



CHEROKEE METROPOLITAN DISTRICT

6250 Palmer Park Blvd., Colorado Springs, CO 80915-2842

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

Our mission is to exceed our customer's needs by providing safe and uninterrupted water and sewer services, high quality water supply, well-maintained parks and open spaces, and well-lit streets. We are committed in continually striving to attain the highest quality services at the lowest reasonable costs and to prepare for the anticipated needs and requirements of current and future customers through the allocation of technical, financial, operational, planning, and managerial resources necessary to ensure our service goals and expectations are met in a safe, responsible, and professional manner.

REGULAR MEETING OF THE BOARD OF DIRECTORS AND PUBLIC HEARING

PLEASE SILENCE ALL PHONES FOR THE DURATION OF THE MEETING
THANK YOU

AGENDA

Board of Directors

Term Expires

Steve Hasbrouck, President	May 2025
Walt Herrley, Vice President	May 2023
Dennis Daniels, Secretary	May 2023
Linda Keleher, Treasurer	May 2025
Michelle Marie Kinney, Director	May 2025

DATE: December 16, 2022

TIME: 10:00 a.m.

LOCATION: Cherokee Metropolitan District – Board Room
6250 Palmer Park Blvd., Colorado Springs, Colorado 80915

1. **Call to Order**

- A. Roll Call of the Board of Directors/Declaration of a Quorum
- B. Director Qualifications and Disclosures
- C. Pledge of Allegiance

2. Review and Approval of the Agenda

- A. Addendums
- B. Amendments
- C. Approval Motion

3. Directors' Items

4. Consent Agenda

The Consent Agenda consists of matters that occur in the normal course of business. The following items are summarized and are approved and enacted at this time by the Board of Directors in one motion.

- A. Approval of Minutes for the November 15, 2022 Regular Board Meeting
- B. Directors Signatures

Recess Regular Meeting

5. Public Hearing

- A. Discussion and Report on In-District and Out-of-District Rates
Resolution 2022-17 – A Resolution Adopting a Schedule of Fees and Charges
- B. Review and Approval, Amendment to 2022 Budget
Resolution 2022-18 – 2022 Budget Amendment
- C. Review and Approval of 2023 Budget
Resolution 2022-19 – A Resolution Adopting the 2023 Budget

Resume Regular Meeting

6. Finance and Accounting-Cathy Fromm

- A. November Monthly Financials

7. General Manager Report

- A. Contract Change Order - TDS Project
- B. B & H Engineers, LLC – Master Service Agreement

8. Executive Session

9. **Public Comments**

The Board and District staff value the public's input. Please respect the following when making formal comments to the Board of Directors:

- You must sign in when you arrive prior to making public comment or at the time of making your comments.
 - Your name, address and whether you reside within Cherokee Metropolitan District will be required to be disclosed before addressing the Board.
- **Please keep comments restricted to the topics of the District and its business, and limit time to a maximum of three (3) minutes. A timer will be provided for your convenience.**
- Please keep comments respectful of others and organized for understanding. It is further requested that civility is maintained when addressing the Board, District staff, news media, law enforcement, and the public.
- **For the respect of all attendees, interrupting and/or interjecting comments without first adhering to the above rules AND being recognized by the President is not allowed.**
- Board action cannot be taken on items not published on the agenda.

10. **Other Business**

11. **Other Meetings of Importance to the Cherokee Metropolitan District**

Meridian Ranch Metropolitan District, first Wednesday of month, 10 a.m.
Cimarron Hills Fire Department Board Meeting, third Wednesday of month, 5:30 p.m.
Woodmen Hills Metro District Board Meeting, fourth Thursday of month, 5:30 p.m.
UBSCGW Meeting, Calhan, Colorado, first Tuesday of month, 6 p.m.
Colorado Springs City Council Meetings 2nd and 4th Tuesday of month, at 10 a.m.

12. **Adjournment**

CHEROKEE METROPOLITAN DISTRICT
REGULAR MEETING AND PUBLIC HEARING
OF THE BOARD OF DIRECTORS

December 16, 2022

MINUTES

The Regular and Public Meetings of the Board of Directors of the Cherokee Metropolitan District was held on Friday, December 16, 2022, at 10:00 a.m. at 6250 Palmer Park Blvd., Colorado Springs, Colorado.

Board of Directors Present: Steve Hasbrouck, Walt Herrley, Dennis Daniels, Linda Keleher, Michelle Marie Kinney

CMD Staff Present: Amy Lathen, Julie Wells, Amanda Wylie, Jonah Purcell, Cole Miller, Connie Hughes, Kevin Brown, Shawn Puente, Jeff Munger, Joshua Watkins, Tyler Dunich, Cathy Fromm, Dino Brown, Len Meyer, Heather Galbraith, Mark Cuchiara, Mike Corder

Present: Paul Rufien, Roger Stolz, Larry Keleher, Rene Sintas, Bob Lathen, Diana Begin Virtual: Tina Melzo, Megan Carpenter, Tyler Drennan, Nathaniel Williams, Christian Harbour, Daniela, Noah Vogel, John Hill, KS, Michael Corder, LM, Dan Wall, J

ITEM 1: Call to Order

The meeting was called to order by President Steve Hasbrouck at 10:00 a.m. Those in attendance were asked to stand and recite the Pledge of Allegiance. He asked for a roll call from the Directors. All were present. There were no Directors' qualifications or disclosures.

ITEM 2: Review and Approval of the Agenda

Mrs. Lathen requested the Agenda be rearranged for Item #10. Other Business, to be immediately following #2. Review and Approval of the Agenda.

MOTION: DIRECTOR DANIELS MOVED, SECONDED BY DIRECTOR HERRLEY, TO APPROVE THE MEETING'S AGENDA AS AMENDED. WALTER HERRLEY-YES. DENNIS DANIELS-YES. LINDA KELEHER-YES. MICHELLE MARIE KINNEY-YES. STEVE HASROUCK-YES. MOTION PASSED (5-0).

ITEM 10: Directors Items/Comments

Mrs. Lathen updated the Board stating in August, the Board approved an Amendment to Intergovernmental Agreement between Cherokee Metropolitan District and Grandview Metropolitan District No. 1, granting extension of time for the first capital payment due. Grandview was appropriated sufficient funds to provide the first capital payment to Cherokee on or before December 20, 2022. However, considering additional changes in Grandview's developments, they have asked for the extension to be granted to February 28, 2023. Mrs. Lathen requested the Board to consider a second amendment to this Agreement.

MOTION: DIRECTOR KINNEY MOVED, SECONDED BY DIRECTOR DANIELS, TO APPROVE AN AMENDMENT TO THE AMENDED INTER-GOVERNMENTAL AGREEMENT BETWEEN CHEROKEE METROPOLITAN DISTRICT AND GRANDVIEW METROPOLITAN DISTRICT NO. 1 GRANTING EXTENSION OF TIME FOR THE FIRST CAPITAL PAYMENT DUE TO FEBRUARY 28, 2023. WALTER HERRLEY-YES. DENNIS DANIELS-YES. LINDA KELEHER-YES. MICHELLE MARIE KINNEY-YES. STEVE HASROUCK-YES. MOTION PASSED (5-0).

The next item Mrs. Lathen addressed was the concern of the company's emails working properly for documentation, distribution, and communication purposes between staff and the Board of Directors. Mrs. Lathen has no access, nor knowledge, to alter an individual's preference or privacy settings with their email addresses. Mrs. Lathen consulted with the District's IT consultant, Josh List, and he stated he believed it has to do with an "in-box" rule that is initially set up by the owner of the email address. It is believed this confusion has been resolved among the users.

Mrs. Lathen wanted to go over the details prompting the Board Meeting date to be changed from December 20th to December 16. Several emails were sent out to the Board members about the upcoming December 16th meeting; also, the same was stated on the record a few times in the November Regular Public Board meeting. Director Kinney stated she was getting some emails from staff, no emails from others, and therefore there was some concern with email distribution.

ITEM 4: Consent Agenda

The following were reviewed for approval: Minutes for the November 15, 2022 Regular Board Meeting.

Director Kinney noticed one minor error – Legal Counsel Pete Johnson was present in the meeting although the Minutes stated he virtually attended. Sara Howard stated that would be corrected prior to the Board approving the Minutes.

MOTION: DIRECTOR KINNEY MOVED, SECONDED BY DIRECTOR DANIELS, TO APPROVE THE REGULAR BOARD MEETING MINUTES FOR NOVEMBER 15, 2022, AS AMENDED. WALTER HERRLEY-YES.

DENNIS DANIELS-YES. LINDA KELEHER-YES. MICHELLE MARIE KINNEY-YES. STEVE HASROUCK-YES. MOTION PASSED (5-0).

ITEM 5: Public Hearing

MOTION: DIRECTOR DANIELS MOVED, SECONDED BY DIRECTOR HERRLEY, TO OPEN THE PUBLIC HEARING SESSION OF THE REGULAR MEETING. WALTER HERRLEY-YES. DENNIS DANIELS-YES. LINDA KELEHER-YES. MICHELLE MARIE KINNEY-YES. STEVE HAS-BROUCK-YES. MOTION PASSED (5-0).

The Public Hearing commenced at 10:14 a.m.

Mrs. Lathen provided a detailed introduction and historical summary of the formation of the drafted 2023 Budget. Cathy Fromm passed around a list of the changes to the drafted budget prior to December 16, 2022. She, with the assistance of Julie Wells, explained the difference between operation and maintenance versus capital costs line items. She also explained the consequences of the District doing business without any capital and went over key expense comparisons.

Administrative expenses were incorporated into the Budget utilizing factors of parity, consideration of retention, benefits, and workman's comp. Liability insurance and a new cloud-based asset management software, CMMS, were discussed.

Water costs play an enormous part of the District's budget. Costs of meters, electricity, chemicals, compliance, and regulations, capital projects and water development, including acquisition and the replacement plan, were covered by Kevin Brown and Heather Galbraith.

Joshua Watkins, WRF ORC, provided operation and maintenance expenses to the Board, explaining that 22.4% of the O&M budget was from the WRF's wastewater and collection costs. The RIBS major maintenance project, tumbleweeds mitigation, TDS project startup, (chemicals, energy, and staffing), blowers and screw press improvements were all factors considered in the proposed rate increase.

Jeff Munger provided an overview of the District's Headworks.

Sara Howard presented the Board with water rate comparisons of other utilities and Special Districts in the region, specifically Colorado Springs Utilities, Security Water and Wastewater Sanitation District, Widefield Water and Wastewater Sanitation District, Paint Brush Hills Metropolitan District, Donala Water and Wastewater Sanitation District, Woodmen Hills Metropolitan District, Meridian Ranch Metropolitan District, Colorado Centre Metropolitan District, and Woodmoor Metropolitan District.

Cherokee Metropolitan District remains a solid contender of the lowest rates in the region. Even with the proposed rate increases before the Board, the District continually remains in the lower half on this list.

It was recommended by staff not to increase existing administrative fees but to request consideration of the implementation of two new fees: the Water and Sewer Line Inspection Fee, and Water and Sewer Line Re-inspection Fee. These fees are common among special districts as they are part of the inspections needed in new development. Re-inspection fees could possibly be charged to an existing homeowner when an inspection doesn't pass the first time, which is not uncommon but it does affect the District's resources and costs. Mrs. Galbraith provided historical data regarding the number of accounts these inspection fees affected over the past year and the justification of new fees.

Mrs. Lathen went over the District's revenue target and operation and maintenance expenses.

Mr. Brown assisted Mrs. Lathen with a discussion of the proposed 2023 rate increase beginning with a synopsis of proposed rate increases within specific areas of the customer's water and wastewater charges. Most of the emphasis was given to the wastewater rates. Mr. Brown explained how the District's rate sheet was formulated. Every category of customer accounts will see similar increases.

The brunt of the increase is based on the fixed change of residential and commercial meters and an increase in TDS surcharges. Director Kinney questioned the commercial sewer unit reduction from \$3.26 to \$2.50. Sara Howard explained commercial account sewer units aren't currently calculated using a winter average like residential accounts; but rather, they are charged a fixed rate times the number of units of water they use. This equation increases the cost of water consumed by commercial accounts and therefore closely parallels with the rate increase in residential accounts. Kevin Brown explained that overall billing would be higher for commercial accounts.

There was a question from the audience at the end of the Public Hearing. Diana Begin asked if all debt from attorneys' lawsuits had been eliminated, and Mrs. Lathen stated there was no longer any legal outstanding debt against the District.

Discussion continued with the proposed rate increases. Although a \$50 administrative fee for water and sewer line inspections was proposed, in addition to a \$50 re-inspection fee, Director Kinney stated that the initial fee should be increased to \$75. She also stated the non-sufficient fund fee was very minimal and suggested it be increased from \$35 to \$40. She said she loved the structure of the proposed rates but did not agree with the judgment call of dropping the commercial sewer unit rate down to the amount that was recommended by staff.

MOTION: DIRECTOR DANIELS MOVED, SECONDED BY DIRECTOR KELEHER, TO CLOSE THE PUBLIC HEARING SESSION OF THE REGULAR MEETING. WALTER HERRLEY-YES. DENNIS DANIELS-YES. LINDA KELEHER-YES. MICHELLE MARIE KINNEY-YES. STEVE HAS-BROUCK-YES. MOTION PASSED (5-0).

The Public Hearing Session of the Board Meeting closed at 12:41 p.m.

MOTION: DIRECTOR DANIELS MOVED, SECONDED BY DIRECTOR HERRLEY, TO ADOPT A \$75 FEE FOR A WATER AND SEWER LINE INSPECTION, \$50 FOR A RE-INSPECTION OF SAME, AN INCREASE IN THE NSF FEE FROM \$35 TO \$40, AND IN ADDITION ADOPTING RESOLUTION 2022-17, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHEROKEE METROPOLITAN DISTRICT ADOPTING A SCHEDULE OF RATES AND FEES AND OTHERWISE ESTABLISHING THE RATE STRUCTURE APPLICABLE TO ALL CUSTOMER CLASSIFICATIONS. WALTER HERRLEY-YES. DENNIS DANIELS-YES. LINDA KELEHER-YES. MICHELLE MARIE KINNEY-NO. STEVE HASBROUCK-YES. MOTION PASSED (4-1).

President Hasbrouck requested the Public Hearing be opened again to allow public comment on Resolution 2022-18.

There were no public comments. Regular Session resumed.

MOTION: DIRECTOR KINNEY MOVED, SECONDED BY DIRECTOR KELEHER, TO APPROVE RESOLUTION 2022-18 - 2022 BUDGET AMENDMENT, THEREBY AMENDING THE GOLF COURSE ENTERPRISE FUND. WALTER HERRLEY-YES. DENNIS DANIELS-YES. LINDA KELEHER-YES. MICHELLE MARIE KINNEY-YES. STEVE HASBROUCK-YES. MOTION PASSED (5-0).

With the following changes noted, the 2023 Budget presented to the Board for their final review, Consideration and adoption.

Line Item	Original	Revised	Difference	Explanation
Parks-Capital Outlay	\$13,000	\$21,500	\$8,500	Added CMMS Cost
Golf Course-Capital Outlay	\$217,000	\$234,000	\$17,000	Added CMMS Cost

WW FUND				
Water - Total Capital Outlay	\$6,221,250	\$6,584,875	\$363,625	
CMMS Cost-Water	\$21,250	\$14,875	<\$6,375>	After Parks/Golf allocation
Lead and Copper Rule	\$0	\$120,000	\$120,000	Added survey cost
Meters	\$0	\$250,000	\$250,000	Added new meters

Wastewater-Total Capital Outlay	\$1,099,250	\$1,092,875	<\$6,375>	
CMMS Cost-Wastewater/Collections	\$21,250	\$14,875	<\$6,375>	After Parks/Golf allocation

WRF-Total Capital Outlay	\$802,500	\$1,089,750	\$287,250	
CMMS Cost-WRF	\$42,500	\$29,750	<\$12,750>	After Parks/Golf allocation
Screw Press	\$0	\$300,000	\$300,000	Carryover from 2022

MOTION: DIRECTOR DANIELS MOVED, SECONDED BY DIRECTOR HERRLEY, TO INCORPORATE THE NEW RATES AND FEES AS APPROVED AND APPROVE RESOLUTION 2022-19 WITH AMENDED CHANGES AS MENTIONED HEREIN, THEREBY ADOPTING THE 2023 BUDGET AND APPROPRIATING SUMS OF MONEY TO THE FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE CHEROKEE METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023. WALTER HERRLEY-YES. LINDA KELEHER-YES. DENNIS DANIELS-YES. MICHELLE MARIE KINNEY-NO. STEVE HASROUCK-YES. MOTION PASSED (4-1).

ITEM 6: Finance and Accounting

Cathy Fromm provided a report on the November financial reports.

ITEM 7: General Manager's Report

Jeff Munger presented Change Order #4 from Burns and McDonnell Engineering and Gurney Companies, in the amount of \$5,772, for their review and approval.

MOTION: DIRECTOR KINNEY MOVED, SECONDED BY DIRECTOR DANIELS, TO APPROVE WORK ORDER #4 IN THE AMOUNT OF \$5,772. WALTER HERRLEY-YES. LINDA KELEHER-YES. DENNIS DANIELS-YES. MICHELLE MARIE KINNEY-YES. STEVE HASROUCK-YES. MOTION PASSED (5-0).

An MSA for B & H, LLC was submitted to the Board for their review and approval.

MOTION: DIRECTOR KINNEY MOVED, SECONDED BY DIRECTOR DANIELS, TO APPROVE AN MSA FOR B & H, LLC. WALTER HERRLEY-YES. LINDA KELEHER-YES. DENNIS DANIELS-YES. MICHELLE MARIE KINNEY-YES. STEVE HASROUCK-YES. MOTION PASSED (5-0).

ITEM 8: Public Comment

There were no public comments.

ITEM 8: Executive Session

There was no Executive Session.

ITEM 9: Other Meetings of Importance to the Cherokee Metropolitan District

As listed on the Agenda.

ITEM 10: Adjournment

There being no further business to come before the Board at this time, the meeting was adjourned at 1:10 p.m.



Dennis Daniels, Secretary


Board Members

Steve Hasbrouck, President
Walt Herrley, Vice President
Dennis Daniels, Secretary
Linda Keleher, Treasurer
Michelle Marie Kinney, Director

Term Expires

May 2025
May 2023
May 2023
May 2025
May 2025


Steve Hasbrouck, President


Linda Keleher, Treasurer


Walt Herrley, Vice President


Michelle Marie Kinney, Director
1-17-23
11:05 AM MT