

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT

Held: Wednesday, July 12, 2023
5731 Aspen Leaf Drive, Littleton, CO 80125
6:30 p.m.

Attendance

The special meeting of the Board of Directors of the Cherokee Ridge Estates Metropolitan District was called and held as shown above in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualifications to serve on the Board, were in attendance:

John Cowan
Eduardo San
Garrett Silva

Absent: Bernd Sokolowski (excused)
Sandy Ward (excused)

Also in attendance were Jeffrey E. Erb, Erb Law, LLC; Irene Berest, Novele Community Management, Inc., and the following members of the public: Monte Moore, Karla Smiley, Kelly Cowan, and Sarah Kilgore.

Call to Order

Director Cowan noted that a quorum of the Board was in attendance. The meeting was called to order at 6:32 p.m.

Disclosure Matters

The Directors confirmed their continuing qualification to serve on the Board. The Directors reported that they had disclosed their interests as residents and/or owners of property located in the District. Written disclosures of these interests have been filed with the Secretary of State and the Board.

The Board reviewed the agenda for the meeting, following which each Board member had the opportunity to identify any additional conflicts. No additional conflicts were identified.

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| Public Comment Sign-in and Etiquette | Public comment was moved to the end of the meeting. |
| Approval of Meeting Minutes | The Board reviewed the minutes from the May 3, 2023 meeting. Upon motion made, seconded and unanimously carried, the minutes were approved as presented. |
| Financial Matters | The Board reviewed the District's financials through the end of April and May, including the general fund and debt service fund, tax collections and claims payable. Upon motion made, seconded and unanimously carried, the financials and claims payable were accepted as presented. |
| District Manager's Report | <p>Ms. Berest reported that website updates are still underway, to be completed by the compliance deadline.</p> <p>Four of five of the highest water users responded to the District's correspondence regarding water use and conservation.</p> <p>Letters with the results of the septic tank inspections have been sent to all property owners.</p> <p>Upon motion made, seconded and unanimously carried, the Board approved the proposal from Douglas County Septic for septic tank pumping as recommended following the inspections.</p> |
| Directors Reports | <p>Repairs to the front entry well vault and sprinklers were completed.</p> <p>During the construction on Lot 44, the well head and vault serving the existing fire cistern was flooded as a result of changes to the grading and the recent heavy rains. The lot owner is repairing the damage and will move some of the well equipment into the to-be-constructed residence to avoid this from occurring in the future.</p> <p>Director Cowan reported on recent meter accuracy tests that were performed in the community. Some of the existing water meters are over 15 years old. A test at Lot 42 indicated the existing water meter was measuring approximately 30% more water than was being used. It appears that this error began sometime in 2022 based on historical use data. The Board discussed the overreading and its impact on the 2022 water bill,</p> |

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noting that the bill would have been for more water than was used.

The Board discussed how far back they would be willing to correct faulty bills and whether it is the District or the homeowner's responsibility to request testing if the meter appears to be faulty.

Upon motion made, seconded and unanimously carried, the Board approved a refund of \$3,106.38 to the owner of Lot 42 due to the faulty meter reading and approved up to \$750 for the installation of a new smart water meter if desired by the homeowner.

The Board next discussed additional meter testing results at two additional properties, that may be as much as 100% over actual use. The main issue seems to be with older meters. The Board discussed a potential meter testing program and how much and how far back to provide refunds if a meter is found to have been overreading. The Board noted that, to date, it has been unsuccessful in finding a company to do the meter testing. The Board determined to continue this discussion at its next Board meeting.

The Board discussed the continued use of the Water Hero water meter, noting that it's claimed accuracy is +/- 10% of actual use. The Board noted that there are other meters that are much more accurate, could provide similar use data and could be remotely read.

Upon motion made, seconded and unanimously carried, the Board approved the purchase of a meter testing tool to assist with continued meter testing in the District.

Weeds are being sprayed as quickly as possible. The high precipitation in the spring caused significantly more weed growth than normal.

The Board noted that the emergency access road is for emergency vehicles only and is not available for pedestrian use.

The front entry lights are working and different color themes have been created for different holidays and events. The Cherokee Ridge Estates Homeowner's Association will consider a proposed annual maintenance plan.

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The removal of silt from the detention ponds and culverts is complete, for a total cost of \$28,509. Upon motion made, seconded and unanimously carried, the Board approved and ratified the final cost.

The Board discussed the additional work done to remove silt from Culvert 14, which was almost completely blocked, that was done at the same time as the pond silt removal work for a cost of \$2,070. Upon motion made, seconded and unanimously carried, the additional work was approved and ratified.

The Board noted that the asphalt repair work, previously approved for up to \$20,000, was quoted for \$14,400. Upon motion made, seconded and unanimously carried, the Board approved the asphalt repair proposal.

The Board discussed the status of the appeal related to the concrete plant and the continued use of the equestrian center.

President's Corner

There will be a 20-year anniversary community event on August 6 from 11:00 a.m. to 3 p.m.. Food costs will be split between the District and the Homeowner's Association.

The Board noted its intent to represent all of the community's interests.

The Board discussed the invoice payment process, which includes review by two Board members prior to release and approval and ratification of the expenses at Board meetings. This helps ensure that contractors are timely paid between Board meetings.

The Board discussed the potential impact to the District's tax revenues due to the increased property values for the 2024 budget year. The Board noted that the general fund has a revenue cap, discussed options for funding certain services with fees, and the desire to maintain the District's share of specific ownership taxes. The Board directed legal counsel to determine the deadlines for putting a question on the November ballot to increase the general fund revenue cap and to prepare a draft question.

The Board briefly discussed whether it would support additional lot mergers in the future. Director Silva noted that he felt he had

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a conflict with this topic and declined to participate further. No decision was made.

Attorney Report

There was no attorney report.

Other Business

There was no other business.

Public Comment

Public comment was provided regarding methods to determine if there is an irrigation leak and support provided to the District for meter testing and replacement.

Additional comment was provided regarding the suggestion that the Board contract work to vendors as much as possible as opposed to having the Board members do the work, concerns about prior meetings regarding addition two additional lots in the community in order to raise funds to retire debt early but the desire to not increase the debt mill levy to accelerate the pay-off of the bonds; posting of meeting minutes on the District's webpage; and concerns over water meter testing and refunds.

The Board noted that the minutes will be posted on the webpage, and that the addition of two lots on District property would have raised new funds from the sale without increasing the debt service mill levy. However, the community feedback was to not add new lots.

Adjournment

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 8:46 p.m.



Secretary for the Meeting