CHEROKEE METROPOLITAN DISTRICT

SPECIAL MEETING OF THE BOARD OF DIRECTORS

MINUTES – MAY 20, 2026

The Special Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Wednesday, May 20, 2026 at 5:30 p.m. at 6250 Palmer Park Blvd., Colorado Springs, Colorado.

Board of Directors Present:	Dan Wall, Kim Hale, Jeff Bandy, Jeremy Atkinson, Dolly Letriz
CMD Staff Present:	Kevin Brown, General Manager; Julie Wells, Accountant; Joshua Watkins, Wastewater Supervisor/ORC
Others Present:	Joan Fritsche, Fritsche Law LLC; members of the public

ITEM 1: Call to Order

The meeting was called to order by Director Wall at 5:30 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 additions to the agenda: New Business item C: Fontana World Golf Temporary Contract Extension; and new item A.e under Manager's Report – Changes in Federal PFAS Regulations.

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

ITEM 3: Public Comment

A District resident presented a letter he received from a company named Water Resources of Colorado requesting the customer signup for its services. The Board noted the company was not authorized by the District to solicit its customers and the letter did not come from the District.

A member of the public welcomed Director Letriz to the Board.

ITEM 4: Consent Agenda

Items on the Consent Agenda:

A. April 19, 2026 Regular Meeting Minutes
B. Colorado Open Records Act (CORA) Policy Update
C. Cogent (Water Technology Group) Unmodified MSA

Ms. Fritsche provided a brief overview of the CORA Policy and Records Request Form, which were updated to reflect the current statutory research and retrieval fee of $41.37 per hour, which took effect July 1, 2024 and is increased every five years for inflation.

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE ITEMS A-C ON THE CONSENT AGENDA. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

ITEM 5: Financial Report

A. April 2026 Financial Report

Ms. Wells reviewed the April 2026 Financial Report. Director Hale asked why water and wastewater revenue collection is lower than expected. Mr. Brown noted wastewater revenue is as expected, and water revenue is expected to increase in the summer months. It was also noted a deduction was inadvertently included on the wastewater line item of the April report. Discussion followed. The Board had no additional questions.

MOTION: THE BOARD APPROVED THE APRIL FINANCIAL REPORT AS PRESENTED.

B. 1st Quarter Financial Review

Mr. Brown gave a brief overview of the First Quarter Financial Report. Mr. Brown reviewed line items that are significantly over or under where originally expected to be. Board discussion followed.

ITEM 6: Unfinished Business

A. Employee Handbook Changes – Time Off & Vehicle Use Policies

Mr. Brown reviewed changes to the PTO accrual and vehicle use policies in the Employee Handbook.

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR ATKINSON, TO APPROVE THE UPDATED PORTIONS OF THE EMPLOYEE HANDBOOK. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

B. PFAS Treatment Plant Site Purchase

Mr. Brown reviewed the status of the purchase of the PFAS treatment plant site. Mr. Brown noted the District's due diligence period ended on May 19th and that no objections to the Property's title or physical condition were discovered. He has no concerns moving forward with the purchase. Ms. Fritsche reviewed the proposed Amended and Restated Purchase and Sale Agreement. The District is purchasing the southern 37.715 acres of the 77-acre parcel owned by Arete Commons. By splitting the 77-acre parcel into two parcels each greater than 35 acres, the sale transaction is exempt from the statutory "35 acre" subdivision requirement prior to completing the sale. The Amended Agreement has been revised to remove the subdivision requirement, temporary easements, escrow funding and subsequent conveyance of the northern parcel. New legal descriptions for the northern parcel, southern parcel, access road easement and temporary road construction easement were prepared and included as exhibits. Ms. Fritsche also reviewed the Access Road Easement that will be granted as part of the transaction. Discussion followed.

MOTION: **DIRECTOR WALL MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT WITH ARETE COMMONS, LLC FOR THE PFAS TREATMENT SITE. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

Ms. Fritsche reviewed the Statement of Authority, which is a standard document required by Land Title. The Statement indicates the District has the authority to complete the transaction and identifies the persons authorized to sign documents related to the transaction.

MOTION: **DIRECTOR WALL MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE STATEMENT OF AUTHORITY. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

Ms. Fritsche reviewed the Resolution Authorizing the Purchase of Real Property and Naming Persons Authorized to Execute Necessary Documents. The Resolution is specific to the transaction, authorizes President Wall to execute and deliver instruments related to the transaction, and authorizes payment of the purchase price and closing costs. The Resolution expressly authorizes President Wall and Mr. Brown to take any additional action necessary and sign related documents in order to complete the transaction. Ms. Fritsche noted the closing is scheduled for Thursday, June 18th and additional closing documents will be distributed by Land Title.

MOTION: **DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR ATKINSON, TO APPROVE RESOLUTION NO. 2026-03 - CERTIFIED RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY AND NAMING PERSONS AUTHORIZED TO EXECUTE NECESSARY DOCUMENTS. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

ITEM 7: New Business

A. Colorado Tier 1 Emerging Contaminants Grant

Mr. Brown reviewed the Colorado Tier 1 Emerging Contaminants Grant awarded to the District at the end of March in the amount of $299,848, which will partially offset the design costs of the PFAS Treatment Facility. The Intergovernmental Grant Agreement with the State is required for the District to receive the funds. The proposed Agreement has been reviewed by legal counsel and reflects the District's understanding of the grant conditions. The State is also requiring a Signature Authority Letter, authorizing President Wall to execute the Agreement and authorizes Mr. Brown to execute and deliver ancillary documents required by the grant process.

MOTION: **DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR HALE, TO APPROVE THE INTERGOVERNMENTAL GRANT AGREEMENT WITH THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT - CONTRACT NUMBER 2026*3564; AND TO APPROVE THE RELATED SIGNATURE AUTHORITY LETTER. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

B. ADP Payroll Software MSA

Mr. Brown noted the District currently uses PayPort for payroll. District Staff explored transitioning to a new payroll company due to issues with PayPort. Three payroll software companies were reviewed. Staff is recommending ADP because it offered a consistent rate over multiple years and the ease of transitioning to ADP. Discussion followed.

MOTION: **DIRECTOR ATKINSON MOVED, SECONDED BY DIRECTOR HALE, TO APPROVE THE MASTER SERVICES AGREEMENT WITH ADP, INC. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

C. Temporary Extension – Fontana World Golf Contract

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

MOTION: **DIRECTOR ATKINSON MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE A TEMPORARY ONE MONTH EXTENSION OF THE WATER SERVICE AGREEMENT WITH FONTANA ENTERPRISES, INC. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.**

ITEM 8: Staff Reports

Mr. Brown presented his Manager's Report. Mr. Brown noted the two parks capital projects budgeted for in 2026 are complete. The Plower Court project finished mostly on schedule. The seeding is taking well, and the retaining wall underdrain appears to have been installed correctly. After a two-week delay, the Eastridge ballfields project is nearly complete. The remaining work is to set the base anchors at the regulation locations. The locations have been flagged and it's anticipated this step and final grading on the pitcher's mounds will be completed next week. Discussion followed regarding fencing in the outfield.

Mr. Brown updated the Board on a meeting he attended with the Colorado National Guard and several members of the Colorado Division of Homeland Security and Emergency Management. The meeting was productive and focused on two major initiatives: integrating the District into statewide emergency notification and planning systems and improving infrastructure resilience for Schriever Space Force Base. Cybersecurity measures were also discussed.

Mr. Brown gave a brief overview of the Poleson Well Water Right litigation. The Water Right was acquired in 2023 and the last step was the export hearing, which happened last month.

Mr. Brown provided an update on conducting a District rate study. He recently spoke with three rate study consultants. The scope and cost of a rate study will depend on whether the Board wants to make small adjustments or large changes. All consultants are familiar with the Colorado's Special District tap fee legislation enacted last year. Mr. Brown will provide quotes for this stage of the project at the next Board meeting.

Mr. Brown updated the Board on the recent EPA repeal of four of the six federal PFAS regulations. One PFAS contaminant regulation impacting the District's water quality is still in effect. The repeal will not affect the District's grant funding. CDPHE has stated that even if the EPA repeals all the federal PFAS regulations, the State may still enforce similar regulations.

There were no additional questions from the Board.

ITEM 8. Executive Session

MOTION: **DIRECTOR WALL 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. Colorado Springs Utilities Regional Collaboration Discussion
C. Property South of WRF Development Discussion
D. Service Area Expansion Evaluation Update & Discussion
E. Headquarters Building Property

The Executive Session convened at 6:35 p.m., after a short break. The Directors, Mr. Brown and Ms. Fritsche attended the Executive Session.

<u>MOTION</u>: **DIRECTOR WALL MOVED, SECONDED BY DIRECTOR ATKINSON, TO COME OUT OF EXECUTIVE SESSION AT 7:04 P.M. MOTION UNANIMOUSLY PASSED.**

<u>ITEM 9</u>. <u>Adjournment</u>

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

Jeff Bandy, Secretary

Attorney Fritsche certified for the record that the Executive Session was not recorded, as the matters discussed in Executive Session constituted privileged attorney-client communications.

Joan M. Fritsche, Esq.