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.

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.

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.**