



CHEROKEE METROPOLITAN DISTRICT
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August 18, 2026 Board Meeting Packet

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CHEROKEE METROPOLITAN DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS

MINUTES – JULY 21, 2026

The Regular Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Tuesday, July 21, 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

Absent: Dolly Letriz

CMD Staff Present: Kevin Brown, General Manager; Joshua Watkins, Wastewater Supervisor/ORC

Others Present: Joan Fritsche, Fritsche Law LLC; Mark Fontana, World Golf; members of the public.

ITEM 1: Call to Order

The meeting was called to order by Director Wall at 5:31 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: New Business, item 7.D "Tank 5 Easement Formalization" moved to Executive Session item D; and an additional New Business section added following the Executive Session.

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

ITEM 3: Public Comment

None.

ITEM 4: Consent Agenda

Items on the Consent Agenda:

A. June 16, 2026 Regular Meeting Minutes

- B. June 23, 2026 Special Board Meeting and Parks Study Session Minutes
- C. June 26, 2026 Special Board Meeting Minutes

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

ITEM 5: Financial Report

- A. June 2026 Financial Report

Mr. Brown reviewed the June 2026 Financial Report. The Board had no additional questions.

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR ATKINSON, TO ACCEPT THE JUNE 2026 FINANCIAL REPORT AS PRESENTED. MOTION PASSED UNANIMOUSLY.

- B. 2nd Quarter Budget Review

Mr. Brown presented the 2nd Quarter Budget Review, including a brief review of the overall budget status, general fund, parks fund, water and wastewater revenue and expenses and the golf course. The Board had no additional questions.

ITEM 6: Unfinished Business

- A. CMD – Fontana World Golf Water Service Agreement

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 until July 31, 2026 to allow the parties time to negotiate and enter into a new Water Service Agreement. The new Agreement reflects the Augmentation Plan and changes in circumstances since 2010.

MOTION: DIRECTOR ATKINSON MOVED, SECONDED BY DIRECTOR BANDY, TO APPROVE THE WATER SERVICE AGREEMENT BETWEEN THE DISTRICT AND FONTANA ENTERPRISES, INC. FOR A PERIOD OF TWENTY (20) CONSECUTIVE ANNUALLY RENEWING ONE-YEAR TERMS, WITH THE FIRST TERM EXPIRING MAY 31, 2027. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

ITEM 7: New Business

- A. PCL Construction PFAS Treatment Facility CMAR Contract

Mr. Brown reviewed the Preconstruction Services Agreement with PCL Construction and noted the agreement corresponds to the Notice of Award approved on June 26, 2026. There were seven bidders for the project. PCL requested a few minor changes to the District's standard agreement. Ms. Fritsche reviewed and approved the requested changes.

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR ATKINSON, TO APPROVE THE PRECONSTRUCTION SERVICES AGREEMENT FOR THE PFAS WATER TREATMENT FACILITY PROJECT BETWEEN THE DISTRICT AND PCL CONSTRUCTION, INC. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

B. Hazen & Sawyer Engineers Updated MSA

Mr. Brown reviewed the updated Master Agreement for Services with Hazen and Sawyer, D.P.C. for design of the pipeline component of the PFAS Treatment Plant Design Project. There were six bidders for the project. The District currently has an MSA with Hazen and Sawyer, but a few minor changes were requested, which were reviewed and approved by Ms. Fritsche.

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR HALE, TO APPROVE THE MASTER AGREEMENT FOR SERVICES BETWEEN THE DISTRICT AND HAZEN AND SAWYER, D.P.C. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

C. CMD Front Desk Hours

The District's front desk team has proposed moving their shifts to a "4-10" schedule similar to the District operations team. Under this schedule the front desk would be open Monday to Thursday, 7:00 a.m. to 5:30 p.m. (or 7:00-6:00) instead of the current Monday-Friday, 8:00 a.m. to 5:00 p.m. Mr. Brown asked if the Board had any concerns with the proposed change. Board discussion followed regarding a trial period for the new schedule and notifying customers of the change. Mr. Brown will look into the issue further and provide more information to the Board at the next meeting.

D. Tank 5 Access Easement Formalization

This item was moved to Executive Session item D.

E. September Board Meeting Date

Mr. Brown noted the SDA Annual Conference is scheduled for September 15-17th, and the next regular meeting date is September 15th. Board discussion followed and the consensus was to move the September Board meeting to Thursday, September 17, 2026 at 5:30 p.m.

ITEM 8: Staff Reports

Mr. Brown presented his Manager's Report. He updated the Board on the progress of several items discussed during the Parks Study Session, including preparing a draft of the community survey and discussions with several polling firms. Board discussion followed. Mr. Brown will provide additional information on survey costs at the next Board meeting. Mr. Brown reviewed the potential cost of repairs to resume irrigation on the Springside/Constitution frontage. Discussion followed.

Mr. Brown updated the Board on a meeting he had with the State Forest Service regarding how the Service may be able to help the District maintain and expand tree coverage in District parks. The meeting was very productive and Mr. Brown is exploring having the State Forest Service conduct a tree survey in 2027. The survey would also identify areas to plant trees and recommend varieties that are best suited to thrive in those locations long-term.

Mr. Brown provided an overview of the current drought conditions and District water usage. The District is in a good position to provide water through the end of the year. He will keep the Board updated. Watering restrictions are not anticipated for 2026; however, this will be discussed at the August Board meeting.

Mr. Brown briefly discussed the District's safety programs and noted the District's new Safety Coordinator has made some valuable changes to safety regulations, including investing in heat and sun safety items and moving the electrical safety program forward. By the end of the year, all District employees who work on electrical systems will have third party testing and certification. She has also engaged with regional emergency response agencies and SSFB emergency response to ensure the District is included in regional disaster response planning and started work on improving disaster readiness at District facilities.

Mr. Brown provided an update on capital projects. The PFAS Treatment Plant project design is proceeding well, with no major concerns.

Mr. Brown provided an update on recent developments related to the Tank 5 project. The project is on hold until City Council approval in August. The contractors still hope to finish this fall but the schedule will be finalized after City approval. The access easement will be discussed further during Executive Session.

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. Construction is currently on track to be finished this fall.

The District made the final payment under the Poleson Well Purchase Agreement signed in 2022. After the decree was finalized in May, the District had three months to final purchase price accounting and provide the funds to the seller. This was accomplished and as of July 2nd, the District has title to 72 acre-feet of renewable, exportable water.

There were no additional questions from the Board.

ITEM 9. Executive Session

MOTION: **DIRECTOR ATKINSON MOVED, SECONDED BY DIRECTOR HALE, 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. Rate Study Proposals
- B. Service Area Expansion Evaluation Update
- C. Ellicott Pipeline Easement Acquisition Update
- D. Tank 5 Access Easement

There was a short break from 7:20 – 7:30 p.m. before the Executive Session convened. The Directors, Mr. Brown and Ms. Fritsche attended the Executive Session.

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR HALE, TO COME OUT OF EXECUTIVE SESSION AT 7:08 P.M. MOTION UNANIMOUSLY PASSED.

ITEM 10: New Business (continued)

- A. Tank 5 Access Easement

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR ATKINSON, TO AUTHORIZE THE DISTRICT'S GENERAL MANAGER AND GENERAL COUNSEL TO COMPLETE NEGOTIATIONS FOR AN ACCESS EASEMENT WITH TAMLIN STORAGE, LLC AND WOODMEN HILLS METROPOLITAN DISTRICT, WITHIN THE TERMS PRESENTED BY THE GENERAL MANAGER; AND TO AUTHORIZE BOARD PRESIDENT WALL TO SIGN THE ACCESS EASEMENT AGREEMENT ONCE NEGOTIATIONS ARE COMPLETE. ALL IN FAVOR. MOTION PASSED UNANIMOUSLY.

ITEM 11. Adjournment

There being no further business to come before the Board, the meeting adjourned at 8:15 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.

Date: August 14, 2026

To: Board of Directors, Cherokee Metropolitan District

From: Kevin Brown, General Manager

Subj: Consent Agenda Item B – Villas at Claremont Ranch Initial Acceptance

Initial acceptance of the Villas at Claremont Ranch is on the August 18, 2026 agenda as Consent Agenda Item B. Pursuant to the Application and Agreement for Extension of Mains with PHI Real Estate Services, LLC (“Property Owner”), the District has in its possession and has reviewed the documentation required below, and approves initial acceptance pursuant to Section 13 of the Application and Agreement entered into with the Property Owner and attached to this memo, and accepts the Bill of Sale attached hereto.

12. Conditions for Initial Acceptance.

Each of the following conditions must be satisfied before the District will consider Initial Acceptance of the Project:

- 12.1 Approved Plans. The District, in its sole discretion, is satisfied that the Project has been constructed in accordance with the Approved Plans.
- 12.2 Easements/Title Policy. The District is satisfied that applicable easements have been recorded for the Project and that the Project as constructed is located within said easements or other suitable public right-of-way. Any easement must be insured in the amount of \$10,000 and issued to the District as owner by a title company suitable to the District. Applicant shall remove or obtain subordination of all title impediments objected to the by the District.
- 12.3 Record Drawings. Receipt by the District of signed and stamped, by the Applicant’s engineer, Record Drawings for the Project, certified compaction and/or material test results and any survey certifications satisfactory to the District’s General Manager.
- 12.4 Current Videos. Current videos of the entire system have been reviewed and any defects have been repaired to the satisfaction of the District’s General Manager.

- 12.5 Testing. Passing of all water and sanitary sewer main testing. All trace wire shall pass testing.
- 12.6 Bill of Sale - Documents. Applicant to provide a bill of sale listing the cost of the Project being accepted by the District, an engineer's certificate of inventory and cost, or a materials list, including labor and final lien waivers; included in correspondence as "2025-08 Bill of Sale form".
- 12.7 Warranty and Maintenance Bond. Equal to twenty (20) percent of the project cost, as described above.
- 12.8 Contemplated Use. Without in any way being limited by the specificity of the foregoing, the District, in its sole discretion, is satisfied that there are no matters outstanding which would prohibit or unreasonably interfere with the use of the Project for its intended purpose.

13. Initial Acceptance.

Initial acceptance shall be accomplished by the District's President and General Manager affixing their signatures to the last page of this Agreement ("Initial Acceptance"). As of the date of Initial Acceptance, all of the Applicant's right, title and interest in and to the Project, including but not limited to, all mains, appurtenances, and related parts and materials which comprise the Project, shall pass to and be conveyed to the District with no additional transfer proceedings or documents being necessary; provided, however, the Applicant shall remain contractually obligated to perform said contractor's warranty, maintenance and repair obligations for a period of two (2) years from the date of Initial Acceptance or until the Project is finally accepted by the District, whichever period is longer.

CHEROKEE METROPOLITAN DISTRICT

APPLICATION AND AGREEMENT FOR EXTENSION OF MAINS

THIS APPLICATION AND AGREEMENT FOR EXTENSION OF MAINS ("Agreement") is made and entered into between PHI Real Estate Services LLC a Colorado Corporation ("Applicant"), and **CHEROKEE METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado ("District"), with a principal place of business at 6250 Palmer Park Boulevard, Colorado Springs, CO 80915, and telephone number (719)517-9289, effective the date of the first signature below.

RECITALS

A. Applicant desires to install water and/or sanitary sewer mains and related appurtenances identified as Villas at Claremont Ranch ("Project") for dedication to the District to become part of the District's public system.

B. Applicant may retain a contractor to install the water and/or sewer mains and related appurtenances which are subject to this Agreement.

C. The parties desire to execute this Agreement setting forth the terms and conditions pursuant to which the water and/or sewer mains and related appurtenances, will be initially accepted by the District and allowed to connect to the District's public system, and, if finally accepted by the District, shall become part of the District's public system for all purposes including ownership and maintenance.

NOW, THEREFORE, the parties agree as follows:

1. Definitions.

- 1.1 "Water and/or sewer mains" means the water and sanitary sewer mains and related appurtenances such as manholes, and other appurtenances, as shown on Approved Plans; provided, "water and/or sewer mains" shall not under any circumstances, include private service lines, underdrains or storm drains.
- 1.2 "Approved Plans" means the latest set of plans and specifications approved for construction by the District in the El Paso County Electronic Development Application Review Program ("EDARP"); and any changes thereto approved by the District and reflected in the record drawings accepted and approved by the District, all applicable provisions of Colorado Springs Utilities' Water and/or Wastewater Line Extension and Service Standards ("LESS"), Cherokee Metropolitan District Water and

Wastewater Infrastructure Construction Standards, and all other applicable specifications in effect on the date the Construction Plans are approved by the District.

- 1.3 “Applicable Government Authority” means the District, and any governmental or quasi-municipal entity that has jurisdiction with respect to the Project.
- 1.4 “Record Drawings” means the final construction documents that represent the as-built condition of the water and/or sewer mains and related appurtenances.

2. Required Application Items.

Please provide the following with your application:

- 2.1 Applicant name and legal entity type must be accurately stated in the introductory paragraph and on the signature block of the Agreement.
- 2.2 Legal Description, attached as Exhibit A.
- 2.3 Completed Project contact information, attached as Attachment A.
- 2.4 Proof of property ownership or a written authorization from the property owner granting Applicant authority to represent owner. Owner Authorization Form attached as Attachment B, if necessary.
- 2.5 Current Certificate of Good Standing from the Secretary of State’s Office for Applicant.
- 2.6 Main Extension Fee – Not applicable. *This fee has been waived considering the development has been ongoing before this new infrastructure agreement*
- 2.7 Development tap fee form - quantifying the number of Commercial, Industrial, Residential (specify standalone residential from multi-family) and/or Irrigation meters; included in correspondence as “Cherokee Metropolitan District Development Tap Fee Form”.

3. Application.

Subject to all District requirements including, but not limited to, all then current applicable provisions of Colorado Springs Utilities’ Water and/or Wastewater Line Extension and Service Standards (“LESS”), Cherokee Metropolitan District Water and Wastewater Infrastructure Construction Standards, and all other applicable specifications in effect on the date the Construction Plans are approved by the District., Applicant hereby makes application to the

District for permission to construct the Project to serve the real property as more particularly described on Exhibit A, attached hereto and incorporated herein by this reference.

4. Cost of the Project.

This fee has been waived considering the development has been ongoing before this new infrastructure agreement. Main Extension Fee shall pay all costs associated with the design, construction and installation of the Project including, but not limited to engineering, legal, administrative, and Applicable Government Authority costs incurred by the District in connection therewith until Final Acceptance is granted by the District.

5. Approved Plans.

Applicant covenants and agrees that the Project will be constructed in accordance with the Approved Plans and any District approved modifications or additions made thereto. Further, Applicant warrants that the Project will be constructed in a good and workmanlike manner and that, once constructed, the Project will be fit for its intended purpose.

6. Supervision of Work.

The District shall have no responsibility to supervise or direct construction of the Project. Applicant or Applicant's contractor will supervise and direct construction of the Project and will be responsible for the means, methods, techniques, sequences, and procedures of construction.

7. Applicant's Warranty.

- 7.1 Applicant warrants and guarantees to the District that, without exception, the Project will be free from any defects (including but not limited to defects in materials and workmanship) for a period of two (2) years from the date of Initial Acceptance, as defined in Paragraph 13 by the District or until the date the Project is finally accepted by the District, whichever period is longer. No exceptions shall be permitted to this warranty provision. Applicant to contact the District to request Initial Acceptance.
- 7.2 Compliance with all federal, state and local government applicable laws, rules and regulations applicable to the Project.
- 7.3 The Applicant additionally agrees that during the two (2) year warranty period prior to the date of Final Acceptance of the Project by the District, Applicant will promptly perform all work and supply all materials or cause its contractor to perform all work and supply all materials necessary to remove, replace, maintain, and perform video, jetting and cleaning or repair the Project constructed hereunder when said work is required by the District for any reason, notwithstanding that said work does not arise out of any negligent or willful acts or omission of the Applicant or Applicant's contractor. In the event any of the maintenance and/or repair obligations

required under this subparagraph are not performed within twenty (20) days following written notice to Applicant, the District may cause said maintenance and/or repairs to be performed and charge the costs thereof to Applicant. Applicant agrees to pay all District costs for maintenance and repairs for the Project within thirty (30) days after receipt of the District invoice, together with all costs of collection, including reasonable attorneys' fees and interest thereon at the rate of 1.5 percent per month on amounts that are past due.

7.4 Applicant agrees that any work required by the District hereunder, whether performed by Applicant or Applicant's contractor or by the District in the event of the refusal or inability of Applicant and/or Applicant's contractor to perform the work until the Project is finally accepted by the District, shall not impair or void the Applicant's warranty and guarantee under this paragraph or any other obligation or liability of the Applicant imposed by law or contract.

7.5 Applicant further agrees that in emergency situations, the District shall have the right to perform whatever maintenance or repairs the District determines are necessary to protect the public health and safety without giving advance written notice to Applicant. Applicant agrees to pay all cost incurred by the District in performing emergency repairs and maintenance within thirty (30) days after receipt of the District's invoice thereof, together with all costs of collection, fines incurred by the District, including reasonable engineering and attorneys' fees and interest thereon at the rate of 1.5 percent per month on amounts that are past due. The term "emergency" shall mean any situation where, in the District's determination, the public health or safety would be jeopardized or endangered by waiting for Applicant or Applicant's contractor to initiate and perform the needed maintenance and/or repairs.

8. Supervision of Work.

To induce the District to execute this Agreement and to provide additional assurance that Applicant will fully perform all of Applicant's warranty, maintenance and repair obligations contained herein, and as a condition of approval of Applicant's plan for the Project, Applicant agrees to deliver to the District, prior to Initial Acceptance, a fully executed Warranty and Maintenance Bond issued by a surety acceptable to the District in the amount of twenty (20) percent of the Project's construction contract. Until the Project is finally accepted by the District, the performance of any warranty, maintenance or repair work upon the Project by the Applicant, Applicant's contractor or the District shall under no circumstances, release, discharge or modify in any way Applicant's obligations under the Warranty and Maintenance Bond.

In lieu of providing the Warranty and Maintenance Bond described above, Applicant may furnish the District with a written alternative guarantee that is acceptable to the District in its sole discretion. The guarantee shall be executed and delivered to the District prior to Initial Acceptance of the Project by the District.

9. Construction Observation.

The District and its representatives will at all times have access to the construction site and will be permitted to observe the work, materials and any relevant documents or records necessary for the purpose of determining whether the Project is constructed in accordance with the Approved Plans. All observations, tests, and reviews shall be conducted at the sole cost of the Applicant and shall be paid by the Applicant within thirty (30) days of invoice by the District.

It shall be the responsibility of the Applicant, the Applicant's engineer and contractor, to continuously advise the District of the detailed design and construction schedule, status, and progress.

10. Ownership/UCC Locates.

Until Initial Acceptance by the District, the Applicant shall have full and complete responsibility for the Project including the safety conditions at the construction site. The District shall have no obligation pursuant to Section 9-1.5-103, C.R.S., to locate any sewer main or related appurtenance that is a part of the Project. Said locate obligations shall be the sole responsibility of the Applicant.

11. Connection Permits.

No connection permits shall be issued or sold for connection to the Project and no connections shall be made to the Project until Initial Acceptance is issued by the District.

Stub in connection fees may be accepted prior to Initial Acceptance.

12. Conditions for Initial Acceptance.

Each of the following conditions must be satisfied before the District will consider Initial Acceptance of the Project:

- 12.1 Approved Plans. The District, in its sole discretion, is satisfied that the Project has been constructed in accordance with the Approved Plans.
- 12.2 Easements/Title Policy. The District is satisfied that applicable easements have been recorded for the Project and that the Project as constructed is located within said easements or other suitable public right-of-way. Any easement must be insured in the amount of \$10,000 and issued to the District as owner by a title company suitable to the District. Applicant shall remove or obtain subordination of all title impediments objected to the by the District.
- 12.3 Record Drawings. Receipt by the District of signed and stamped, by the Applicant's engineer, Record Drawings ("As-Built") for the Project,

certified compaction and/or material test results and any survey certifications satisfactory to the District's General Manager.

- 12.4 Current Videos. Current videos of the entire system have been reviewed and any defects have been repaired to the satisfaction of the District's General Manager.
- 12.5 Testing. Passing of all water and sanitary sewer main testing. All trace wire shall pass testing.
- 12.6 Bill of Sale - Documents. Applicant to provide a bill of sale listing the cost of the Project being accepted by the District, an engineer's certificate of inventory and cost, or a materials list, including labor and final lien waivers; included in correspondence as "2025-08 Bill of Sale form".
- 12.7 Warranty and Maintenance Bond. Equal to twenty (20) percent of the project cost, as described above.
- 12.8 Contemplated Use. Without in any way being limited by the specificity of the foregoing, the District, in its sole discretion, is satisfied that there are no matters outstanding which would prohibit or unreasonably interfere with the use of the Project for its intended purpose.

13. Initial Acceptance.

Initial acceptance shall be accomplished by the District's President and General Manager affixing their signatures to the last page of this Agreement ("Initial Acceptance"). As of the date of Initial Acceptance, all of the Applicant's right, title and interest in and to the Project, including but not limited to, all mains, appurtenances, and related parts and materials which comprise the Project, shall pass to and be conveyed to the District with no additional transfer proceedings or documents being necessary; provided, however, the Applicant shall remain contractually obligated to perform said contractor's warranty, maintenance and repair obligations for a period of two (2) years from the date of Initial Acceptance or until the Project is finally accepted by the District, whichever period is longer.

14. Contractor Warranties.

Applicant may cause its contractor to warrant and guarantee to District the contractor's work performed on the Project. Any such warranty by Applicant's contractor shall be in addition to and not in lieu of Applicant's warranty and guarantee obligations to District as set forth in this Agreement.

15. Conditions of Final Acceptance.

Applicant is responsible for providing the following documentation and requesting Final Acceptance.

Two (2) years from the date of Initial Acceptance, Applicant shall contact the District review of the Project for Final Acceptance. Each of the following conditions must be satisfied before the District shall finally accept the Project (Final Acceptance):

- 15.1 Current Videos. Current videos of the entire system have been reviewed and any defects have been repaired to the satisfaction of the District.
- 15.2 Full Performance. Applicant has faithfully and fully performed its obligations under this Agreement.
- 15.3 No Damage. Any damage or destruction of the Project has been repaired, and the cost of such repair paid by Applicant.
- 15.4 Compliance with Approved Plans. Any deviation in the construction of the Project from the Approved Plans has been corrected. Without limiting the foregoing, attention shall be paid to assure that all manholes and manhole covers are at finished grade, free and clear of sand, gravel, stones, or other foreign material.
- 15.5 Contemplated Use. Without limiting the foregoing, the District, in its sole discretion, is satisfied that there are no matters which prohibit or unreasonably interfere with the use of the Project for its intended purpose.

16. Final Acceptance.

Final acceptance ("Final Acceptance") shall be accomplished only by the District's President and General Manager affixing their signatures to the last page of this Agreement. As of the date of Final Acceptance, the District accepts the Project for all purposes, including ownership, maintenance and repair, and the Applicant's obligation to pay for same shall cease; provided, however, that Applicant's indemnification obligation as set forth below shall survive Final Acceptance and Applicant is subject to obligations in paragraph 18 below.

17. Surface Appurtenances.

Notwithstanding any other provision contained in the Agreement to the contrary, if the sewer main that are subject to this Agreement is installed in private or public streets and the surface of the street is not paved by the time of Final Acceptance, Applicant shall remain responsible for raising manholes to finished street grade in accordance with specifications of the governing jurisdiction when the street is paved. Applicant shall notify the District when the work to raise the manholes is complete so that the District may review the work. As part of the work, Applicant shall insure that the manholes are clear of debris and are operational. If the Applicant does not raise the manholes as required herein, the District may perform the work at Applicant's sole cost and expense within thirty (30) days after notice to Applicant. Applicant shall make payment to the District within thirty (30) days after issuance of the District's invoice. In the event payment is not timely made, Applicant agrees to pay all costs of collection (including reasonable attorney's fees)

together with interest on the unpaid delinquent amount at the rate of 1.5 percent per month or part thereof.

18. Indemnification.

Applicant shall defend and hold harmless the District, its officers, agents, consultants and employees, from all claims and demands or liability of any kind (including attorneys' fees) arising out of or encountered in connection with the construction of the Project or its operation or maintenance, whether such claim, demand or liability arising from any way by Applicant, its agents or employees, or by Applicant's contractor or subcontractor, their agents or employees activity, or by any product or materials installed on the Project by Applicant, its contractors or subcontractors.

This indemnification shall extend to all claims, demands or liabilities (including reasonable attorney's fees) for injury to persons, property or financial loss occurring before Final Acceptance of the Project and for a period of two (2) years after the date of Final Acceptance of the Project.

19. No Duty No Reliance.

The District, by its review and approval of the plans for the Project, does not assume any duty of care with respect to the Applicant or the Project. It is the Applicant's sole responsibility to prepare, design the plans and select the materials for the Project in accordance with the District's requirements as stated above. It is the Applicant's sole responsibility to construct the Project in accordance with the Approved Plans.

Applicant represents that Applicant will, when available, read through the Approved Plans for the Project, examine the Project site and ascertained all soil, geological, groundwater, environmental and other conditions to be encountered and which might affect the construction, operation and maintenance of the Project. Applicant agrees that it enters into the Project relying on its own investigation and information and not on any statements or representations, if any, that have been made by the District, its officers, agents, consultants, or employees.

If Applicant or Applicant's professional engineers disagree with any part or portion of the Approved Plans for the Project, such disagreement shall be brought to the attention of the District for resolution prior to the construction of the Project. Nothing herein contained shall be construed to place any obligations on the District to modify, deviate or change its standards and specifications as a result of any disagreement or objection lodged by the Applicant.

20. Modification.

This Agreement can be modified only by a written agreement signed by both parties hereto.

21. Interpretation of Agreement.

This Agreement and the Approved Plans are intended to supplement one another. However, in the event of a conflict, the conflict shall be brought to the attention of the District's General Manager, who shall have final authority to resolve any conflicts.

22. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Colorado. Jurisdiction and venue for any dispute between the parties related to or arising out of this Agreement shall be the District Court in and for El Paso County, Colorado.

23. Assignment.

Applicant may not assign this Agreement without the express written consent of the District.

24. Colorado Government Immunity Act

The District is relying upon and does not waive or intend to waive by any provision of this Agreement, the monetary limitations of any rights, immunities, defenses or protections provided by the Colorado Governmental Immunity Act, § 24-10-101 *et seq.*, C.R.S.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the day and year opposite their signatures.

APPLICANT:

By: 

Printed Name: PAUL BROUSSARD

Title: Director

Date: 5/27/2025

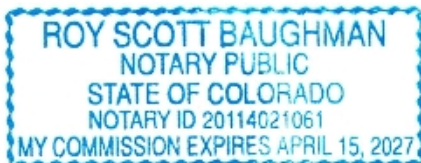
STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing was subscribed, sworn to and acknowledged before me this 27TH day of MAY, 2025, by PAUL BROUSSARD as DIRECTOR of PHI REAL ESTATE SERVICES, LLC

My commission expires:

(SEAL)


Notary Public



APPROVALS BY DISTRICT

CHEROKEE METROPOLITAN DISTRICT

Approval of Application and Agreement: Date: _____
District President

Initial Acceptance of Project: Date: _____
District President

General Manager

Final Acceptance of Project: Date: _____
District President

General Manager

ATTACHMENT A

Project	
Project Street Address:	Ø Fieldside Vw
Applicant	
Applicant Name:	PHI Real Estate Services
Contact Name:	PAUL BROUSSARD
Mailing Address:	200 W. City Center Dr. Ste 200 Pueblo Co 81003
Phone Number:	719-491-1840
Contact Email:	Pbroussard@Premierhomesinc.com
Project Manager	
Project Manager Name:	PAUL BROUSSARD
Contact Name:	PAUL BROUSSARD
Mailing Address:	SAME
Phone Number:	719-491-1840
Contact Email:	Pbroussard@Premierhomesinc.com
Billing Information – Accounts Payable	
Contact Name:	Maureen O'Dorisio
Mailing Address:	200 W City Center Dr. 200 Pueblo Co 81003
Phone Number:	719-584-2800
Contact Email:	modorisio@premierhomesinc.com

ATTACHMENT B

Date: 5/27/2025

Cherokee Metropolitan District
6250 Palmer Park Boulevard
Colorado Springs, CO 80915

Re: Property Owner Authorization for Development Work

To Whom it May Concern:

I am the authorized signer of the fee owner of real property located at 8 Fieldside Vw
tract A, Village Claremont with the legal description of the property attached as Exhibit A to the
Application and Agreement for Extension of Mains. A copy of a current title commitment
verifying the ownership of the real property is attached hereto as Exhibit B. My mailing address
is: 200 W City Center Dr Ste 200 Pueblo CO 81003

I hereby authorize Cherokee Metro District a metropolitan District to
conduct development activity on my property. I specifically authorize the design and construction
related activity for a water and/or sanitary sewer main extension and appurtenances, to be designed
and constructed in accordance with Cherokee Metropolitan District standards and specifications.

PROPERTY OWNER:

By: [Signature]
Name/Title: PAUL BROUSSARD Director

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

The foregoing instrument was acknowledged before me this 27th day of MAY, 2025
by PAUL BROUSSARD, as DIRECTOR, of PHI REAL ESTATE SERVICES
LLC

Witness my hand and official seal.

My commission expires:

[Signature]
Notary Public



Exhibit A to Owner Authorization
Title Commitment

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS that PHI Real Estate Services LLC
a Colorado Corporation ("Developer"), for and in good and valuable consideration,
the receipt whereof is hereby acknowledged by **CHEROKEE METROPOLITAN DISTRICT**,
a quasi-municipal corporation and political subdivision of the State of Colorado ("District") and
subject to the acceptance by the District of the following described property in accordance with
the Application and Agreement for Extension of Mains entered into by and between the parties
and by these presents does grant and convey unto the District, its successors and assigns, the
following:

[Describe Project in terms of Residential units and/or commercial/industrial structural
square footage. Identify development by address or directional reference to nearest road
intersection.]

An 83 unit townhome Project, located in the NE corner
of Marksheffel Rd. and Meadowbrook consisting of water
and sewer mains and extensions.

TO HAVE AND TO HOLD the same unto the District, its successors and assigns forever;
and the Developer covenants and agrees to and with the District its successor and assigns, to
warrant and defend the title of the property in the District, its successors and assigns, against all
and every person or persons making claim to it.

IN WITNESS WHEREOF, the Developer has executed this Bill of Sale effective the 27th
day of May, 20 25.

APPLICANT:

By: 
Name/Title: PAUL BROUSSARD Director

CHEROKEE METROPOLITAN DISTRICT

By: _____
Name/Title: _____

APPROVALS BY DISTRICT

CHEROKEE METROPOLITAN DISTRICT

Approval of Application and Agreement: Date: _____

District President

Initial Acceptance of Project: Date: _____

District President

General Manager

Final Acceptance of Project: Date: _____

District President

General Manager

RESOLUTION 2026-06

CHEROKEE METROPOLITAN DISTRICT

A RESOLUTION OF THE BOARD OF DIRECTORS ADOPTING AN AMENDED AND RESTATED WATER CONSERVATION PLAN AND DROUGHT RESPONSE POLICY

WHEREAS, the Cherokee Metropolitan District (the “District”) was organized pursuant to §§ 32-1-101 *et seq.*, C.R.S. (the “Special District Act”), and is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, the District provides water, sanitary sewer, park and recreation, and street light services to the occupants and property owners within its jurisdiction; and

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the “Board”) is empowered with the management, control, and supervision of all the business and affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the Board is authorized to adopt, amend, and enforce rules and regulations not in conflict with the constitution and laws of Colorado for carrying on the business, objects, and affairs of the Board and the District; and

WHEREAS, the Board finds that adopting an Amended and Restated Water Conservation Plan and Drought Response Policy is necessary for the immediate preservation of public health, safety and welfare of the District’s property owners and occupants, for responsible stewardship, and to ensure future water availability to the District’s customers.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cherokee Metropolitan District, El Paso County, Colorado:

1. Water Conservation Plan and Drought Response Policy. Cherokee Metropolitan District’s Amended and Restated Water Conservation Plan and Drought Response Policy (the “Policy”), attached as Exhibit A hereto, is hereby adopted and effective as of September 1, 2026.

2. Authorization and Enforcement. The Board hereby directs its General Manager to implement and otherwise enforce the Policy.

3. In Force Until Amended or Repealed. The Board expressly reserves the right to amend, revise, and/or repeal the Policy in whole or in part, in order to further the purpose of carrying on the business, objects, and affairs of the District.

4. Repealer. The Policy shall supersede all previous versions of rules, regulations, practices and policies of the District related to inspection of Public Records.

5. Severability. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution or the Policy are hereby repealed to the extent only of such inconsistency or conflict.

6. Effective Date. The provisions of this Resolution shall take effect immediately.

ADOPTED this 18th day of August, 2026.

CHEROKEE METROPOLITAN DISTRICT

By: _____
Dan Wall, President

ATTEST

Jeff Bandy, Secretary

EXHIBIT A

Amended and Restated Water Conservation Plan and Drought Response Policy

RESOLUTION 2026-07

CHEROKEE METROPOLITAN DISTRICT

**A RESOLUTION OF THE BOARD OF DIRECTORS ADOPTING SCHEDULE OF
FINES RELATED TO DROUGHT AND OUTDOOR WATERING RESTRICTIONS**

WHEREAS, the Cherokee Metropolitan District (the “District”) was organized pursuant to §§ 32-1-101 *et seq.*, C.R.S. (the “Special District Act”), as amended, and is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, the District provides water, sanitary sewer, park and recreation and streetlight services to the occupants and property owners within its jurisdiction; and

WHEREAS, C.R.S. § 32-1-1001(1)(j)(i) authorizes and empowers the Board to fix and from time to time increase or decrease fees, rates, tolls, penalties, or charges for service, programs or facilities furnished by the District; and

WHEREAS, due and proper notice was published and posted on the District’s website stating that the Board would be considering action to fix or increase certain fines and stating the date, time and place of the meeting at which the action would be considered, pursuant to C.R.S. §32-1-1001(2)(a); and

WHEREAS, the proposed fines were considered at a duly noticed public meeting held on August 18, 2026, at which time any objections of the electors of the District were considered.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cherokee Metropolitan District, El Paso County, Colorado:

1. Fine Schedule. The Cherokee Metropolitan District’s Schedule of Fines Related to Drought and Outdoor Watering Restrictions (“Fine Schedule”), attached as Exhibit A, is hereby adopted and effective as of September 1, 2026.

2. Authorization and Enforcement. The Board hereby directs its General Manager to implement and otherwise enforce the Fine Schedule.

ADOPTED this 18th day of August, 2026.

CHEROKEE METROPOLITAN DISTRICT

By: _____
Dan Wall, President

ATTEST

Jeff Bandy, Secretary

EXHIBIT A

Water Restrictions Fine Schedule Effective September 1, 2026

Residential watering restrictions single family and separately metered multi-family

Stage	Watering days per week	Demand Reduction Goal*	Enforcement	1 st Offence (Residential)	2 nd Offence (Residential)
0 (Baseline)	3	0%	Reports	Written warning	\$100
1	3	5%	Reports	Written warning	\$300
2a	2	15%	Patrols	Written warning	\$300
2b	1	30%	Patrols	Written warning	\$500
3	0	45%	Patrols	Written warning	\$1,000
4	0	50%	Patrols	Written warning	\$1,000

Commercial, irrigation, single-meter multi-family, and other account types

Stage	Watering days per week	Demand Reduction Goal*	Enforcement	1 st Offence (Commercial)	2 nd Offence (Commercial)
0 (Baseline)	3	0%	Reports	Written warning	\$500
1	3	5%	Patrols	Written warning	\$500
2a	2	15%	Patrols	Written warning	\$1,000
2b	1	30%	Patrols	Written warning	\$1,000
3	0	45%	Patrols	Written warning	\$2,000
4	0	50%	Patrols	Written warning	\$2,000

*Demand reduction goal is based on 50% of water being used for irrigation and reductions in this amount corresponding to the number of days restricted. Realistically reductions may be lower than this goal if customers water on fewer days and if water saving messaging is successful.

Fines may be assessed once per month of violation following the first written warning. Fines are assessed on the monthly bill and if unpaid will result in disconnection pursuant to Cherokee's payment and disconnection policy. Commercial, irrigation, single-meter multi-family and other high usage account types have higher fines due to higher average water use and higher bills. The intensity of water use patrols will scale based on the watering restriction stage with earlier stages focusing on high users and irrigation only accounts and more restrictive stages contemplating randomized after hours patrols of the whole service area.



CHEROKEE METROPOLITAN DISTRICT

Financial Statements

July 2026

UNAUDITED

CASH POSITION

**A new, more comprehensive schedule will be presented
at the 8/18 meeting**

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 seven months ended July 31, 2026

UNAUDITED

	2026 Budget	Year to Date	Percent of Budget (YTD 58%)
REVENUE			
Fees	\$ 149,200	\$ 86,047	58%
Total Revenue	\$ 149,200	\$ 86,047	58%
EXPENDITURES			
Lighting-Streets	\$ 164,800	\$ 80,015	49%
Total Expenditures	\$ 164,800	\$ 80,015	49%
EXCESS REVENUE OVER (UNDER)			
EXPENDITURES	\$ (15,600)	\$ 6,032	
FUND BALANCE - BEGINNING OF YEAR-Estimated	\$ 175,543	\$ 162,588	
FUND BALANCE - End of Reporting Period-Estimated	\$ 159,943	\$ 168,620	

CHEROKEE METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL PARKS FUND - SUMMARY For the seven months ended July 31, 2026 UNAUDITED

	2026 Budget	Year to Date	Percent of Budget (YTD 58%)
REVENUE			
Fees	\$ 228,000	\$ 139,736	61%
Conservation Trust funds	150,000	74,784	50%
Interest/Miscellaneous income	15,200	2,477	16%
Total Revenue	<u>\$ 393,200</u>	<u>\$ 216,996</u>	<u>55%</u>
EXPENDITURES			
Parks, Landscape and Open Space	\$ 372,180	\$ 215,021	58%
Capital Outlay	130,000	132,011	102%
Total Expenditures	<u>\$ 502,180</u>	<u>\$ 347,032</u>	<u>69%</u>
EXCESS REVENUE OVER (UNDER)			
EXPENDITURES	<u>(108,980)</u>	<u>\$ (130,035)</u>	
FUND BALANCE - BEGINNING OF YEAR-Estimated	<u>\$ 378,017</u>	<u>\$ 423,659</u>	
FUND BALANCE - End of Reporting Period-Estimated	<u><u>\$ 269,037</u></u>	<u><u>\$ 293,624</u></u>	

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 seven months ended July 31, 2026

UNAUDITED

	2026 Budget	Year to Date	Percent of Budget (YTD 58%)
REVENUE			
Sale of Water Services	\$ 8,641,500	\$ 5,844,088	68%
Sale of Wastewater Services	6,420,000	3,738,699	58%
Other Operating Revenue	1,907,740	1,417,181	74%
Capital Revenue (inc. Water/Wastewater Tap Fees)	4,616,000	1,680,296	36%
Interest Income	1,250,000	1,002,270	80%
Miscellaneous Income	185,000	427,778	231%
Total Revenue	<u>\$ 23,020,240</u>	<u>\$ 14,110,312</u>	<u>61%</u>
EXPENDITURES			
Water System			
Purchased Water	\$ 25,000	\$ -	0%
Pumping	930,100	469,081	50%
Treatment	219,000	130,369	60%
Transmission and Distribution	592,500	306,213	52%
Employee Benefits and Training	1,566,200	950,753	61%
Total Water System	<u>\$ 3,332,800</u>	<u>\$ 1,856,416</u>	<u>56%</u>
Wastewater System			
Treatment	\$ 1,514,900	\$ 919,885	61%
Collections	575,000	249,558	43%
Employee Benefits and Training	1,811,000	962,670	53%
Total Wastewater system	<u>\$ 3,900,900</u>	<u>\$ 2,132,114</u>	<u>55%</u>
Support Services			
Engineering	\$ 20,000	\$ 17,466	87%
Safety and Technical Services	247,000	124,880	51%
Employee Benefits and Training	1,128,900	568,416	50%
Total Support Services	<u>\$ 1,395,900</u>	<u>\$ 710,762</u>	<u>51%</u>
Other			
General and Professional	\$ 2,106,470	\$ 1,143,164	54%
Capital Expenditures	22,091,400	4,870,870	22%
Debt Principal Payments	1,804,000	1,778,069	99%
Interest and Bond Fees	1,292,000	1,874,846	145%
Total Other	<u>\$ 27,293,870</u>	<u>\$ 9,666,949</u>	<u>35%</u>
Total Expenditures	<u>\$ 35,923,470</u>	<u>\$ 14,366,241</u>	<u>40%</u>
EXCESS OF REVENUE OVER (UNDER)			
EXPENDITURES	<u>\$ (12,903,230)</u>	<u>(255,929)</u>	
FUND BALANCE - BEGINNING OF YEAR-Estimated	<u>\$ 46,387,764</u>	<u>\$ 41,638,554</u>	
FUND BALANCE - End of Reporting Period-Estimated	<u>\$ 33,484,534</u>	<u>\$ 41,382,625</u>	

CHEROKEE METROPOLITAN DISTRICT

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

GOLF COURSE FUND - SUMMARY

For the seven months ended July 31, 2026

UNAUDITED

	2026 Budget	Year to Date	Percent of Budget (YTD 58%)
REVENUE			
Operating Revenue	\$ 1,466,000	\$ 1,063,819	73%
Resale	405,000	296,113	73%
Other	34,200	27,941	82%
Total Revenue	<u>\$ 1,905,200</u>	<u>\$ 1,387,873</u>	<u>73%</u>
EXPENDITURES			
Pro Shop/Grill	\$ 44,000	\$ 32,875	75%
Employee Benefits and Training-Pro Shop/Grill	404,500	251,264	62%
Course Maintenance	219,000	107,204	49%
Employee Benefits and Training-Maintenance	339,950	190,036	56%
Resale Expense	271,000	276,968	102%
General and Administrative	303,137	181,994	60%
Capital Expenditures	63,000	6,324	10%
Total Expenditures	<u>\$ 1,644,587</u>	<u>\$ 1,046,665</u>	<u>64%</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>\$ 260,613</u>	<u>\$ 341,208</u>	
FUND BALANCE - BEGINNING OF YEAR-Estimated	<u>\$ 2,051,502</u>	<u>\$ 1,936,524</u>	
FUND BALANCE - End of Reporting Period-Estimated	<u><u>\$ 2,312,115</u></u>	<u><u>\$ 2,277,732</u></u>	

CAPITAL SCHEDULE - ALL FUNDS

CHEROKEE METROPOLITAN DISTRICT

2026 CAPITAL SCHEDULE - ALL FUNDS

FUND/DEPARTMENT	2026 Budget	Previous Months' Costs	July Costs	2026 Costs to Date	Over/(Under) Budget
<u>PARKS FUND:</u>					
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
<u>GOLF COURSE FUND:</u>					
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)
<u>WATER/WASTEWATER FUND</u>					
<u>WATER DIVISION:</u>					
Tamlin Tank 5 Site Development	\$ 6,000,000	\$ 332,922	\$ 3,799.00	\$ 336,721	\$ (5,663,279)
Possible Land Acquisition	\$ 2,750,000	\$ 316,122	\$ -	\$ 316,122	\$ (2,433,878)
Replacement Plan	\$ 2,400,000	\$ 5,907	\$ -	\$ 5,907	\$ (2,394,094)
PFAs Treatment Facility Design	\$ 2,200,000	\$ 355,305	\$ 174,483.19	\$ 529,788	\$ (1,670,212)
Poleson Well Final Closing	\$ 1,000,000	\$ 764,385	\$ -	\$ 764,385	\$ (235,615)
Ellicott 30" Land Acquisition/Peterson Casing	\$ 952,000	\$ 130,255	\$ 22,137.68	\$ 152,393	\$ (799,607)
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	\$ 136,740	\$ -	\$ 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	\$ 66,247	\$ 10,240.00	\$ 76,487	\$ (43,513)
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)	\$ -	\$ 90,153	\$ 1,160.00	\$ 91,313	\$ 91,313
El Paso County Permits & Fees	\$ -	\$ 74,977	\$ 7,012.00	\$ 81,989	\$ 81,989
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	\$ 3,133,829	\$ 218,831.87	\$ 3,352,660	\$ (14,133,740)
<u>WASTEWATER RECLAMATION FACILITY (WRF):</u>					
Bioreactor Covers	\$ 3,500,000	\$ 1,123,971	\$ 157,224.65	\$ 1,281,196	\$ (2,218,804)
Additional RIBS Trenches	\$ 400,000	\$ 63,552	\$ -	\$ 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	\$ 1,238,509	\$ 157,224.65	\$ 1,395,733	\$ (2,899,267)
<u>COLLECTIONS:</u>					
Terminal Lift Station Alternatives Analysis	\$ 100,000	\$ 6,200	\$ 21,315.00	\$ 27,515	\$ (72,485)
LS1 Headworks Gate Valves & Actuators	\$ 60,000	\$ 66,795	\$ -	\$ 66,795	\$ 6,795
Total - COLLECTIONS	\$ 160,000	\$ 72,995	\$ 21,315.00	\$ 94,310	\$ (65,690)
<u>ADMIN/FINANCE</u>					
Accounting Software Setup	\$ 90,000	\$ -	\$ -	\$ -	\$ (90,000)
Board Room Renovation	\$ 30,000	\$ -	\$ -	\$ -	\$ (30,000)
Engineering/Office Pool Vehicle	\$ 30,000	\$ -	\$ 28,165.00	\$ 28,165	\$ (1,835)
Total - ADMIN/FINANCE	\$ 150,000	\$ -	\$ 28,165.00	\$ 28,165	\$ (121,835)
Total - WATER/WASTEWATER FUND	\$ 22,091,400	\$ 4,445,332	\$ 425,536.52	\$ 4,870,869	\$ (17,220,531)
TOTAL DISTRICT CAPITAL - ALL FUNDS	\$ 22,279,400	\$ 4,583,667	\$ 425,536.52	\$ 5,009,204	\$ (17,270,196)

LONG-TERM OBLIGATIONS SCHEDULE

CHEROKEE METROPOLITAN DISTRICT

LONG-TERM OBLIGATIONS SCHEDULE

	Principal Balance at January 1, 2026	Additions	Deductions	Principal Balance at July 31, 2026	Remaining Principal Amounts Due 2026
Business-Type Activities:					
2006 CWRPDA Note	\$ 1,917,626	\$ -	\$ 901,888	\$ 1,015,738	\$ -
2012 CWRPDA Note	1,126,319	-	131,181	995,138	-
Total CWRPDA Notes	<u>\$ 3,043,945</u>	<u>\$ -</u>	<u>\$ 1,033,069</u>	<u>\$ 2,010,876</u>	<u>\$ -</u>
2020 Revenue Bonds	\$ 38,755,000	\$ -	\$ -	\$ 38,755,000	\$ -
2021A Revenue Bonds	6,070,000	-	315,000	5,755,000	-
2021B Revenue Bonds	6,410,000	-	430,000	5,980,000	-
Total Revenue Bonds	<u>\$ 51,235,000</u>	<u>\$ -</u>	<u>\$ 745,000</u>	<u>\$ 50,490,000</u>	<u>\$ -</u>
Total - Business-type activities long-term liabilities	<u><u>\$ 54,278,945</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,778,069</u></u>	<u><u>\$ 52,500,876</u></u>	<u><u>\$ -</u></u>

August 10, 2026

Board of Directors
Cherokee Metropolitan District

Re: 2027 Budget Process – Cherokee Metropolitan District

Dear Directors:

In accordance with local government budget law, each special district is required to adopt an annual budget. A schedule of the statutory deadlines for the budget adoption process is attached for your reference.

According to state statute, a draft budget must be submitted to the Board for review by the District's designated Budget Officer no later than October 15th. **The statutory public hearing on the proposed budget is scheduled to be held during the Board meeting on December 15, 2026**, after which the Board may adopt the budget, as presented or amended, or continue the budget hearing and adopt the budget at a subsequent Board meeting held before December 31st.

Our office will draft and publish the Notice of Public Hearings on the Proposed 2027 Budget and Amendment of the 2026 Budget (if necessary); prepare the 2027 Budget Resolution; and prepare the Resolution Amending 2026 Budget (if necessary).

Julie Wells will draft and finalize the 2027 Budget; and amend the 2026 Budget (if necessary). Our office will file the adopted 2027 Budget (and Amended 2026 Budget, if necessary) with the Department of Local Affairs.

Please contact our office with any questions you may have.

Sincerely,

FRITSCHÉ LAW LLC



Joan M. Fritsche

Cc: Kevin Brown, CMD General Manager
Julie Wells, CMD Accountant

BUDGET CALENDAR

- August 25** Deadline for County Assessor to certify the District's preliminary assessed valuation. (§39-5-128(1), C.R.S.)
- October 15** Deadline for Budget Officer to submit proposed budget to the Board of Directors. (§29-1-105, C.R.S.) All revenues and expenditures in the proposed budget must be contrasted with the corresponding figures for the last completed fiscal year and the current fiscal year. The budget must show estimated beginning and ending fund balances, and three columns of figures: the audited figures for the previous year, the year-end estimated figures for the current year and figures for the year for which the budget will be adopted. The budget must also include a written message that describes the important aspects of the budget, the budgetary basis of accounting, and a description of the services to be provided. (§29-1-103(1), C.R.S.)
- Publish Notice** If the proposed budget is more than \$50,000, notice of the budget hearing must be published. If the proposed budget is less than \$50,000, the notice may be posted in three public places within the boundaries of the District in lieu of publication. (§29-1-106, C.R.S.)
- December 10** Deadline for County Assessor to certify the District's final assessed valuation. (§39-1-111(5), C.R.S.)
- December 15** Deadline for District to certify mill levy to the Board of County Commissioners (§39-5-128(1), C.R.S.). Mill Levy Public Information Form filed concurrently (§39-1-125, C.R.S.). Local governments levying a property tax must adopt their budgets and make appropriations before certifying the mill levy. (§29-1-108(2), C.R.S.).
- December 22** Deadline for Board of County Commissioners to levy taxes and to certify the levies to the Assessor. (§39-1-111(1), C.R.S.)
- December 31** Local governments not levying a property tax must adopt budgets by this date and enact an appropriation resolution for the ensuing fiscal year. (§29-1-108(4), C.R.S.)
- January 31** A certified copy of the adopted budget must be filed with the Division of Local Government. A copy of the Resolution to Adopt Budget, Appropriate Funds and Certify Mill Levy must accompany the budget. If the budget is not filed, tax revenues will be withheld by County Treasurer at the Division's authorization. (§29-1-113, C.R.S.)

CONTRACT TO BUY AND SELL REAL ESTATE

THIS CONTRACT is made this ____ day of _____, 2026 (“**Effective Date**”), by and between **Cimarron Hills Fire Protection District**, a political subdivision and quasi-municipal corporation of the State of Colorado, whose address is 1835 Tuskegee Place, Colorado Springs, Colorado 80915 (“**Seller**”), and **Cherokee Metropolitan District**, a political subdivision and quasi-municipal corporation of the State of Colorado, whose address is 6250 Palmer Park Boulevard, Colorado Springs, Colorado 80915 (“**Buyer**”).

1. **Property.** Subject to the terms and conditions hereinafter set forth, Buyer agrees to purchase and Seller agrees to sell the real and personal property (collectively the “**Property**”) as described in Exhibit A attached hereto and incorporated herein by this reference, together with (i) all interests, rights, benefits, easements, rights-of-way and vacated roads, streets, and alleys, adjacent or appurtenant to the Property, if any; (ii) all buildings, fixtures and improvements on the Property (the “**Improvements**”), if any; (iii) all of Seller’s right, title and interest in and to all utility taps and deposits, licenses, permits, contract rights, warranties and guarantees, and all variations thereof, and all other intangible personal property associated with or related to the Property or the Improvements, if any; (iv) the Seller’s interest in and to all leases of or pertaining to the Property and the Improvements, if any; and (v) all furnishings, furniture, equipment, machinery, supplies, and other tangible personal property owned by Seller and associated with, related to, located upon, or used on the Property (the “**Equipment**”), if any. The Improvements and Equipment, if any, to remain on the Property, are listed on Exhibit B, attached hereto and incorporated herein by this reference.

2. **Purchase Price; Earnest Money.** The purchase price for the Property shall be One Million Eight Hundred Thousand Dollars (\$1,800,000) (“**Purchase Price**”). The Purchase Price shall be paid to Seller by Buyer as follows:

- a. **Earnest Money.** Within seven (7) days after the full execution of this Contract, Ninety Thousand Dollars (\$90,000) (the “**Earnest Money**”), shall be paid to and held by Land Title Guarantee Company until Closing; and
- b. **Cash Payment.** The sum of One Million Seven Hundred Ten Thousand Dollars (\$1,710,000), plus Buyer’s share of closing costs (as designated in Paragraph 9 below), shall be paid at Closing by wire transfer.

3. **Title Evidence.** At Seller’s expense, a current commitment for an owner’s title insurance policy issued by a title insurance company licensed in the State of Colorado and acceptable to both Buyer and Seller (“**Title Company**”) in an amount equal to the Purchase Price, and certificate of taxes due issued by the Treasurer of El Paso County showing the current status of all taxes and assessments due or accruing, together with legible copies of all recorded title exceptions referred to in the commitment, shall be delivered by Seller to Buyer on or before ten (10) days following the Effective Date of this Contract. Seller will deliver the title insurance policy to Buyer after Closing. Seller shall pay the premium thereon. Such policy shall commit to delete or insure over the standard exceptions which relate to:

- a. parties in possession;
- b. unrecorded easements;
- c. survey matters, except for matters approved by Buyer;
- d. any unrecorded mechanic's liens;
- e. gap (effective date of commitment to date deed is recorded); and
- f. unpaid taxes and assessments and unredeemed tax sales prior to the date of closing.

4. **Inspection.** The Buyer shall have sixty (60) days from the Effective Date of this Contract to complete its due diligence investigation of the Property and investigate the title thereof (the "**Inspection Period**").

- a. During the Inspection Period, the Buyer and its agents, consultants and representatives shall have the right to enter the Property to conduct inspections and analyses, including but not limited to building inspection, survey, geophysical testing, and environmental sampling related purposes. Buyer shall conduct such inspections, tests and studies in such a manner as to minimize damage to the Property. In the event Buyer does not purchase the Property, Buyer agrees to close all soil borings and other sampling points, if any, and to repair any damage caused by such inspections, tests or studies. Buyer shall also promptly return all inspection materials to Seller if Buyer does not purchase the Property.

The building inspection shall be conducted by an independent, licensed contractor who will perform an on-site visual walkthrough of the building, including roof and attic, and will document observations and photographs covering:

- Roof condition, membrane/covering, and visible drainage issues
- Electrical systems — panel condition, breaker configuration, grounding, and general code compliance of visible wiring
- Plumbing systems visible supply and drain lines
- Mechanical / HVAC systems — age and apparent condition
- Foundation, exterior walls, and structural elements visible without destructive testing
- Fire alarm and life-safety communication systems

- b. Prior to such time as Buyer or any of Buyer's representatives enter the Property, Buyer shall obtain (or cause its representatives to obtain) policies of general liability insurance which insure Buyer (and their representatives as applicable) with liability insurance limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, for personal injury and property damage, and name Seller as an additional insured thereunder, and provide Seller with certificates of insurance evidencing the aforementioned policies of insurance Buyer shall remain solely liable for any and all costs and damages resulting from any acts or omissions of the Buyer and its consultants or contractors in their performance of due diligence

activity on the Property. The Buyer is relying on, and does not waive or intend to waive by any provision of this Contract, the monetary limitations or any other rights, immunities, defenses and protections provided by the Colorado Governmental Immunity Act § 24-10-101 *et seq.*, C.R.S. (“CGIA”), or otherwise available to Buyer or its officers or employees, but not available to Buyer consultants or contractors.

- c. During the Inspection Period, should the results of any inspections and/or analyses conducted by independent third party consultants disclose any Material Deficiency (defined below) related to the Property or structures thereon, Buyer shall give written notice of the Material Deficiency to Seller within three (3) days following the date of notification to Buyer of the Material Deficiency. Upon receipt of notice of a Material Deficiency from Buyer, Seller may, by written notice to Buyer within seven (7) days, elect to (a) correct such Material Deficiency, (b) not to correct such Material Deficiency, or (c) negotiate a mutually agreeable reduction in Purchase Price, as an amendment to this Contract. Unless Seller elects to correct such Material Deficiency or the Parties agree to a reduction in Purchase Price, Buyer may, (a) by written notice to Seller during the Inspection Period elect to waive such Material Deficiency and proceed to close; or (b) terminate this Contract within the Inspection Period. In the event that Buyer fails to give written notice of Material Deficiency or termination within the time stated herein, Buyer shall be deemed to have accepted and approved the status of the Property. If Seller elects to correct a Material Deficiency, upon written notice of such election to the Buyer, the Inspection Period may be extended by Seller for a reasonable period of time not to exceed thirty (30) days, unless Buyer agrees to an extension of time to correct a Material Deficiency. If, after making such election, the Seller is unable to correct such Material Deficiency within such thirty (30) day period or agreed upon extension, Buyer shall have the options stated in (a) and (b) above. If Buyer gives notice of termination pursuant to this Paragraph 4, this Contract shall be null and void, and both parties shall be released from all further obligations hereunder. A **“Material Deficiency”** is defined as a finding of environmental contamination or material deficiency related to the building identified by the independent commercial building inspector.
- d. During the Inspection Period, Buyer shall examine the title insurance commitment, the documents furnished therewith and the certificate of taxes due (collectively the **“title evidence”**) and if title to the Property is not marketable, or if Buyer, in its reasonable discretion, is not satisfied with the matters disclosed by the title evidence, Buyer may, at its option, give written notice of the defect or defects to Seller within ten (10) days following the date of receipt by Buyer of the document disclosing the matter objected to (including, but not limited to any update of the title insurance commitment). Upon receipt of notice of defects from Buyer, Seller may, by written notice to Buyer within seven (7) days, elect to cure such defects or not to cure them. Unless Seller elects to cure such defects, Buyer may, (a) by written notice to Seller during the Inspection Period elect to waive such defects and proceed to close; or (b) terminate this Contract within the Inspection Period. In the

event that Buyer fails to give written notice of defects or termination within the time stated herein, Buyer shall be deemed to have accepted and approved the status of the title as disclosed by the title evidence. If Seller elects to cure title defects, upon written notice of such election to the Buyer, the Inspection Period may be extended by Seller for a reasonable period of time not to exceed thirty (30) days, unless Buyer agrees to an extension of time to cure title defects. If, after making such election, the Seller is unable to cure within such thirty (30) day period or agreed upon extension, Buyer shall have the options stated in (a) and (b) above. If Buyer gives notice of termination pursuant to this Paragraph 4, this Contract shall be null and void, and both parties shall be released from all further obligations hereunder.

5. Seller shall not make any physical alteration to, or transfer, convey or otherwise encumber any interest in the Property at any time from the Effective Date to Closing. Seller is selling the property “as is” and undertakes no obligation to perform any additional work, repairs, maintenance, testing, study, or other obligation not agreed to in this Contract.

6. **Termination.** If on or before the expiration of the Inspection Period, pursuant to Paragraph 4, above, the Buyer gives Seller written notice terminating this Contract, the Earnest Money shall be returned to the Buyer and both Parties shall be relieved from any further liability hereunder. If the Buyer does not terminate this Contract under the conditions outlined in Paragraph 4 on or before the expiration of the Inspection Period, then this Contract shall remain in full force and effect in accordance with its terms.

7. **Conveyance.** Title to the Property shall be merchantable in the Seller. Subject to the payment as above provided and compliance with the other terms and conditions hereunder by Buyer, Seller shall convey the Property to Buyer by a good and sufficient Special Warranty Deed and Bill of Sale. All conveyances shall be free and clear of (a) all taxes and assessments including general property taxes, if any, as of the date of Closing; (b) the lien of all special improvements now installed, whether assessed or not; and (c) all other liens, encumbrances, leases, easements, rights-of-way, reservations and restrictions except building and zoning codes and regulations. The funds to be paid by Buyer to Seller at the Closing may be used by Seller to discharge any liens encumbering the Property.

8. **Closing.** The closing of this transaction shall be conducted by Land Title at a time that is mutually agreeable to the Parties, tentatively set for Thursday, November 5, 2026 (the “**Closing**”), however no later than November 30, 2026.

9. **Closing Costs, Documents and Services.** Buyer and Seller shall pay their respective closing costs and all other items required to be paid at Closing except as otherwise provided herein. Buyer and Seller shall sign and complete all customary or required documents at or before Closing. Fees for real estate closing services shall be paid at Closing equally by Buyer and Seller.

10. **Prorations.** General taxes for the year of closing (based on the taxes for the calendar year immediately preceding closing), and pursuant to Sections 39-3-131 and 39-3-133, C.R.S., shall be paid by Seller to the El Paso County Treasurer, if any. Buyer and Seller are both

a quasi-municipal corporation and political subdivision of the State of Colorado organized pursuant to Article 1, Title 32, C.R.S. and, therefore, are exempt from taxes. All rents, water and sewer charges, and any similar items which are customarily prorated in El Paso County, Colorado shall be prorated to the date of Closing, and paid by Seller. Said prorations shall be a final settlement.

11. **Possession; Entry Prior to Closing.**

- a. **Time of Possession.** Possession of the Property shall be delivered to Buyer at the Closing.
- b. **Entry Prior to Closing.** Prior to the Closing, Buyer, its agents, employees and contractees shall be authorized to enter upon the premises in order to inspect and survey the Property, provided, however, that Buyer shall at all times comply with applicable law; shall save and protect Seller harmless from any and all liability on account of the actions of Buyer, its agents or employees, upon the premises; shall cause no harm or damage to the Property; and shall not allow any liens to be filed against the Property as a result of such activities by Buyer, its agents or employees.

12. **Seller's Representations.** In addition to its representations and warranties elsewhere in this Contract, Seller represents and warrants to Buyer that as of the date of its execution of this Contract and on the date of Closing, all the following statements are and will be true.

- a. **Defects.** There is no known condition to Seller with respect to the Property or its operation, or any part thereof, which violates any law, rule, regulation, covenant, restriction, code, order, decree or ruling of El Paso County, Colorado, the United States, or any agency or court.
- b. **Authority.** Seller is the sole owner of the Property, is duly authorized and empowered to execute and deliver this Contract and the execution and delivery thereof will not cause or constitute any breach of or default under any law, contract or other agreement.

13. **Default.** Time is of the essence hereof. If any payment or other condition hereof is not made, tendered or performed by Buyer as herein provided, or if Buyer shall fail to close within the time stated in Paragraph 8 above, then this Contract, at the election of the Seller, and provided Seller shall not then be in default hereunder or unable to convey merchantable title to Buyer, shall be null, void and of no effect, both Buyer and Seller shall thereupon be released from all obligations hereunder, and the Earnest Money deposit, if any, shall be retained by the Seller as Seller's sole remedy hereunder and as liquidated damages for Buyer's default or failure to close. In such event, neither party shall have any further or other obligations hereunder to the other; provided, however, that Buyer shall deliver to Seller, without additional cost, all contracts, documents, agreements, encumbrances, site plans, studies, surveys, test results, permits, licenses, easements, reports and data pertaining to or affecting the Property which are in Buyer's possession or under Buyer's control. If Seller is unable to convey merchantable title or otherwise defaults hereunder, or fails or neglects to perform its obligations or covenants as set forth in this Contract, then Buyer may elect to treat this Contract as null and void and of no

effect, whereupon the Earnest Money deposit, if any, shall be returned by Seller to Buyer and both Buyer and Seller shall thereupon be released from all obligations hereunder; or Buyer may elect to treat this Contract as being in full force and effect, in which event Buyer shall have the right to an action against Seller for specific performance and damages.

14. **No Broker's Commissions.** Buyer represents and warrants to Seller that no broker or finder has represented or acted on behalf of the Buyer in connection with the transaction contemplated by this Contract.

15. **Applicable Law.** This Contract is made and shall be construed and interpreted in accordance with the law of the State of Colorado. Jurisdiction and venue for any action shall be the El Paso County District Court.

16. **Assignment.** This Contract shall not be assignable by either party without the other party's prior written consent. Except as so restricted, this Contract shall inure to the benefit of and be binding upon the successors and assigns of the parties.

17. **Attorneys' Fees.** If either party commences an action to enforce or interpret any portion of this Contract, the prevailing party in such action shall be paid by the other party the prevailing party's costs and reasonable attorneys' fees, to be awarded by the court.

18. **Notices.** Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed sufficient when hand delivered, sent via overnight national courier service or upon delivery if sent pre-paid, first-class United States Mail to the Party at the address set forth on the first page of this Contract.

19. **Complete Contract.** This Contract expresses the entire contract of Seller and Buyer. There are no other understandings, oral or written, which in any manner alter or enlarge its terms. This Contract supersedes any and all agreements between the parties hereto regarding the Property which are prior in time to this Contract. Seller and Buyer agree to execute such additional documents as may be reasonable and necessary to carry out the provisions of this Contract.

20. **Survival.** All representations, warranties, indemnities, and covenants made herein shall survive the termination of this Contract prior to Closing or, alternatively, the Closing of this Contract and the conveyance of title hereunder, as the case may be, and shall remain enforceable after either of such events.

21. **Counterparts, Electronic Signatures and Electronic Records.** This Contract may be executed in two counterparts, each of which shall be an original, but all of which, together, shall constitute one and the same instrument. The parties consent to the use of electronic signatures and agree that the transaction may be conducted electronically pursuant to the Uniform Electronic Transactions Act, § 24-71.3-101, *et seq.*, C.R.S. The Contract and any other documents requiring a signature may be signed electronically by either party. The parties agree not to deny the legal effect or enforceability of the Contract, solely because it is in electronic form or because an electronic record was used in its formation. The parties agree not to object to the admissibility of the Contract in the form of an electronic record, a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature on the

grounds that it is an electronic record or an electronic signature or that it is not in its original form or is not an original.

[Signature pages to follow]

SELLER:
CIMARRON HILLS FIRE PROTECTION
DISTRICT, a quasi-municipal corporation of the
State of Colorado

By: _____

Name: _____

Title: _____

STATE OF COLORADO

)

) ss.

COUNTY OF _____

)

The foregoing instrument was acknowledged before me this ____ day of
_____, 2026, by _____ as _____ of
_____.

My commission expires: _____

Notary Public

EXHIBIT A

Legal Description of the Property

Lots 1, 2 and 3
Water Tower Subdivision
El Paso County, Colorado
recorded at Reception No. 97117562 on October 6, 1997

also known as: 1835, 1845 and 1855 Tuskegee Pl, Colorado Springs, Colorado

Exhibit B

List of Equipment and Fixtures

MASTER AGREEMENT FOR SERVICES

THIS MASTER AGREEMENT (“**Agreement**”) is made and entered into this ____ day of _____, _____ (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 Carollo Engineers, Inc., a Delaware Corporation, with a principal place of business at 2795 Mitchell Dr, Walnut Creek, California 94598-1601 (“**Contractor**”) (individually a “**Party**” and collectively the “**Parties**”).

WHEREAS, the District requires preparation of a water and wastewater cost of service and rate study 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 as agreed upon by both Parties 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 satisfactory performance of the Contractor's obligations under this Agreement. Such payment shall be the Contractor's sole right and remedy for such termination. If, however, Contractor has materially breached this Agreement, the District shall have any remedy or right of set-off available at law and in equity.

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 for any reason other than for cause prior to completion of the work, any use of the documents by the District thereafter shall be at the District's sole risk, unless otherwise consented to by Contractor.

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 possible so as to keep its total charges to the District for services under this Agreement to the minimum. 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 in accordance with generally accepted professional practices and the level of competency presently maintained by other practicing professional firms in the same or similar type of work in the applicable community. 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 generally accepted practices and the level of competency presently maintained by such other persons practicing in the same or similar type of work in the applicable community.

E. The Contractor represents, covenants, and agrees that its work will be accurate and consistent with the standard of care delineated herein. 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. In providing opinions of cost, financial analyses, economic feasibility projections, schedules, and quantity and/or quality estimates for potential projects, Contractor has no control over cost or price of labor and material; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and

market conditions; time or quality of performance of third parties; quality, type, management, or direction of operating personnel; the incoming water quality and/or quantity; the way District's plant(s) and/or associated processes are operated and/or maintained; and other economic and operational factors that may materially affect the ultimate project elements, including, but not limited to, cost or schedule. Therefore, Contractor makes no warranty that District's actual project costs, financial aspects, economic feasibility, schedules, and/or quantities or quality realized will not vary from Contractor's opinions, analyses, projections, or estimates.

H. 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.

I. 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.

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, warrants, 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, employees, and contractors 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.

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, defend, and hold harmless the District and its officers, employees, and agents from and against any and all claims, liability, damages, losses, expenses and demands, including attorneys' fees, arising out of or in any manner connected with Contractor's performance under this Agreement if such injury, loss, or damage is caused in whole or in part by, the negligent act, omission, or error of Contractor, any subcontractor of Contractor, or any officer, employee, representative, or agent of Contractor, or which arise out of a Workers' Compensation claim of any employee of Contractor or of any employee of any subcontractor 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).

The Contractor shall not be responsible for warranties, guarantees, fitness for a particular purpose, breach of fiduciary duty, loss of anticipated profits or for economic, incidental, liquidated, or consequential damages to the District or any third party arising out of breach of contract, delay, termination, or for any other reason whatsoever. Additionally, Contractor shall not be responsible for acts and decisions of third parties, including governmental agencies, other than Contractor's subconsultants, that impact project completion and/or success.

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. The services to be performed by Contractor are intended solely for the benefit of the District. There are no intended third-party beneficiaries to this Agreement and/or entitlements to rely on the Contractor's performance of its services hereunder. 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 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.*

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:

CAROLLO ENGINEERS, INC., a Delaware Corporation

By: _____
Name: _____
Title: _____

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was subscribed, sworn to and acknowledged before me this ____ day of _____, _____, by _____ as _____ of Carollo Engineers, Inc.

My commission expires: _____

(S E A L) _____
Notary Public

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.

Moltz Construction, Inc.



PROPOSED CHANGE ORDER	002	ROUTING	DATE SENT	DATE RECEIVED
OWNER: Cherokee Metro District		Contractor/ Owner	July 28, 2026	
PROJECT: Bioreactor Covers Design Build Project		Engineer/ Owner		
CONTRACTOR / SUBCONTRACTOR: Moltz Construction		REQUESTED RESPONSE DATE	August 7, 2026	
Construction Package or Proposal #: n/a				

CONTRACTOR REQUEST

The following changes to the contract are being considered:

This reduction in the contract amount reflects the deletion of the HVAC scope of work.

☒ This change is associated with a Work Change Directive (WCD), Proposal Request (PR) or Change Order (CO)

☐ Have submitted quotation for performing change

☐ Other: _____

Requested Change Value: \$ (247,939.00)

Requested Additional Contract Time _____ days

	<u>Costs</u> <u>(Dollars)</u>	<u>Time</u> <u>(Days)</u>
☐ Add	_____	0
☒ Deduct	-\$247,939.00	_____

Submitted by: Casey Seymanski

Approved by: _____

Date: 7/28/2026

Date: _____

NOTES:



Project: Bioreactor Covers Design Build Project

Date Prepared: July 28, 2026

Description of Change: Deletion of the HVAC Scope

Reference Documents: _____ (Attach WCD, PR or CO if relevant)

#	DESCRIPTION	Unit	Qty	LABOR				MATERIAL		SUBCONTRACT		EQUIPMENT		OTHER		TOTAL
				MH Unit	MH Cost	Total MH	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	
1	Electrical	LS	-1			0.00	\$0.00		\$0.00	\$ 80,000.00	-\$80,000.00		\$0.00		\$0.00	-\$80,000.00
2	HVAC Equipment and Install	LS	-1	268	43.00	-268.00	-\$11,524.00	121411.00	-\$121,411.00		\$0.00		\$0.00		\$0.00	-\$132,935.00
3						0.00	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
4						0.00	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
5						0.00	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
6						0.00	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
7						0.00	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
8						0.00	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
SUBTOTALS						-268.00	-\$11,524.00		-\$121,411.00		-\$80,000.00		\$0.00		\$0.00	-\$212,935.00

NOTES:

1 - Cost of Work is the total cost of Labor, Material, Subcontracts, Equipment, Other, Labor Burden, Inland Marine, Per Diem and Small Tools

LABOR BURDEN (Labor \$)	41%	-\$4,724.84
INLAND MARINE (Equip \$)	2%	\$0.00
PER DIEM (Labor)	15 \$/mh	-\$4,020.00
SMALL TOOLS (Labor)	5% of labor	-\$576.20
COST OF WORK LESS SUBCONTRACTS (COWLS) ¹		-\$142,256.04
MARKUP (COWLS)	10.00%	-\$14,225.60
MARKUP (SUBCONTRACTS)	10.00%	-\$8,000.00
TOTAL (COWLS + SUBCONTRACTS + MARK-UPS)		-\$244,481.64
Builders Risk Insurance	0.164%	-\$400.95
Bonds and insurance	1.250%	-\$3,056.02
GRAND TOTAL	.	-\$247,938.61

NET CHANGE (ACTUAL)	-\$247,938.61
NET CHANGE (ROUNDED)	-\$247,939.00



Change Order

No. 1

Date of Issuance August 19th 2026

Effective Date: August 6th 2026

Project: Tamlin Tank 5	Owner's Contract No.: Tamlin Tank 5
Contract: Construction Contract for 3MG water storage tank	Date of Contract: 22July2025
Contractor: DN Tanks Incorporated	

The Contract Documents are modified as follows upon execution of this Change Order:

Description:

DN Tanks will emplace the 3MG water tank's floor in September-October 2026. DN has to halt work through the winter and finish the construction of tank 5 in March-April 2027

Attachments (list documents supporting change):

DN Tank escalation cost

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$ 3,021,500.00

Contract with Prior Approved Change Orders:

\$ 3,021,500.00

This Change Order is an

Increase [Decrease] of:

\$ 192,517.00

New Contract Amount: \$ 3,214,017

CHANGE IN CONTRACT TIMES:

Original Contract Time:

Substantial Completion: November 2026

Final Payment Date: December 2026

Increase [Decrease][No Change]:

Substantial Completion: April 2027

Final Payment Date: May 2027

RECOMMENDED:

BY: Brandon Zembles

Water Resource Engineer

APPROVED

BY: _____

Owner's General Manager

ACCEPTED

BY: _____

Contractor or Consultant



August 4th, 2026

Brandon Zembles, EIT
Water Resource Engineer
Cherokee Metropolitan District
6250 Palmer Park Blvd.
Colorado Springs, CO 80915

RE: Cherokee Metro Tank 5 – 2026/2027 tank construction schedule and associated escalation costs

Hi Brandon,

As a follow up to our previous conversations, and as the project is working through approval from City of Colorado Springs to finalize building permit and easement agreements for access, we cannot complete the tank in 2026 as originally planned based on the anticipated mobilization date of September.

As an alternative, we discussed DN mobilizing this fall to complete the under slab encasements and place the floor. Once the floor is placed, this would allow Glacier to continue with tie ins and other scopes of work in 2026 and DN would re-mobilize in March/April 2027 to complete tank construction. Below is the cost for this anticipated scenario of pushing the majority of tank construction to 2027.

Costs include

- 2% labor escalation for 2027 work (excludes labor for floor construction)
- Winter protection of slab (concrete blanket material, labor install, removal)
- Additional 3 weeks of project overhead due to inefficiency of work. (Lack of concurrent work & additional mob/demob time)
- Crew, support equipment, and material re-mobilizations

Cost - \$175,015

Markup 10% - \$17,502

Total Cost - \$192,517

Schedule

DN will mobilize to complete floor construction between mid- September to early October based on current crew availability. We anticipate completing underslab encasements and floor construction within 4 weeks.

We will re-mobilize in March/April 2027, weather pending and crew availability to complete tank construction. We will need 20 weeks to complete the tank from our mobilization date in 2027.

Please let me know if you have any questions or would like to discuss this matter further.

Regards,

A handwritten signature in blue ink, appearing to read 'M. Bliven', with a horizontal flourish extending to the right.

Marc Bliven
Project Manager



Change Order

No. 1

Date of Issuance 13August2026

Effective Date: 17August2026

Project: Tamlin Tank 5 site development	Owner's Contract No.:
Contract: Owner-Contractor agreement dated March 17 th 2026	Date of Contract: 17 March 2026
Contractor: Glacier Construction Company	

The Contract Documents are modified as follows upon execution of this Change Order:

Description: Access road improvement and permitting to work in county ROW off Tamlin Road for improvement.

Attachments (list documents supporting change):

Change order request from Glacier attached to this Change Order form

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$ 3,134,356.21

Contract with Prior Approved Change Orders:

\$ 3,134,356.21

CHANGE IN CONTRACT TIMES:

Original Contract Time:

Substantial Completion: 19Jan2027

Final Payment Date: _____

This Change Order is an

[Increase] [Decrease] of:

\$ 16,634.00

New Contract Amount: \$ 3,150,990.21

[Increase] [Decrease][No Change]:

Substantial Completion: 1 April 2027

Final Payment Date: May2027

RECOMMENDED:

BY: _____

District Engineer

APPROVED

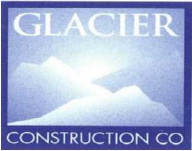
BY: _____

Owner's General Manager

ACCEPTED

BY: _____

Contractor or Consultant



9801 East Easter Avenue, Centennial, CO 80112
Phone: (303) 221-5383

PC COST WORKSHEET

Project: CMD 3MG Tank

GCCI Job Number: 26399

Owner: Cherokee Metro District

Contractor: Glacier Construction Co., Inc.

Date: 07/15/26

Engineer: JVA

SUMMARY SHEET

PCO #1 - Access Road Improvements

1	Direct Field Labor	\$1,408.00
2	Supervisory Labor (29.0%) x (Line 1)	\$408.32
3	Payroll Taxes & Insurance (38.7%) x (Line 1 + Line 2)	\$702.92
4	Safety (3.5%) x (Line 1)	\$49.28
5	Total Labor & Burden:	\$2,568.52
6		
7	Materials	\$2,400.00
8	Total Materials:	\$2,400.00
9		
10	Equipment	\$180.00
11	Small Tools (Saws, Drills, etc.) (2.58%) x (Line 1)	\$36.33
12	Field Office Expendables (1.67%) x (Line 1 + Line 2)	\$30.33
13	Sales Tax on Equipment and Tools (8.5%) x (Line 10 + Line 11)	\$18.39
14	Total Tools and Equipment:	\$265.05
15		
16	Subtotal (Line 5 + Line 8 + Line 14)	\$5,233.56
17	General Contractors OH&P (15%) x (Line 16)	\$785.03
18	Total General Contractor Costs:	\$6,018.60
19		
20	Subcontracts	\$9,428.00
21	Subcontractor Bond & Insurance (2.5%) x (Line 20)	\$235.70
22	Subtotal (Line 20 + Line 21)	\$9,663.70
23	General Contractors OH&P (5%) x (Line 22)	\$483.19
24	Total Subcontractor Costs:	\$10,146.89
25		
26	Subtotal (Line 18 + Line 24)	\$16,165.48
27	GC Bond & Insurance (2.9%) x (Line 26)	\$468.80
28		
29	Extended Overhead Costs	0.0 days at - per day
30	Notes: Extended costs for general conditions	
31		
32	TOTAL AMOUNT (Line 26 + Line 27 + Line 29)	\$16,634

TIME EXTENSION REQUIRED:

Yes	No
	X

cc:

Field File

COST SUMMARY BREAKDOWN

LABOR
1,816.32

BURDEN
752.20

MATERIAL
2,400.00

PO

SUB
9,428.00

EQUIP (O)
265.05

EQUIP (RE)

OTHER
1,268.22

BOND
704.50

TOTAL
16,634.28

DETAIL SHEET

PCO #1 - Access Road Improvements

ref.	Description	Qty	Unit	Labor				Material		Equipment		Sub	
				MH/U	DF	MH	CC	Amount	UC	Amount	UC	Amount	UC
Glacier Construction Costs													
1	Install 20' Cattle Gate	1.00	LS	32.00		32.00		1408.00	2400.00	2400.00	180.00	180.00	
2													
3													
4													
5													
6													
7													
8													
9													
10													
Major Supplier Costs													
1													
2													
3													
4													
Subcontractor Costs													
1	Dwire	1.00	LS									9428.00	9428.00
2													
3													
4													
Administration Costs													
1	C.O. Administration / Preparation	1.00	LS			0.0		0.00					
2	Additional Engineering/Submittals	1.00	LS			0.0		0.00					
3	As- Builts / CPM Updates	1.00	LS			0.0		0.00					
TOTALS				32.0		\$1,408		\$2,400		\$180		\$9,428	

AGREEMENT TO COMPENSATE GRANTOR

THIS AGREEMENT TO COMPENSATE GRANTOR (“Agreement”) is made and entered into this ____ day of _____, 2026, by and between **Tamlin Storage, LLC**, a Colorado limited liability company (“**Tamlin**”), with a mailing address of 1603 Cheyenne Blvd., Colorado Springs, CO 80906, and the **Cherokee Metropolitan District**, a quasi-municipal corporation and political subdivision of the State of Colorado (“**Cherokee**”), whose address is 6250 Palmer Park Boulevard, Colorado Springs, CO 80915, collectively the “**Parties**.”

RECTIALS

WHEREAS, the Parties are engaged in negotiating an Access Easement Deed and Agreement (“**Easement**”) over and across Tamlin’s property, identified on Exhibit A, attached hereto; and

WHEREAS, Cherokee has offered and Tamlin has agreed to the sum of Ten Thousand Dollars (\$10,000) as compensation for the Easement and to cover any fees and expenses incurred by Tamlin related to the Easement and in obtaining a Consent and Subordination Agreement from Tamlin’s lender.

NOW, THEREFORE, the Parties agree as follows:

1. **Compensation.** Cherokee shall pay Tamlin the sum of Ten Thousand Dollars (\$10,000) in exchange for granting the Easement described above and to cover any and all costs and expenses incurred by Tamlin for granting the Easement and related to obtaining a Consent and Subordination Agreement from Tamlin’s lender. The compensation is due and payable by Cherokee in exchange for an executed copy of the Easement from Tamlin.
2. **No Obligation to Grant Easement.** This Agreement does not obligate Tamlin to grant the Easement.
3. **Recording Fees.** Cherokee shall record the fully executed Easement and Consent and Subordination Agreement in the real property records of El Paso County, Colorado and shall pay all fees associated with recording the documents.

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

[signature page to follow]

TAMLIN STORAGE, LLC

By: _____
Name: _____
Title: _____
Date: _____

CHEROKEE METROPOLITAN DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A
to
Agreement to Compensate Grantor

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 6TH 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

ACCESS EASEMENT DEED AND AGREEMENT

This Access Easement Deed and 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, collectively the "**Parties**".

RECITALS

WHEREAS, Grantor owns certain real property located at 5080 Tamlin Rd, Colorado Springs, Colorado 80938, El Paso County Assessor's parcel number: 53210-02-001 (the "**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 (the "**Cherokee Parcels**"); and

WHEREAS, WHMD owns a perpetual and exclusive access and 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 (the "**WHMD Easement Property**"); and

WHEREAS, Cherokee seeks to formalize a non-exclusive, perpetual easement across the WHMD Easement Property; and

WHEREAS, Grantor and WHMD desire to grant Cherokee a non-exclusive, perpetual easement across the WHMD Easement Property for the purposes of accessing the Cherokee Parcels, subject to the terms and provisions 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. Recitals. The recitals above are hereby incorporated into this Agreement.
2. Grant of Easement. Grantor hereby grants and conveys to Cherokee a thirty-feet-wide (30') perpetual non-exclusive access easement, over and across the surface of the WHMD Easement Property (the "**Cherokee Easement**"), 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. 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 Property.

3. Use of Cherokee Easement.

- 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 using the Cherokee Easement for water tank installation, construction, major maintenance, repair and replacement activity occurring on the Cherokee Parcels.
- b. Should Cherokee seek to improve the roadway within the WHMD Easement Property, it shall be done at Cherokee's sole cost and expense, and Cherokee shall provide notice to Grantor and WHMD, and obtain WHMD's consent, which shall not be unreasonably delayed prior to such improvements occurring.
- c. If Cherokee's use of the Cherokee Easement requires any permits, Cherokee shall be solely responsible for application and compliance with those permits.
- d. Cherokee shall close and secure all gates after entry and use reasonable efforts to minimize interference with Grantor and WHMD's operations.

4. Property Restoration.

- a. Cherokee shall pay for any and all damage that may occur, in-full or in-part, from Cherokee's use of the Cherokee Easement to a 12" water line and appurtenances thereto (collectively the "Transmission Line"), located within the WHMD Easement Property that are owned and maintained by WHMD. Cherokee shall notify WHMD immediately after becoming aware of any damage to the Transmission Line.
- b. With the exception of the Transmission Line, Cherokee shall repair any and all damage to Grantor's Property and/or the WHMD Easement Property within thirty (30) days of occurrence caused by Cherokee's use of the Cherokee Easement.

5. Insurance. Cherokee shall procure and maintain or self-insure, at its own cost, a policy or policies of insurance sufficient to insure against, claims, demands, hazards, risks of loss, and other obligations associated with Cherokee's use of the Cherokee Easement pursuant to this Agreement at all times while this Agreement remains in effect.

6. 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.

7. 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, subject to approval of WHMD, so long as it does not impair the rights granted to Cherokee.

8. 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.

9. 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.

10. Miscellaneous:

A. Subjacent and Lateral Support. Grantor, Cherokee and WHMD shall each have the right of subjacent and lateral 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]

By: _____

Name: _____

Title: _____

Date _____

Notary Public

By:

Title:

Date _____

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 Deed and Agreement

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 6TH 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

CONSTRUCTION SERVICES AGREEMENT

THIS CONSTRUCTION SERVICES AGREEMENT (this "Agreement") is made and entered as of July ____, 2026 by and between **Cherokee Ranch Metropolitan District**, a quasi-municipal corporation and political subdivision of the State of Colorado ("District") with a mailing address of 6250 Palmer Park Blvd., Colorado Springs, CO 80915, and **Buffalo Builders**, a Colorado corporation, with a mailing address of 222 E Cucharas St, Colorado Springs, CO, 80903 ("Contractor" and together with District, the "Parties" or either of the Parties, a "Party").

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

1. Scope of Services. The Contractor agrees to provide services related to the scope of services: Remodel of Board Room, as described in **Exhibit A** attached hereto "**Scope of Services**". All provisions of the Scope of Services, 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 Scope of Services, the provisions contained within this Agreement shall control.

2. Time of Commencement and Completion of Services. The services to be performed pursuant to this Agreement shall be initiated no later than _____. Services shall be completed no later than _____, 20___. Any extensions of the time limit set forth above must be agreed upon in writing by the Parties.

3. Early Termination by District. 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 three (3) 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 satisfactory performance of the Contractor's obligations under this Agreement. Such payment shall be the Contractor's sole right and remedy for such termination.

4. Suspension. 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 possible so as to keep its total charges to the District for services under this Agreement to the minimum. 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.

5. Compensation. In consideration of the services to be performed pursuant to this Agreement, the District agrees to pay the Contractor the amounts set forth in the Scope of Services. The District shall provide no benefits to the Contractor other than the compensation stated above. The Contractor shall bill its charges to the District periodically, but no more frequently than once a month.

A. 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

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.

6. Appropriations; Change Orders. This Agreement is subject to Section 24-91-103.6, C.R.S., and in accordance therewith:

(a) District represents that it has appropriated money equal to or in excess of the Contract Price for the work.

(b) District shall not issue any Change Order or other directive (other than a clarification) requiring additional compensable work to be performed that will cause the aggregate amount payable under this Agreement to exceed the amount appropriated for the original Contract Price and any subsequent appropriations, unless the Contractor is given written assurance by District that lawful appropriations to cover the costs of the additional work have been made and are available prior to performance of the additional work.

7. Qualifications on Obligations to Pay. No partial payment shall be final acceptance or approval of that part of the Scope of Services paid for or shall relieve the Contractor of any of its obligations under this Agreement. Notwithstanding any other terms of this Agreement, the District may withhold any payment (whether a progress payment or final payment) to the Contractor if any one or more of the following conditions exists:

(a) The Contractor is in default of any of its obligations under this Agreement.

(b) Any part of such payment is attributable to services that are not performed according to this Agreement. The District will pay for any portion of the services performed according to this Agreement.

(c) The Contractor has failed to make payments promptly to any third party used to perform any portion of the services hereunder for which the District has made payments to the Contractor.

8. District Representative. The District will designate, prior to commencement of work, its project representative (the "District Representative") who shall make, within the scope of his or her authority, all necessary and proper decisions with reference to the Scope of Services. All requests for contract interpretations, change orders, and other clarification or instruction shall be directed to the District Representative.

9. Independent Contractor. 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.

10. Personal Services. It is understood that the District enters into this Agreement based on the special abilities of the Contractor and that this Agreement shall be considered an agreement for personal services. Accordingly, the Contractor shall neither assign any responsibilities nor delegate any duties arising under this Agreement without the prior written consent of the District. The Contractor accepts the relationship of trust and confidence established between the Parties. The Contractor shall use its best efforts and shall perform the services hereunder at or above the standard of care of those in its profession or industry providing similar services in the District's local area; provided, however, that in the event the standard of care is higher in the local area where the Contractor's office primarily responsible for providing the services is located, then the standard of care applicable to the local area where the Contractor's office is located shall be applicable to such services.

11. Accuracy of Work. The Contractor represents, covenants, and agrees that its work will be accurate and free from any material errors. The District's approval shall not diminish or release the Contractor's duties, since the District is ultimately relying upon the Contractor's skill and knowledge.

12. Duty to Warn. The Contractor agrees to call to the District's attention errors in any drawings, plans, sketches, instructions, information, requirements, procedures, and other data supplied to the Contractor by the District or a third party that it becomes aware of and believes may be unsuitable, improper, or inaccurate in a material way. However, the Contractor shall not independently verify the validity, completeness, or accuracy of such information unless otherwise expressly engaged to do so by the District. Nothing shall detract from this obligation unless the Contractor advises the District in writing that such data may be unsuitable, improper, or inaccurate and the District nevertheless confirms in writing that it wishes the Contractor to proceed according to such data as originally given.

13. Insurance. The Contractor represents, warrants, and agrees that it has and shall maintain state minimum Workers' Compensation insurance coverage for its employees, if any. The Contractor shall also 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. All insurance policies (except Workers' Compensation) shall include the District as an additional insured. The Contractor shall provide the District with documentation evidencing such coverages along with an executed copy of this Agreement.

14. Compliance with Laws. The Contractor is obligated to familiarize itself and comply with all laws applicable to the performance of the Scope of Services.

15. Acceptance Not Waiver. The District's approval or acceptance of, or payment for, any of the services shall not be construed to operate as a waiver of any rights or benefits provided to the District under this Agreement.

16. Default. Each and every term and condition hereof shall be deemed to be a material element of this Agreement. In the event either Party should fail or refuse to perform according to the terms of this Agreement, such Party may be declared in default.

17. Remedies. In the event a Party declares a default by the other Party, such defaulting Party shall be allowed a period of ten (10) days within which to cure said default. In the event the default remains uncorrected, the Party declaring default may elect to (a) terminate this Agreement and seek damages; (b) treat the Agreement as continuing and require specific performance; or (c) avail itself of any other remedy at law or equity. If the non-defaulting Party commences legal or equitable actions against the defaulting Party, the defaulting Party shall be liable to the non-defaulting Party for the non-defaulting Party's reasonable attorney fees and costs incurred because of the default. Under no circumstances shall either Party be liable to the other Party for special, punitive, indirect or consequential damages arising out of or in connection with this Agreement, including without limitation lost profits, loss of use, or loss of opportunity.

18. Indemnification; No Waiver of Liability. The Contractor agrees to indemnify, defend, and hold harmless the District from any and all damages and liabilities arising from the Contractor's performance of the Scope of Services. As part of this obligation, the Contractor shall compensate the District for the time, if any, spent by its legal counsel in connection with such claims or actions. If an Additional Scope of Services contains any provisions purporting to require the District to defend, indemnify, or hold harmless the Contractor or purporting to effect a waiver or limitation of the Contractor's liability (either by type of liability or amount), the District does not agree or accept such provisions and such provisions are not part of the Agreement. The District is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, defenses and protections provided by the Colorado Governmental Immunity Act § 24-10-101 *et seq.*, C.R.S., or otherwise available to the District or its officers or employees.

19. Binding Effect. This writing constitutes the entire agreement between the Parties and shall be binding upon the Parties, their officers, employees, agents and assigns and shall inure to the benefit of the respective survivors, heirs, personal representatives, successors and assigns of the Parties.

20. Law; Venue, 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 for the county in which the District's mailing address is located.

21. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

22. Annual Appropriation. The District's obligations hereunder are subject to the annual appropriation of funds necessary for the performance thereof, which appropriations shall be made in the sole discretion of the District's Board of Directors, pursuant to Article X, Section 20 of the Colorado Constitution and Section 29-1-110, C.R.S.

23. Ownership of Work Product. All documents such as reports, plans, drawings and contract specifications, information, and other materials prepared or furnished by the Contractor (or

the Contractor's independent professional associates, subcontractors, and consultants) and paid for pursuant to this Agreement are instruments of public information and property of the District. All internal documents which support the public information such as field data, field notes, laboratory test data, calculations, estimates and other documents prepared by the Contractor as instruments of service shall be provided to the District. The District understands such documents are not intended or represented to be suitable for reuse by the District or others for purposes outside the specific scope and conditions of the Scope of Services. Any reuse without written verification or adaptation by the Contractor for the specific purpose intended will be at the District's sole risk and without liability or legal exposure to the Contractor, or to the Contractor's independent professional associates, subcontractors, or consultants.

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

25. Time Is Of the Essence. All times stated in this Agreement are of the essence.

26. Notices. All notices which are required or which may be given under this Agreement shall be effective when mailed via registered or certified mail, postage prepaid and sent to the address first set forth above.

27. Waiver. No waiver by either Party of any right, term or condition of this Agreement shall be deemed or construed as a waiver of any other right, term or condition, nor shall a waiver of any breach hereof be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.

28. Counterparts, Electronic Signatures and Electronic Records. This Agreement may be executed in two 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.

29. No Third Party Beneficiaries. The Parties to this Agreement do not intend to benefit any person not a party 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.

IN WITNESS WHEREOF, the Parties hereto have executed this Construction Services Agreement as of the date first set forth above.

CONTRACTOR:
Buffalo Builders

By: _____

Name: _____

Title: _____

Cherokee Ranch Metropolitan District

By: _____

Name: _____

Title: _____

EXHIBIT A

SCOPE OF SERVICES

attached



COST ESTIMATE

Estimator: PN
Proposal Date: 05.14.2026

PROPOSAL SUBMITTED TO:

Cherokee Metropolitan District

Contact: Preston Kidwell

PROJECT LOCATION:

6250 Palmer Park Boulevard

Phone: 719.439.9648

E-mail: Pkidwell@cherokeemetro.org

ITEM NO.	DESCRIPTION	QTY		TOTAL COST
1	General Conditions	5d		930
2	Supervision	5d		1500
3	General Labor	3d		1080
4	Flooring Removal, Carpet Replacement	624		3785
5	Electrical Box Install	2		1300
6	Sawcut concrete and patch	2		1800
7	Material disposal/dump fees	1		420
	Contenjency Allowance		10%	Not Included
	SUBTOTAL			10395
	OH&P		15%	1559.25
JOB TOTAL (not to exceed)				11954.25

***Vehicle usage, transport and fuel costs are included**

Proposed contract amount is a Not To Exceed amount.

ACCEPTANCE OF PROPOSAL

The above prices, specifications, and conditions are satisfactory and are hereby accepted. Buffalo Builders, Inc. is hereby authorized to complete this contract as indicated, for the NTE sum. Payments terms as standard by Cherokee Metropolitan District

This proposal may be withdrawn if not accepted within 30 days.

AUTHORIZED SIGNATURES

Buffalo Builders, Inc.

Date

Owner or Authorized Agent

Date

RESOLUTION 2026-08

CHEROKEE METROPOLITAN DISTRICT

RESOLUTION OF THE BOARD OF DIRECTORS REGARDING ELECTRONIC RECORDS RETENTION POLICY

WHEREAS, the Cherokee Metropolitan District (the "District") was created pursuant to and in accordance with the provisions of §§ 32-1-101, et seq., C.R.S.; and

WHEREAS, pursuant to § 24-71.3-112, C.R.S., if a law requires that a record be retained, the requirement is satisfied by retaining an electronic record of the information in the record that: (a) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and (b) remains accessible for later reference.

WHEREAS, pursuant to § 24-71.3-117, C.R.S., a political subdivision of the State of Colorado such as the District shall have the general power, in relation to its administration of affairs, to determine the extent to which it will create and retain electronic records and electronic signatures; and

WHEREAS, the District Board of Directors (the "Board"), as the governing body of the District, has determined that it would be most cost-effective and efficient to eliminate original-executed paper versions of public records to the greatest extent possible and shall retain all District-related "public records," as that term is defined by § 24-72-202(6), C.R.S., in electronic format only; and

WHEREAS, pursuant to §§ 24-71.3-117 and 32-1-1001(1)(o), C.R.S., the Board desires to adopt the following Electronic Records Retention Policy (the "Policy").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHEROKEE METROPOLITAN DISTRICT AS FOLLOWS:

1. ELECTRONIC RECORDS. With the exception of the public records detailed in Section 2, below, the District shall only retain electronic versions of all District-related public records in its possession or custody. All retained electronic public records shall conform to the requirements of § 24-71.3-112, C.R.S. The District's General Manager may determine in his or her reasonable and sole discretion the manner and means by which such electronic public records may be electronically retained and preserved, but under all circumstances shall undertake such retention and preservation efforts in a professional and responsible manner.

2. PAPER RECORD RETENTION. Notwithstanding the provisions of Section 1, above, to the greatest extent possible, the District shall retain original-executed paper versions of the following public records: a. documents related to real property, including resolutions and deeds, without limitation; and b. any other public records that are so required pursuant to applicable Colorado law or Federal law.

3. AMENDMENT. This Policy may be further amended, restated or revised by the Board in conformance with applicable law.

ADOPTED this 18th day of August, 2026.

CHEROKEE METROPOLITAN DISTRICT

By: _____
Dan Wall, President

ATTEST

Jeff Bandy, Secretary

RESOLUTION NO. 2026-09

CHEROKEE METROPOLITAN DISTRICT

A RESOLUTION ADOPTING THE STATE OF COLORADO RETENTION MANUAL

WHEREAS, the Cherokee Metropolitan District ("District") is a special district operating as a quasi-municipal corporation of the State of Colorado, by virtue of organization under Title 32, Article 1., C.R.S.; and

WHEREAS, the District Board of Directors ("Board") is responsible for the management, control and supervision of all the business and affairs of the District pursuant to C.R.S. §32-1-1001(1)(h); and

WHEREAS, the Board recognizes a need for a comprehensive records retention and destruction schedule for the District's non-permanent records and the retention of those records that have long-term administrative, fiscal and historical value; and

WHEREAS, the Colorado State Archives has developed a state-wide record retention schedule in cooperation with the Colorado Special Districts Association, the Colorado Attorney General's Office and the State Auditor's Office for special districts to use follow.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cherokee Metropolitan District, El Paso County, Colorado:

1. The District hereby adopts the 2008 Colorado Special District Records Retention Schedule and all subsequent revisions and authorizes the District's legal counsel or District Manager to submit the request to be used as legal authority for the destruction and preservation of District records to the Colorado State Archives on behalf of the district.

ADOPTED AND ORDERED this 18th day of August, 2026

CHEROKEE METROPOLITAN DISTRICT

By: _____
Dan Wall, President

ATTEST:

By: _____
Jeff Bandy, Secretary



Records Management Manual Approval

Request Form

☐ County ☐ Municipality ☐ School District/BOCES ☒ Special District

NAME OF ENTITY

CHEROKEE METROPOLITAN DISTRICT

CONTACT PERSON/TITLE:

GENERAL MANAGER

MAILING ADDRESS:

6250 PALMER PARK BLVD, COLORADO SPRINGS, CO 80915

TELEPHONE:

719-597-5080

E-MAIL:

kbrown@cherokeemetro.org

LOCAL EXCEPTIONS:

(List and provide basis and description of any local exceptions for records retention periods that are specified by formal direction of the local ordinance, Home Rule Charter provision, by board resolution or formal direction of the school board, governing body, etc., that differ from those set out in the Records Retention Manual for your specific entity. Use additional pages if needed.)

- No Exceptions requested.

THE ABOVE ENTITY HEREBY REQUESTS APPROVAL FROM THE COLORADO STATE ARCHIVES TO FOLLOW THE SPECIFIC ENTITY'S RECORDS RETENTION MANUAL, WITH THE LOCAL EXCEPTIONS INDICATED.

SIGNATURE OF AUTHORIZED ENTITY REPRESENTATIVE

DATE OF SUBMITTAL OF REQUEST FOR APPROVAL

August 1, 2026

To: Special Districts
From: Joan M. Fritsche, Esq.
Subject: 2026 Legislative Update

This memorandum is general in nature and summarizes certain bills enacted into law by the Colorado General Assembly during the 2026 legislative session that impact special districts, either directly or indirectly. Please contact our office for more information related to a specific bill or a bill not listed below.

ELECTIONS

HB26-1113 - Concerning Modifications to Elections

Amends numerous sections of the Uniform Election Code of 1992 and the Colorado Open Records Act to improve the administration, access, and clarity of the statutes that govern Colorado elections. No amendments were made to §§ 1-13.5-101, *et seq*, the Colorado Local Government Election Code.

Most important for special districts, the requirement to file Director Oaths of Office with the appropriate clerk and recorder is exempt from filing fees imposed by county clerks and recorders. This amendment resolves disparate fee-collection methods used by the clerk and recorders.

SB26-059 - Multiple Elected Offices Prohibited for General Assembly

Beginning with the first regular session in 2027, members of the Colorado General Assembly are prohibited from holding any other elected offices while serving as a member of the General Assembly, with the following exceptions:

- member may hold a special district elected office;
- member has less than one year remaining in their term in another elected office at the time they take the oath of office of the general assembly;
- member has less than one year remaining in their term in the General Assembly at the time they take the oath of office of another elected office; or
- member is a senator who is in the middle of their term at the beginning of the first regular session of the seventy-sixth general assembly.

PROPERTY TAXES

SB26-116 - Property Tax Modifications

Changes the state property tax exemption for business personal property, commencing on and after January 1, 2027, by setting the exemption at \$58,000 without an adjustment for inflation. Sets the reimbursement for property tax losses due to the exemption, for property tax years beginning on and after January 1, 2027, at the reimbursement amount for the 2026 property tax year.

Ends the qualified-senior primary residence real property classification for property tax years beginning on or after January 1, 2027, and changes related requirements for county assessors, county treasurers, and the property tax administrator so that the classification and all related administrative and reporting requirements end on dates that align with the end of the reduced valuation for assessment.

WATER

HB26-1338 - The 2026 Water Projects Bill

Appropriates funds for the water projects listed in Senate Joint Resolution SJR26-001 - Water Projects Eligibility Lists. The list includes additions, modifications, and deletions to the Drinking Water Project Eligibility List and Water Pollution Control Project Eligibility List administered by the Colorado Water Resources and Power Development Authority.

Appropriates specific amounts for the 2026-27 state fiscal year from the Colorado Water Conservation Board (CWCB) construction fund to the CWCB or the Division of Water Resources in the Department of Natural Resources.

EMPLOYMENT

HB26-1272 - Extreme Temperatures Worker Protections

Creates a phased system that is intended to reduce worker injuries from extreme heat and cold and standardize workplace safety practices statewide through data collection, model standards, employer plans and training. On or before July 1, 2028, requires the Division of Labor Standards and Statistics to develop a model temperature-related injury and illness prevention plan that must be made available on the CDLE's website.

GENERAL

SB26-117 - Permissible Methods of Selling Lottery Tickets

Prohibits the Colorado lottery or any licensed lottery retailer from selling lottery tickets or instant scratch game tickets produced by the lottery for sale to the public on a credit basis.

Potential to reduce lottery sales, which could result in a loss of Great Outdoors Colorado (GOCO) funding from lottery purchases.

HB26-1095 - *Digital Publication for Legal Notices*

Requires a newspaper that publishes legal notices in a physical print newspaper to also publish the notices online, either on its own website or by providing a link to a location where the full text of the notice is available, such as the statewide public notice website. Legal notices published online must be free to access and cannot be kept behind a paywall or subscription. Requires the statewide public notice website to include a list of newspapers that meet the requirements to publish legal notices.

SB26-061 - *Publication Counties without Legal Newspapers*

Sets a priority order for local governments to publish legal notices as follows:

- Notices should first be published in a county newspaper that has operated continuously for at least one year and qualifies for U.S. periodical mailing privileges.
- If none exists, local governments may use newspapers that meet most requirements but lack paid circulation, or newer newspapers that otherwise qualify.
- If no eligible newspaper exists in the county, notices may be published in a neighboring county.
- Special districts covering two counties may publish notices in either county's qualifying newspaper.



CHEROKEE METROPOLITAN DISTRICT

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

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

General Manager's Report

August 14, 2026

Prepared for the CMD August 18, 2026 Board Meeting

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General Manager's Note

Late July and early August broke the hot and dry pattern of 2026 with welcome monsoon moisture. As described in greater detail below, this rainfall hasn't made a large dent in the hydrologic drought but Cherokee citizens reduced water consumption noticeably during rainy days which shows that there is active water conservation based on current conditions.

Overall, there was only one major infrastructure failure at Well 11 which the water team was able to repair within five days without significant disruption to water production. Construction projects continue to progress and the team is waiting for the PFAS treatment plant 30% cost estimate from PCL Construction. Whether the construction cost falls short of or exceeds initial estimates will determine the capital plan for the rest of this year and 2027.

This month has had a number of important meetings with regional peers and Department of War representatives. Cherokee has also started participating in regional planning efforts which have gained new urgency with the high fire danger conditions. These meetings have been extremely helpful to ensure that CMD, fire departments, and other utilities have an accurate understanding of mutual capabilities. The dry summer has tested Cherokee's resiliency but so far the team and systems have risen to the challenge.

Public-Facing Cybersecurity Brief

In late July and early August, over 150 water utilities across the United States were infiltrated by cyberterrorists with the objective of disrupting water supplies. In some cases, these attacks successfully altered pump actions and treatment setpoints, setting off boil-water notices and significant operational disruption.

Cherokee's systems were not compromised by this round of attacks. The cybersecurity investments made in the past few years protect the systems from the types of attacks which gained access to other systems. Detailed intelligence on the attacks made available to CMD by federal partners has provided insights into what attackers may attempt if they successfully gain access. This has allowed CMD to improve existing internal defenses and identify future projects.

One major action item coming out of the attacks is the need to hold a no computer system operations drill. This has been discussed in the past but this is the exact situation many attack victims found themselves in. This drill will be scheduled for a low water demand period and will consist of fully manual system operation to prepare for possible disabling of operational technology by a more sophisticated hack in the future.

Drought and Water Usage Update

Dry conditions have persisted through July despite the arrival of monsoon moisture. July rainfall was only half of the period of record (POR) average but this did pull this year ahead of the record low precipitation year of 2002 by 1.5 inches. This year's total precipitation through July is within a tenth of an inch of record dry years 2012 and 2020. The forecast for August and September is optimistic on rainfall and strong precipitation through the second half of the year would contribute to a reduction in drought conditions.

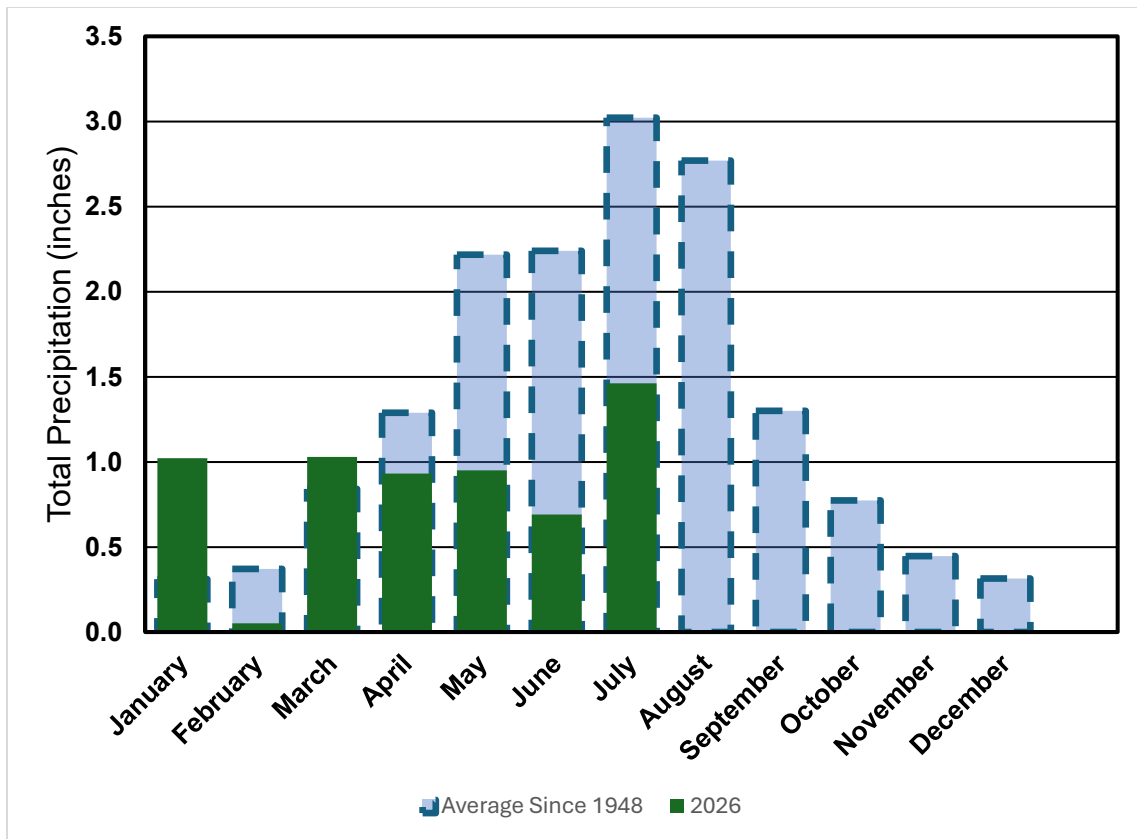


Figure 1: Precipitation in 2026 vs average since 1948. Verified 2026 August precipitation data is only available through August 10, meaning recent rains are not included.

The low rainfall in July broke another 10-year monthly record for total Cherokee water production, with 3.5% more production than July 2020. Despite these records, Cherokee’s water rights remain in a strong position. The exportable UBS wells which supply most of the District’s supply have 55% of their annual allocation remaining with two high flow months remaining in the year. Well 22 has provided significant flows since coming online in May and fits in well to serve peak demand periods. The Sundance wells are also back in production after several months of electrical maintenance but they collectively produce less water than well 22 which itself has the sixth highest instantaneous flow of the 13 exportable wells.

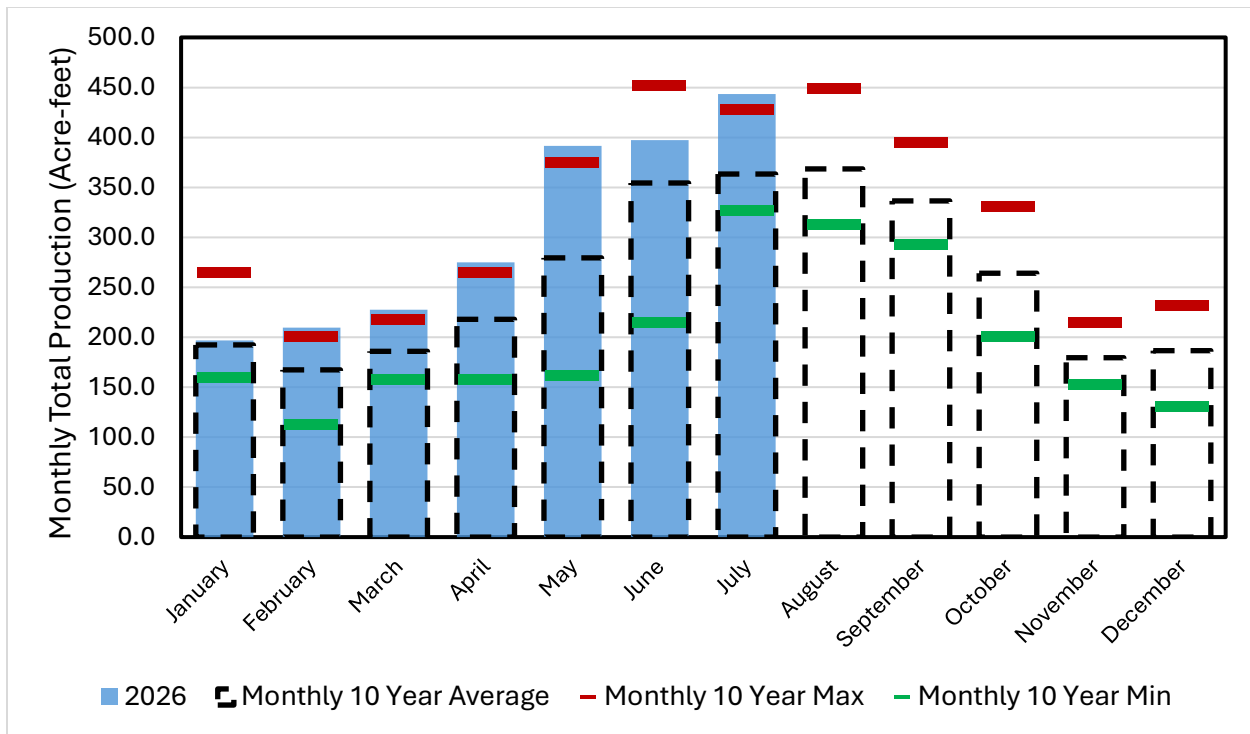


Figure 2: 2026 monthly water production compared to 10-year average (2016-2025), maximum, and minimum production.

High water demand has been a stress test for the water system but has also increased revenues. Water revenues posted in July from June bills totaled over \$1.7 million dollars or 21% of the total expected water revenue for the year.

Parks Update

The parks team has benefited from recent rains and a new part time worker helping to tackle some summer projects. The pavilion exterior and interior walls were repainted and the team completed herbicide application across all rock areas in addition to other work documented in the Parks team report.

After they prepared their report, the backflow preventor at the Springside Frontage was installed. There were a few repairs needed upstream to get the water back on, but a massive leak was discovered just downstream of the water meter, causing water to spill back into the meter pit. The water team has scheduled an excavation and repair for the week of August 24 that will allow the system to be fully charged. If there is availability around the valve replacements during the week of the 17th, the team may be able to accelerate the repair.

Wells Fargo Account Changes

Cherokee uses two banks: Wells Fargo for day-to-day transactions like bills in and out and ColoTrust for long-term fund storage and major transactions like bond payment. Most of the District's funds deposited with Wells Fargo are held in a "sweep" account. This account maximizes interest earnings by moving the funds out to an external money market account each morning and returning them each evening. The sweep account structure allows the account to function normally during the day and transactions can be settled while the funds are earning additional interest.

Several months ago, Wells Fargo approached CMD with a new sweep account that would keep the funds on Wells Fargo's books during the day while guaranteeing the interest rate earned on the funds. Currently, the interest rate floats between 3.4 and 3.6 percent each day but the Wells Fargo account would guarantee an interest rate exactly 0.25 percentage points below the Fed rate (currently $3.75\% - 0.25\% = 3.5\%$).

The existing account does not earn interest on the full account balance. Rather all funds below a "peg" of \$5 million dollars remain in the Wells Fargo account and did not earn interest. Instead, they earn a 1.65% credit which covers account fees such as wire fees, ACH fees, and other bank fees.

The new Sweep account is fully collateralized and compliant with Colorado public funds regulations. This means the "peg" can be brought to zero and all funds in the account can earn interest. 3.5% interest on \$5 million is \$175,000 per year or \$14,583 per month in additional interest earnings. This comes with the downside that CMD would have to pay account fees directly rather than them being offset by the 1.65% credit. However, these fees average between \$5,000 and \$10,000 per month and the District would still net between \$55,000 and \$115,000 per year over the current account structure.

This change also comes with improved account collateralization and the District's CFO and accountant have recommended the change. Barring any objection from the Board, I will authorize the account changes to gain additional interest for the remainder of the year. On a related note, Colotrust is offering slightly higher interest rates and we may transfer some funds to those accounts to take advantage of these higher earnings.

Start of Conference Season

August and September are conference season for the water and wastewater industry in Colorado. Rocky Mountain Water and Colorado Water Congress are in August followed by

the Special District Association conference in September and a number of smaller operator classes and trainings. Two CMD wastewater staff are attending the Rocky Mountain Water Conference and Dan Wall and myself are attending the SDA conference.

Joshua Watkins, wastewater manager, has been invited to speak at a Water Reuse Association seminar in Tampa near the end of September and will be traveling straight to the Water Environment Federation's Technical Exhibition Conference (WEFTEC) in New Orleans, the largest water and wastewater industry conference in the country.

Cherokee Ridge Golf Course

July was the first month of 2026 in which Cherokee Ridge revenue did not set a record for that month. It fell 2.5% below the July monthly record set in 2025. The heat and smoke have weighed on midday tee times but the course is still busy and total receipts are up 9.3% over the already record 2025. Early August marked the end of youth golf camps and programs but the start of high school golf play. This season, ten high schools from three school districts are signed up to practice at the course.

The dry weather and low water yields continue to challenge the grounds team but recent rains have helped reduce water demand. During dry stretches, the grounds team has prioritized watering greens and fairways only in order to reduce their reliance on purchased potable water.

Major External Meetings

Military

This month there have been a flurry of meetings between the CMD team and the other stakeholders identified in the Working Group meetings. The dialogue with Schriever personnel has been extremely useful in the near term and connections made with federal cybersecurity personnel have given greater insight into the cyberattacks earlier this month than CMD would've had access to otherwise.

The meetings are building toward greater objectives like joint exercises, infrastructure project collaboration, and even funding. Due to the connection to Schriever, I won't go into specific details regarding ongoing discussions but I will keep the Board apprised of new developments stemming from these groups as they are finalized.

Meridian Service Metropolitan District

After a last-minute reschedule, the Cherokee and Meridian teams held their quarterly meeting on July 23rd. Discussion of revisions to the intergovernmental agreement was held for a future meeting but a wide variety of topics were discussed. The most important were Meridian's drought response, plans for construction outages on connected wastewater infrastructure, and the eventual merging of the citizen and developer Boards of Meridian Ranch and Meridian Service Metropolitan District. The teams also discussed an emergency water service agreement between the Districts to replace one that expired 2021. Meridian is not in urgent need but having this agreement in place would simplify water exchange if it were needed in the future.

Woodmen Hills Metropolitan District

On July 31st, I had a wide-ranging call with Carter Bullion and JD Shivers, Woodmen Hills' finance manager and operations manager. The call was originally meant to be brief but we discussed updates on a range of projects. Woodmen is working on upgrades to their wastewater treatment plant ahead of expected tightening in State discharge regulations. This facility may allow them to apply for a replacement plan of their own in the coming decades and we discussed what Woodmen should consider in this long-term planning effort.

Overall development activity in El Paso County seems to be slowing but according to the Woodmen team, development is still strong in Falcon and several vacant areas nearby are seeking water and wastewater service.

Major Projects

PFAS Treatment Project

There has been significant progress on the PFAS Treatment Facility since the previous report. The PCL team is fully on board and provided comments on the 30% design back to the engineer. They have already identified some cost saving and constructability improvements. They are preparing a 30% cost estimate for delivery at the end of the month which will inform updates to the five-year capital plan.

The Hazen & Sawyer team has also made significant progress on the pipeline design and there have been some positive communications with El Paso County and CDOT about construction in or near rights of way which could reduce final project cost.

The cost of preparing 1041 application materials has dropped by almost half based on County staff waiving certain initial requirements but will still be over \$100,000. The first round of 1041 materials will be submitted by the end of the month and County staff have committed to prompt review of materials.

Tank 5

The City delayed approval of Tank 5 construction to a September Council meeting and based on my personal review of correspondence have not cited a reason beyond staff preferences regarding agenda scheduling. Further complicating matters is that City Staff have suggested this may not be the final delay. City staff has approved all submittals and it seems that the official council action to rezone the property is holding up the entire process. This approval only limits the start of vertical construction on the tank and site work can begin while awaiting the approval. However, DN Tanks will escalate cost further if there are further delays.

The access easement issues discussed in the previous meetings should be addressed by the end of August. Colorado Interstate Gas also granted limited permission to use the existing access easement which should allow construction to start even before the easement is finalized. Once the easement is finalized, the contractor will regrade the access road to bypass the gas line crossing entirely.

Intersection Valve Replacements

The next round of water main valve replacements along Peterson Road are White Mountain on August 18th, Nez Perce on August 20th, and White Mountain on August 24th. Water is provisionally planned to be off from 8AM to 8PM those days but the previous two replacements have had water back on by midafternoon. Affected customers have been contacted but the CMD team will knock on doors the morning of the shutoff.

Bioreactor Covers

The bioreactor covers project continues to proceed on schedule. Structural work for the south bioreactor is complete and panel installation will begin in the next few weeks. A few of the panels were not sized correctly but the manufacturer is replacing them. The HVAC system in the original design has been eliminated following a decision from the building department which has reduced price and complexity significantly.

Rapid Infiltration Basins (RIBs)

DWIRE is excavating RIBs 1 and 10 this month. RIB 1 has been submerged for over three years and the team anticipates that there will be significant organic and fines buildup in the bottom of the basin. If more than a few inches of material need to be removed, DWIRE will need to truck in clean sand which will be expensive. Bringing RIB 1 back online, even if it's only half as effective as it was in 2020 it will provide greater management flexibility and improve recharge efficiency.

Major Policy Changes

Water Conservation Plan

Cherokee's water conservation plan has been updated for the first time since 2007. The new plan aligns drought-related watering restrictions with Colorado Springs Utilities Water Wise Rules and provides clarification on some parts of Cherokee's previous rules. The plan also includes penalties for private system operators for not fixing leaks in a timely manner which has been an occasional problem in the past.

Document Retention Policy

Historically, Cherokee has not maintained a consistent document retention policy. There are filing cabinets throughout the District offices stuffed with aging records and Cherokee pays Iron Mountain over \$1,000 per month for document storage. Joan has drafted a comprehensive document policy aligned with the Colorado State Archives to determine which documents are scanned, retained, or destroyed. Considering the volume of CMD documents, this will be a lengthy process but setting a policy is the first step toward organizing, digitizing, and tidying the District's paper documents.



CHEROKEE METROPOLITAN DISTRICT

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Finance Department Report – July 2026

Prepared for the CMD Regular Board Meeting – August 18, 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 July.

Monthly tasks, processes, etc.

- Reviewed and processed 273 invoices and generated 174 vendor checks and electronic payments for Water/Wastewater, Parks, and General Funds expenditures.
- Reviewed and processed 106 invoices and generated 71 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.

Other Items:

- The 2025 Audit was filed with the State Auditor on 7/21/2026. This is the first audit in recent years where the auditors did not find any material weaknesses. Not only was this audit clean (as all previous audits have been), but it was also error-free.
- Wired \$2,193,207.78 (principal and interest) Bond and Loan payments on 7/23/2026.
- Lydia Smith transferred from the front desk to the Cash Receipts position on 7/27/2026. She has done a great job of learning the duties and applying her knowledge of the customer service system in her new role.



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

August 2026 Wastewater Monthly Report

July 2026 Effluent Results

	TSS	BOD	TIN (Total Inorganic Nitrogen)	Total Coliform
Permit Limit	30	30	10	Report
001A Effluent	0.7	3.09	3.03	0

- By the numbers:
 - A total of 67.211 million gallons of wastewater were treated.
 - On average, 2.168 MGD (million gallons per day)
 - 5180.183 lbs of BOD (Biochemical Oxygen Demand) treated throughout June.
- TDS Levels
 - Influent – 586 mg/L
 - Effluent – 380 mg/L
 - Well C – 388 mg/L
 - Well D – 456 mg/L
- Operations
 - The team is doing great. Continuing to grow
 - 2 operators passed their wastewater D certification.
 - 1 operator passed their collections 1 certification.
 - It excites me to say that with these certifications, the entire wastewater team is dual certified. This is a major team accomplishment. Congratulations to all the wastewater operators.
 - Accepting applications for our open position.
 - Working on the 2027 Budget
- Process
 - MBR
 - The biological treatment process is doing good.
 - The automatic transfer switch for the generator was serviced.

- **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.
 - Sent out 7 membranes from a pressure vessel from Train 1. We are waiting for the results from the autopsy.
- **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.
 - A 2nd brine pump has been ordered. Prime controls is working on some programming changes and pressure transmitters.
 - Garney will be redoing the brine piping in the filter building.
 - CMD to complete an acid clean when the above work is completed.

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 September.
 - Project is still on schedule



- **Rapid Infiltration Basins**

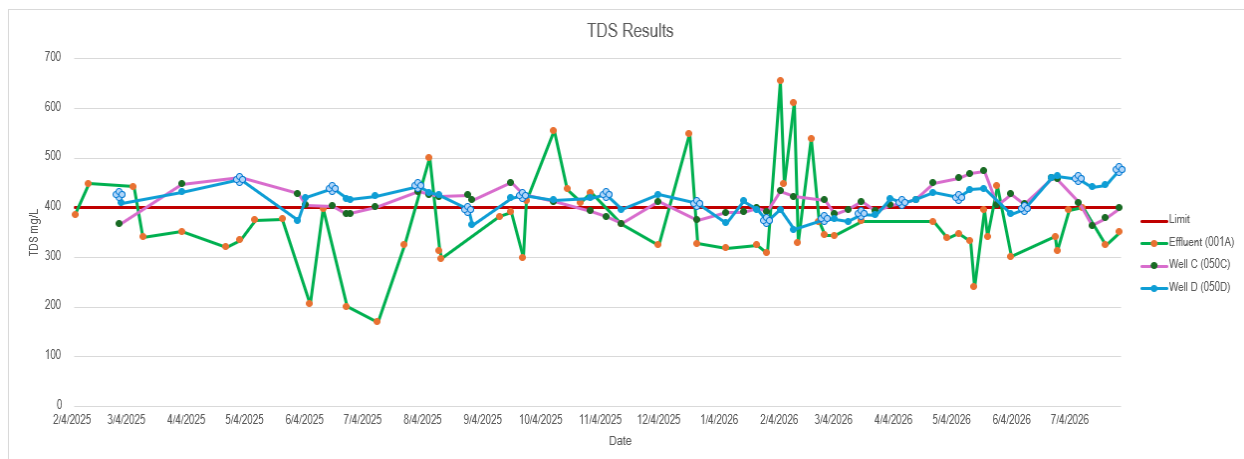
- RIB 1 and 7 are being working on by DWIRE.
- We continue to pump into the demo trenches to make room.
- Working with DWIRE and Spheros to find good material to use for fill.

- **Industrial Pretreatment**

- Continuing to work on quarterly and annual inspections.
- Starting to cross train with Tyler; allowing other operators to see what Industrial Pretreatment is.

- **Collections**

- 75,560 feet of sewer main have been inspected in 2026.
- 82,906 feet of sewer main have been cleaned in 2026.





August 2026 Engineer's Board Report

System Improvement Projects

Water Supply

- PFAS Treatment Facility Design / CMAR – Progressing to 60% design. Evaluating 1041 requirements and response to County. Planning for Tier 2 CDPHE funding (construction support) early next year.
CMAR has provided 30% design comments and is preparing initial cost estimate.
- Pipeline Design for Connection to PFAS – Design is progressing. Right of entry for some parcels is needed before survey and environmental work can proceed.
- Replacement Plan Wells – Request for proposal of design draft is completed. RFP will go to public bid on 20 August.
- Well 22, Albrecht – Survey work for easement adjustments is complete. Legal descriptions being prepared. Seeding completed previously and is growing well.
- 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- Notice of Intents going out between August and September to landowners. This will trigger 90-day period where Landowners can appraise their land at District reimbursement. All Landowners who do not settle on price after the mandated 90 days will be postured to go into condemnation proceedings in 2027.
- Omaha Water Main – Design Request for proposal completed. General contractor selection will occur after a for construction RFB. GC will be selected beginning of 2027. Construction to occur spring of 2027.
- Tank 5 (2nd Tamlin tank) – Access Road easement to be signed 18August2026 by CMD then WHMD at the end of the month. This will trigger us to be able to begin road improvement then continued site development. Tank floor will be poured and cured from mid-September to mid-October. Finishing of Tank will occur in March of 2027.
- 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. Final Draft due 21August.
- 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 the county 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.

August 2026 Engineer's Board Report

- 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 the 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 – Structural components are being installed in the south basin. Deduct change order for removing HVAC from project has been prepared for Board approval.

SCADA

- RIB Control Upgrade- Pilot of possible upgrades to RIB valve and basin control system to be installed in house. Controls met with Joshua Watkins to go over the scope of the project. Looking at what remaining parts need to be ordered to complete the pilot project.
- Server Upgrade for SCADA – The new servers have been installed and both water and wastewater have been completely moved over to the new servers.
- Safety Audit for Electrical Panels – The Controls Department has started the electrical safety audit to reduce electrical hazards in CMD's Industrial Control Panels. About half of the wells have been audited. Waiting on the official electrical safety policy to understand what the official requirements will be for the audits.
- Electrical Safety Policy – Controls has been acting as the subject matter expert for the safety department in the creation of the electrical safety policy. Talks have been ongoing with the safety department
- New VFD for AR1 – Equipment has been installed and is running in remote from SCADA. This project is complete.
- 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 doing the network mapping, we are just waiting on the AutoCAD file. Once we have this map we can move forward with audit processes.
- 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. Siemens recently reached out to get electrical prints for this
- VFD & Electrical Rehab for Well 11/12 - Pending Open Work Order with Electric Service of Colorado. Electric Service of Colorado informed us that the permits for this project are in place, and the projects will be completed around October. Trying to nail down firm dates.
- Wells 1 and 2 Utility Feed Work- Mountain View Electric changed the service feed from an ungrounded delta system to a star system. We are waiting on quotes to do the service feed back to the well houses.



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: August 2026

Dear Board of Directors,
Parks activity for the month of July

Parks Personnel

Lecil Ross, Gabriella Rivera, Aiden Kondly, Kenneth Ritchie

- General Park Maintenance (e.g. mowing, trimming, trash policing)
- Ball field and Pavillion reservations as scheduled
- Sunday July 5th, Parks (Post holiday) clean up of trash and spent fireworks at Eastridge, as well as replaced damaged split rail posts and railings at south parking lots (by Pavillion)
- Gabby replaced several Irrigation heads at Pronghorn Meadows and Eastridge parks
- Exterior walls and bathroom walls at Pavillion repainted utilizing airless painter
- Entirety of Sand Creek Disc Golf and Riverwalk open space mowed and fencelines trimmed
- Gabby built and installed sign at Westridge

- Water department installed Backflow cages at Fredericksburg and Colorado Tech Parks
- Parks and 064 sprayed with non selective herbicide on cement and rock areas



CHEROKEE METROPOLITAN DISTRICT

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July Billing and Customer Service

New customers:

Owners: 79

Renters: 38

Vacant: 13

Total: 130

Collected Fees:

Connection Fees: \$525

NSF Fees: \$560

Reconnect Fees: \$1,700

Trip Fees: \$550

Late Fees: \$6,855

Net Fees Collected: \$10,190

Leak Credits Given:

Total: \$1,504.82

InvoiceCloud Update:

Paperless Customers: 4,668

AutoPay Customers: 3,136

Heather Goldsberry
Billing Supervisor



Greetings Team!

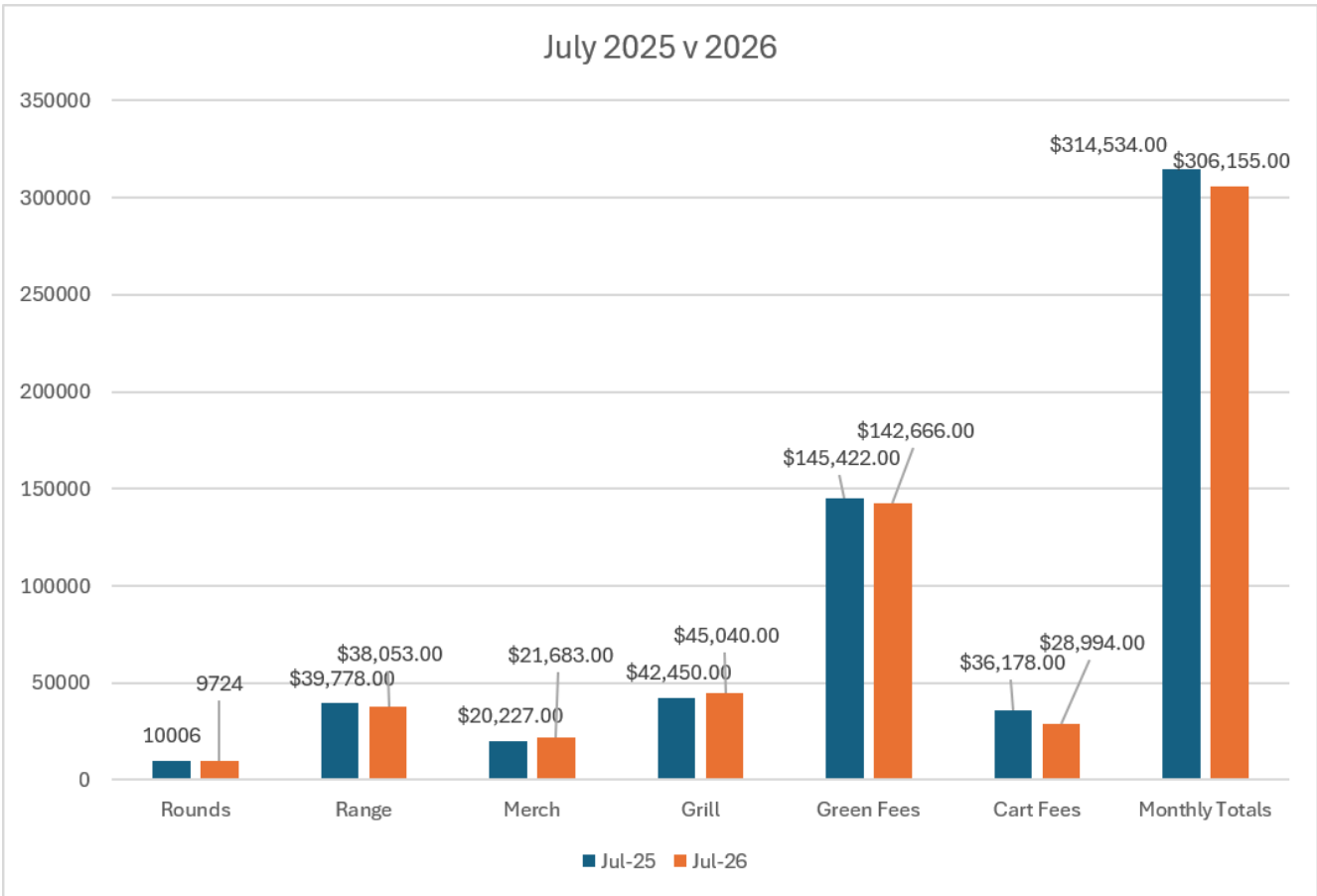
Below are the totals for the month of July. Overall we had a very successful month with many events. We wrapped up our Linkers Junior program, as well as our PGA Jr League. We also had a successful 3 Man Tournament earlier in the month as well.

Given the dry conditions, I believe we had as strong a July as possible given the extreme heat as well. With limiting carts earlier in the month, we did show a decline in cart fees compared to last July. Green fees did also suffer as well as a result of this. Range fees also showed a slight decline compared to last July. However, our merchandise and grill sales were still above last July - which is a great sign and indicator that we are still on an upward trend and we are doing better overall. I do believe that August will be a very strong month, as we already have high schools out here practicing, and the weather is seeming to be cooperative. We also have several tournaments scheduled, as well as outside events. **Overall year to date, we are still up in revenue by \$124,909.**

Let me know if you have any questions on any of this, and let's keep up the great work!

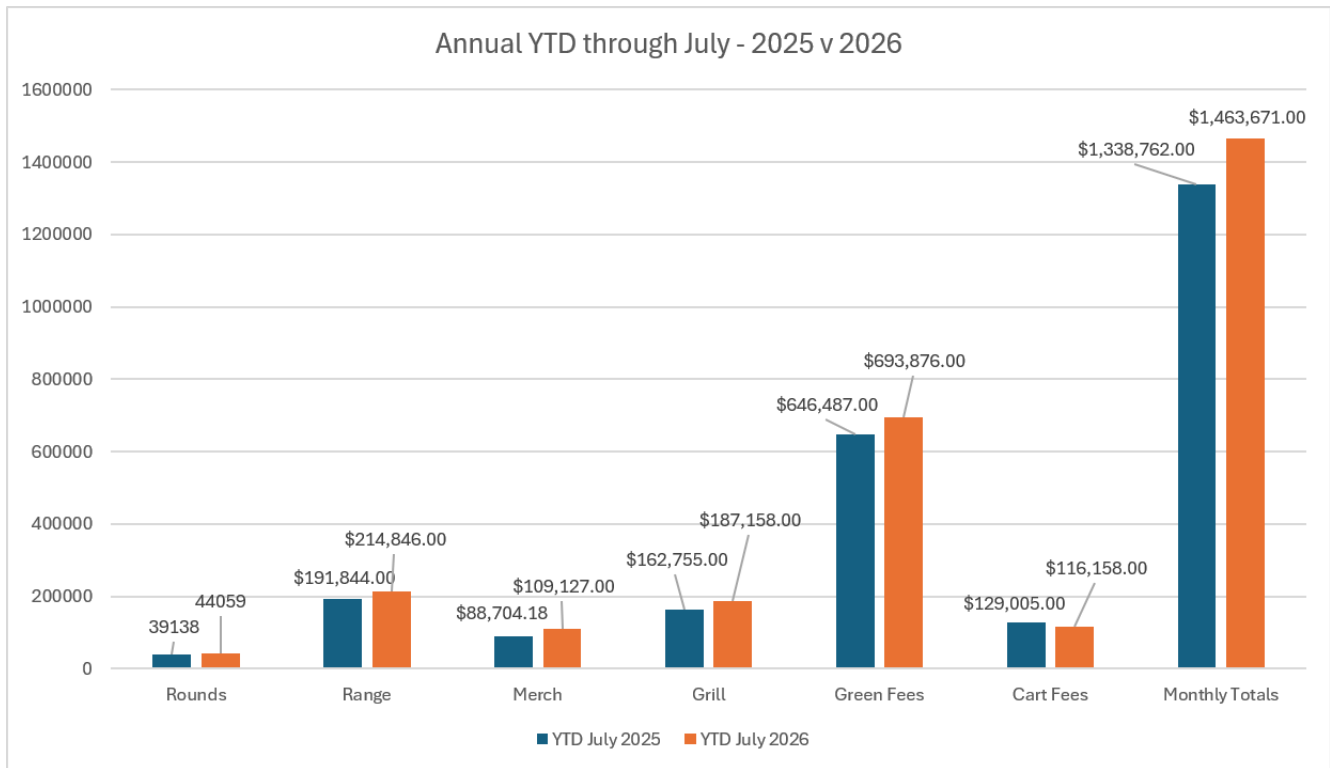
□

	Jul-25	Jul-26	Monthly Comparison
Rounds	10006	9724	-282
Range	\$ 39,778.00	\$ 38,053.00	\$ (1,725.00)
Merch	\$ 20,227.00	\$ 21,683.00	\$ 1,456.00
Grill	\$ 42,450.00	\$ 45,040.00	\$ 2,590.00
Green Fees	\$ 145,422.00	\$ 142,666.00	\$ (2,756.00)
Cart Fees	\$ 36,178.00	\$ 28,994.00	\$ (7,184.00)
Monthly Totals	\$ 314,534.00	\$ 306,155.00	\$ (8,379.00)



□

	YTD July 2025	YTD July 2026	YTD Annual Comparison
Rounds	39138	44059	4921
Range	\$ 191,844.00	\$ 214,846.00	\$ 23,002.00
Merch	\$ 88,704.18	\$ 109,127.00	\$ 20,422.82
Grill	\$ 162,755.00	\$ 187,158.00	\$ 24,403.00
Green Fees	\$ 646,487.00	\$ 693,876.00	\$ 47,389.00
Cart Fees	\$ 129,005.00	\$ 116,158.00	\$ (12,847.00)
Monthly Totals	\$ 1,338,762.00	\$ 1,463,671.00	\$ 124,909.00



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PGA