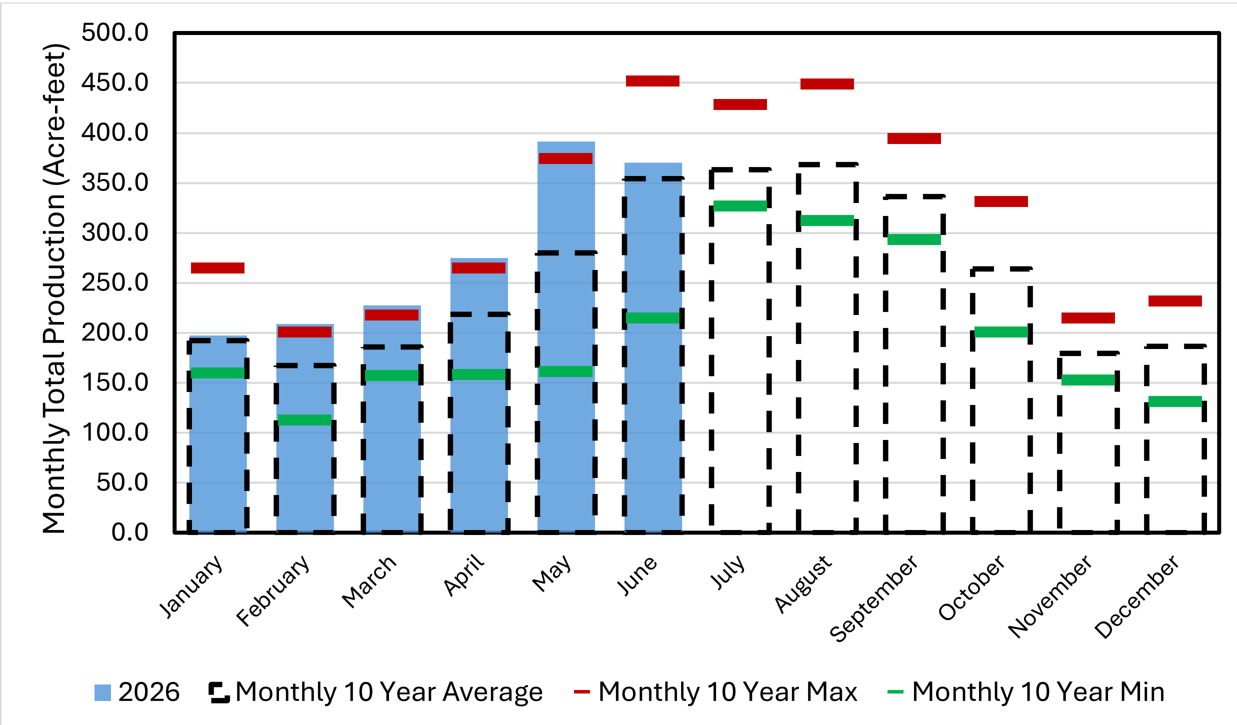


Figure 2: 2026 monthly water production compared to 10-year average (2016-2025), maximum, and minimum production.

As of the end of June, Cherokee's water rights can produce an additional 2,518 AF of water under the safe scenario which assumes at least one month of downtime for each well. The sum of 10-year maximum monthly pumping rates for the last 10 years is 2,051 AF. Even if each remaining month of the year exceeds previous records, there will still be 500 AF or 20% additional water available. As a result, it is unlikely that watering restrictions will be needed even if the drought continues or worsens. That being said, July through September have far less space between maximum and minimum water use months so overall water use will remain high even if it sticks closer to the expected average rather than setting new records.

Dan and Joan separately made the important point that many people may be conserving water due to messaging from Colorado Springs and other regional water utilities even though Cherokee has not imposed its own restrictions. We will continue to monitor the situation and keep the Board updated.

2026 Safety Programs

Kaila Hickey, Cherokee's new safety coordinator, started in May and has already made some valuable changes to CMD safety regulations. The first major addition was investing in heat and sun safety items like water, electrolytes, and sunscreen to ensure that operations, parks staff, and golf workers can stay safe while working on hot, high-UV days. She has also moved the electrical safety program forward very quickly and by the end of this year all CMD employees who work on electrical systems will have third party testing and certification to ensure that they have the requisite training to perform the work.

She has also engaged with regional emergency response agencies and SSFB emergency response to ensure that CMD is included in regional disaster response planning. She's also started work on improving disaster readiness at CMD facilities which has historically been limited to fire drills. I look forward to further improvements in Cherokee's safety program in the coming months.

Cherokee Ridge Golf Course

The Cherokee Ridge Golf Course continues to exceed previous revenue records in all areas. June wasn't as far above historic highs as previous months likely due to smoke and high temperatures lowering visitation during the middle of the month. The two youth golf programs, Linkers and Junior League, are in full swing and tee sheets are full most days.

The only major headwind to Cherokee Ridge has been the drought. The course gets most of its water from Fountain Mutual Irrigation Company (FMIC) water rights withdrawn from Sand Creek but keeping the course green has demanded more water than a normal year and observed evaporation rates have been extremely high, driving up the total water deficit.

Normally the weekly FMIC deliveries are consistent but this year they have been highly variable. Some weeks there is almost no water available and other weeks deliveries are normal or higher than average. FMIC is facing a very challenging water rights environment and our team will adapt and keep the course in good condition despite the swings in water availability.

Cherokee Ridge has used Cherokee Potable water about five times this year which is far more than normal. That water is billed at the commercial rate of $5.88/100 cubic feet and it is likely that Cherokee Ridge will exceed their budget for purchased water due to the drought.

Major External Meetings

IDE Technologies

On June 23, IDE technologies sent a delegation to tour the WRF. This included their North America CEO, a representative from the Florida Keys Aqueduct Authority, a representative from the Trump Organization (not administration), and several IDE senior staff. It was one of the best tours we've had at the WRF. The group asked great questions and had some really interesting insights from other water and wastewater projects. Adoption of reverse osmosis in wastewater for the purpose of water reuse is accelerating nationwide and there may be future tours from other utilities interested in emulating the CMD system.

Major Projects

PFAS Treatment Project

The PFAS Treatment Plant project is moving full speed ahead with Hazen & Sawyer joining the team as the pipeline designer and PCL joining as the CMAR contractor. The 30% design is complete and 60% is expected in late September. The EC-SDC grant funding has also started though due the three month process from award to signature, CMD is ineligible to apply for another round of design funding in August. However, successful completion of all grant deliverables puts Cherokee in a better position to receive construction funding in January 2027 which could be worth up to $9 million per year.

Poleson Well

This month, Cherokee made final payment under the Poleson Well purchase agreement signed in 2022. After the decree was finalized in May, Cherokee had three months to do final purchase price accounting and provide the funds to the seller. This was accomplished and as of July 2nd, Cherokee has title to 72 acre-feet of renewable, exportable water. It was a lengthy legal road to reach this point and Cherokee's legal team did excellent work in the preparation, hearing, and follow-up legal work. Bill Poleson, the original owner, deserves significant recognition for his work keeping the water right viable since the previous change case in 2000. Unfortunately, he passed away before the case was closed. Without his efforts, the water right would've been considered abandoned and his assistance was crucial to CMD being able to put this water to beneficial use.

Tank 5

The Tank 5 project is on hold until the City Council gives final approval to the project which has already been approved by all City departments. For now, the contractors are still planning to finish this fall but this leaves absolutely no room for error and it may make sense to move the tank construction to spring 2027 when overnight temperatures above freezing can be guaranteed. This would allow the general contractor to make more progress than initially planned over the winter.

At this late stage of the project, it was discovered that the access road CMD has used to reach the existing tank over neighboring property since the 1980's does not have an easement. The overlying landowner was amenable to granting CMD an easement over the area historically used to access and once this is formalized, site work can commence.

Intersection Valve Replacements

RJ Gleeson has finally mobilized to start the distribution system valve replacements awarded at the April meeting. We will notify affected customers well in advance of the shutdowns which will likely happen during the week in late July and early August. This work will replace five valve clusters dating from the 1960's in the southern part of the District which are known to be non operational and will take 12 to 16 hours per shutdown.

Bioreactor Covers

The bioreactor covers project is fully under construction after material deliveries over the last few months. One bioreactor is offline and the Moltz team are building in that basin. Due to the progress, Joshua ended the lease on the temporary fencing around the bioreactors after several years. The construction is currently on track to be finished this fall.

Rapid Infiltration Basins (RIBs)

Spheros Environmental delivered their report on the rapid infiltration basins and how to operate them long term. The report found that clogging of the basins was primarily due to introduction of fine material and growth of algae in the basins as the water drains. The report noted a slight contribution from precipitation of calcium carbonate but recommendations are primarily focused on addressing the fine sediment and microbe growth.

The primary recommendation is to regularly remove the top layer of sediment in each basin and replace it with a coarse, uniformly sorted gravel. This top layer serves as a filter and is slowly clogged with fine material as the basins drain. The report recommends increasing the drying time between fillings to decompose remaining organic material and slow growth in the following filling. Faster draining basins will allow less time for algae to grow in the shallow, warm pools which will help them last longer between major cleanings.

Going forward, CMD needs to be proactive on RIB maintenance and invest more in regular cleaning and replacement of a few inches bottom material to prevent spending millions to dredge and replace feet of material when infiltration rates drop off. The WRF team is already taking this approach but the District may need to invest in some heavy equipment to make these operations more efficient and ensure that the WRF can reliably discharge to groundwater.

DWIRE is moving into the largest and most productive RIB to scrape the bottom few feet of material over the next month and replace it with fresh sand. This operation combined with more frequent cleanings going forward will restore that RIB to full operation for the first time since 2022.

Replacement Plan Wells

The Replacement Plan Well design request for proposals has been drafted and is under internal review. It is slated to be the next RFP to be released once the CMD and MSMD teams have provided review comments.

Major Policy Changes

Employee Handbook

The employee handbook approved at the May meeting has been fully implemented and all employees have signed acknowledgement forms.

CHEROKEE METROPOLITAN DISTRICT
6250 Palmer Park Blvd., Colorado Springs, CO 80915

Appendix A to July 17, 2026 General Manager's Report

Cherokee Metropolitan District Parks Survey

Dear Cherokee Metropolitan District Citizen,

You are receiving this letter because you live within the Cherokee Metropolitan District. The District is responsible for water, wastewater, parks, and streetlighting services for its residents, including you. The Board of Directors is developing a long-term plan for parks and open space and is seeking feedback from citizens to guide this process.

If you are not aware of which local parks are maintained by Cherokee rather than local HOA's or the City of Colorado Springs, some of our larger parks include Eastridge located at Constitution Avenue and Shawnee Drive, Pronghorn Meadows Park on Nyala Drive, and the Sand Creek Disc Golf Course at the end of Streambank Drive.

We ask that you complete the survey to inform decision making regarding investments into these parks. Please use the QR code at the link below. Results will be presented and discussed at a forthcoming public study session. Please check the Cherokee Metropolitan District website for updated Board Meeting and Study Session dates.

Survey link:

If you have any questions about this survey, please call us at (719) 597-5080 or email us at frondesk@cherokeemetro.org .

Sincerely,

Kevin Brown, General Manager

Note: This survey language is intended to show the information to be gathered. Final wording, order, and options should be determined by a public policy pollster to produce neutral results. This would also be hosted online.

Which CMD parks do you visit and how frequently?

Park	**Estimated Visits Per Month**
Eastridge Park	
Pronghorn Meadows Park	
Woodpark	
…	
…	
Other (please fill in)	

Which amenities at specific CMD parks do you visit and how frequently?

Park	**Estimated Visits Per Month**
Eastridge Dog Park	
Sand Creek Disc Golf Course	
Eastridge Pavillion	
…	
…	
Other (please fill in)	

Which amenities across all parks do you utilize most frequently?

Park	**Estimated Visits Per Month**
Playgrounds	
Picnic Tables	
Unpaved Walking Trails	
…	
…	
Other (please fill in)	

Which major areas should the Board and Parks Department focus on for long-term investment? (Choose 3 in each category)

Improvements to Existing Amenities	**New Construction**
Repairs to existing playgrounds	New playgrounds
Renovations to existing sports facilities	New reservable sports fields or courts
Improved turf areas	New irrigated turfgrass
Better maintained trees	New tree plantings
Better shade structures	New shade structures
Eastridge pavilion improvement	New reservable pavilions
Improvements to xeriscape garden areas	New xeriscape garden areas
Dog park improvements	New dog park
Rehabilitate Sand Creek Disc Golf	New disc golf course
Other	

Cherokee customers currently pay $1.85 per month to fund the parks department. This covers basic maintenance and a small surplus for major maintenance or new parks equipment. How much more would you be willing to pay each month to increase maintenance and build new park and recreation facilities?

$_________

On a scale of 1-5, how important is water conservation in parks important to you?

Is there anything else you would like to communicate to the Board and Cherokee Metropolitan District Parks Maintenance team as part of this survey?

CHEROKEE METROPOLITAN DISTRICT
6250 Palmer Park Blvd., Colorado Springs, CO 80915-1721
Telephone: (719) 597-5080 Fax: (719) 597-5145

Finance Department Report – June 2026

Prepared for the CMD Regular Board Meeting – July 21, 2026

The Finance Department continues to handle a wide variety of daily and monthly tasks, along with special projects as needed. Below is a list of many of those activities accomplished in June.

Monthly tasks, processes, etc.

- Reviewed and processed 368 invoices and generated 343 vendor checks and electronic payments for Water/Wastewater, Parks, and General Funds expenditures.
- Reviewed and processed 133 invoices and generated 54 vendor checks and electronic payments for Golf Course expenditures.
- Processed monthly billings for IGA agreements, pretreatment permits, etc.
- Entered cash receipts, reconciled AR, and followed up on amounts due from customers.
- Completed and submitted monthly State sales tax report for Golf Course sales.
- Calculated 5%, 7%, and TDS Surcharge restricted amounts and processed transfers to appropriate ColoTrust escrow accounts.
- Reviewed and reconciled twelve checking and investment accounts.
- Performed monthly GL maintenance, entries, reconciliations, etc.
- Completed monthly financial statements for presentation to the Board; distributed to the General Manager and division supervisors.

CHEROKEE METROPOLITAN DISTRICT
6250 Palmer Park Blvd., Colorado Springs, CO 80915-2842
Telephone: (719) 597-5080 Fax: (719) 597-5145

Water and Systems Specialists Report for July

July 16, 2026

We've been busy in the water department, catching up on needed maintenance work while we train our younger operators on the fundamentals they will need come winter. At the same time, the senior operators are lending their experience to make sure the upcoming PFAS facility will hit the ground running without costly backtracking or avoidable inefficiencies. A facility 'shakedown' is always hectic, but there's never a good reason to invite future trouble when we can prevent it in the present.

I am pleased to report on the status of ongoing issues and outstanding projects being performed and monitored by the water department this month. The status of our outstanding projects is as follows:

Outstanding Water Projects

- **Water Supply Protection: Production –** Given the heat and surrounding utilities being cautious about their access to water, I felt it prudent to give you an update on where our water supply stands as of the end of June. Regarding production, we are hitting the midpoint of the year with on average 60% of our water supply remaining in the ground and (at the time I'm writing this) 11.09 million gallons in the tanks across the District.
- **Water Supply Protection: Distribution –** On the water distribution front, we are actively investigating any reported surface water or suspiciously green patches of grass, as a leaky pipe sending water into dry ground won't immediately show up, but the potential loss of water from these situations pose an escalating risk to water supply and system integrity.
- **PFAS Design –** We have had several design and process meetings: Engineering is doubtless covering that progress. From Operation's perspective, we are applying our experience to make the system intuitive and resilient. The number one question we are asking ourselves in design reviews is "will this make operations and maintenance efficient and cost-effective for the operators who will come after us?"
- **PFAS Pipeline Redirection Bids –** We have selected the firm who will partner with us on getting the water into and out of the new plant, and we've already had some pre-discussions so their timetable lines up with the existing plant project. It's a simpler project than the plant, but there will be a lot of coordination between the two once the ground is broken.
- **Tank 5 Site Prep –** There are some permit issues which have delayed this project. Engineering no doubt has more to share on this.
- **Well 22 Progress –** We began production from well 22 this month. It has helped us supplement our summertime demand. Project completed, this will be my last specific report on it.
- **Annual Valve Turning –** Apart from a few enclaves and the 'artery' streets within the district, we have turned most of the valves in the District. Next week we will begin building the list of essential valve clusters needing to be repaired/replaced for the FY27 budget.
- **Annual Dead-end Flushing –** Our operations team has identified 87 hydrants in areas that are either at the ends of a main line or a place where flow slows and sediment builds up; both are collectively referred to as 'dead ends.' After rounds our in-town team fans out to address them, and we currently have 30 of them addressed. With Tank 5 delayed, we have taken some of this time to focus on flushing the Sundance line, part of the system we don't use in the winter and didn't plan to use during the tank construction. That process is slow as the line feeds via gravity instead of a pump, so we anticipate being back onto dead ends before August.
- **Valve Cluster Repair Preparation –** RJ Gleeson has acquired the permits to work and plans to begin mobilization of the valve clusters on the 20th. Customers who are impacted are being contacted now and will be contacted again 48-hours before the day Gleeson will do the actual replacements. All assembly/fitting work apart from the actual tie-in is being done above ground. This is so we can keep customers on for as long as possible. As a reminder, the intersections are Sequoyah/Winnebago, Winnebago/Omaha, Peterson/Nez Perce, Peterson/White Mountain, and Peterson/Western Dr. We anticipate them completing the work by early September.
- **State Notification: Tank 3 compromise –** On June 23, an operator was completing the required periodic tank inspection of Tank 3 (Tamlin Rd.) and using his District-issued cell phone to take pictures of the seals and hatch interiors as required by the inspection. While there, the roof flexed (common for steel tanks like tank 3) and his phone fell into the open hatch. We contacted the state immediately and the next day had a commercial diving company enter the tank and retrieve the phone, which had not broken or

been compromised. We performed disinfection and coliform testing at the direction of CDPHE and they determined that given our proactive and aggressive response no further action was required.

- **State Notification: Coliform positive –** On July 6th, a routine coliform sample taken at 6857 Space Village came back positive for Total Coliform (not *e.Coli.*) Per the Total Coliform Rule (TCR), we immediately resampled the location as well as surrounding sample sites up- and downstream. Additionally, we notified the state as outlined in the TCR. The repeat samples came back clean. Given the sample site's location (an undeveloped field alongside a road with active construction), high chlorine residuals on the day of collection, and the hundreds of successful coliform tests performed by the operator in question, both the state and myself attribute this result to environmental factors rather than an actual failure of the District's disinfection program.

<u>Line Breaks</u>

- On June 15, we had a break at 3611 Reindeer Circle. Eleven houses were impacted. The break repair took 7 hours and service was restored at 4pm.

Thank you,

Matthew Mevis, CAPM, CWP
Water Supervisor and Operator in Responsible Charge

CHEROKEE METROPOLITAN DISTRICT
Water Reclamation Facility

19174 Drennan Rd., Colorado Springs, CO 80928
Telephone: (719) 259-1155

To: Board of Directors, Cherokee Metropolitan District
From: Joshua Watkins, Wastewater Manager

July 2026 Wastewater Monthly Report

June 2026 Effluent Results

	TSS	BOD	TIN (Total Inorganic Nitrogen)	Total Coliform
Permit Limit	30	30	10	Report
001A Effluent	0.6	2	2.22	0

- By the numbers:
    - A total of 64 million gallons of wastewater were treated.
    - On average, 2.139 MGD (million gallons per day)
    - 4877.73 lbs of BOD (Biochemical Oxygen Demand) treated throughout June.
  - TDS Levels
    - Influent – 594 mg/L
    - Effluent – 318 mg/L
    - Well C – 438 mg/L
    - Well D – 427 mg/L

- Operations
  - As a team we continue to grow. We had some fun cleaning out bioreactor 2 for the covers project.
    - We have an opening due to an unfortunate event.
  - We hosted 3 tours throughout the month of June.
    - Meridian Metropolitan Services District – gave them a tour so they see where their wastewater ends up and better understanding of the process.
    - IDE with guests
    - Castle Rock Water to see the RO and evaporation ponds

- Process
  - MBR
    - The biological treatment process is doing good.
    - Another electrical issue occurred at the beginning of June. This time, it caused a motor to be burnt up on an air compressor. We are working on having the automatic transfer switch serviced.

- These issues have forced our hands at getting the new SCADA server online.

- Reverse Osmosis

  - IDE recommended that we do a Silica CIP. We completed the Silica CIP at the end of January beginning of February. We are waiting for replacement membranes to arrive, allowing us to exchange all membranes from a pressure vessel. The membranes that we remove will be sent to Kurita for flow testing and two of them will get an autopsy. This information will provide valuable information informing Cherokee how often the RO membranes will need to be replaced.
    - The 7 required membranes for one pressure vessel are on-site. We will be swapping them out soon to get the flow testing and autopsy done.

  - Brine System

    - The reevaluation of the Brine System has resulted in needing different pumps. The current pumps are unable to achieve the design flow rate to the furthest evaporation pond; a new type of pump was ordered that should be able to.
      - The first replacement brine pump has been installed. We are waiting for WTG (Water Technology Group) to come down and complete the startup process.

        - At the beginning of June, Burns & Mc and Garney visited with the intention of dialing in the issue. As a team, we found an issue that could fix a lot of issues. Garney is planning on replacing the leaking discharge piping. We are making some piping changes to see how the pumps perform.
        - Burns & Mc are recommending that a bigger pump be installed. Garney is going to have someone come out to clean the brine lines. VFD's for the pumps are being discussed. There will be some programming changes.

Other Project Updates

- **Solids Handling Improvements**

  - The Solids Handling Improvements project is almost completed. There are a couple of items on the warranty list that need to be finished.
    - Waiting for some programming to be complete and then we will post for final payment.

- **Bioreactor Covers**
  - The project is moving forward.
  - All permits for the project have been approved.
  - Submittals are in the process of being approved.
  - Materials should start showing up in July.
  - Moltz is working in Bio 2. We should be ready to swap bioreactors at the beginning of August.

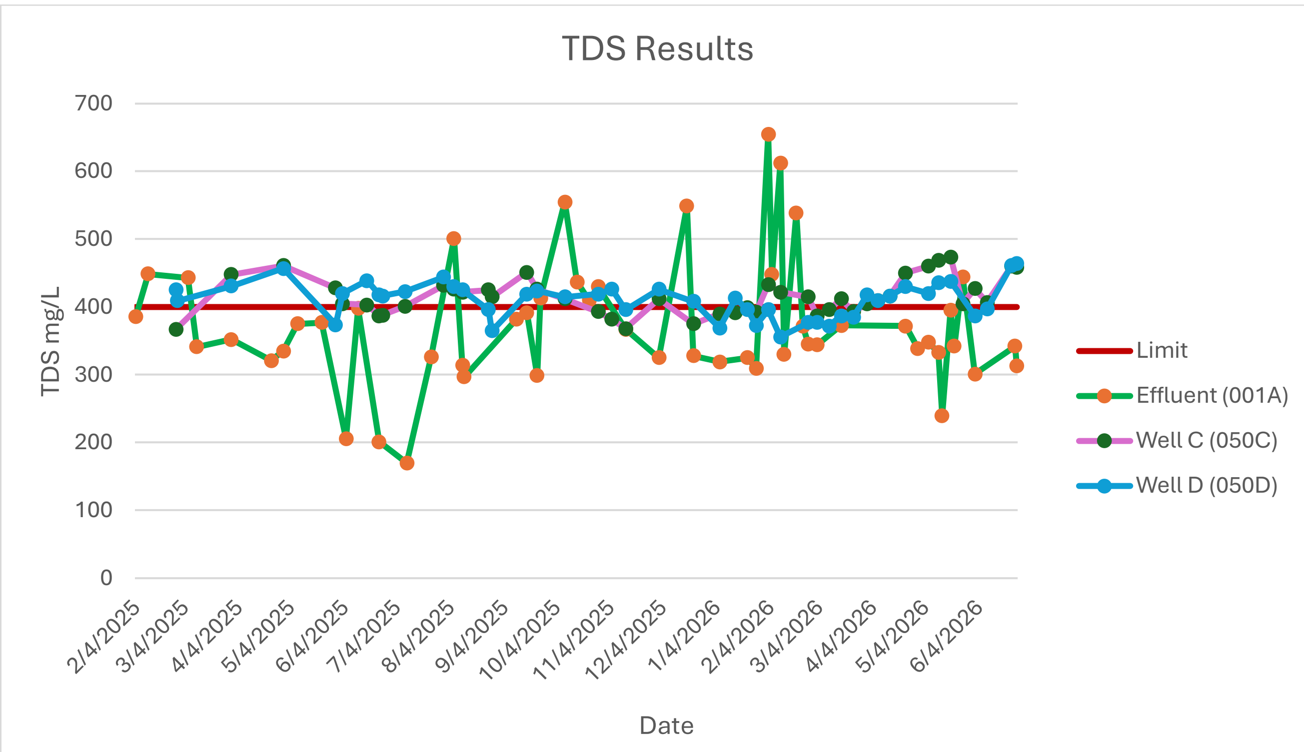
- **Rapid Infiltration Basins**

  - We are working on pumping RIB 1 out and utilizing the demonstration trenches. Once RIB 1 is empty, DWIRE will be back on-site to maintain it.
    - RIB 1 is the lowest it has been in 3 years. We are hoping DWIRE can get the maintenance done to it soon.
    - The gate on the east side of the property was installed. This gate allows us to access the east property from the current property. It will also allow us to get some dirt over there without tearing up any county road.
    - DWIRE has been able to maintain 4 RIBs recently.
    - No update currently.

- Spheros finished their study of the RIBs. A copy of the study is available.

- **Industrial Pretreatment**
  - Continuing to work on quarterly and annual inspections.

- **Collections**
  - 61,638 feet of sewer main have been inspected in 2026.
  - 68,638 feet of sewer main have been cleaned in 2026.



July 2026 Engineer's Board Report

System Improvement Projects

Water Supply

- Water Treatment Facility (PFAS) Land acquisition –Land has been purchased.
- PFAS Treatment Facility Design / CMAR – 30% design review workshop held. Evaluating 1041 requirements and response to County. Planning for Tier 2 CDPHE funding (construction support) early next year. CMAR kickoff scheduled for July 30.
- Pipeline Design for Connection to PFAS – Hazen selected for the design. Kickoff meeting being scheduled. Hazen has provided feedback on potential alignments.
- Replacement Plan Wells – Test wells that will be used as monitoring wells have been drilled and capped off. They remain in place for future production wells 6, 7 & 8 under the replacement plan. Consultant has prepared the monitoring wells' drill profile and produced report for wells. Request for proposal of design draft will be completed by 22July.
- Well 22, Albrecht – Survey work for easement adjustments is scheduled.
- Poleson Well Purchase and On-boarding – Water decree for water right has been approved. 72 AFY brought into CMD water portfolio. Export and release of lein on the water right have been approved. A new well will need to be constructed for this water right.

Water Distribution

- Ellicott 30" Pipeline- CMD has divided the landowners into three groups (1. west of Marksheffel 2. Ellicott booster to Marsheffel 3. Ellicott booster to Water Treatment Facility site). Groups 1 and 2 have been surveyed and negotiations ongoing. Group 3 will have survey completed and have initial offers received in June. Beginning July CMD will send out phased Notices of Intent (NOI) to the landowners. 01December we will prepare all initial condemnation paperwork for landowners who have not settled.
- Peterson Casing – City (PPRTA) will send invoice for the work.
- Omaha Water Main – Design Request for proposal of design draft will be completed by 16July. Posting of the RFP by end of July. Design Engineer to be selected by 1 September. General contractor selection will occur after a for construction RFB. GC will be selected beginning of 2027.
- Tank 5 (2nd Tamlin tank) – All Stormwater permits are secured. Rezone needs to be approved by City of Colorado Springs Council meeting on August 12 prior to the allowance of new tank being constructed. Easement with WHMD and Tamlin Storage LLC has been drafted and requested to be signed by both parties prior to 21 July Regular Board meeting. Once easement is secured, we can continue site grading.
- N. Well Field PRV study– Hydraulic model has been delivered to CMD in the form of EPANET program. Technical manual draft received 13July, CMD review and notes back to H&S by 20July. PRV vault replacement plan can begin after final draft is received.
- Peterson/Galley Sewer and Water Relocation – El Paso County's culvert emplacement project. Benesch & CO (County's contractor) will acquire new easements and perform line relocation. No notice of progress from county from last month.

- Palmer Park Blvd Reconstruction Sewer and Water Relocation –Design for affected CMD lines is complete. Awaiting information from HR Green or EPC on their construction timeline.

Wastewater Collections

- Lift Station 1 Additions (LS1B) – Contractor is preparing final invoice.
- Terminal Lift Station – Kinley-Horn received field data on Tuesday, June 9th. CMD and KH are having bi-monthly meetings to discuss alternative analysis on how to augment this node in Cherokee collection system.

Wastewater Treatment

- Water Reclamation Facility (WRF) Ultra Filtration/Reverse Osmosis (UF/RO) System Addition - Resolving remaining warranty issues and modification of original design of brine pump system. Holding final payment until revised pump system installed, tested, and O&M manuals received.
- RIB maintenance to optimize infiltration rate – Evaluating proposals for basin analysis and suggestions to improve performance.
- WRF Screwpress for Solids handling – Startup completed.
- WRF Bioreactor cover – Covers and structural components are being delivered. Contractor has set up crane and has begun initial work to protect the system.

SCADA

- RIB Control Upgrade- Pilot of possible upgrades to RIB valve and basin control system to be installed in house. Controls needs to meet with Joshua Watkins to go over the scope of the project.
- Server Upgrade for SCADA – The new servers have been installed and have the ICONICS SCADA software running on them. They are running in parallel to the old servers. There are a few features which need to be set up still on the new servers. Waiting on response from Prime Controls on timing to complete the project.
- Exor Industrial Controller Integration for SCADA Historian – The cloud-based historian hardware and software has been received and is mostly installed. Once the historian is fully operational, training will be given to the water operators.
- Safety Audit for Electrical Panels – The Controls Department has started the electrical safety audit to reduce electrical hazards in CMD's Industrial Control Panels. The Controls Department is starting with the wells and moving on to other electrical assets from there. An audit is being performed to identify issues with electrical assets that could be an electrical/fire hazard. Controls to fix electrical hazards as they are identified. Repairs are currently being made to wells. Controls is coordinating with the water ORC for downtime. This project has been mostly on hold in favor of other projects.
- Electrical Safety Policy – Controls have delayed the meeting to push forward the new electrical safety policy. Controls has been performing the audit and repairs and would like to use the experience with the process to refine the section of the policy related to equipment audits. Will be reengaging this project now that we have a new safety lead.
- New VFD for AR1 – Equipment has been installed. Well runs in manual but needs some PLC work to function in auto and run from SCADA. The software license has been received and now Controls can complete the work on the PLC.
- Cybersecurity – Controls Department has been in contact with Schriever Space Force Base as well as the Department of Homeland Security Cybersecurity and Infrastructure Security Agency (CISA) to schedule a cybersecurity audit of the network. Graymatter has finished installing the Teneble software and will be back in a few weeks to finish tuning the system.

A work order has been issued to have Graymatter come in and map the network. This network map will then be provided to the auditors during the upcoming cybersecurity audits.

- Schriever Space Force Base On Signal Project- Controls Department is in contact with the engineering team at SSFB as well as with Siemens, the Base's controls integrator. SSFB to provide the CMD PLC with an on signal when water is requested. This way no access will be required to the restricted area at SSFB.
- VFD & Electrical Rehab for Well 11/12 - Pending Open Work Order with Electric Service of Colorado. Work to be completed during the Fall due to scheduling issues.

CHEROKEE METROPOLITAN DISTRICT

MEMORANDUM

To: Cherokee Metropolitan District Board of Directors

From: Lecil Ross, Parks Supervisor & Gabriella Rivera, Parks Lead

Cc: Kevin Brown, General Manager

Re: Monthly Parks Report

Date: July 2026

Dear Board of Directors,
Parks activity for the month of June
Parks Personnel
Lecil Ross, Gabriella Rivera, Aiden Kondly

- Replaced several Irrigation heads at Fredericksburg Park
- Gabby pressure tested Woodpark Park backflow and increased operational pressure at PRV
- Purchased and installed new Axle for Black equipment trailer
- Added 4 yards of playground mulch to Pinyon Jay Park (Swings and slide)
- Kubota replaced clutch on Z Turn Kubota mower
- Replaced Spindle, bearings, housing and pulley on left blade on Kubota Z turn mower (Done In house)
- Mowed long easement in Claremont ranch (between Capitol and Bucolo)
- Kubota F2690 mower
    - Changed Oil and oil filter
    - Replaced defunct ignition
    - Replaced bad mower spindle far left blade
    - Replaced air filter

CHEROKEE METROPOLITAN DISTRICT

6250 Palmer Park Blvd, Colorado Springs, CO 80915-1721
Telephone: (719) 597-5080 FAX: (719) 597-5145

June Billing and Customer Service

New customers:

Owners: 103
Renters: 42
Vacant: 29

Total: 174

Collected Fees:

Connection Fees: $450

NSF Fees: $520.00

Reconnect Fees: $2,055.00

Trip Fees: $200.00

Late Fees: $6,690.00

Net Fees Collected: $9,915

Leak Credits Given:

Total: $1,760.11

InvoiceCloud Update:

Paperless Customers: 4,675
AutoPay Customers: 3,082

Heather Goldsberry
Billing Supervisor

Greetings Team!

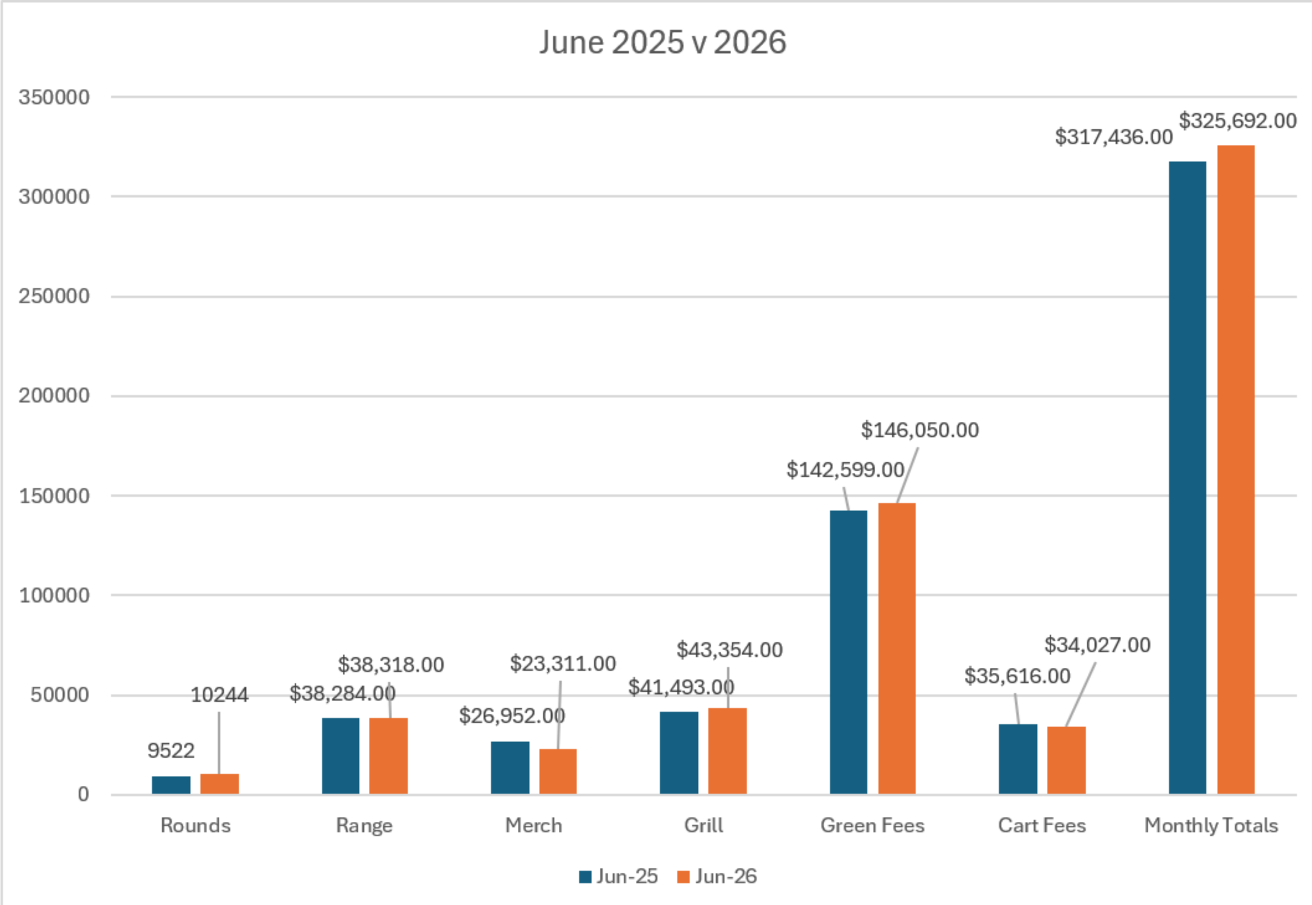
Below are the totals for the month of June, as well as our YTD totals. Overall we had yet another strong month, with a positive $8,256 over last June. We are also up in revenue year to date by $149,923.

Overall we are having a very solid revenue year, and from the budget we are also on track (or below) on expenses. In looking forward to the coming months, we are anticipating selling out all of our upcoming tournaments. We also have several special orders for golf clubs coming through next month, as well as increased revenue from the Linkers program compared to last year.

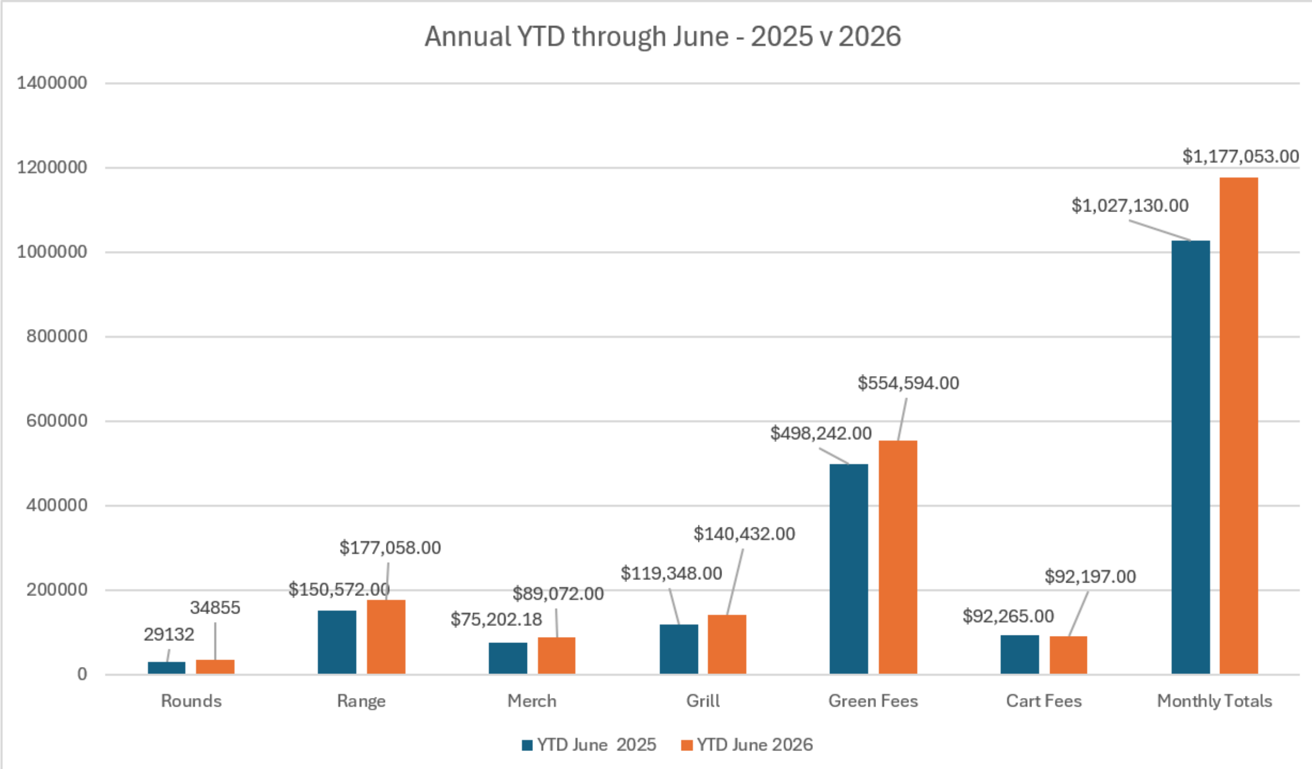
Regarding course conditions and our water budget, we can keep a close eye on this and perhaps look at adding more in the budget if needed to purchase water when needed. Hopefully we get more rain soon, so let's hope for that!

Thanks everyone, and let's keep up the great work!

	Jun-25	Jun-26	Monthly Comparison
Rounds	9522	10244	722
Range	$ 38,284.00	$ 38,318.00	$ 34.00
Merch	$ 26,952.00	$ 23,311.00	$ (3,641.00)
Grill	$ 41,493.00	$ 43,354.00	$ 1,861.00
Green Fees	$ 142,599.00	$ 146,050.00	$ 3,451.00
Cart Fees	$ 35,616.00	$ 34,027.00	$ (1,589.00)
Monthly Totals	$ 317,436.00	$ 325,692.00	$ 8,256.00



	YTD June 2025	YTD June 2026	YTD Annual Comparison
Rounds	29132	34855	5723
Range	$ 150,572.00	$ 177,058.00	$ 26,486.00
Merch	$ 75,202.18	$ 89,072.00	$ 13,869.82
Grill	$ 119,348.00	$ 140,432.00	$ 21,084.00
Green Fees	$ 498,242.00	$ 554,594.00	$ 56,352.00
Cart Fees	$ 92,265.00	$ 92,197.00	$ (68.00)
Monthly Totals	$ 1,027,130.00	$ 1,177,053.00	$ 149,923.00



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Paul D. Young, MBA, PGA
Head Golf Professional
Office 719.597.2637
Cell 719.492.0894