CHEROKEE METROPOLITAN DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

MINUTES – OCTOBER 20, 2026

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

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

CMD Staff Present: Kevin Brown, General Manager; Juile Wells, Accountant; Adam Keeney, Interim Wastewater Supervisor/ORC

Others Present: Joan Fritsche, Fritsche Law LLC; members of the public.

ITEM 1: Call to Order

The meeting was called to order by Director Wall at 5:30 p.m. A quorum of the Directors was present and there were no changes to Directors' qualifications or disclosures. Those in attendance were asked to stand and cite the Pledge of Allegiance.

ITEM 2: Review and Approval of the Agenda

A. Addendums/Amendments to Agenda

The Board reviewed the agenda.

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

ITEM 3: Public Comment

District resident Kristin Carlson addressed the Board regarding District parks. Roger Stolz spoke to the Board about the Containment Concentration Report and Consumer Confidence Report.

ITEM 4: Consent Agenda

Items on the Consent Agenda:

A. September 11, 2026 Study Session Board Minutes
B. September 17, 2026 Special Board Meeting Minutes
C. Washington Trust Permanent Water Line Easement
D. Washington Trust Temporary Construction Easement

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

ITEM 5: Financial Report

A. September 2026 Financial Report

Ms. Wells reviewed the September 2026 Financial Report. She noted the recent distribution payment from CTF is not reflected in the Parks Fund – Conservation Trust funds line item of the report. Ms. Wells updated the Board on the amount spent on capital projects to date in 2026, and stated the golf course is doing very well and is at 99% of the budget for revenue. The budget bottom lines are as expected. There were no questions on the Financial Report.

MOTION: **DIRECTOR HALE MOVED, SECONDED BY DIRECTOR LETRIZ, TO ACCEPT THE SEPTEMBER 2026 FINANCIAL REPORT AS PRESENTED. MOTION PASSED UNANIMOUSLY.**

ITEM 6: Unfinished Business

A. Habor Lights Settlement Agreement

Mr. Brown provided a brief summary of the matter. In 2021, the Cherokee Water LLC was dissolved. Earlier this year, a former member of the LLC, Harbor Lights Church, claimed they were a member who was not consulted during the dissolution and was owed some amount on its initial $177,000 payment to secure water rights to support an anticipated development. Harbor Lights' interest in the LLC was not addressed as part of the dissolution process because the District had no record of Harbor Lights' membership. Harbor Lights provided a Certificate of Ownership in the LLC and the District and Harbor Lights have negotiated a settlement of the claim. Harbor Light's interest in the Cherokee Water LLC will be converted to tap fee credits that it can sell to a developer with District approval. This allows Harbor Lights to close out its 2008 investment in the LLC without the District directly reimbursing Harbor Lights. The reimbursement period is limited to five years.

MOTION: **DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR LETRIZ, TO APPROVE THE WATER RIGHTS AND ENTITLEMENTS AGREEMENT BETWEEN THE DISTRICT AND HARBOR LIGHTS CHURCH. MOTION PASSED UNANIMOUSLY.**

ITEM 7: New Business

A. October 22 Budget Study Session Scheduling

Director Wall asked the Board to reschedule the Budget Study Session currently set for October 22, 2026. Board discussion followed. The consensus was to schedule the Budget Study Session for October 28, 2026 at 4:00 p.m.

B. Authorize Engagement Letter with Municipal Advisor

Mr. Brown noted that Ms. Fritsche recommended the District hire an experienced municipal financial advisor to assist with the complex financing options available to finance the PFAS Treatment Facility. Ms. Fritsche updated the Board regarding an MSRB ruling that prohibits an investment banker from also serving as a municipal advisor to the District. Director Wall, Mr. Brown and Ms. Fritsche interviewed two municipal advisor firms on October 19th. Mr. Brown requested the Board's authorization to allow Director Wall to sign an engagement letter with the firm that is selected.

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR ATKINSON, TO AUTHORIZE DIRECTOR WALL TO EXECUTE AN ENGAGEMENT LETTER WITH A MUNICIPAL ADVISOR. MOTION PASSED UNANIMOUSLY.

C. Resolution 2026-11 – Consolidating Designated COLOTRUST Capital Accounts

Mr. Brown noted the purpose of the proposed Resolution is to consolidate four District COLOTRUST bank accounts that were designated by former Boards of Directors for capital projects. The new account would be dedicated to the PFAS Treatment Facility project. Discussion followed. The Board expressed concern with approving the account consolidation without review of District historical records creating those accounts.

MOTION: DIRECTOR WALL MOVED, SECONDED BY DIRECTOR ATKINSON, TO TABLE THIS MATTER UNTIL NEXT MONTH. MOTION PASSED UNANIMOUSLY.

D. Moltz Construction Bioreactor Covers Change Order 3 – Six Week Extension

Mr. Brown noted there have been delays in material delivery for the bioreactor covers which have pushed back completion by six weeks. One of the bioreactors is fully covered and the other has the support structures in place and part of the cover finished. The contract extension is at no cost to the District.

MOTION: DIRECTOR ATKINSON MOVED, SECONDED BY DIRECTOR LETRIZ, TO APPROVE CHANGE ORDER NO. 3 TO EXTEND THE CONTRACT SUBSTANTIAL COMPLETION DATE FROM NOVEMBER 2, 2026 TO DECEMBER 18, 2026. MOTION PASSED UNANIMOUSLY.

ITEM 8: Staff Reports

Mr. Brown presented his Manager's Report. Mr. Brown discussed the various financing options that may be available for the PFAS Treatment Plant project. This project is the largest capital project the District has ever taken on, with an initial five-year cost estimate of $75,000,000 maximum, though final bids have not been received. The District is required to comply with PFAS regulations by 2029.

The District's current budget reflects all of the funding coming from District debt, but this is the worst-case scenario. There are also grants and low-interest loans available to the District which may

cover some or all the cost, but they are both competitive and not guaranteed.

The first type of grant is Emerging Contaminants for Small and Disadvantaged Communities (EC-SDC). The District is currently receiving design funds from this EPA-funded program administered by Colorado. Applications for $9 million in construction funding close in January with results in April. This grant can be applied for again in 2028 for up to another $9 million.

There are also grants available from the Department of War for improving infrastructure that feeds military installations. Improvements to the treatment system upstream from Schriever may be eligible for consideration. Awards from these programs are less likely than the EC-SDC grants but caps are higher and there are multiple opportunities to pursue. The final federal grant category is congressional direct spending. This is funding added to a federal appropriations bill by a local congressman or senator. This is the most uncertain federal funding avenue.

The District is also pursuing statewide revolving fund loans. These loans are issued by the Colorado Water and Power Development Authority (CWRPDA) and often carry interest rates 1.5 to 2 percentage points lower than bonds. The loans have a lengthy approval process but the savings can add up to millions of dollars over the life of the loan. CWRPDA has a limited amount of money to award each year and disadvantaged communities have the highest priority. CWRPDA is prioritizing PFAS treatment projects but the final amount of low-interest financing available will not be known until after the application process. Regardless of grant awards and loans, the District will have to rely on District-issued bonds. This is the most expensive financing option, but it does not depend on application approvals and has no cap, aside from the District's total debt capacity. The District's goal is to provide the lowest cost possible for District customers and utilize every funding source available.

Mr. Brown updated the Board on the District's electrical safety program. Electrical work is the most dangerous work District operators regularly perform, and significant improvements in electrical safety have been made in the past few years. The District's objective will always be to provide the training and tools to ensure District staff can safely work on electrical equipment to keep the water and wastewater systems functioning. Discussion followed.

Mr. Brown updated the Board on the status of purchasing the three parcels from the Cimarron Hills Fire Protection District. Due diligence is complete and all went well. Closing is currently set for November 24, 2026. Closing documents will be presented to the Board for approval at the regular November Board meeting.

Mr. Brown briefly discussed September water use. Consumption was still above the 10-year average but lower than any month since April.

Mr. Brown provided an update on Capital Projects. The AE2S team delivered the PFAS Treatment Facility 60% design drawings and a review meeting is scheduled for October 22. The 90% drawings are scheduled to be delivered in November or December. The pipeline side of the project is progressing well and the first pipe crossing under Highway 94 may be ready for construction as soon as next spring. This would allow startup and testing of the facility to begin at any time even if the pipeline from the facility to the rest of the District's facilities is still under construction.

Construction on Tank 5 has finally begun. Colorado Springs City Council granted final approval of the project and the easement document has been signed by the Owner and Woodmen Hills Metropolitan District. The general contractor will begin site preparation and grading over the winter with tank construction next spring. Substantial completion is scheduled for May 2027 with final completion following a few months later. Once the new tank is online, Tank 3 will be fully drained for a comprehensive inspection.

Director Wall asked about a tank overflow that happened on October 11th. Mr. Brown noted the high level sensor failed, and water rose until the tank overtopped the drain. Approximately 100,000 gallons of water was lost due to the overflow. Pumps were shut down and the site was cleaned up.

There were no additional questions from the Board.

ITEM 9. Executive Session

MOTION: DIRECTOR WALL 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. Ellicott Pipeline Easement Acquisition Update
B. Inclusion Criteria and Process Discussion

The Executive Session convened at 6:52 p.m., after a short break. The Directors, Mr. Brown and Ms. Fritsche attended the Executive Session.

MOTION: DIRECTOR BANDY MOVED, SECONDED BY DIRECTOR ATKINSON, TO COME OUT OF EXECUTIVE SESSION AT 7:52 P.M. MOTION UNANIMOUSLY PASSED.

ITEM 10. Further Action

A. Board Direction on Water Availability for Inclusion

This matter was removed from the agenda.

ITEM 11. Adjournment

There being no further business to come before the Board, the meeting adjourned at 7:53 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.