

**MERIDIAN SERVICE METROPOLITAN DISTRICT (MSMD)
REGULAR MEETING AGENDA**

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expiration</u>
Butch Gabrielski	President	May 2027
Bill Gessner	Vice President	May 2027
Mike Fenton	Secretary	May 2027
Wayne Reorda	Asst. Secretary	May 2025
Tom Sauer	Treasurer	May 2025

DATE: Wednesday, November 6, 2024
TIME: 10:00 a.m.
PLACE: Meridian Ranch Recreation Center
10301 Angeles Road
Peyton, CO 80831

The Public may participate in person or by following this link: [Join the meeting now](#) or by telephone by calling +1 872-242-8662 and using Phone Conference ID 756 094 124#

I. ADMINISTRATIVE ITEMS:

- A. Call to Order
- B. Conflicts of Interest
- C. Approve Agenda
- D. Visitor Comments (Limited to 3 minutes per resident or household)
- E. Review and Approve October 2, 2024, Regular Board Meeting Minutes (enclosure) ***Pages 3-6***

II. FINANCIAL ITEMS:

- A. Review and Accept Cash Position Summary and Unaudited Financial Statements (enclosure and/or distributed under separate cover) ***Pages 7-19***
- B. Review Tap Fee Report for Information Only (enclosure and/or distributed under separate cover) ***Pages 20-21***
- C. Receive Finance Committee Report ***Page 22***
- D. Review, Ratify and Approve Monthly Payment of Claims (enclosure and/or distributed under separate cover) ***Pages 23-24***
- E. Conduct Public Meeting to Certify Delinquent Accounts
- F. Consider and Adopt Resolution MSMD 24-03 Certifying Delinquent Accounts (enclosure) ***Pages 25-26***
- G. Receive Staff Report and Provide Direction to Staff on Proposed 2025 Budget and November Budget Workshop ***Supplement***

III. OPERATIONS & ENGINEERING ITEMS:

- A. Information Items (No Action)
 - 1. MSMD Operations Reports – Water, Sewer, Parks and Grounds, Recreation (enclosure and/or handout) ***Pages 27-30***
 - 2. Manager’s Verbal Report
- B. Action Items
 - 1. Consider and Approve Engagement Letter for Haynie and Company to perform the 2024 Audit (enclosure) ***Pages 31-35***
 - 2. Consider and Approve IGA with Pikes Peak BOCES for Sanitary Sewer Service ***Pages 36-141***

3. Consider and Approve Revised CORA Request Resolution **Pages 142-147**

IV. DEVELOPER ITEMS:

- A. Verbal Report from Construction Manager

V. DIRECTOR ITEMS:

- A.

VI. LEGAL ITEMS:

- A. Presentation from Falcon Area Water and Wastewater Authority regarding IGA for Purchase of Sewer Taps
- B. Enter into Executive Session pursuant to C.R.S. 24-6-402-4(e) to determine positions relative to matters that may be subject to negotiations, develop strategy for negotiations, and instructing negotiators, FAWWA Sanitary Sewer Tap Sale Agreement
- C. Enter into Executive Session pursuant to C.R.S. 24-6-402-4(b) to receive legal advice regarding letter of termination of IGA received from MRMD.

VII. ADJOURNMENT:

The Board has scheduled a budget workshop on Wednesday, November 13, 2024, at 6:00 p.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831

The next regular meeting of the Board is scheduled for Wednesday, December 4, 2024, at 10:00 a.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831.

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE MERIDIAN SERVICE METROPOLITAN DISTRICT (MSMD)

Held: October 2, 2024, 10:00 a.m., at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831

Attendance: The following Directors were in attendance:

Butch Gabrielski, President
Bill Gessner, Vice President (via audio conference)
Mike Fenton, Secretary
Tom Sauer, Treasurer
Wayne Reorda, Asst. Secretary

Also present were:

Jim Nikkel; Meridian Service Metro District
Jennette Coe; Meridian Service Metro District
Beth Aldrich; Meridian Service Metro District
Russel Mills; Meridian Service Metro District
Ryan Kozlowski; Meridian Service Metro District
Aleks Myszkowski; Meridian Service Metro District
Ron Fano; Spencer Fane
Tom Kerby; Tech Builders

Call to Order A quorum of the Board was present, and the Directors confirmed their qualification to serve. The meeting was called to order at 10.:01 a.m.

Disclosure Matter Mr. Fano noted that written disclosures of the interests of all Directors have been filed with the Secretary of State.

Approve Agenda The Board reviewed the Agenda. A motion was made to approve the agenda. The motion was seconded and approved by unanimous vote of Directors present.

Visitor Comments There were none.

Approve Minutes The Board reviewed the September 4, 2024, Board Minutes and a motion was made, and seconded to approve the minutes as presented. The motion was approved by unanimous vote of Directors present.

The Board reviewed the September 18, 2024, Board Minutes and a motion was made, and seconded to approve the minutes as presented. The motion was approved by unanimous vote of Directors present.

RECORD OF PROCEEDINGS

Financial Items

Cash Position Summary and Financial Statements: Ms. Coe reviewed the cash position summary and monthly financial reports for August 2024. A motion was made and seconded to accept the cash position summary, and financial statements as presented. The motion was approved by unanimous vote of Directors present.

Review 2024 Tap Fee Report: Ms. Coe reviewed the September 2024, Tap Fee Report with the Board for information only.

Receive Finance Committee Report: Ms. Coe noted the Finance Committee met on September 18, 2024, and gave a summary of the Finance Committee Report on page 24 of the packet. The September Interim payments were reviewed and approved by Director Gabrielski and Director Sauer.

Approval of Payment of Claims: Ms. Coe reviewed the updated claims presented for approval at this meeting:

Interim: Payments for ratification totaling \$222,629.63

MSMD: Payments totaling \$1,597,051.06

A motion was made and seconded to ratify and approve the MSMD payment of claims. The motion was approved by unanimous vote of Directors present.

Consider and Approve Payment Request from Meridian Ranch Metropolitan District 2018 Sub-District for \$30,000 of the budgeted \$30,000 for administrative services: A motion was made and seconded to approve the payment request. The motion was approved by unanimous vote of Directors present.

Operations & Engineering Items

Information Items:

MSMD Operations Reports:

- Mr. Kozlowski presented the Recreation Center Report to the Board which included information from pages 27 and 28 of the Board Packet. Mr. Kozlowski also noted:
 - The coating on the steam room floor is peeling. We are working with Miracle Method to fix it.
 - Upcoming events for the Rec Center are Trunk or Treat at the end of the month, Festival of Trees in November and Cookies with Santa in December.
- Mr. Myszkowski presented the parks and grounds report which included information from page 30 of the Board Packet.
 - Parks and Grounds are getting ready for irrigation blow outs and preparing for winter.

RECORD OF PROCEEDINGS

- Mr. Mills presented the water, sewer, and drainage operation reports which included information from page 29 of the Board Packet.

Managers Verbal Report: Mr. Nikkel provided status reports on the following matters:

- Mr. Nikkel went over the draft 2025 budget with the board and asked them to look it over and get back to staff with any input that they might have.
- Art C. Kline has started moving earth at the Fieldhouse construction site.
- Mr. Nikkel mentioned the two action items on the agenda and explained that El Paso County requires an easement for a Stormwater Pond in Rolling Hills Ranch North and an easement for storm water runoff at the Fieldhouse site.

Action Items:

1. Consider and Approve Water Quality Facility Agreement with El Paso County for Rolling Hills Ranch North Filing 1: A motion was made and seconded to approve the Water Quality Facility Agreement with El Paso County. The motion was approved by unanimous vote of Directors present.
2. Consider and Approve Non-Exclusive Easement with El Paso County for Storm Water System at the Fieldhouse: A motion was made and seconded to approve the easement with El Paso County for storm water at the Fieldhouse. The motion was approved by unanimous vote of Directors present.

Developer Items Verbal report from the Construction Manager: Mr. Guzman was unable to attend the meeting but conveyed to Mr. Nikkel that there had been no significant updates since the last meeting.

Director Items There were none.

Legal Items Enter into Executive Session pursuant to C.R.S. 24-6-402-4(b) to receive legal advice regarding letter of termination of IGA received from MRMD: A motion was made, seconded and approved by unanimous vote of Directors present to open an executive session pursuant to C.R.S. 24-6-402-4(b) to receive legal advice regarding letter of termination of IGA received from MRMD. Mr. Reorda recused himself from the executive session due to his position as a member of the Board of Meridian Ranch Metropolitan District. At the conclusion of the discussion in the executive session a motion was made, seconded and approved by unanimous vote

RECORD OF PROCEEDINGS

of Directors present to close the executive session. No action was taken coming out of executive session.

Adjournment

There being no further business to come before the Board, the President adjourned the meeting at 11:30 a.m.

The next regular meeting of the Board is scheduled for November 6, 2024, at 10:00 a.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831.

Respectfully submitted,

Secretary for the Meeting

DRAFT

MERIDIAN SERVICE METROPOLITAN DISTRICT
CASH POSITION SUMMARY
For the Period Ended September 30, 2024
Adjusted as of October 31, 2024

Account Activity Item Description	CHECKING Wells Fargo	PETTY CASH	Operating COLOTRUST	Total Operating Accounts
Cash balance at end of period	\$ 2,465,648	\$ 274	\$ 5,377,737	\$ 7,843,659
October activity:				
Utility billing from residents	915,047	-	-	915,047
Recreation Center Program Fees	14,613	-	-	14,613
Tap fees and meter fees (In)	299,575	-	-	299,575
Transfer from Meridian Ranch - IGA	175,000	-	-	175,000
AT&T, FFD and other reimbursements	103,992	-	-	103,992
Payroll	(254,507)	-	-	(254,507)
Transfers between Bank Accounts	(1,050,000)	-	1,050,000	-
Transfer from MRMD - FH Project	664,828	-	-	664,828
Transfer to Zions for BoSJ Loan Fund	(40,000)	-	-	(40,000)
October checks and payments				-
Operations incl. interim payments	(1,875,140)	-	-	(1,875,140)
Interest, fees and returned checks	(240)	-	-	(240)
Sub-total	1,418,816	274	6,427,737	7,846,827
November 6th payment estimate	(1,000,000)	-	-	(1,000,000)
Adjusted balance	\$ 418,816	\$ 274	\$ 6,427,737	\$ 6,846,827
Less restricted funds:				
Emergency Reserve Fund	-	-	126,051	126,051
Capital Project Funds	-	-	(786,621)	(786,621)
Rate Stabilization Fund	-	-	43,759	43,759
Capital CWF Debt Reserves	-	-	28,795	28,795
Water Loan Reserves	-	-	(63,486)	(63,486)
Adjusted Unrestricted Balance	\$ 418,816	\$ 274	\$ 5,776,234	\$ 6,195,325

MERIDIAN SERVICE METROPOLITAN DISTRICT
CASH POSITION RECONCILED TO GENERAL LEDGER
CASH POSITION SUMMARY
For the Period Ended September 30, 2024
Adjusted as of October 31, 2024

Account Activity Item Description	Wells Fargo Operating Checking	Petty Cash	COLOTRUST INVESTMENTS							Bank of San Juan Loan Funds	Zions Bank Loan & Reserve Fund	TOTAL ALL ACCOUNTS
			Operating Funds	Conservation Trust Funds	Emergency Reserve	Capital Project Funds	Rate Stabilization Funds	CWF Reserves	Water Loan Reserves			
Cash balance at end of period	2,465,648	274	5,377,737	43,378	2,449,087	6,549,634	663,809	657,329	932,514	125,054	308,879	19,573,342
October activity:												
Utility billing from residents	915,047	-	-	-	-	-	-	-	-	-	-	915,047
Recreation Center Program Fees	14,613	-	-	-	-	-	-	-	-	-	-	14,613
Tap fees and meter fees (In)	299,575	-	-	-	-	-	-	-	-	-	-	299,575
Transfer from Meridian Ranch - IGA	175,000	-	-	-	-	-	-	-	-	-	-	175,000
AT&T, FFD and other reimbursements	103,992	-	-	-	-	-	-	-	-	-	-	103,992
Payroll	(254,507)	-	-	-	-	-	-	-	-	-	-	(254,507)
Transfers between Bank Accounts	(1,050,000)	-	1,050,000	-	-	-	-	-	-	-	-	-
Transfer from MRMD - FH Project	664,828	-	-	-	-	-	-	-	-	-	-	664,828
Transfer to Zions for BoSJ Loan Fund	(40,000)	-	-	-	-	-	-	-	-	-	40,000	-
October checks and payments												
Operations incl. interim payments	(1,875,140)	-	-	-	-	-	-	-	-	-	-	(1,875,140)
Interest, fees and returned checks	(240)	-	-	-	-	-	-	-	-	-	-	(240)
Sub-total	1,418,816	274	6,427,737	43,378	2,449,087	6,549,634	663,809	657,329	932,514	125,054	348,879	19,616,510
November 6th payment estimate	(1,000,000)	-	-	-	-	-	-	-	-	-	-	(1,000,000)
Adjusted balance	418,816	274	6,427,737	43,378	2,449,087	6,549,634	663,809	657,329	932,514	125,054	348,879	18,616,510
Less restricted funds:												
Conservation Trust Funds	-	-	-	(43,378)	-	-	-	-	-	-	-	(43,378)
Emergency Reserve Fund	-	-	126,051	-	(2,449,087)	-	-	-	-	-	-	(2,323,036)
Capital Project Funds	-	-	(786,621)	-	-	(6,549,634)	-	-	-	-	-	(7,336,255)
Rate Stabilization Fund	-	-	43,759	-	-	-	(663,809)	-	-	-	-	(620,050)
Capital CWF Debt Reserves	-	-	28,795	-	-	-	-	(657,329)	-	(125,054)	(348,879)	(1,102,467)
Water Loan Reserves	-	-	(63,486)	-	-	-	-	-	(932,514)	-	-	(996,000)
Unrestricted cash balance	\$ 418,816	\$ 274	\$ 5,776,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,195,325

Note: Additional investment accounts can be used for extraordinary expenditures.

Meridian Service Metropolitan District
Statement of Revenues, Expenses and Change in Fund Balance - Unaudited
Budget vs. Actual - Modified Accrual Basis
SUMMARY OF ALL FUNDS
For the One Month and Nine Months Ended September 30, 2024

	Month of Sep 2024	YTD Actual	Adopted 2024 Budget	Variance Over (Under) Budget	% of Budget (75.0% YTD)
REVENUES					
General Revenue - Fund 10	\$144	\$187,567	\$368,700	(\$181,133)	50.9%
Parks/Grounds Revenue - Fund 15	138,814	1,234,453	1,627,800	(393,347)	75.8%
Rec Center Revenue - Fund 16	243,346	2,186,270	2,839,000	(652,730)	77.0%
Water Revenue - Fund 40	471,735	3,399,966	3,925,870	(525,904)	86.6%
Sewer Revenue - Fund 50	227,832	1,918,047	2,556,750	(638,703)	75.0%
Billing Fees	7,995	71,853	80,000	(8,148)	89.8%
Clean Water Surcharge	45,127	402,103	535,860	(133,757)	75.0%
Grant Revenue	11,575	42,653	65,000	(22,347)	65.6%
Insurance Proceeds	-	245,089	-	245,089	-
Interest Income	71,646	649,617	280,000	369,617	232.0%
Investment Gain (Loss)	7,527	7,509	-	7,509	-
Interest - Lease	2,928	2,928	-	2,928	-
Miscellaneous Income	-	3,524	-	3,524	-
TOTAL REVENUES	1,228,669	10,351,578	12,278,980	(1,927,402)	84.3%
EXPENSES					
Fund & General Expenses					
General & Admin. Expense	78,169	571,186	826,930	(255,744)	69.1%
Personnel Expenses	275,478	2,416,449	3,031,700	(615,251)	79.7%
Parks/Grounds Expense - Fund 15	58,205	450,317	857,000	(406,683)	52.5%
MRRC Expense - Fund 16	26,242	539,437	375,000	164,437	143.8%
Water Expense - Fund 40	(94,721)	167,117	581,200	(414,083)	28.8%
Sewer Expense - Fund 50	209,582	941,570	3,877,160	(2,935,590)	24.3%
General Operating Expenses	119,124	843,862	1,347,165	(503,303)	62.6%
TOTAL Fund & General Expenses	672,080	5,929,939	10,896,155	(4,966,216)	54.4%
Capital Expenses					
Capital Expense - Other	10,277	22,367	100,000	(77,634)	22.4%
Capital Expense P&G Fund 15	33,284	114,713	172,000	(57,287)	66.7%
Capital Expense MRRC Fund 16	1,784,840	2,949,256	10,343,000	(7,393,744)	28.5%
Capital Expense Water Fund 40	140,783	3,565,290	6,190,500	(2,625,210)	57.6%
Capital Expense Sewer Fund 50	(5,196)	558,408	1,261,750	(703,342)	44.3%
Capital Interest Expense	-	368,987	739,500	(370,513)	49.9%
TOTAL Capital Expenses	1,963,988	7,579,021	18,806,750	(11,227,729)	40.3%
TOTAL EXPENSES	2,636,068	13,508,960	29,702,905	(16,193,945)	45.5%
EXCESS REVENUES OVER (UNDER) EXPENSES	(1,407,399)	(3,157,382)	(17,423,925)	14,266,543	
Other Financing Sources (Uses)					
Tap Fees Received	76,750	2,008,300	1,736,250	272,050	115.7%
IGA Revenue 2018 Subdistrict	1,204,623	2,056,913	10,000,000	(7,943,087)	20.6%
EPC Condemnation	-	107,400	14,500	92,900	740.7%
Emergency Reserve (5%)	(29,850)	(270,277)	(359,827)	89,550	75.1%
Water Loan Reserve	25,000	225,000	300,000	(75,000)	75.0%
Rate Stabilization Reserve	(11,275)	(101,175)	(135,000)	33,825	74.9%
Transfer from (to) Other Funds	16,125	146,452	194,827	(48,375)	75.2%
TOTAL Other Financing Sources (Uses)	1,281,373	4,172,613	11,750,750	(7,578,137)	35.5%
NET CHANGE IN FUND BALANCE	(\$126,027)	\$1,015,231	(\$5,673,175)	\$6,688,406	
BEGINNING FUND BALANCE**		18,014,401			
Principal Payments on Loan		(326,383)			
ENDING FUND BALANCE		\$18,703,249			
Operating Fund Balance		6,956,207			
Capital Project Fund Balance		7,777,332			
Emergency Reserve Fund Balance		2,360,886			
Water Loan Reserve Balance		975,000			
Rate Stabilization Fund Balance		633,825			
Total Fund Balance		\$18,703,249			

**Per Audit

Management Purposes Only

Meridian Service Metropolitan District
Statement of Revenues, Expenses and Change in Fund Balance - Unaudited
Budget vs. Actual - Modified Accrual Basis
General Fund
For the One Month and Nine Months Ended September 30, 2024

	Month of Sep 2024	YTD Actual	Adopted 2024 Budget	Variance Over (Under) Budget	% of Budget (75.0% YTD)
REVENUES					
IGA - Meridian Ranch	-	\$175,000	\$350,000	(\$175,000)	50.0%
AT&T Lease	144	12,567	18,700	(6,133)	67.2%
Interest Income	-	-	50,000	(50,000)	-
Interest - Lease	2,928	2,928	-	2,928	-
Miscellaneous Income	-	1,021	-	1,021	-
TOTAL REVENUES	3,071	191,515	418,700	(227,185)	45.7%
EXPENSES					
Accounting	-	-	10,000	(10,000)	-
Audit	12,520	50,874	35,000	15,874	145.4%
Payroll & HR Services	8,140	62,560	86,900	(24,340)	72.0%
Engineering/Consulting	-	1,302	2,200	(898)	59.2%
Legal	14,021	73,540	80,000	(6,460)	91.9%
Personnel Expenses	3,643	31,557	51,000	(19,443)	61.9%
Copier - Contract Expenses	-	753	1,200	(447)	62.8%
IT/Computer/Software	44	10,774	10,300	474	104.6%
Rent - Shared	10,293	45,068	53,400	(8,332)	84.4%
Telephone & Internet	942	8,794	13,000	(4,206)	67.6%
Utilities	(108)	2,303	4,200	(1,897)	54.8%
Repairs & Maint - Office	298	3,992	6,000	(2,008)	66.5%
Office Furniture	-	448	-	448	-
Supplies	163	1,540	3,900	(2,360)	39.5%
Licenses,Certs & Memberships	-	1,814	3,900	(2,086)	46.5%
Insurance	542	4,874	6,500	(1,626)	75.0%
Bank Charges	-	-	250	(250)	-
Public Information	-	-	500	(500)	-
Meals & Entertainment	27	2,506	8,800	(6,294)	28.5%
Miscellaneous Expense	-	4	1,000	(996)	0.4%
2018 Subdistrict Expense - IGA	-	-	30,000	(30,000)	-
Vehicle, Equipment & Travel	1,553	3,272	8,750	(5,478)	37.4%
TABOR Emergency Reserve 3%	-	-	19,000	(19,000)	-
TOTAL EXPENSES	52,079	305,978	435,800	(129,822)	70.2%
NET CHANGE IN FUND BALANCE	(\$49,008)	(\$114,463)	(\$17,100)	(\$97,363)	669.4%
BEGINNING FUND BALANCE**		309,333			
ENDING FUND BALANCE		<u><u>\$194,870</u></u>			

Meridian Service Metropolitan District
Statement of Revenues, Expenses and Change in Fund Balance - Unaudited
Budget vs. Actual - Modified Accrual Basis
Parks and Grounds Fund
For the One Month and Nine Months Ended September 30, 2024

	Month of Sep 2024	YTD Actual	Adopted 2024 Budget	Variance Over (Under) Budget	% of Budget (75.0% YTD)
REVENUES					
Parks & Grounds Fees	\$116,494	\$1,035,948	\$1,363,100	(\$327,152)	76.0%
Street Lighting Fees	22,321	198,505	264,700	(66,195)	75.0%
Billing Fees	1,999	17,754	20,000	(2,246)	88.8%
Grant Revenue	11,575	41,551	65,000	(23,449)	63.9%
Interest Income	148	1,827	-	1,827	-
TOTAL REVENUES	152,536	1,295,585	1,712,800	(417,215)	75.6%
EXPENSES					
General & Admin. Expense					
Accounting	-	-	1,000	(1,000)	-
Customer Billing Services	2,941	23,860	33,000	(9,140)	72.3%
Engineering/Consulting	-	5,369	7,370	(2,001)	72.8%
Legal	-	2,773	2,500	273	110.9%
Personnel Expenses	32,437	267,826	391,500	(123,674)	68.4%
General Operations - Admin	834	11,497	17,000	(5,503)	67.6%
TOTAL General & Admin. Expense	36,212	311,324	452,370	(141,046)	68.8%
Operating Expense					
Landscape Repair & Maint.	57,428	429,300	795,000	(365,700)	54.0%
Hardscape Repair & Maint.	-	3,369	36,000	(32,631)	9.4%
Park Maint.	749	10,432	16,000	(5,568)	65.2%
Pond Maint.	28	7,216	10,000	(2,784)	72.2%
Utilities	18,009	144,700	186,115	(41,415)	77.7%
Insurance	2,565	23,641	34,500	(10,859)	68.5%
Vandalism Cost of Repairs	160	410	2,000	(1,590)	20.5%
Vehicle, Equipment & Travel	1,186	11,076	20,500	(9,424)	54.0%
TOTAL Operating Expense	80,126	630,143	1,100,115	(469,972)	57.3%
TOTAL EXPENSES	116,338	941,468	1,552,485	(611,017)	60.6%
EXCESS REVENUES OVER (UNDER) EXPENSES	36,198	354,117	160,315	193,802	
Other Financing Sources (Uses)					
Transfer from (to) Capital	-	(9,600)	(142,000)	132,400	6.8%
Transfer from (to) Emer Reserve	(9,150)	(82,550)	(110,000)	27,450	75.0%
Transfer from (to) Rate Stabil	(4,150)	(37,550)	(50,000)	12,450	75.1%
EPC Condemnation Revenue	-	107,400	94,500	12,900	113.7%
EPC Condemnation Expenses	-	-	(80,000)	80,000	-
Emergency Reserve	9,150	82,550	110,000	(27,450)	75.0%
Rate Stabilization Reserve	4,150	37,550	50,000	(12,450)	75.1%
TOTAL Other Financing Sources (Uses)	-	97,800	(127,500)	225,300	-76.7%
NET CHANGE IN FUND BALANCE	\$36,198	\$451,917	\$32,815	\$419,102	
BEGINNING FUND BALANCE**		980,373			
ENDING FUND BALANCE		\$1,432,290			
Operating Fund Balance		1,157,186			
Emergency Reserve Fund Balance		227,554			
Rate Stabilization Fund Balance		47,550			
Total Fund Balance		\$1,432,290			

Meridian Service Metropolitan District
Statement of Revenues, Expenses and Change in Fund Balance - Unaudited
Budget vs. Actual - Modified Accrual Basis
Recreation Center Fund
For the One Month and Nine Months Ended September 30, 2024

	Month of Sep 2024	YTD Actual	Adopted 2024 Budget	Variance Over (Under) Budget	% of Budget (75.0% YTD)
REVENUES					
Recreation Center Service Fees	\$222,562	\$1,978,801	\$2,658,000	(\$679,199)	74.4%
Fee Based Programming	20,025	187,674	165,000	22,674	113.7%
MRRC Concession Sales	-	824	2,000	(1,176)	41.2%
Falcon Freedom Days Revenue	-	15,550	10,000	5,550	155.5%
Billing Fees	1,999	17,754	20,000	(2,246)	88.8%
Advertising Fees	760	3,420	4,000	(580)	85.5%
Grant Revenue	-	678	-	678	-
Insurance Proceeds	-	241,671	-	241,671	-
TOTAL REVENUES	245,345	2,446,372	2,859,000	(412,628)	85.6%
EXPENSES					
General & Admin. Expense					
Accounting	-	-	2,000	(2,000)	-
Customer Billing Services	4,527	37,148	52,800	(15,652)	70.4%
Engineering/Consulting	-	7,637	10,000	(2,363)	76.4%
Legal	188	611	1,000	(389)	61.1%
Personnel Expenses	136,390	1,245,605	1,457,300	(211,695)	85.5%
General Operations - Admin	4,501	42,321	57,500	(15,179)	73.6%
TOTAL General & Admin. Expense	145,606	1,333,322	1,580,600	(247,278)	84.4%
Operating Expense					
Programming Supplies	6,138	67,435	89,000	(21,565)	75.8%
Building Maint.	4,009	117,228	125,000	(7,772)	93.8%
Grounds Maint.	-	-	2,000	(2,000)	-
Pool Maint.	9,107	60,955	84,000	(23,045)	72.6%
Flood R&M	-	239,675	-	239,675	-
MRRC Security	-	3,297	10,000	(6,703)	33.0%
Exercise Equip. & Furn.- R&M	1,073	3,177	13,000	(9,824)	24.4%
MR Community Events	5,916	11,228	15,000	(3,772)	74.9%
Falcon Freedom Days Expenses	-	36,443	37,000	(557)	98.5%
Utilities	16,547	129,303	223,620	(94,317)	57.8%
Insurance	3,250	29,250	39,000	(9,750)	75.0%
Vandalism Cost of Repairs	-	3,035	5,000	(1,965)	60.7%
Vehicle, Equipment & Travel	712	2,231	6,500	(4,269)	34.3%
TOTAL Operating Expense	46,751	703,256	649,120	54,136	108.3%
TOTAL EXPENSES	192,357	2,036,578	2,229,720	(193,142)	91.3%
EXCESS REVENUES OVER (UNDER) EXPENSES	52,988	409,794	629,280	(219,486)	
Other Financing Sources (Uses)					
Transfer from (to) Capital	(25,000)	(388,000)	(463,000)	75,000	83.8%
Transfer from (to) Rate Stabil	(8,325)	(75,025)	(100,000)	24,975	75.0%
Rate Stabilization Reserve	8,325	75,025	100,000	(24,975)	75.0%
TOTAL Other Financing Sources (Uses)	(25,000)	(388,000)	(463,000)	75,000	83.8%
NET CHANGE IN FUND BALANCE	\$27,988	\$21,794	\$166,280	(\$144,486)	
BEGINNING FUND BALANCE**		1,079,512			
ENDING FUND BALANCE		<u>\$1,101,306</u>			
Operating Fund Balance		456,702			
Emergency Reserve Fund Balance		459,579			
Rate Stabilization Fund Balance		185,025			
Total Fund Balance		<u>\$1,101,306</u>			

Meridian Service Metropolitan District
Statement of Revenues, Expenses and Change in Fund Balance - Unaudited
Budget vs. Actual - Modified Accrual Basis
Capital Fund
For the One Month and Nine Months Ended September 30, 2024

	Month of Sep 2024	YTD Actual	Adopted 2024 Budget	Variance Over	
				(Under) Budget	% of Budget (75.0% YTD)
REVENUES					
Clean Water Surcharge	\$45,127	\$402,103	\$535,860	(\$133,757)	75.0%
Interest Income	67,480	613,650	230,000	383,650	266.8%
Investment Gain (Loss)	7,527	7,509	-	7,509	-
TOTAL REVENUES	120,135	1,023,263	765,860	257,403	133.6%
EXPENSES					
Capital Expense - Other					
District Office Building	10,277	22,367	100,000	(77,634)	22.4%
TOTAL Capital Expense - Other	10,277	22,367	100,000	(77,634)	22.4%
Capital Expense P&G Fund 15					
Material Storage @ Filter Plant	-	-	30,000	(30,000)	-
Fencing Additions/Improvements	28,295	56,590	-	56,590	-
Hardscape Additions/Improvement	4,989	16,119	-	16,119	-
Vehicle & Equipment - Fund 15	-	42,004	142,000	(99,996)	29.6%
TOTAL Capital Expense P&G Fund 15	33,284	114,713	172,000	(57,287)	66.7%
Capital Expense MRRC Fund 16					
Field House - Rainbow Bridge	1,776,793	2,789,255	10,000,000	(7,210,745)	27.9%
Pool Improvements 2022	-	13,932	30,000	(16,068)	46.4%
Tough Shed Install @ MRRC	-	6,200	10,000	(3,800)	62.0%
Furniture and Gym Equipment	8,046	30,024	55,000	(24,976)	54.6%
Building Improvements	-	109,845	228,000	(118,155)	48.2%
Basketball Court Paint	-	-	20,000	(20,000)	-
TOTAL Capital Expense MRRC Fund 16	1,784,840	2,949,256	10,343,000	(7,393,744)	28.5%
Capital Expense Water Fund 40					
Expand Filter Plant & Bldg	9,041	969,738	500,000	469,738	193.9%
Water Rights	16,183	435,792	500,000	(64,208)	87.2%
Wells at Latigo LFH 2 & 3	(15,459)	1,472,623	2,150,000	(677,377)	68.5%
Latigo Transmission Line	-	489,463	650,000	(160,537)	75.3%
Well Site Upgrades	-	48,255	360,000	(311,745)	13.4%
Well Site Upgrade - WHMD Shared	-	-	149,250	(149,250)	-
Water Equipment Capital Expense	(2,652)	9,773	150,000	(140,227)	6.5%
Water Tank Improvements	-	-	500,000	(500,000)	-
Diversion Structure - SHARED	-	-	10,000	(10,000)	-
Wells Houses at Latigo #2 & #3	25,675	31,651	1,000,000	(968,349)	3.2%
ACR Improvements	-	-	16,000	(16,000)	-
Water Meter Replacement	107,996	107,996	149,250	(41,254)	72.4%
Vehicle & Equipment - Fund 40	-	-	56,000	(56,000)	-
TOTAL Capital Expense Water Fund 40	140,783	3,565,290	6,190,500	(2,625,210)	57.6%
Capital Expense Sewer Fund 50					
WH Sewer Bypass Phase 2 & 3	2,078	477,700	900,000	(422,300)	53.1%
Mid-Point Injection Station	-	-	20,000	(20,000)	-
Sewer Lift Station Expansion	-	-	25,000	(25,000)	-
2023 Lift Station Improvements	-	-	105,000	(105,000)	-
Sewer Equipment Capital Expense	348	9,773	25,000	(15,227)	39.1%
Sewer Equipment SHARED	(7,621)	23,412	18,500	4,912	126.6%
Coat Wet Well - SHARED	-	-	46,250	(46,250)	-
Vehicle & Equipment - Fund 50	-	47,523	122,000	(74,477)	39.0%
TOTAL Capital Expense Sewer Fund 50	(5,196)	558,408	1,261,750	(703,342)	44.3%
Cherokee WRF Loan Expense	-	368,987	742,500	(373,513)	49.7%
TOTAL EXPENSES	1,963,988	7,579,021	18,809,750	(11,230,729)	40.3%
EXCESS REVENUES OVER (UNDER) EXPENSES	(1,843,853)	(6,555,759)	(18,043,890)	11,488,131	
Other Financing Sources (Uses)					
IGA Revenue 2018 Subdistrict	1,204,623	2,056,913	10,000,000	(7,943,087)	20.6%
Transfer from (to) P&G Fund	-	9,600	142,000	(132,400)	6.8%
Transfer from (to) Rec Fund	25,000	388,000	463,000	(75,000)	83.8%
Transfer from (to) Water Fund	141,600	2,569,428	3,050,228	(480,800)	84.2%
Transfer from (to) Sewer Fund	8,325	(1,171,680)	(1,072,228)	(99,452)	109.3%
Tap Fees Received	43,250	1,104,300	948,750	155,550	116.4%
TOTAL Other Financing Sources (Uses)	1,422,798	4,956,561	13,531,750	(8,575,189)	36.6%
NET CHANGE IN FUND BALANCE	(421,055)	(1,599,197)	(4,512,140)	2,912,943	
BEGINNING FUND BALANCE**		9,702,912			
Principal Payments on Loan		(326,383)			
ENDING FUND BALANCE		7,777,332			
Capital Other - Fund 10	3,606,101		Capital Water Fund 40	2,779,918	
Capital Parks & Ground Fund 15	2,394		Capital Sewer Fund 50	859,450	
Capital Recreation Center Fund 16	(527,998)		Capital TDS - Clean Water	1,057,467	

**Per Audit

Meridian Service Metropolitan District
Statement of Revenues, Expenses and Change in Fund Balance - Unaudited
Budget vs. Actual - Modified Accrual Basis
Water Fund
For the One Month and Nine Months Ended September 30, 2024

	Month of Sep 2024	YTD Actual	Adopted 2024 Budget	Variance Over (Under) Budget	% of Budget (75.0% YTD)
REVENUES					
Water Service Fees - Res.	\$382,320	\$2,885,859	\$3,388,600	(\$502,741)	85.2%
Water Service Fees - Comm.	14,960	121,697	160,970	(39,273)	75.6%
Meter Set Fees	2,450	68,340	56,250	12,090	121.5%
Irrigation	57,603	314,408	312,550	1,858	100.6%
UB - Water Adjustments	(2,284)	(11,663)	-	(11,663)	-
IGA Shared Water Cost Reimb.	16,686	21,325	7,500	13,825	284.3%
Billing Fees	1,999	18,589	20,000	(1,411)	92.9%
Grant Revenue	-	218	-	218	-
Insurance Proceeds	-	2,051	-	2,051	-
Interest Income	4,018	34,140	-	34,140	-
Miscellaneous Income	-	2,503	-	2,503	-
TOTAL REVENUES	477,751	3,457,468	3,945,870	(488,402)	87.6%
EXPENSES					
General & Admin. Expense					
Accounting	-	-	1,000	(1,000)	-
Customer Billing Services	5,205	42,224	67,760	(25,536)	62.3%
Engineering/Consulting	780	26,727	50,000	(23,273)	53.5%
Legal	2,836	5,851	18,000	(12,149)	32.5%
Personnel Expenses	65,093	540,277	642,600	(102,323)	84.1%
General Operations - Admin	3,033	30,822	42,550	(11,728)	72.4%
TOTAL General & Admin. Expense	76,947	645,901	821,910	(176,009)	78.6%
Operating Expense					
Water Operations General	1,496	13,448	61,500	(48,052)	21.9%
Raw Water Operations	290	12,156	21,500	(9,344)	56.5%
Water Treatment Operations	6,454	45,095	198,200	(153,105)	22.8%
Water Distribution Operations	(103,581)	85,638	280,000	(194,362)	30.6%
Non-Potable Water Operations	620	10,780	20,000	(9,220)	53.9%
Utilities	66,032	401,005	631,260	(230,255)	63.5%
Insurance	4,095	37,110	52,850	(15,740)	70.2%
Vehicle, Equipment & Travel	987	17,117	23,300	(6,183)	73.5%
TOTAL Operating Expense	(23,607)	622,350	1,288,610	(666,260)	48.3%
TOTAL EXPENSES	53,340	1,268,251	2,110,520	(842,269)	60.1%
EXCESS REVENUES OVER (UNDER) EXPENSES	424,412	2,189,217	1,835,350	353,867	
Other Financing Sources (Uses)					
Transfer from (to) Capital	(141,600)	(1,275,200)	(1,756,000)	480,800	72.6%
Transfer from (to) Emer Reserve	(2,500)	(22,673)	(30,173)	7,500	75.1%
Txfr from (to) Water Loan Reser	(25,000)	(225,000)	(300,000)	75,000	75.0%
Transfer from (to) Rate Stabil	(2,500)	(22,500)	(30,000)	7,500	75.0%
Emergency Reserve	2,500	22,673	30,173	(7,500)	75.1%
Water Loan Reserve	25,000	225,000	300,000	(75,000)	75.0%
Rate Stabilization Reserve	2,500	22,500	30,000	(7,500)	75.0%
TOTAL Other Financing Sources (Uses)	(141,600)	(1,275,200)	(1,756,000)	480,800	72.6%
NET CHANGE IN FUND BALANCE	\$282,812	\$914,017	\$79,350	\$834,667	
BEGINNING FUND BALANCE**		3,088,727			
ENDING FUND BALANCE		<u>\$4,002,744</u>			
Operating Fund Balance		1,676,817			
Emergency Reserve Fund Balance		1,028,427			
Water Loan Reserves		975,000			
Rate Stabilization Fund Balance		322,500			
Total Fund Balance		<u>\$4,002,744</u>			

Meridian Service Metropolitan District
Statement of Revenues, Expenses and Change in Fund Balance - Unaudited
Budget vs. Actual - Modified Accrual Basis
Sewer Fund
For the One Month and Nine Months Ended September 30, 2024

	Month of Sep 2024	YTD Actual	Adopted 2024 Budget	Variance Over (Under) Budget	% of Budget (75.0% YTD)
REVENUES					
Sewer Fees - Res.	\$203,293	\$1,807,486	\$2,411,600	(\$604,114)	74.9%
Sewer Fees - Comm.	5,662	41,132	56,710	(15,578)	72.5%
IGA Shared Sewer Cost Reimb.	18,876	69,430	88,440	(19,010)	78.5%
Billing Fees	1,999	17,754	20,000	(2,246)	88.8%
Grant Revenue	-	206	-	206	-
Insurance Proceeds	-	1,367	-	1,367	-
TOTAL REVENUES	229,830	1,937,375	2,576,750	(639,375)	75.2%
EXPENSES					
General & Admin. Expense					
Accounting	-	-	1,000	(1,000)	-
Customer Billing Services	3,850	31,233	54,450	(23,217)	57.4%
Engineering/Consulting	195	10,925	15,000	(4,075)	72.8%
Legal	948	6,165	6,000	165	102.8%
Personnel Expenses	37,915	331,184	489,300	(158,116)	67.7%
General Operations - Admin	1,991	19,748	33,450	(13,702)	59.0%
TOTAL General & Admin. Expense	44,899	399,255	599,200	(199,945)	66.6%
Operating Expense					
Sewer Operations	199,917	818,537	3,522,200	(2,703,663)	23.2%
Lift Station Operations	347	55,594	215,500	(159,906)	25.8%
Lift Station Operations-Shared	9,318	67,439	139,460	(72,021)	48.4%
Utilities	1,279	12,164	24,430	(12,266)	49.8%
Insurance	1,549	14,143	22,340	(8,197)	63.3%
Vehicle, Equipment & Travel	658	10,533	41,500	(30,967)	25.4%
TOTAL Operating Expense	213,068	978,409	3,965,430	(2,987,021)	24.7%
TOTAL EXPENSES	257,967	1,377,664	4,564,630	(3,186,966)	30.2%
EXCESS REVENUES OVER (UNDER) EXPENSES	(28,137)	559,711	(1,987,880)	2,547,591	
Other Financing Sources (Uses)					
Tap Fees Received	33,500	904,000	787,500	116,500	114.8%
Transfer from (to) Capital	(8,325)	(122,548)	(222,000)	99,452	55.2%
Transfer from (to) Emer Reserve	41,500	375,500	500,000	(124,500)	75.1%
Transfer from (to) Rate Stabil	26,250	236,250	315,000	(78,750)	75.0%
Emergency Reserve	(41,500)	(375,500)	(500,000)	124,500	75.1%
Rate Stabilization Reserve	(26,250)	(236,250)	(315,000)	78,750	75.0%
TOTAL Other Financing Sources (Uses)	25,175	781,452	565,500	215,952	138.2%
NET CHANGE IN FUND BALANCE	(\$2,962)	\$1,341,163	(\$1,422,380)	\$2,763,543	
BEGINNING FUND BALANCE**		2,853,544			
ENDING FUND BALANCE		\$4,194,707			
Operating Fund Balance		3,470,631			
Emergency Reserve Fund Balance		645,326			
Rate Stabilization Fund Balance		78,750			
Total Fund Balance		\$4,194,707			

Meridian Service Metropolitan District
Balance Sheet Summary - Unaudited
As of September 30, 2024

	Sep 30, 24
ASSETS	
Current Assets	
Checking/Savings	19,573,341.93
Accounts Receivable	1,456,462.42
Other Current Assets	166,969.55
Total Current Assets	21,196,773.90
Fixed Assets	53,302,659.32
Other Assets	6,613,132.06
TOTAL ASSETS	81,112,565.28
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	2,237,019.64
Credit Cards	1,510.55
Other Current Liabilities	8,773,092.22
Total Current Liabilities	11,011,622.41
Long Term Liabilities	25,858,677.28
Total Liabilities	36,870,299.69
Equity	44,242,265.59
TOTAL LIABILITIES & EQUITY	81,112,565.28

Meridian Service Metropolitan District

Balance Sheet - Unaudited

10/28/24

As of September 30, 2024

Accrual Basis

	Sep 30, 24
ASSETS	
Current Assets	
Checking/Savings	
1000000 · Operating Funds	
1000100 · Wells Fargo - Operating	2,465,647.98
1000300 · Petty Cash	274.11
1100800 · ColoTrust -Operating Funds 8008	5,377,736.98
Total 1000000 · Operating Funds	7,843,659.07
110000 · Non-Operating Funds	
1100100 · ColoTrust - CTF from MRMD 8001	43,377.70
1100200 · ColoTrust - Emerg Reserve 8002	116,073.88
1100201 · ColoTrust - Emerg Reserve E002	2,333,013.00
1100500 · ColoTrust - Cap Projects 8005	1,855,545.19
1100501 · ColoTrust - Cap Projects E004	4,694,088.58
1100600 · ColoTrust - Rate Stabiliz 8006	131,557.90
1100601 · ColoTrust - Rate Stabiliz E005	532,250.68
1100700 · ColoTrust - CWF Reserve 8007	657,328.66
1100900 · ColoTrus- Water Loan Res 8009	932,513.69
1100901 · Bank of the San Juans -Reserves	125,054.15
1100903 · Zions Bank Pledged Revenue Fund	308,879.43
Total 110000 · Non-Operating Funds	11,729,682.86
Total Checking/Savings	19,573,341.93
Accounts Receivable	
1400000 · Accounts Receivable	
1400100 · UB Accounts Receivable	1,366,628.35
1400200 · Accounts Receivable - Non UB	89,834.07
Total 1400000 · Accounts Receivable	1,456,462.42
Total Accounts Receivable	1,456,462.42
Other Current Assets	
1500000 · Prepaid Expenses	52,134.84
1700000 · Undeposited Funds	887.00
1800000 · Lease Receivable	113,947.71
Total Other Current Assets	166,969.55
Total Current Assets	21,196,773.90
Fixed Assets	
2100000 · Fixed Assets	
2110000 · Non-Depreciable Assets	
2110100 · Water Rights	257,084.50
Total 2110000 · Non-Depreciable Assets	257,084.50
2120000 · Depreciable Assets	40,794,722.54
2130000 · Recreation Assets	11,848,289.45
2140000 · Vehicles & Equipment	346,812.08
2150000 · Right-to-use Lease	55,750.75
Total 2100000 · Fixed Assets	53,302,659.32
Total Fixed Assets	53,302,659.32

Meridian Service Metropolitan District

Balance Sheet - Unaudited

10/28/24

As of September 30, 2024

Accrual Basis

	Sep 30, 24
Other Assets	
1600000 · Other Assets	
1600100 · Security Deposit	11,580.00
Total 1600000 · Other Assets	11,580.00
2000000 · Construction in Progress	6,601,552.06
Total Other Assets	6,613,132.06
TOTAL ASSETS	81,112,565.28
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	2,237,019.64
Credit Cards	1,510.55
Other Current Liabilities	
3100000 · Other Current Liabilities	
3110000 · Payroll Liabilities	-1,194.55
3120000 · Retainage Payable	145,251.82
3130000 · Unearned Revenue	10,003.00
3140000 · Accr Int Payable - Developer	7,933,276.81
3160000 · Deposits Held	5,000.00
3180100 · GTL Loan (Current)	300,000.00
3180200 · Cherokee - New WWTP (Current)	29,501.75
3180300 · Bank of San Juan Loan-Current	351,253.39
Total 3100000 · Other Current Liabilities	8,773,092.22
Total Other Current Liabilities	8,773,092.22
Total Current Liabilities	11,011,622.41
Long Term Liabilities	
3500000 · Long Term Liabilities	
3500050 · Deferred Inflows - Lease	107,513.65
3500100 · Notes Payable	3,054,341.20
3500200 · Cherokee - New WWTP (LT Liab)	19,048,558.71
3500300 · Bank of San Juan TDS Loan	3,648,263.72
Total 3500000 · Long Term Liabilities	25,858,677.28
Total Long Term Liabilities	25,858,677.28
Total Liabilities	36,870,299.69
Equity	
4000000 · Retained Earnings	31,213,674.21
4000200 · Investment in Capital Assets	12,013,360.22
Net Income	1,015,231.16
Total Equity	44,242,265.59
TOTAL LIABILITIES & EQUITY	81,112,565.28

Meridian Service Metropolitan District
Statement of Cash Flows - Unaudited
September 2024

	Sep 24
OPERATING ACTIVITIES	
Net Income	-126,026.72
Adjustments to reconcile Net Income to net cash provided by operations:	
1400110 · Accounts Receivable	-37,932.91
1400200 · Accounts Receivable - Non UB	25,587.92
1400202 · MRRC - Club Auto A/R	287.00
1500100 · Prepaid Insurance	15,575.00
1500500 · Prepaid - Legal Retainer	4,913.16
1800000 · Lease Receivable	11,048.21
3000000 · Accounts Payable	1,697,460.01
3070400 · Conoco Credit Card	-324.32
3070500 · John Deere Credit	35.94
3070600 · Home Depot	386.63
3110100 · Payroll Taxes Payable	-90.24
3110300 · Employee Paid Ins Contrib.	-4.42
3120000 · Retainage Payable	16,729.46
3130100 · MRRC - Package Liability	-1,670.00
3160100 · Hydrant Meter Deposit	-3,000.00
	1,602,974.72
Net cash provided by Operating Activities	1,602,974.72
FINANCING ACTIVITIES	
3500050 · Deferred Inflows - Lease	-12,566.52
	-12,566.52
Net cash provided by Financing Activities	-12,566.52
Net cash increase for period	1,590,408.20
Cash at beginning of period	17,983,820.73
Cash at end of period	19,574,228.93

Meridian Service Metropolitan District
2024 Tap Report

Counts	Date	Tap Receipt No.	Service Address	Filing #	Lot #	Builder	Tap Amt Paid	Meter Amt Paid	Check No.	Monthly Tap Totals
5	1/26/2024	3833	12606 Granite Ridge Dr	Stonebridge 4	105	Campbell Homes LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24012502 - 1328369	Home Sales - 19 Jan - 6 Taps
6	1/26/2024	3834	13086 Highland Crest Dr	Estates at Rolling Hills Ranch 2	56	ZRH Construction, LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24012502 - 1247305	
13	2/20/2024	3841	9734 Hidden Ranch Ct	Stonebridge 4	177	Campbell Homes LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24021602 - 5707161	Homes Sales - 13 Feb - 8 Taps
14	2/27/2024	3842	10984 Evening Creek Dr	Rolling Hills Ranch 1	144	Covington Homes LLC	\$ 23,150.00	\$ 750.00	Wire/240227153772	
23	3/29/2024	3851	10724 Rolling Ranch Dr	Rolling Hills Ranch 2	354	Windsor Ridge Homes LLC	\$ 23,150.00	\$ 750.00	Check #18054	Home Sales - 11 March - 10 Taps
24	3/30/2024	3852	10734 Rolling Ranch Dr	Rolling Hills Ranch 2	355	Windsor Ridge Homes LLC	\$ 23,150.00	\$ 750.00	Check #18054	
35	4/26/2024	3863	10841 Foggy Bend Ln	Rolling Hills Ranch 2	402	Covington Homes LLC	\$ 23,150.00	\$ 750.00	Wire/240426168081	Home Sales - 13 April - 12 Taps
36	4/29/2024	3864	10834 Rolling Ranch Dr	Rolling Hills Ranch 2	365	Campbell Homes LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24042602 - 9844193	
45	5/29/2024	3873	11347 Cypress Meadow Dr	Estates at Rolling Hills Ranch 2	43	Campbell Homes LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24052802 - 6237347	Home Sales - 4 May - 10 Taps
46	5/29/2024	3874	10989 Rolling Mesa Dr	Rolling Hills Ranch 1	203	Campbell Homes LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24052802 - 6237530	
56	6/27/2024	3884	13386 Valley Peak Dr	Rolling Hills Ranch 2	344	Meritage Homes of CO, Inc.	\$ 23,150.00	\$ 750.00	Wire/240627150979	Home Sales - 12 June - 11 Taps
57	6/28/2024	3885	11328 Estate Ridge Dr	Estates at Rolling Hills Ranch 2	63	ZRH Construction, LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24062702 - 3060985	
68	7/19/2024	3896	12619 Enclave Scenic Dr	Stonebridge 4	46	Campbell Homes LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24071802 - 7552910	Home Sales - 3 July - 12 Taps
69	7/30/2024	3897	13045 Sunrise Ridge Dr	Estates at Rolling Hills Ranch 2	25	Covington Homes LLC	\$ 23,150.00	\$ 750.00	Wire/240730165766	
80	8/29/2024	3908	10824 Evening Creek Dr	Rolling Hills Ranch 1	128	Campbell Homes LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24082802 - 6419648	Home Sales - 7 August - 12 Taps
81	8/29/2024	3909	11329 Estate Ridge Dr	Estates at Rolling Hills Ranch 2	66	ZRH Construction, LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24082902 - 6694788	
82	9/3/2024	3910	11814 Rolling Ranch Dr	Rolling Hills Ranch 2	363	Campbell Homes LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24083002 - 7081190	Home Sales - 6 September - 4 Taps
83	9/6/2024	3911	13534 Woods Grove Dr	Rolling Hills Ranch 2	465	ZRH Construction, LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24090502 - 8122192	
84	9/12/2024	3912	10769 Foggy Bend Ln	Rolling Hills Ranch 2	408	Covington Homes LLC	\$ 23,150.00	\$ 750.00	Wire/240912116157	
85	9/23/2024	3913	13030 Highland Crest Dr	Estates at Rolling Hills Ranch 2	47	Campbell Homes LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24091902 - 1378616	
86	10/7/2024	3914	13279 Valley Peak Dr	Rolling Hills Ranch 2	322	Meritage Homes of CO, Inc.	\$ 23,150.00	\$ 750.00	Wire/241007127755	
87	10/7/2024	3915	13267 Valley Peak Dr	Rolling Hills Ranch 2	323	Meritage Homes of CO, Inc.	\$ 23,150.00	\$ 750.00	Wire/241007127755	
88	10/7/2024	3916	13302 Valley Peak Dr	Rolling Hills Ranch 2	337	Meritage Homes of CO, Inc.	\$ 23,150.00	\$ 750.00	Wire/241007127755	
89	10/7/2024	3917	13314 Valley Peak Dr	Rolling Hills Ranch 2	338	Meritage Homes of CO, Inc.	\$ 23,150.00	\$ 750.00	Wire/241007127755	
90	10/7/2024	3918	13456 Morning Ridge Dr	Rolling Hills Ranch 2	433	ZRH Construction, LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24100702 - 5258825	
91	10/7/2024	3919	13466 Foggy Meadows Dr	Rolling Hills Ranch 2	509	ZRH Construction, LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24100702 - 5258825	
92	10/10/2024	3920	11016 Rolling Mesa Dr	Rolling Hills Ranch 1	196	Campbell Homes LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24100902 - 5839405	
93	10/16/2024	3921	10559 Rainbow Bridge Dr	Rolling Hills Ranch 1	Tract C	Meridian Service Metro Dist	\$ -	\$ -	-	
94	10/22/2024	3922	9735 Hidden Ranch Ct	Stonebridge 4	173	Campbell Homes LLC	\$ 23,150.00	\$ 750.00	Epymnt/P24102102 - 8450286	
95	10/24/2024	3923	10830 Foggy Bend Ln	Rolling Hills Ranch 2	392	Empire Homes Colorado LP	\$ 23,150.00	\$ 750.00	Wire/241024100363	
96	10/29/2024	3924	13062 Crescent Creek Dr	Estates at Rolling Hills Ranch 2	16	Hi-Point Home Builders, LLC	\$ 23,150.00	\$ 750.00	Check #25421	
97	10/29/2024	3925	10750 Morning Hills Dr	Rolling Hills Ranch 2	499	Empire Homes Colorado LP	\$ 23,150.00	\$ 750.00	Wire/241029137564	Home Sales - TBD October - 13 Taps
98	10/29/2024	3926	10758 Morning HillsDr	Rolling Hills Ranch 2	498	Empire Homes Colorado LP	\$ 23,150.00	\$ 750.00	Wire/241029137564	

2024 Total \$ 2,245,550.00 \$ 72,750.00

**Meridian Service Metropolitan District
2024 Expired Tap Fees**

(Initial) Tap Purchase Date	Tap Receipt No.	Service Address	Builder	Tap Fee Paid At Time of Purchase	Meter Set Fee Paid At Time of Purchase	Additional Tap Fees Due (Per Current Fee Schedule)	Additional Meter Set Fee Due (Per Current Fee Schedule)	Date Paid	Total Additional Amount Collected Prior to Meter Set		
6/3/2022	3683	10723 Rolling Mesa Dr	Century Communities	\$ 19,000.00	\$ 655.00	\$ 4,150.00	\$ 95.00	1/11/2024	\$ 4,245.00		
6/3/2022	3681	10765 Rolling Mesa Dr	Century Communities	\$ 19,000.00	\$ 655.00	\$ 4,150.00	\$ 95.00	1/30/2024	\$ 4,245.00	\$ 8,490.00	Jan-24
7/7/2021	3330	12883 Stone Valley Dr	Creekstone Homes	\$ 18,000.00	\$ 625.00	\$ 5,150.00	\$ 125.00	3/14/2024	\$ 5,275.00	\$ 5,275.00	Mar-24
4/19/2023	3749	10775 Evening Creek Dr	Century Communities	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	4/24/2024	\$ 1,700.00		
4/19/2023	3752	10745 Evening Creek Dr	Century Communities	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	4/25/2024	\$ 1,700.00	\$ 3,400.00	Apr-24
5/2/2023	3764	10409 Summer Ridge Dr	Century Communities	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	6/19/2024	\$ 1,700.00		
5/2/2023	3743	10764 Evening Creek Dr	Century Communities	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	6/19/2024	\$ 1,700.00		
5/2/2023	3745	10784 Evening Creek Dr	Century Communities	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	6/19/2024	\$ 1,700.00	\$ 5,100.00	Jun-24
6/21/2023	3787	13518 Woods Grove Dr	ZRH Construction	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	7/10/2024	\$ 1,700.00		
6/21/2023	3786	13419 Foggy Meadows Dr	ZRH Construction	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	7/22/2024	\$ 1,700.00		
5/2/2023	3747	10804 Evening Creek Dr	Century Communities	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	7/31/2024	\$ 1,700.00	\$ 5,100.00	Jul-24
6/20/2023	3794	13402 Foggy Meadows Dr	ZRH Construction	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	8/5/2024	\$ 1,700.00		
6/22/2023	3793	13410 Foggy Meadows Dr	ZRH Construction	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	8/22/2024	\$ 1,700.00	\$ 3,400.00	Aug-24
6/22/2024	3791	13550 Woods Grove Dr	ZRH Construction	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	9/10/2024	\$ 1,700.00	\$ 1,700.00	Sep-24
6/21/2023	3789	13558 Woods Grove Dr	ZRH Construction	\$ 21,500.00	\$ 700.00	\$ 1,650.00	\$ 50.00	10/4/2024	\$ 1,700.00		
11/3/2021	3449	10442 Rolling Peaks Dr	Century Communities	\$ 18,000.00	\$ 625.00	\$ 5,150.00	\$ 125.00	10/15/2024	\$ 5,275.00	\$ 6,975.00	Oct-24
Total 2024									\$ 39,440.00		



MERIDIAN SERVICE METROPOLITAN DISTRICT
Water, Wastewater, Parks and Recreation
11886 Stapleton Dr, Falcon, CO 80831
719-495-6567, Fax 719-495-3349

DATE: October 17, 2024
TO: MSMD Board of Directors
RE: Finance Committee Report

On October 17, 2024 the Board's Finance Committee, Directors Gabrielski and Sauer, met with Jim Nikkel, General Manager, Jennette Coe, Assistant General Manager and Carrie Billingsly, Financial Services Manager. The following is a summary of the meeting:

- The Finance Committee approved interim MSMD payments in the amount of \$278,631.93 and directed staff to add this to the Board's November 2024 agenda for ratification.

Submitted by:

A handwritten signature in black ink that reads "Milton B. Gabrielski". The signature is written in a cursive style and is positioned above a horizontal line.

Milton B. Gabrielski, Finance Committee Chair

Meridian Service Metropolitan District
Vendor Payment Register Report - Summary
Board Meeting - Payments to Ratify
October 17, 2024

<u>Date</u>	<u>Type</u>	<u>Vendor</u>	<u>Amount</u>
10/17/24	Virtual card	ADT SECURITY SERVICES, INC.	\$ 147.42
10/17/24	ePayment	Aqueous Solution Inc.	\$ 4,999.40
10/17/24	Check	Badger Meter	\$ 532.77
10/17/24	ePayment	BailOut Window Cleaning	\$ 30.00
10/17/24	Virtual card	BAVCO	\$ 482.80
10/17/24	Check	Big O Tires	\$ 117.93
10/17/24	Check	Black Hills Energy	\$ 26.70
10/17/24	ePayment	Browns Hill Engineering & Controls, LLC	\$ 4,080.00
10/17/24	ePayment	CEM Sales & Service	\$ 141.20
10/17/24	ePayment	Chad Dubs	\$ 450.00
10/17/24	ePayment	Charles Langhoff	\$ 90.00
10/17/24	Check	Chris Stocks	\$ 180.00
10/17/24	Check	Christopher Michael Black	\$ 90.00
10/17/24	Virtual card	CiNTAS First Aid and Safety Division	\$ 1,875.90
10/17/24	Check	CIT-First Citizens Bank & Trust CO	\$ 177.92
10/17/24	ePayment	Club Automation, LLC	\$ 1,884.84
10/17/24	Check	Colorado Springs Winwater	\$ 1,484.85
10/17/24	Check	Colorado State Treasurer	\$ 1,449.49
10/17/24	Check	Comcast - MRRC	\$ 478.44
10/17/24	Check	Comcast - Office	\$ 303.94
10/17/24	Check	CPS Distributors, Inc	\$ 1,822.33
10/17/24	ePayment	CRS Community Resource Services	\$ 29,695.37
10/17/24	ePayment	DBC Irrigation Supply	\$ 177.74
10/17/24	Virtual card	El Paso County Public Health Laboratory	\$ 275.00
10/17/24	Check	Front Range Kubota, Inc	\$ 68,750.52
10/17/24	Check	GTL Development Inc.	\$ 2,331.18
10/17/24	Check	Hach	\$ 131.90
10/17/24	Virtual card	Haynie & Company, P.C.	\$ 6,250.00
10/17/24	Check	Hobby Lobby	\$ 51.87
10/17/24	Check	Home Depot Credit Services	\$ 934.30
10/17/24	ePayment	ICIM Corporation dba HelloSpoke	\$ 876.33
10/17/24	Check	Jeffrey D. Heins	\$ 90.00
10/17/24	ePayment	Levi's Custom Clean	\$ 160.00
10/17/24	ePayment	LKA Partners, Inc	\$ 15,570.00
10/17/24	ePayment	LONG Building Technologies	\$ 9,704.23
10/17/24	Virtual card	Mug-A-Bug Pest Control	\$ 66.00
10/17/24	Check	MVEA	\$ 81,096.67
10/17/24	Virtual card	O'Reilly Automotive	\$ 72.36
10/17/24	Virtual card	Otten Johnson Robinson Neff+Ragonetti PC	\$ 2,572.16
10/17/24	Virtual card	Rampart Supply Inc.	\$ 212.90
10/17/24	Check	Shops at Meridian Ranch, LLC	\$ 4,554.05
10/17/24	Check	Tanglewood Trailers	\$ 9,275.00
10/17/24	Virtual card	UniFirst First Aid & Safety	\$ 913.37
10/17/24	Check	Utility Notification Center of Colorado	\$ 516.00
10/17/24	Check	VertiCloud Networks LLC	\$ 3,637.28
10/17/24	ePayment	Waste Management of Colorado Springs	\$ 1,078.78
10/17/24	ePayment	Zima Corporation	\$ 3,300.00
Total Invoices	47	Bill.com Total	\$ 263,138.94
10/02/24	ACH	Club Auto	\$ 792.75
10/17/24	ACH	Divvy	\$ 14,700.24
# of Payments	49	Total Payment Amount	\$ 278,631.93

**Meridian Service Metropolitan District
Vendor Payment Register Report - Summary
Board Meeting - Payments to Approve
November 6, 2024**

<u>Date</u>	<u>Type</u>	<u>Vendor</u>	<u>Amount</u>
11/06/24	ePayment	A - Line Renovations	\$ 980.00
11/06/24	Virtual Card	ADT SECURITY SERVICES, INC.	\$ 122.82
11/06/24	ePayment	All American Sports	\$ 3,754.50
11/06/24	ePayment	Aqueous Solution Inc.	\$ 2,925.12
11/06/24	ePayment	Art C. Klein Construction, Inc.	\$ 455,862.04
11/06/24	Check	Barnard Structures, Inc.	\$ 38,222.99
11/06/24	Check	Black Hills Energy	\$ 3,138.89
11/06/24	Virtual Card	BrightView Landscape Services Inc.	\$ 40,191.00
11/06/24	ePayment	Carlson, Hammond & Paddock, LLC	\$ 3,314.15
11/06/24	ePayment	CEBT	\$ 25,554.99
11/06/24	Virtual Card	Cintas Fire 636525	\$ 5,120.98
11/06/24	Virtual Card	CiNTAS First Aid and Safety Division	\$ 3,015.08
11/06/24	ePayment	CRS Community Resource Services	\$ 16,148.61
11/06/24	ePayment	CSU Colorado Springs Utilities	\$ 86.25
11/06/24	Virtual Card	Ewing Irrigation	\$ 81.71
11/06/24	Check	Grainger	\$ 360.00
11/06/24	ePayment	GROUND Engineering	\$ 3,843.75
11/06/24	ePayment	GSE Construction CO., Inc	\$ 23,162.25
11/06/24	Check	HydroApps LLC	\$ 1,455.20
11/06/24	ePayment	Jan-Pro of Southern Colorado	\$ 2,834.86
11/06/24	Check	John Deere Financial	\$ 377.43
11/06/24	Virtual Card	Kings III Emergency Communications	\$ 150.25
11/06/24	ePayment	LKA Partners, Inc	\$ 208,965.82
11/06/24	ePayment	LONG Building Technologies	\$ 3,756.00
11/06/24	Check	Lytle Water Solutions, LLC	\$ 1,115.00
11/06/24	Virtual Card	O'Reilly Automotive	\$ 193.10
11/06/24	Virtual Card	Otten Johnson Robinson Neff+Ragonetti PC	\$ 5,510.00
11/06/24	Check	Pikes Peak Regional Building Dept	\$ 50.00
11/06/24	Check	RESPEC (formerly JDS Hydro)	\$ 20,334.38
11/06/24	ePayment	Rob's Septic Service & Porta-Pot Rental	\$ 600.00
11/06/24	Check	Shops at Meridian Ranch, LLC	\$ 108.63
11/06/24	ePayment	Spencer Fane LLP	\$ 9,573.15
11/06/24	ePayment	Star Playgrounds	\$ 12,572.17
11/06/24	Check	Tech Builders Inc	\$ 6,713.00
11/06/24	Check	Tire King of Falcon	\$ 5,594.07
11/06/24	Check	VertiCloud Networks LLC	\$ 3,844.88
11/06/24	Check	WHMD Woodmen Hills Metropolitan District	\$ 17,962.27
Total Invoices	37	Bill.com Total	\$ 927,595.34
11/06/24	ACH	Conoco Fleet Services	\$ 2,845.44
10/24/24	ACH	Verizon SCADA	\$ 249.78
11/06/24	13388	Stonebridge HOA	\$ 200.00
11/06/24	13389	Stonebridge HOA	\$ 82.50
# of Payments	41	Total Payment Amount	\$ 930,973.06
Payroll Transactions	10/1/24-10/31/24		
BOD Payroll:	\$	968.85	
Bi-weekly Payroll:	\$	249,183.35	
Payroll & HR Services:	\$	1,190.50	
Total:	\$	251,342.70	

**RESOLUTION NO. MSMD 24-03 OF THE BOARD OF DIRECTORS
OF THE MERIDIAN SERVICE METROPOLITAN DISTRICT
CERTIFYING DELINQUENT ACCOUNTS**

WHEREAS, the Meridian Service Metropolitan District provides water and sewer services to customers located with the boundaries of the District; and

WHEREAS, the Board of Directors has assessed service fees to its customers to partially cover the cost of operating said District and providing said services; and

WHEREAS, certain customers are delinquent in paying the District for said services; and

WHEREAS, said delinquent customers were notified via certified mail of today's public meeting to review the certification to the County and were invited to attend said meeting; and

WHEREAS, pursuant to Section 32-1-1101(1)(e), the Board of Directors of the District, after a public hearing on said delinquencies, may notice the County Treasurer of such delinquent accounts and request that the County Treasurer collect said accounts in the same manner as taxes are authorized to be collected and paid over pursuant to Section 39-10-107, C.R.S.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Meridian Service Metropolitan District hereby resolves:

1. The Board of Directors hereby certifies to the County Treasurer the list of delinquent accounts attached hereto as Exhibit A for collection (said exhibit to be updated on November 15, 2024 to reflect any payments made on delinquent accounts through November 14, 2024). Said delinquent balances are no less than \$150.00 and are at least six months old.
2. The Board of Directors of the District hereby authorizes the County Treasurer to charge and retain a penalty at the rate of 30%, or \$30.00, whichever is greater, on the delinquent sum due and owing to defray the costs of collection, pursuant to Section 32-1-1101(1)(e).
3. The Board of Directors of the District hereby imposes an administrative fee of \$75.00 per account being certified to offset the costs associated with certification of delinquent accounts.
4. Said delinquent fees for service charges will be collected by the El Paso County Treasurer and paid over to the District by the Treasurer in the same manner as taxes are authorized to be collected and paid over pursuant to Section 39-10-107, C.R.S.

DATED this 6th day of November, 2024.

MERIDIAN SERVICE METROPOLITAN DISTRICT

By: _____
Chairman

ATTEST:

Secretary

	Meridian Service Metropolitan District							
	2024 Certification Report to El Paso County							
	sherrydenoyer@elpasoco.com							
			Exhibit A					
	El Paso County Schedule Number	MSMD Acct #	Property Description	Bill Name	Service Address	Certification Sub Total	MSMD Admin Fee	El Paso County Certification Total
	4230220009	38003	Lot 39, Meridian Ranch Filing No. 1	James Ludwick	12252 Point Reyes Drive	\$1,854.81	\$75.00	\$1,929.81
	Send Payments To:							
	Meridian Service Metropolitan District				Bal Remaining	1,854.81	75.00	
	11886 Stapleton Drive							
	Peyton, CO 80831							

MSMD Recreation Board Report

November 6, 2024

Usage Numbers October 1-30, 2024

Total Attendance – 11385
Childcare attendance – 372
Group Ex – 878 Participants. 742 were members. \$418 from non-members
Revenue collected - \$14,784.00

Previous Usage Statistics:

	Attendance	Childcare	Group Ex	Revenue	
Oct-23	10183	299		772	12,933.64
Aug-24	13657	444		947	22,204.00
Sep-24	9635	250		855	16,318.50

Monthly Recap:

Attendance at the recreation center increased in October with D49 fall break, the start of youth basketball, and our annual Trunk or Treat Event.

Department Updates:

Group Ex:

- Halloween Fun Run 5k – 55 participants
- Disney Halloween themed ride – Full
- Halloween Spin class – Full
- TRX, Pilates, and Barre classes have returned to the schedule
- Upcoming Madonna themed spin class – Nov 18

Aquatics:

- Lessons remain strong. Approximately 15 Private and Semi-private lessons per week.
- November will be final month of lessons for 2024

Childcare:

- The first PNO of the month filled very quickly, second PNO of the month slower with 15 kids.

Sports:

- Youth basketball has begun.
 - 221 Participants

Maintenance:

- Mostly routine maintenance
- Indoor pump room
 - 2 pumps need gaskets replaced. CEM has been contacted
- Fire panel power supply replaced by Cintas and working properly
- Trunk or Treat haunted house set up/tear down
- Fitness equipment being delivered Nov 11
 - Stair climber, dumbbell replacement, 2 rower machines

Events:

- Trunk or Treat
 - ~5000 participants
 - Trunks, food trucks, vendors on court, haunted house
- Festival of Trees 11/23-11/30
- Cookies with Santa 12/14

Parks and Grounds

Board Report

November 2024

The guys have been out doing irrigation blowouts and it's going smoothly with the new to us compressor.

We received our mini excavator and purchased a trailer to get it around property.

We have been putting the mini ex to work in our ponds clearing out the channels and focusing on getting these ponds up to par.

I got a couple quotes to get the fence around Green's Park stained and they seem outrageous we are going to try and come up with a warm week before winter fully sets in to complete the staining in house.

At the beginning of the month, we got the new Latigo well sites cleaned up of all the trash that has been dumped at the site.

Kubota is still waiting on a part for our second side X side, so we are still waiting for our new machine.

The guys had to cover up some vulgar graffiti under the bridge on Londonderry and Meridian.

The guys went around and picked up a bunch of trash and random rocks and concrete debris around the open spaces.

We went through all our snow equipment and have it ready to go for winter.

MSMD Water/Wastewater Report October 2024

Water operations completed the monthly Bac-T sampling for September with no issues. Monthly meter reading and water usage was done on 10/30/24. We handed out the results to the customers for the lead and copper testing.

Filter plant expansion is nearly complete GSE still has punch list items to work on and we are doing testing and breaking in filters as well as working out the bugs in the programming for the filtering.

Infiltration gallery inspections were all completed, and water level logging data was recorded. Monthly flow measurement and calculations were taken on 10/23/24. Gallery inspection and monitoring continues.

Antler Creek reservoir is starting to drain, and we are working with the golf course to get them water as needed.

Wastewater operations staff completed weekly composite sampling and drop off to Cherokee. Ross Electric is still working on a couple wiring issues that should be wrapped up soon. We had a pump fail at the lift station and we are working to get it replaced we are waiting a couple of parts for the final install and are hoping to have those this week and have it operational once those are in.


Our contractor is replacing both broken fire hydrants in Latigo, and they should be done by the meeting or on that day. We have repairs on a few hydrants in the district as well as doing maintenance on hydrants and valves.


The weather has finally given us a good break and we can start resting wells more. We have shut down all Guthrie water currently and are awaiting some repairs on some pumps for the mid-point and the LFH well at our plant. WE may use some more of the water from Guthrie before the end of the year so we can rest some more of our onsite wells.

Crews continue to keep up with locates, well checks, filter plant and lift station work as well as inspections of new lines, and all day-to-day work.



1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

 303-734-4800

 303-795-3356

 www.HaynieCPAs.com

November 1, 2024

Meridian Service Metropolitan District
Attn: Board of Directors
11886 Stapleton Drive
Falcon, CO 80831

To the Members of the Board of Directors:

We are pleased to confirm our understanding of the services we are to provide for Meridian Service Metropolitan District (District) for the year ended December 31, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund and the disclosures, which collectively comprise the basic financial statements of Meridian Service Metropolitan District as of and for the year ended December 31, 2024.

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America (GAAP) require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

As part of our engagement, we will apply certain limited procedures to Meridian Service Metropolitan District's other Required Supplemental Information (RSI) in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited.

- 1) General Fund—Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
- 2) Parks and Grounds Fund—Schedule of Revenues, Expenditures and Change in Fund Balance—Budget and Actual
- 3) Recreation Fund—Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

We have also been engaged to report on supplementary information other than RSI that accompanies Meridian Service Metropolitan District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS) and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Capital Projects Fund—Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
- 2) Water Fund—Schedule of Revenues, Expenditures and Changes in Funds Available—Budget and Actual (Budgetary Basis)
- 3) Sewer Fund—Schedule of Revenues, Expenditures and Changes in Funds Available—Budget and Actual (budgetary Basis)

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is

limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Improper revenue recognition
- Management override of controls

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Meridian Service Metropolitan District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible

for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Haynie & Company and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of Colorado or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Haynie & Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the State of Colorado or its designee. The State of Colorado or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit on a mutually agreed upon date and to issue our report no later than July 31, 2025. Christine McLeod is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

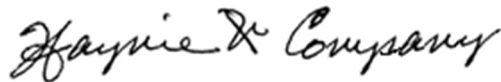
Our fees for these services will be \$26,500 for the audit. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. Accounts in excess of 30 days will accrue finance charges at 1.5% per month. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Reporting

We will issue a written report upon completion of our audit of Meridian Service Metropolitan District’s financial statements. Our report will be addressed to the Board of Directors of Meridian Service Metropolitan District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Accepted and agreed to:
Meridian Service Metropolitan District

Officer signature

Title

Date

SANITARY SEWER SERVICE INTERGOVERNMENTAL AGREEMENT

This Sanitary Sewer Service Intergovernmental Agreement (the "Agreement") is made and entered into this ___ day of October, 2024, by and between Meridian Service Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado ("MSMD"), whose address is 11886 Stapleton Drive, Falcon, Colorado, 80831, and Pikes Peak Board of Cooperative Educational Services ("PP BOCES"), whose address is 2883 South Circle Drive, Colorado Springs, CO 80906. MSMD and PP BOCES may be referred to individually as a Party, or collectively as the Parties.

RECITALS

WHEREAS, MSMD is organized as a special district under Title 32 of the Colorado Revised Statutes and provides various municipal services to certain properties in El Paso County in the State of Colorado; and

WHEREAS, PP BOCES is organized as a board of cooperative educational services under Title 22, Article 5 of the Colorado Revised Statutes and provides various educational services to nineteen (19) member school districts, including nine (9) regular members and ten (10) associate members, located in El Paso County in the State of Colorado; and

WHEREAS, PP BOCES will construct a career/technical education campus consisting of 24.9 school acres at 690 gpd/acre (4.0 SFEs per acre) equating to 100 SFEs, and an adjacent housing development primarily for employees of PP BOCES and its members anticipated to consist of 121 residential homes equating to 121 single family equivalents ("SFEs"), for a total of approximately 221 SFEs; and

WHEREAS, the site of the planned educational campus and housing development is a 86.38 acre parcel of land situate in the County of El Paso, State of Colorado, and further described and depicted on **Exhibit A**, attached hereto and incorporated by reference, and currently known by street and number as BOCES Subdivision, hereinafter referred to as the "Property"; and

WHEREAS, PP BOCES will design, construct, and install a sanitary sewer collection and transmission system, consisting of mains, manholes, and appurtenant facilities (the "PP BOCES Wastewater System"), to collect the wastewater discharge from the residential units and school facilities on the Property; and

WHEREAS, it is anticipated that the average gallons per day ("GPD") of wastewater flows from the Property at maximum build-out will not exceed (172) GPD per SFE in any one month period, and shall not exceed two hundred ten (210) GPD per SFE in any one day period ("Peak Flow Day"); and

WHEREAS, MSMD owns 2.2 million gallons per day wastewater treatment capacity at the Cherokee Metropolitan District/MS MD Wastewater Treatment Plant ("CM Plant") located at Drennan Road and Milne Road in Colorado Springs, Colorado; and

WHEREAS, MSMD has sufficient capacity in its lines and facilities between the Property and the CM Plant to transmit the Peak Flow Day discharge from the Property, without the necessity of any upsizing, enlargement or additions to the MSMD sanitary sewer system; and

WHEREAS, PP BOCES desires to receive sanitary sewer service to serve the Property from MSMD, and MSMD desires to provide such sanitary sewer service pursuant to the terms hereof; and

WHEREAS, pursuant to Colorado Constitution Article XIV, Section 18(2)(a) and Section 29-1-203, Colorado Revised Statutes, public entities may cooperate and contract with each other to provide any function, services or facilities lawfully authorized to each; and

WHEREAS, pursuant to Section 32-1-1001(1)(k), Colorado Revised Statutes, MSMD may provide services and facilities outside its boundaries and may establish fees, rates, tolls, penalties, and or charges for such services and facilities; and

WHEREAS, the Parties desire to set forth the terms, conditions and respective obligations with regard to the sanitary sewer service to be provided by MSMD to PP BOCES to serve the Property.

COVENANTS

NOW, THEREFORE, for and in consideration of the foregoing recitals, which are incorporated herein, and the mutual benefits and obligations set forth herein, the Parties agree as follows:

ARTICLE I TERM OF AGREEMENT

1.1. This Agreement shall become effective on and as of the date first written above and shall remain in effect until terminated in accordance with its terms.

ARTICLE II SERVICE

2.1. Connection and Transmission. PP BOCES shall design and construct an outfall line, a wastewater meter to measure PP BOCES wastewater flow, and all necessary appurtenances and related facilities, including a lift station and force main if needed (the "Delivery System"), to connect the PP BOCES Wastewater System to the MSMD sanitary sewer system at a location or locations mutually acceptable to the Parties (the "Connection Point"). It is anticipated that the Connection Point will be located on the 12" MSMD sanitary sewer line near Fort Smith Road and Judge Orr Road (the "Meridian Sewer Line"), as shown on the attached **Exhibit B**. PP BOCES anticipates that the outfall line (or force main, if a lift station is needed) within the Delivery System will be a four (4) inch diameter line (the "Outfall Line"). PP BOCES, at its sole cost and expense, shall construct and install the connection of the Outfall Line to the Meridian Sewer Line at the Connection Point and shall obtain MSMD and all other necessary state and local government and agency approvals to make such connection. The Outfall Line and upstream sanitary sewer system shall be owned by PP BOCES, and maintenance, repair and replacement of the Outfall Line

upstream from the Connection Point shall be the responsibility of PP BOCES at its sole cost and expense.

2.2. Delivery/Treatment/Discharge/Equalization/Emergency Storage.

- a. Delivery:** MSMD will deliver PP BOCES wastewater from the Connection Point to the CM Plant by first pumping PP BOCES wastewater from the MSMD sewer lift station located at 7320 McLaughlin Road, Falcon, CO 80831 (the “MSMD Sewer Lift Station”) into the MSMD sewer force main pipeline (the “MSMD Sewer Force Main”), which extends from the MSMD Sewer Lift Station to the Cherokee Metropolitan District (“Cherokee”) sewer line located at Blaney Road and State Highway 94 (the “Cherokee Sewer Line”), as shown on the attached **Exhibit C**. The PP BOCES wastewater will then be conveyed via the Cherokee Sewer Line to the CM Plant, as shown on the attached **Exhibit D**.
- b. Treatment:** PP BOCES wastewater will receive primary treatment, including screening to remove inorganic debris and wastewater grit removal, at the MSMD Sewer Lift Station. PP BOCES wastewater will receive final wastewater treatment at the CM Plant.
- c. Discharge:** PP BOCES treated wastewater will be discharged from the CM Plant to the Cherokee rapid infiltration basins (“RIBs”), as shown on Exhibit D, and allowed to infiltrate into the ground water table of the Upper Black Squirrel Creek Designated Groundwater Basin (the “UBS Basin”).
- d. PP BOCES Force Main and Flushing Velocities:** PP BOCES anticipates that in order for the Delivery System to function properly, the Outfall Line will require daily flushing velocities in order to maintain wastewater solids movement in the Outfall Line. The maximum wastewater flushing rate shall be 650 GPM (the “Max Flushing Rate”). PP BOCES shall be allowed to pump up to but not exceed the Max Flushing Rate.
- e. Emergency Storage:** MSMD constructed an emergency storage tank at the MSMD Sewer Lift Station site as specified in the CM Plant IGA (defined in section 4.1 below) and subject to the terms and conditions of the McLaughlin IGA. If PP BOCES wastewater is to be pumped, PP BOCES shall design and provide a wastewater emergency storage system (based on the greater of either twelve (12) hours of design average daily flow or as required by any and all other permitting and approving agencies) with emergency backup power at the PP BOCES wastewater pumping facility. The PP BOCES wastewater pumping facility and emergency storage system shall be designed, permitted and built to meet all CM Plant IGA, McLaughlin IGA, MSMD Rules and Regulations, federal, state and local government and other agency specifications, rules and regulations (collectively, "Rules and Regulations"). PP BOCES shall install such wastewater pumping facility and emergency storage system at its sole cost and expense, prior to any PP BOCES wastewater being placed into the Meridian Sewer Line. PP BOCES shall obtain MSMD and all other necessary federal, state and local government and agency approvals to make the installation of its wastewater pumping facility and emergency storage system.

- f. **Low Flows:** Due to the anticipated flow rates and volume from the Delivery System, PP BOCES shall install a chemical bioxide feed system within the PP BOCES Wastewater System to provide added wastewater quality control. PP BOCES shall add bioxide into the PP BOCES wastewater. The amount of bioxide added shall be adequate for the PP BOCES wastewater quality to meet or exceed all requirements and specifications in this Agreement.

2.3. Wastewater Delivery and Treatment Capacity. Subject to compliance with all the terms and conditions of this Agreement by PP BOCES, including the Minimum Tap Takedown Schedule, defined below, and so long as PP BOCES is not in default of this Agreement and this Agreement is not otherwise terminated, MSMD will reserve wastewater delivery at the MSMD Lift Station and wastewater treatment capacity at the CM Plant for up to 221 SFEs at an average flow rate of 172 GPD per SFE in any one month period, which is equivalent to 38,012 GPD, or 1.73% of the 2,200,000 GPD wastewater treatment capacity that MSMD owns at the CM Plant. Such amount constitutes the maximum amount of dedicated wastewater treatment capacity that MSMD is obligated to provide hereunder in any one month period. The maximum wastewater treatment capacity that MSMD is obligated to provide on a Peak Flow Day is 210 GPD per SFE, which is equivalent to 46,410 GPD. MSMD shall not be liable to PP BOCES for failure to accept or treat PP BOCES 's wastewater when such failure is the result of any injunction, order, or judgment of any court, State or Federal agency action, or when such failure is the result of a strike, casualty, upset condition, mechanical or power failure, weather or flood condition, or other cause beyond MSMD's reasonable control. MSMD shall have the right to interrupt service and require PP BOCES to temporarily store and contain wastewater flows to the extent of PP BOCES' storage capabilities in the event of a malfunction of any of the following wastewater delivery or treatment systems; the CM Plant, the RIBs, the MSMD Sewer Lift Station, the Cherokee Sewer Line, the MSMD Sewer Force Main or the Meridian Sewer Line. In the event of maintenance to the above listed wastewater delivery or treatment systems which will prevent MSMD from delivering wastewater to the CM Plant including RIBs, a 48-hour notice will be given to PP BOCES after which PP BOCES will temporarily store and contain wastewater to the extent of PP BOCES' storage capabilities.

ARTICLE III FEES & TAKEDOWN SCHEDULE

3.2 Tap Fee.

- a. The initial fee for each Sewer Tap will be \$5,200.00 for 2025 ("Sewer Tap Fee"). Commencing January 1, 2026, and each January 1 thereafter, the Sewer Tap Fee shall increase by the greater of: (a) 3%, or (b) 1.5% over the Consumer Price Index for All Urban Consumers (CPI-U) for the Denver-Boulder Greeley, Colo., metropolitan area ("Denver CPI").
- b. Sewer Tap Fees are due and payable for any building, whether part of the educational campus or a residential structure, prior to the issuance of a building permit for such building.

- c. At any time, in the event that PP BOCES desires to enter into a lump sum purchase agreement for all of the remaining unpurchased Sewer Taps necessary to build out the Property, MSMD will consider, in good faith, such a lump sum sale of such Sewer Taps and any terms and conditions ancillary thereto.

3.3. Monthly Service Fee. PP BOCES shall pay MSMD a monthly wastewater service fee equal to 110% of MSMD's actual costs and expenses incurred by MSMD, based on the direct proportion of the PP BOCES metered effluent wastewater flows, for the delivery, treatment and discharge of PP BOCES wastewater as described in paragraphs 2.2(a), (b) and (c), and including, but not limited to, (i) all costs of operation, maintenance, repairs and replacement to provide such delivery, treatment and discharge of PP BOCES wastewater, and (ii) all costs and expenses charged to MSMD by Cherokee pursuant to the CM Plant IGA, and (iii) all costs and expenses associated with or incurred as a result of any order by federal, state, county or other regulatory agency to bring MSMD and/or the CM Plant and/or the MSMD Lift Station into compliance with applicable Rules and Regulations, as they exist today or as the same may be hereafter amended or enacted, including but not limited to the Clean Water Fee in the amount of fifteen dollars (\$15.00 per tap) that MSMD has implemented and assessed on its customers since 2022 for payment of its share of the costs and expenses associated with the CM Plant compliance as referenced in Section 4.2 below (the "PP BOCES Wastewater Service Fee"). All costs will be invoiced once a month and are due and payable within 45 days of receipt of invoice. PP BOCES shall budget and appropriate sufficient funds for payment of the PP BOCES Wastewater Service Fee. In the event that PP BOCES is over six (6) months in arrears for payment of the PP BOCES Wastewater Service Fee, MSMD may, but is not required to, invoice all PP BOCES customers directly for all current and future PP BOCES Wastewater Service Fees, including any and all additional processing and collection fees incurred by MSMD for such direct billing. PP BOCES shall include in its service contracts with its customers a provision which provides for MSMD's right to invoice PP BOCES customers directly, as set forth in the previous sentence.

3.4. Interest/Service Charges. Any fee or charge due hereunder and not timely paid shall accrue interest at 6% annually.

ARTICLE IV ADDITIONAL COVENANTS, AGREEMENTS AND PROVISIONS

4.1. This Agreement is subject to all terms in the Chico Basin Wastewater Treatment Facility and Black Squirrel Basin Recharge Facility Intergovernmental Agreement between Cherokee and MSMD, as amended ("CM Plant IGA"), and which may be further amended from time to time without notice or approval by PP BOCES. A copy of the CM Plant IGA is attached as **Exhibit F**. The CM Plant IGA and any subsequent amendments thereto are incorporated herein by this reference. All the conditions, restrictions and penalties that apply to MSMD in the CM Plant IGA will apply to PP BOCES as it pertains to PP BOCES 's wastewater and are fully enforceable by Cherokee and/or MSMD.

4.2. The Colorado Department of Public Health and Environment, Water Quality Control Division (the "Division"), issued the CM Plant a Compliance Advisory - Notice Of Significant Noncompliance, CDPS Number COX-048348, dated March 25, 2011. The State of Colorado

issued a Compliance Order on Consent, Number: MC-140514-1, on June 23, 2014, to resolve all violations cited by the Division and to establish compliance requirements and criteria for the continued operation of the CM Plant. A copy of the Compliance Order on Consent is attached hereto as **Exhibit G**. This Agreement is subject to all terms and conditions of such Compliance Order on Consent and the agreements made by Cherokee in order to bring the CM Plant into compliance. MSMD and Cherokee share in the cost of bringing the Plant into compliance and continue to operate under the CM Plant IGA referenced in section 4.1 above, and as set forth therein, this Agreement is subject to all terms of the CM Plant IGA.

4.3. [Not used]

4.4. PP BOCES shall meet and require all of its customers to meet the CM Plant IGA and MSMD wastewater standards, now current and as amended or updated in the future, and shall be responsible for any and all costs or penalties for failing to meet such standards and/or causing a violation of the discharge permit for the CM Plant or for the State of Colorado site approval and/or permit at the MSMD Sewer Lift Station. PP BOCES shall test its wastewater a minimum of once a week prior to the Connection Point described in paragraph 2.1 above for the constituents listed in the CM Plant IGA and MSMD wastewater standards and provide the test results to MSMD. At the Connection Point, PP BOCES shall install a manhole with a sample port with a composite sampler such that the water quality of PP BOCES' wastewater can be monitored by Cherokee and/or MSMD to ensure that all required standards are being met.

4.5. The number of SFE equivalents for any particular use other than a single family residence shall be determined by the AWWA fixture count calculations.

4.6. In addition to any other remedy provided herein or at law, PP BOCES shall be solely responsible for, and liable to MSMD for, all costs associated with any damages, fines or additional clean up due to or resulting from the wastewater quality, flows or overflows from PP BOCES that do not satisfy the terms of this Agreement.

ARTICLE V TREATED WASTEWATER

5.1. Ownership and Use of Wastewater. The right to reuse all treated wastewater discharged from the CM Plant generated by the wastewater flows derived from PP BOCES shall belong solely to PP BOCES, provided that PP BOCES constructs facilities or makes other suitable arrangements for the collection, storage, transmission and disposition of such water at PP BOCES sole cost and expense. Until such time as PP BOCES makes such arrangements, PP BOCES hereby grants MSMD the right to control and use all PP BOCES wastewater and treated effluent discharged from the CM Plant. PP BOCES agrees to cooperate and provide MSMD any information requested regarding the sources and quantities of water that comprise the PP BOCES wastewater.

5.2. Approval to Utilize Water. Should PP BOCES make the arrangements described in section 5.1 for PP BOCES' reuse of the treated wastewater, it shall be responsible for compliance with all applicable laws for such reuse. Additionally, PP BOCES shall not file an application with any administrative or judicial authorities that contemplates the use of the CM Plant RIBs without the

express written consent of MSMD and Cherokee, which consent is in the sole discretion of MSMD and Cherokee.

5.3. No Representations or Warranties. The parties recognize that there may be some loss in quantity of wastewater due to evaporation, seepage, or through the treatment process, or due to other legal restrictions. Accordingly, MSMD makes no representations or warranties regarding the quantity of treated wastewater that may be available after treatment at the CM Plant. Additionally, the parties acknowledge that the treated wastewater generated by the wastewater flows derived from PP BOCES is comprised of treated municipal wastewater effluent. MSMD does not represent or guarantee that such water meets or will meet any particular water quality standards or complied with or will comply with any requirements of any governmental agency or authority, or that the water is suitable for any use by the PP BOCES or others. The parties further acknowledge that the water is delivered on an as-is basis. PP BOCES accordingly waives any actual or potential rights it might have concerning any warranties or representations by MSMD as to the quality of the treated wastewater or its fitness for a particular use, any product liability claim and all other existing or later-created or conceived-of strict liability or strict liability claims and rights concerning the quality, or fitness for use, of the treated wastewater.

5.4. Option to Purchase; Objection. MSMD shall have the option to purchase PP BOCES' wastewater for a purchase price (the "Option Price") equal to the fair market value of the wastewater as of the purchase date. To exercise its purchase option, MSMD shall, not less than sixty (60) days prior to the proposed purchase date, provide written notice to PP BOCES of MSMD's intent to exercise its option to purchase the wastewater on such purchase date, and shall specify the proposed Option Price as determined by MSMD in a commercially reasonable manner, and PP BOCES shall then have a period of thirty (30) days after notification of the Option Price to object if, in PP BOCES opinion, the Option Price stated by MSMD is not equal to the Fair Market Value of the wastewater. Upon such objection, the Parties shall mutually select an independent appraiser with experience and expertise in the water resources market in Colorado. Such appraiser shall act in a commercially reasonable manner and in good faith to determine the fair market value of the wastewater as of the applicable purchase date and shall set forth such determination in a written opinion delivered to the Parties. The valuation made by the appraiser shall be binding upon the Parties in the absence of fraud or manifest error. The costs of the appraisal shall be borne by PP BOCES if such appraisal results in a value equal to or less than the Option Price offered by MSMD. Otherwise, the MSMD shall pay the costs of the appraisal. In the event MSMD confirms its exercise of the purchase option in writing to PP BOCES (whether before or after any determination of the Fair Market Value determined pursuant to this Section 5.4), (i) the Parties shall promptly execute all documents necessary to (A) cause title to the wastewater to pass to MSMD effective as of the Purchase Date, and (ii) MSMD shall promptly implement a credit in the amount of the final Option Price against future MSMD fees and charges to PP BOCES, and shall promptly provide to PP BOCES a written statement of such credit.

ARTICLE VI BREACH AND NON-BREACH

6.1. Termination After Sewer Taps are Purchased. Except as otherwise expressly set forth herein, after Sewer Taps are purchased, the Parties agree that no default or breach of this

Agreement shall justify or permit termination of the continuing obligations of this Agreement as applicable to the purchased Sewer Taps and service capacity therefor; provided, however, that this Section 6.1 does not prohibit termination or suspension of service to a customer as permitted by the CM Plant Rules and Regulations or MSMD Rules and Regulations, as they may be revised or amended from time to time. Notwithstanding the foregoing, this Agreement may be terminated for default as provided in Sections 6.2 and 6.3, as applicable to all unpurchased Sewer Taps and service capacity therefor.

6.2. Default. The occurrence of any of the following events not cured within thirty (30) days of receipt of written notice from the non-defaulting Party by the defaulting Party constitutes a default under this Agreement:

- a. failure to pay any fee, charge or other sum when due;
- b. failure to perform any other term, condition, covenant, representation or warranty;
- or
- c. The appointment of a receiver, general assignment for the benefit of creditors, or any declaration of filing under any insolvency or bankruptcy act.

6.3. Remedies. Upon default, the non-defaulting Party may elect to terminate this Agreement by written notice of termination to the defaulting Party, subject to the provisions of Section 6.1, and seek appropriate relief, including damages, as may be available under the laws of the State of Colorado.

6.4. Venue. The Parties agree and stipulate the proper venue for any court action that might occur in connection with or as a result of this Agreement is the District Court in and for the County of El Paso, Colorado.

ARTICLE VII MISCELLANEOUS

7.1. Liability of Parties. No provision, covenant or agreement contained in this Agreement, nor any obligations herein imposed upon each Party, nor the breach thereof, shall constitute or create an indebtedness of the other Party within the meaning of any Colorado constitutional provision or statutory limitation. Neither Party shall have any obligation whatsoever to repay any debt or liability of the other Party.

7.2. Indemnification. Subject to the provisions of the Colorado Governmental Immunity Act, and without waiving the same, to the extent permitted by law, each Party agrees to indemnify, protect and hold harmless the other Party from any claims or damages to persons or property resulting from the actions or inactions of the indemnifying Party. Said indemnification shall include, but not be limited to, court costs, damages, and attorneys fees.

7.3. Modification. This Agreement may be modified, amended, changed or terminated, except as otherwise provided herein, in whole or in part, only by an agreement in writing duly authorized and executed by both Parties. No consent of any third party shall be required for the negotiation and execution of any such agreement.

7.4. Waiver. No failure by either Party to insist upon the strict performance of any agreement, term, covenant, or condition hereof or to exercise any right or remedy consequent upon default, and no acceptance of full or partial performance during the continuance of any such default, shall constitute a waiver of any such default of such agreement, term, covenant, or condition. No agreement, term, covenant or condition hereof to be performed or complied with by either Party, and no default thereof, shall be waived, altered, or modified except by a written instrument executed by the non-defaulting Party. The waiver of any breach or default of any of the provisions of this Agreement by either Party shall not constitute a continuing waiver or a waiver of any subsequent breach by the other Party of the same or another provision of this Agreement.

7.5. Integration. This Agreement contains the entire agreement between the Parties and no statement, promise or inducement made by either Party or the agent of either Party that is not contained in this Agreement shall be valid or binding.

7.6. Effect of Invalidity. If any provision of this Agreement is deemed invalid and unenforceable by a court of competent jurisdiction as to either Party, or as to both Parties, such invalidity or unenforceability shall not cause the entire Agreement to be terminated, so long as the primary purposes of this Agreement remain viable.

7.7. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

7.8. Headings for Convenience Only. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any of the provisions of this Agreement.

7.9. Notices. Any notices or other communications required or permitted by this Agreement or by law to be served on, given to or delivered to either Party, by the other Party, shall be in writing and shall be deemed received on the date personally delivered to the Party to whom it is addressed, on the date received via e-mail with confirmation of receipt, or, upon receipt in the United States mail, by certified mail, return receipt requested, addressed to the following:

To PP BOCES: Pat Bershinsky, Executive Director
Pikes Peak BOCES
2883 South Circle Drive
Colorado Springs, CO 80906
PBERSHINSKY@ppboces.org

Michelle Murphy, General Counsel
Rural Legal Services Program
Colorado Rural Schools Alliance
1405 Cypress Circle
Lafayette, CO 80026
mmurphy@coruralalliance.org

To MSMD: General Manager
Meridian Service Metropolitan District
11886 Stapleton Drive
Falcon, CO 80831
E-mail: j.nikkel@meridianservice.org; j.coe@meridianservice.org

With a copy to: Spencer Fane, LLP
ATTN: Ron Fano
1700 Lincoln St., Suite 3800
Denver, CO 80203
E-Mail: rfano@spencerfane.com

Either Party may change its address for the purpose of this Section by giving written notice of such change to the other Party in the manner provided in this Section.

7.10. Government Authority. The Parties shall comply with any and all valid state, federal or local laws or regulations covering the subject of this Agreement, and any and all valid orders, regulations or licenses issued pursuant to any federal, state or local law or regulation governing the subject of this Agreement. PP BOCES shall comply with all terms and conditions of the CM Plant IGA and the terms and conditions of the MSMD Rules and Regulations applicable to sanitary sewer service.

7.11. Force Majeure. Either Party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by a cause beyond its control, including, but not limited to: any incidence of fire, flood, or strike; acts of God; acts of the Government; war or civil disorder; violence or the threat thereof; severe weather; commandeering of material, products, plants, or facilities by the federal, state, or local government; national fuel shortage; when satisfactory evidence of such cause is presented to the other Party, and provided further that such nonperformance is beyond the reasonable control of, and is not due to the fault or negligence of the Party not performing.

7.12. Other Applicable IGAs. All terms and conditions of the CM Plant IGA and the McLaughlin IGA apply to this Agreement; provided, however, that if the terms of this Agreement are more restrictive than the CM Plant IGA and/or the McLaughlin IGA, then the terms of this Agreement shall prevail.

7.13. Authority to Execute Agreement. The individuals signing this Agreement expressly affirm and represent that s/he has the authority to enter this Agreement and to bind the Party s/he represents.

7.14. Fair Dealing. In all cases where the consent or approval of one Party is required before the other may act, or where the agreement or cooperation of either or both Parties is separately or mutually required as a legal or practical matter, then in that event the Parties agree that each will act in a fair and reasonable manner with a view to carrying out the intents and goals of this Agreement as the same are set forth herein, subject to the terms hereof. PP BOCES will not be

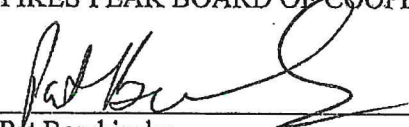
bound by or subject to any rules or regulations of the MSMD that are not also applicable and enforced in the same manner against similarly situated properties and users of Services within MSMD boundaries, except as otherwise specifically set forth herein. All references in this Agreement to MSMD's standards, policies, rules or regulations, or similar references, shall mean the same as adopted and applied by MSMD within its boundaries, but as the same may be amended from time to time. Furthermore, notwithstanding any provisions in this Agreement to the contrary, in furnishing sanitary sewer services to PP BOCES, MSMD will be bound by the same duties and standards of care as are applicable to and benefit recipients of such services within MSMD's boundaries.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

MERIDIAN SERVICE METROPOLITAN DISTRICT

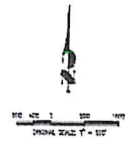
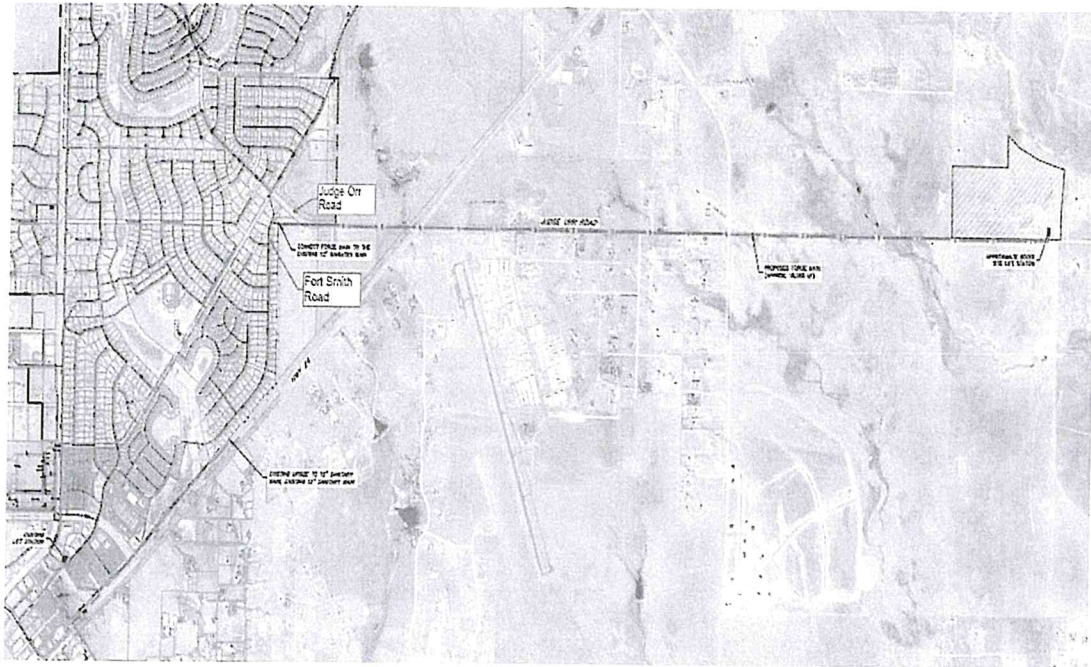
Butch Gabrielski
Board President
Meridian Service Metropolitan District

PIKES PEAK BOARD OF COOPERATIVE EDUCATION SERVICES

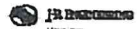


Pat Bershinsky
Executive Director

EXHIBIT B



ROADS SANITARY CONNECTION EXHIBIT
RONES SUBDIVISION
JOB NO. 200100
02/23/14
SHEET 1 OF 1



Created by: J.R. Rones
Checked by: J.R. Rones

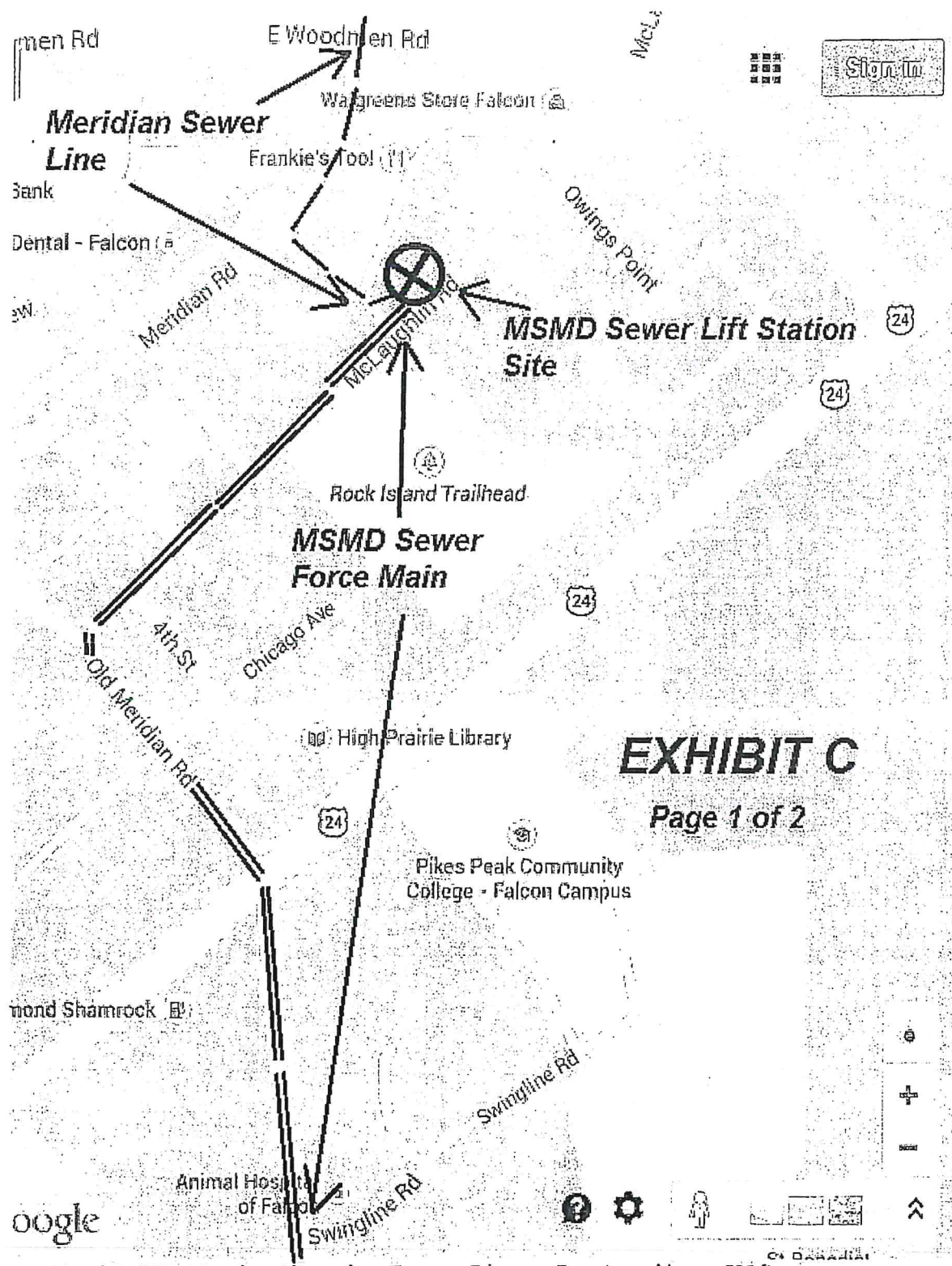


EXHIBIT C
Page 1 of 2

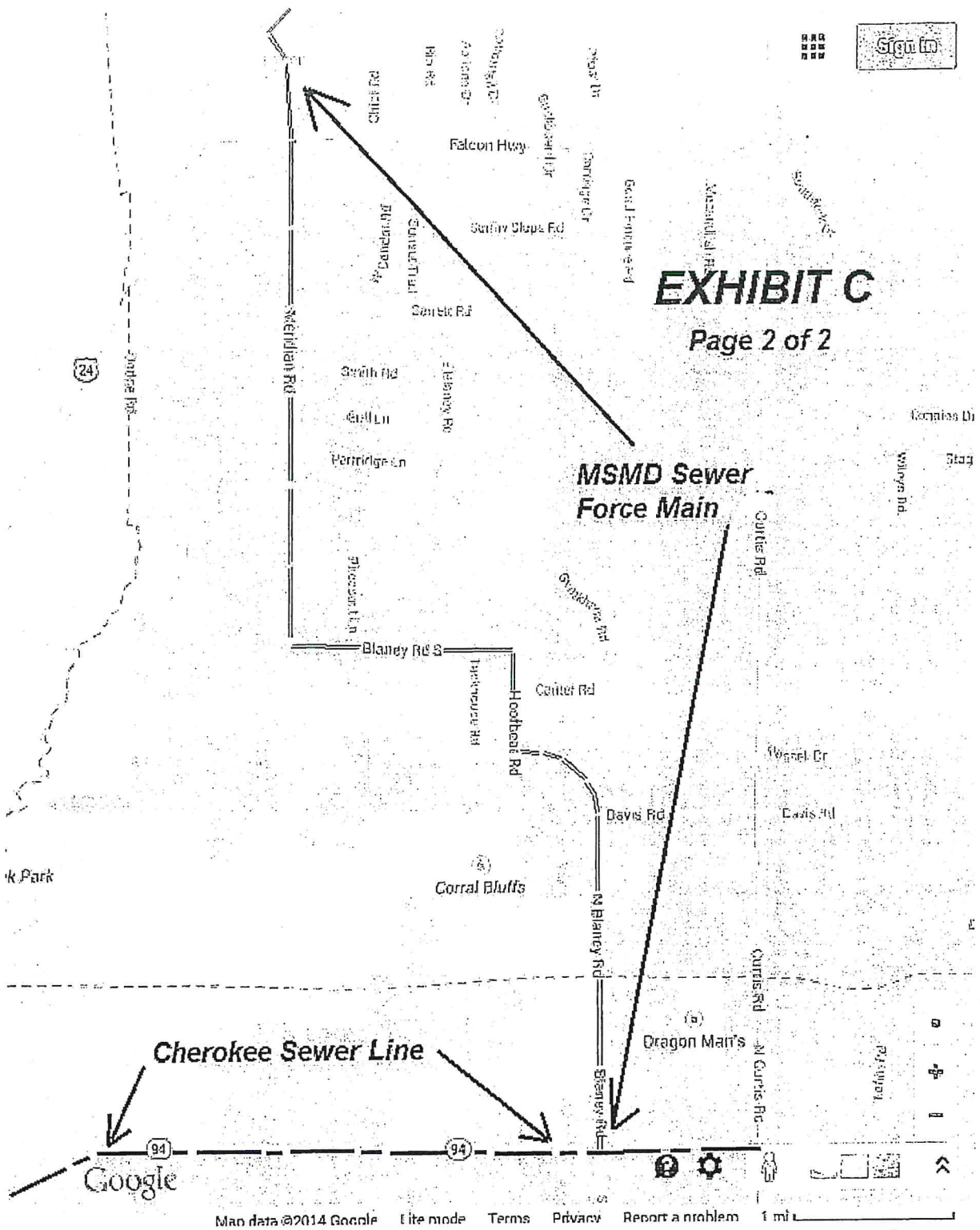


EXHIBIT C
 Page 2 of 2

at Hwy

94

S Peyton Hwy

W Page Rd

94

W Page Rd

W Page Rd

W Page Rd

EXHIBIT D

Page 1 of 2

MSMD Sewer Force Main

94

S Curtis Rd

Blairway Rd

94

Enoch Rd

Enoch Rd

Schriever AFB

Enoch Rd

S Curtis Rd

Cherokee Sewer Line

Curtis Rd

CM Plant

Cherokee Discharge Line

Enoch Rd

Enoch Rd

Enoch Rd

Enoch Rd

Edwards Rd

Google

Enoch Rd

S Enonville East Mine Rd

1:5000



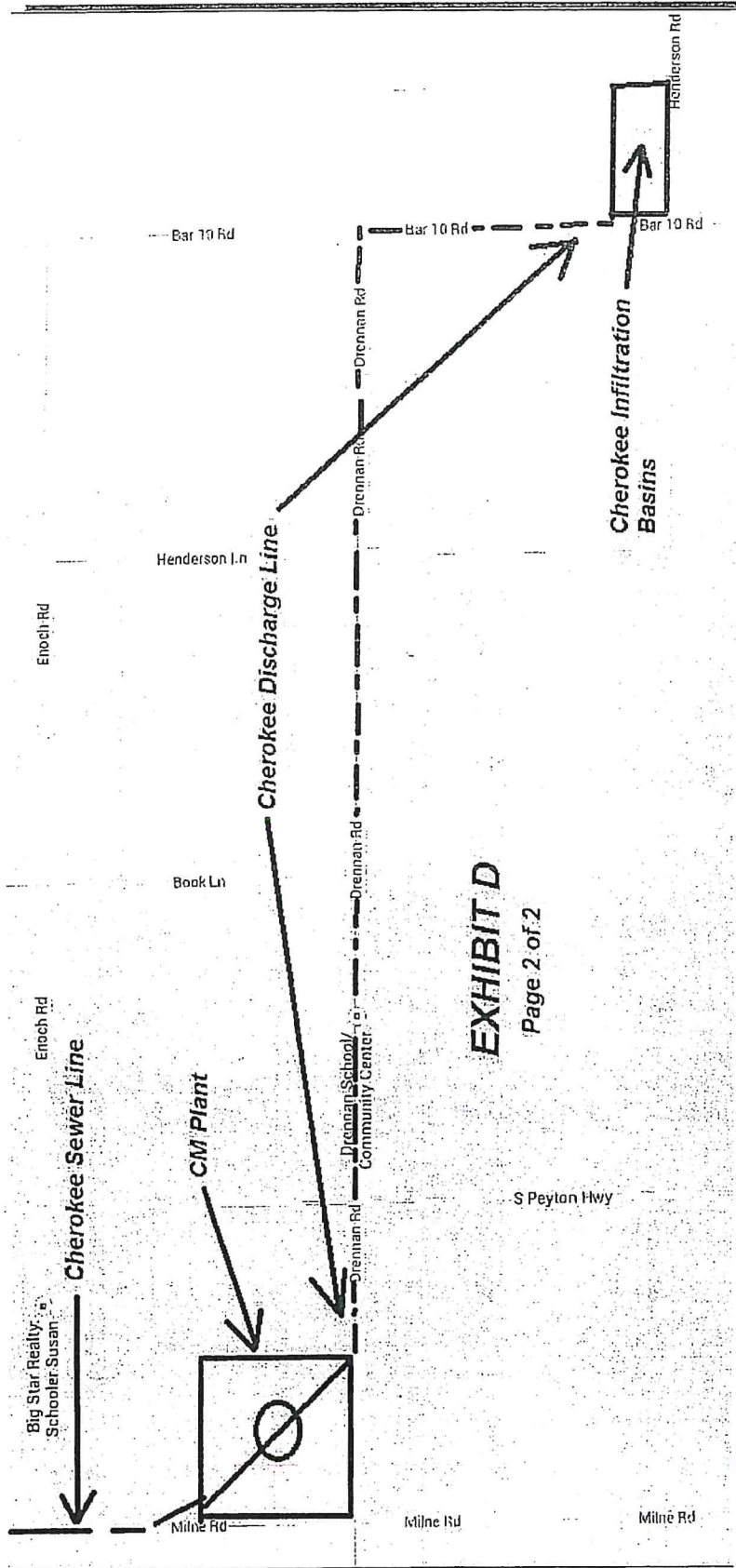


EXHIBIT D

Page 2 of 2

EXHIBIT E

McLAUGHLIN ROAD SEWER LIFT STATION INTERGOVERNMENTAL AGREEMENT

THIS McLAUGHLIN ROAD SEWER LIFT STATION INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and entered this 21ST day of SEPTEMBER, 2009, by and between MERIDIAN SERVICE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado ("Meridian Service"), and WOODMEN HILLS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado ("Woodmen Hills") (sometime collectively referred to as the "Districts" or the "Parties").

RECITALS

WHEREAS, Meridian Service provides, among other things, sanitary sewer service to the Meridian Ranch development; and

WHEREAS, Woodmen Hills provides, among other things, sanitary sewer service to the Woodmen Hills development; and

WHEREAS, Meridian Service and Woodmen Hills have entered into Metropolitan Districts Intergovernmental Agreement (Woodmen Hills – Meridian Ranch) dated March 17, 2004; and

WHEREAS, Woodmen Hills owns and operates the existing Woodmen Hills sewer lift station and backup emergency lift station and well system on Tract A, Beckett at Woodmen Hills Filing No. 3, 7320 McLaughlin Road (the "Lift Station Site"); and

WHEREAS, Meridian Service owns and operates the existing temporary sewer lift station that was approved via the modification of a lift station (site application #4406), Woodmen Hills Metropolitan District, El Paso County dated December 14, 2007 ("Temporary Lift Station"). The Temporary Lift Station is inside the existing Woodmen Hills sewer lift station backup wet well on the Lift Station Site; and

WHEREAS, Woodmen Hills granted a permanent easement over the Lift Station Site to Meridian Service for a sewer lift station, equalization basin and appurtenant equipment, (the "Lift Station") which easement was recorded on April 22, 2008, at Reception No. 208045754, in the office of the clerk and recorder of El Paso County, Colorado ("Lift Station Easement"); and

WHEREAS, in the Lift Station Easement, Woodmen Hills granted a construction easement to Meridian Service over Tract B, Falcon Highlands Market Place, Filing No.

1, El Paso County, Colorado for construction of the Lift Station Improvements (as described herein) on the Lift Station Easement (the "Construction Easement"); and

WHEREAS, a depiction of the Lift Station Easement and the construction easement are shown on Exhibit A, which is attached hereto and incorporated herein; and

WHEREAS, Meridian Service plans to construct the sanitary sewer Lift Station Improvements on the Lift Station Easement in order to serve its constituents and send its sewage to the Black Squirrel Waste Water Treatment Facility (the "Black Squirrel Facility"); and

WHEREAS, Woodmen Hills desires to participate in the construction of the Lift Station Improvements in order to serve its constituents and send its sewage to the Paint Brush Hills Waste Water Treatment Facility ("Paint Brush Facility"); and

WHEREAS, per all terms and specifications of this agreement and subject to obtaining all required permits and approvals, the Lift Station may be used to pump Meridian Service and/or Woodmen Hills sewage to any treatment facility permitted by the State of Colorado; and

WHEREAS, pursuant to Section 18(2)(a) of Article XIV of the Constitution of the State of Colorado, and Sections 29-1-201 et seq., the Districts have found that it is in their respective best interests to enter into this Agreement.

WHEREAS, this Agreement is contingent upon both Districts obtaining all necessary permits and or approvals to pump sewage to their respective waste water treatment facilities including approvals of all State of Colorado and El Paso County site applications and transferring of the existing Woodmen Hills State pumping site application to the Lift Station. It is in the best interest of both Districts to assist each other and expedite the permit/approval process.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, the mutual promises and obligations contained herein, and other good a valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Districts agree as follows:

ARTICLE 1 – Lift Station Improvements

- 1.1 The Lift Station Improvements shall be divided into the following three distinct/separate systems:

- 1.1.1 The Joint Lift Station System;
 - 1.1.2 The Meridian Service Lift Station System; and
 - 1.1.3 The Woodmen Hills Lift Station System.
- 1.2 The Joint Lift Station System shall consist of all Lift Station Improvements on the Lift Station Site that are used to receive, remove screening and grit, pump, temporarily store, dispose and handle sewage, screening and grit for both Meridian Service and Woodmen Hills (i.e. improvements that do not serve the sole purpose of pumping sewage for either Meridian Service or Woodmen Hills). The Joint Lift Station System improvements include, but are not limited to, the following:
- 1.2.1 General Site Improvements - Flatwork, paving, walls, fences, landscaping, exterior electric, lighting, phone and water systems, emergency storage basin system, equalization storage basin system, backup generator(s) system, etc.
 - 1.2.2 Lift Station Building Improvements – The above grade and below grade Lift Station building structure; the Lift Station building piping, valves, meters, bends, tees, mechanical bar screen system, grit removal system necessary to transport sewage from the inlet piping to the Lift Station sewer wet well; the Lift Station building piping, valves, meters, bends, tees and pumps necessary to transport the sewage from the Lift Station wet well to either the emergency or equalization storage basins; the electrical, mechanical, plumbing, lighting, waste, phone, water, SCADA systems required to operate the Joint Lift Station System.
- 1.3 The Meridian Service Lift Station System shall mean those Lift Station Improvements that are used specifically for pumping only Meridian Service sewage via force mains to the Black Squirrel Facility for subsequent sewage treatment. This shall consist of, but not be limited to, pumps, chemical injection systems at the pump inlets, flow monitoring, sewer force mains, valves, piping, bends, electrical controls, chemical storage, electrical metering for the electrical components specific for the Meridian Service Lift Station, SCADA and phone systems required to operate the Meridian Service Lift Station System. Meridian Service shall properly design, engineer and build the Meridian Service Lift Station System and Meridian Service sewer force main system per all Federal, State and local regulations to accommodate its sewage flows, including peaking flows, to minimize the use of the equalization basins. Meridian Service shall make any future modifications and or improvements to the Meridian Service Lift Station System and Meridian Service sewer force main system necessary to meet all current or future Federal, State and local regulations including but not limited to sewer pumping flow rates and sewer quality standards.

- 1.4 The Woodmen Hills Lift Station System shall mean those Lift Station Improvements that are used specifically for pumping only Woodmen Hill's sewage via force mains to the Paint Brush Facility for subsequent sewage treatment of such sewage. This shall consist of, but not be limited to, pumps, chemical injection systems at the pump inlets, flow monitoring, sewer force mains, valves, piping, bends, electrical controls, chemical storage, electrical metering for the electrical components specific for the Woodmen Hills Lift Station System, SCADA and phone systems required to operate the Woodmen Hills Lift Station System. Woodmen Hills shall properly design, engineer and cause Meridian Service to initially construct the Woodmen Hills Lift Station System.

ARTICLE 2 – Construction

- 2.1 Meridian Service shall construct the Lift Station Improvements on the Lift Station Easement and have full use of the Construction Easement. Meridian Service shall set up a pre-construction meeting prior to start of construction and invite Woodmen Hills to attend. Meridian Service shall at all times during construction provide Woodmen Hills access to the existing Woodmen Hills sewer lift station and backup emergency lift station and wet well system. Except as specified herein, Meridian Service shall pay the entire cost of constructing the Lift Station Improvements and shall own, operate and maintain the Joint Lift Station System and the Meridian Service Lift Station System. Woodmen Hills will own, operate and maintain the Woodmen Hills Lift Station System when Meridian Service has completed the Lift Station Improvements and the Lift Station is operational and put to its intended use.
- 2.2 The timing of construction of the Lift Station Improvements shall be in the sole discretion of the Meridian Service. Meridian Service shall provide Woodmen Hills with a construction schedule and update such schedule on a monthly basis. Meridian Service shall hold monthly construction update meetings and invite Woodmen Hills to attend the monthly construction meetings.
- 2.3 Woodmen Hills shall provide, at no cost to Meridian Service, the following equipment and/or services for the construction of the Lift Station Improvements and/or the operation of the Lift Station for the beneficial use of both Districts:
 - 2.1.1 the complete biocide system necessary to treat Woodmen Hills sewage;
 - 2.1.2 the existing back-up electric generator located at the existing Woodmen Hills lift station (Kohler Model No. 180R0ZJ; Serial No. 0624052);
 - 2.1.3 a fire hydrant meter and all necessary construction water needed to construct and test the Lift Station Improvements;
 - 2.1.4 a 1½ inch water tap, water meter and water to provide all of the water necessary for the operation of the Lift Station and maintenance of the Lift Station Site;

- 2.4 Woodmen Hills shall assist Meridian Service in selecting the manufacturer(s) for the equipment used in the Woodmen Hills Lift Station System. During the public bid process, if there is a price difference between the equipment Woodmen Hills desires and the equipment Meridian Service has selected in the bid selected by Meridian Service (assuming comparable manufacturer(s)), then Woodmen Hills will pay Meridian Service the difference. Meridian Service shall install the equipment provided and specified by Woodmen Hills as agreed upon in this Agreement.
- 2.5 Meridian Service shall be responsible for paying all fees for and obtaining all necessary permits and or approvals to construct the Lift Station Improvements and to pump Meridian Service sewage to the Black Squirrel Facility. Woodmen Hills agrees to cooperate with Meridian Service and assist Meridian Service as necessary in obtaining all of the required permits and approvals.
- 2.6 Woodmen Hills shall be responsible for paying all fees for and obtaining all necessary permits and or approvals to pump Woodmen Hill's sewage to the Paint Brush Facility. Meridian Service agrees to cooperate with Woodmen Hills and assist Woodmen Hills as necessary in obtaining all of the required permits and approvals.
- 2.7 Once the Lift Station Improvements are complete and the Lift Station is operational, Woodmen Hills shall, if required, be responsible for the removal and disposal of the existing Woodmen Hill's sewer lift station and backup wet well system on the Lift Station Site. Meridian Service shall be responsible for the removal and disposal of the existing Meridian Service temporary sewer lift station inside the existing Woodmen Hills sewer lift station backup wet well.
- 2.8 Meridian Service shall maintain builder's risk insurance during the duration of the construction period and name Woodmen Hills as additional insured.

ARTICLE 3 – Ownership, Operation and Maintenance

- 3.1 Meridian Service shall own and be responsible for the operation, maintenance, and repair of the Meridian Service Lift Station System. All costs for the operation, maintenance and repair of the Meridian Service Lift Station System shall be the responsibility of Meridian Service. Meridian Service shall purchase and maintain comprehensive general public liability and property damage insurance in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Such policies shall name Woodmen Hills as an additional insured and shall prohibit cancellation without thirty (30) days' notice to Woodmen Hills. Meridian Service will furnish Woodmen Hills, within ten (10) days of receipt of a written request for the same, written verification from the insurance carrier for Meridian Service that such

coverage is in full force and effect. Meridian Service shall be responsible for the proper operation of the Meridian Service Lift Station System at all times and for pumping Meridian Service sewage from the Lift Station to the Black Squirrel Facility. Meridian Service shall maintain an approved emergency sewer backup plan (updated annually and delivered to Woodmen Hills for their records) to transfer Meridian Service sewage from the Lift Station to the Black Squirrel Facility in the event that the Meridian Service Lift Station System goes off line and the emergency storage basin can not handle all the Meridian Service sewage flows.

- 3.2 Meridian Service shall own and be responsible for the operation, maintenance, and repair of the Joint Lift Station System. Once the Lift Station is complete and operational, all costs for the operation, maintenance and repair of the Joint Lift Station System shall be shared between both Districts. If the expense amount is a fixed cost, i.e. the amount of the cost is not dependent on sewage flows such as roof repairs, insurance, upgrades, building maintenance, etc., then the expense shall be paid proportionally based on 54% for Meridian Service and 46% for Woodmen Hills. If the expense amount is based on sewage flow quantities and not a fixed cost, i.e. expenses such as electric, disposal, etc., then the expense shall be paid proportionally on a monthly basis between Meridian Service and Woodmen Hills based on the end of the month sewage flow percentage breakdown. Meridian Service shall purchase and maintain for the Joint Lift Station System comprehensive general public liability and property damage insurance in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Insurance costs shall be considered fixed cost. Such policies shall name Woodmen Hills as an additional insured and shall prohibit cancellation without thirty (30) days' notice to Woodmen Hills. Meridian Service will furnish Woodmen Hills, within ten (10) days of receipt of a written request for the same, written verification from the insurance carrier for Meridian Service that such coverage is in full force and effect.
- 3.3 Once the Lift Station is complete and operational, Meridian Service shall invoice Woodmen Hills on a monthly basis for its share of the costs for the operation, maintenance and repair of the Joint Lift Station System as noted above. Meridian Service and Woodmen Hills shall hold a meeting at least once a month to review all meter readings, monthly invoices, previous expenditures, future expenditures, maintenance status, operational concerns, and all other Lift Station matters. Meridian Service shall provide Woodmen Hills all necessary backup information for all invoicing including a detailed summary sheet breaking down all costs. Woodmen Hills shall pay Meridian Service invoices within 30 days of being received. Meridian Service shall provide Woodmen Hills a yearly operation and maintenance budget for the Joint Lift Station System by November 1 of the previous year. The yearly budget will be updated from time to time depending on

unforeseen repairs and expenditures. For the Joint Lift Station System Meridian Service shall have to do the following:

- 3.3.1 Get a minimum of three (3) qualified proposals for any unforeseen non-emergency repairs that are anticipated to exceed \$15,000. Woodmen Hills will assist Meridian Service in selecting the lowest qualified bid.
 - 3.3.2 Meridian Service shall notify Woodmen Hills immediately on any potential Emergency repairs that are anticipated to exceed \$15,000. If due to the emergency it is not possible to get more than one or any bids and the repairs have to be repaired immediately than Meridian Service agrees to work with Woodmen Hills to expedite such repairs. Meridian Service shall update Woodmen Hills on the status of all said repairs.
 - 3.3.3 Meridian Service and Woodmen Hills will agree at the start of the year on a list of potential repairs that will have a single source repair company. Three (3) bids will not be required for these repairs. All repair and or replacement projects that are anticipated to exceed \$60,000 (labor and materials combined) are required to be bid out.
 - 3.3.4 Whenever possible Meridian Service shall work with Woodmen Hills to complete all repair work using both Districts labor forces.
- 3.4 Once the Lift Station is complete and operational, Woodmen Hills shall own and be responsible for the operation, maintenance, and repair of the Woodmen Hills Lift Station System. All costs for the operation, maintenance and repair of the Woodmen Hills Lift Station System shall be the responsibility of Woodmen Hills. Woodmen Hills shall purchase and maintain comprehensive general public liability and property damage insurance in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Such policies shall name Meridian Service as an additional insured and shall prohibit cancellation without thirty (30) days' notice to Meridian Service. Woodmen Hills will furnish Meridian Service, within ten (10) days of receipt of a written request for the same, written verification from the insurance carrier for Woodmen Hills that such coverage is in full force and effect. Woodmen Hills shall be responsible for the proper operation of the Woodmen Hills Lift Station System at all times and for pumping Woodmen Hills' sewage from the Lift Station to the Paint Brush Facility. Woodmen Hills shall maintain an approved emergency backup plan (updated annually and delivered to Meridian Service for their records) to transfer Woodmen Hills sewage from the Lift Station to the Paint Brush Facility in the event that the Woodmen Hills Lift Station System goes off line and the Emergency Storage Basin can not handle all the Woodmen Hills sewage flows.
- 3.5 Woodmen Hills shall own the Lift Station Site. Woodmen Hills shall purchase and maintain comprehensive general public liability and property damage insurance for the Lift Station in an amount not less than \$1,000,000

per occurrence and \$2,000,000 aggregate. Insurance costs shall be a fixed cost shared proportionally based on 54% for Meridian Service and 46% for Woodmen Hills. Such policies shall name Meridian Service as an additional insured and shall prohibit cancellation without thirty (30) days' notice to Meridian Service. Woodmen Hills will furnish Meridian Service, within ten (10) days of receipt of a written request for the same, written verification from the insurance carrier for Woodmen Hills that such coverage is in full force and effect.

- 3.6 Meridian Service shall install sewer flow meters ("Meridian Flow Meters") as necessary to measure flows originating from Meridian Service customers. Meridian Service shall pump its sewer flows to the Black Squirrel Facility at the same or greater rate as measured by the Meridian Flow Meters and shall utilize the EQ basin based upon daily flows when necessary while attempting to minimize the use of the equalization storage basin.
- 3.7 Meridian Service shall install a sewer flow meter at the Lift Station that will measure the total sewage being received at the Lift Station ("Lift Station Flow Meter") and sewer flow meters at the Meridian Service force main ("Meridian Force Meter") that measure the total sewage being pumped from the Lift Station to the Black Squirrel Facility by Meridian Service and at the Woodmen Hills force main ("Woodmen Force Meter") that measure the total sewage being pumped from the Lift Station to the Paint Brush Facility by Woodmen Hills. Meridian Service is responsible and shall pay all costs to have the Meridian Flow Meters and the Meridian Force Meter calibrated. Woodmen Hills is responsible and shall pay all costs to have the Woodmen Force Meter calibrated. Meridian Service is responsible to have the Lift Station Flow Meter calibrated and the costs shared by both Meridian Service and Woodmen Hills proportionally the same as the Joint Lift Station System costs. All meters shall be calibrated a minimum of once a year by an approved and licensed calibration company with the calibration results provided to each District.
- 3.8 Woodmen Hills Sewer Flows shall be measured by subtracting the sewer flows from the Meridian Flow Meters from the sewer flows of the Lift Station Flow Meter. Woodmen Hills shall pump its sewer flows to the Paint Brush Facility at the same or greater rate as measured by subtracting the sewer flows from the Meridian Flow Meters from the sewer flows of the Lift Station Flow Meter and shall utilize the EQ basin based upon daily flows when necessary while attempting to minimize the use of the equalization storage basin.
- 3.9 Woodmen Hills and Meridian Service agree that all sewage entering the Lift Station shall not violate the standards and specifications as set forth by all Federal, State, and local regulations ("Standards and Specifications"). The Standards and Specifications are subject to change from time to time

depending on new regulations and/or findings that require them to be changed. Meridian Service shall test their sewage prior to flowing into the Woodmen Hills sewer system. If the Standards and Specifications are violated by either District, each District agrees to assist the other District in the investigation to locate the source(s) of the non-compliant sewage. Each District shall be responsible to charge its non-compliant customers any required fines and/or fees and cause such customers to immediately make any necessary changes and/or repairs to their sewer systems to eliminate violations of all Standards and Specifications. The District that is responsible for the non-compliant sewage shall pay for all costs and penalties due to the non-compliant sewage.

- 3.10 Each district will maintain their separate SCADA and phone system for the notification of alarm situations. Certain alarms will be dual alarms such as high/low wet well, equalization system pump failure, power failure, water on the floor etc. If either district will be viewing data from the other districts SCADA a separate RTU and radio will need to be installed in the respective districts SCADA with all costs paid for by the district wanting the viewable information. At no time will either district be able to have any type of control over the other districts SCADA and viewable information about the other District's SCADA system will be only for observation purposes.
- 3.11 The maximum amount of sewage that Woodmen Hills shall receive at the Lift Station and pump through the Lift Station is one million gallons per day (1 MGD).
- 3.12 Woodmen Hills and Meridian Service authorized personnel shall have equal access rights to the Lift Station Site and Lift Station. Meridian Service and Woodmen Hills shall have equal rights to properly store all necessary materials for normal sewer lift station operations inside of the Lift Station per all El Paso County, State of Colorado and any and all agency rules and regulations. Neither Meridian Service nor Woodmen Hills can limit the other's access to any portion of the Lift Station Site or Lift Station. Access to individual equipment and parts shall be limited to the ownership of the equipment and parts as described above. In the event that it is necessary to re-program/re-key the door locks of any portion of the Lift Station Site or Lift Station the responsible District that causes the need to re-program/re-key shall pay for all such costs. Meridian Service shall schedule the re-program/re-keying.
- 3.13 On a monthly basis, Meridian Service shall invoice Woodmen Hills for amounts due under this Agreement. All amounts not paid within sixty (60) days of the invoice shall earn interest at the rate of 1% per month.

ARTICLE 4 – Term/Remedies

- 4.1 Termination. This Agreement shall remain in force as long as the Lift Station Improvements or their replacements remain in service for one or both of the Districts.
- 4.2 Default. Upon Default, the non-defaulting District shall have the right to take whatever action, at law or in equity, appears necessary or desirable to recover damages and/or to enforce performance and observation of any obligation, agreement or covenant of the Defaulting District under this Agreement, or to collect the monies then due and thereafter to become due.
- 4.3 Interim conditions. Woodmen Hills will work with Meridian Service to expedite changing the Temporary Lift Station state permit condition restricting the use of the Temporary Lift Station on an emergency basis to use of the Temporary Lift Station on a permanent basis until the Lift Station is complete and put to its intended use.
- 4.4 Shared Sewage Treatment. Whenever possible it is the intent of both Districts to help each other in the event of an emergency to borrow sewer pumping capacity and treatment for a short time period until the emergency is corrected. A mutually agreed upon fee or re-payment plan of the borrowed sewer pumping capacity and treatment at a later date will be agreed to by both Districts at the beginning of each year based on each Districts pumping and treatment capacities. All requests to borrow the other Districts pumping capacity must be made in writing and approved in writing prior to any pumping of sewage. It is not the intent that either District is responsible for providing pumping capacity and/or sewage treatment to the other District.
- 4.5 Sewage over capacity conditions. Both Districts agree to operate their respective sewer pumping systems at the Lift Station per all Federal, State and local regulations and as per this Agreement. Both Districts shall have the right to use the equalization and emergency storage basin systems. The Districts shall share the capacity of either the equalization or emergency storage basin systems based on for Meridian Service 1.2MGD/2.2MGD, 54.5%, and for Woodmen Hills 1MGD/2.2MGD, 45.5%. Woodmen Hills shall have the use of the equalization storage basin system in order to provide equalization capacity for the diurnal flow fluctuations will allow for the pumping of up to 1 MGD of wastewater at an even flow rate of 695 gallons per minute. If either the equalization or emergency storage basins are over capacity and sewage pumper trucks or other means are necessary to transport the excess sewage from the Lift Station then the responsible District that caused the over capacity of either basin shall pay for all costs to transport the excess sewage from the Lift Station. Each District shall take immediate steps to locate the cause of either the excess sewage capacity (such as water infiltration) or the pumping problem causing the over capacity of sewage at the Lift Station system. Both Districts agree to inspect their sewer

systems on a regular basis for ground water infiltration. Under no circumstances shall it be acceptable to purposely allow ground water to enter the sewer systems. Both Districts shall adhere to all El Paso County, State of Colorado and any and all agency groundwater rules and regulations.

ARTICLE 5 – General Provisions

- 5.1 Governing Law. This Agreement shall be governed by the laws of the State of Colorado and venue for any action shall be the District Court in and for the County of El Paso.
- 5.2 Counterparts. This Agreement may be executed in counterparts, each of which, when combined, shall be deemed to be an original. Facsimile or scanned signatures shall be an acceptable form of execution of this Agreement.
- 5.3 Notices. All notices required or permitted to be given hereunder shall be in writing and shall be effective upon the date of personal delivery, or three business days after deposit of the same in the US mail, first class postage prepaid, addressed to the following, or to such other address as designated in writing by a party:
- If to MERIDIAN SERVICE: Meridian Service Metropolitan District
c/o RS Wells
8390 Crescent Parkway, Suite 500
Greenwood Village, Colorado 80111
- If to WOODMEN HILLS: Woodmen Hills Metropolitan District
8046 Eastonville Road
Falcon, Colorado 80831
- 5.4 Captions. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any of the provisions of this Agreement.
- 5.5 Assignment. Neither party may assign its rights under this Agreement without the prior written consent of the other.
- 5.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and permitted assigns.
- 5.7 Modifications, Waiver. No waiver, modification, amendment, discharge or change of this Agreement shall be valid unless the same is made in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is sought.

- 5.8 Merger/Entire Agreement. The Agreement constitutes the whole agreement between the parties and no additional or different oral representation, promise or agreement shall be binding on any of the parties hereto with respect to the subject matter of this Contract.
- 5.9 Severability. Any provision or part of this Agreement held to be void or unenforceable by a court of competent jurisdiction shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the Parties, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- 5.10 No Third Party Rights. Nothing in this Agreement, express or implied, is confers upon any person, other than the Parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.
- 5.11 Attorneys Fees. In the event of any controversy, claim or dispute between the Parties affecting or relating to the subject matter or performance of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all of its reasonable attorney fees and costs incurred in such action, including arbitration.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective on the date first written above.

MERIDIAN SERVICE METROPOLITAN DISTRICT

By: [Signature]

ATTEST:

By: Wm L Miller

CRYSTAL THURBER
NOTARY PUBLIC
STATE OF COLORADO

My Commission Exp. May 17, 2013

Crystal Thurber 9/21/09

WOODMEN HILLS METROPOLITAN DISTRICT

By: Janice L. Pizz

ATTEST:

By: Debra J Wright

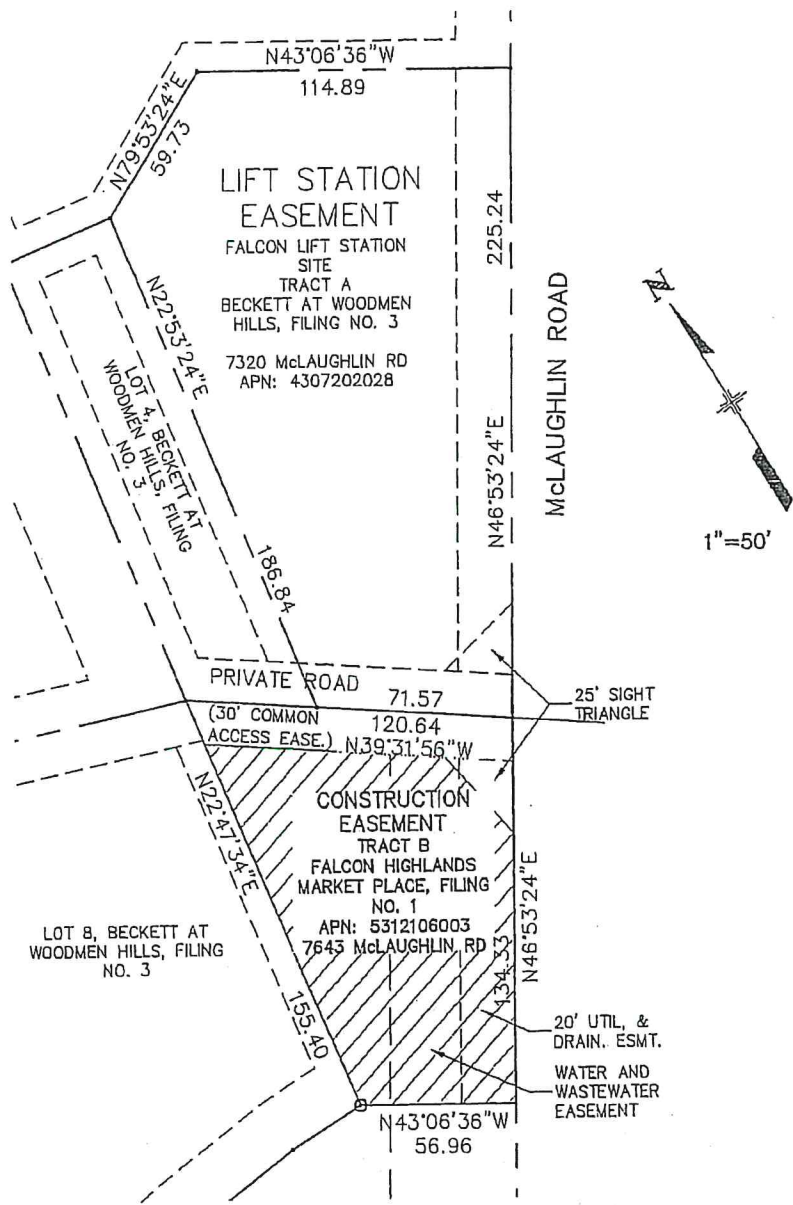
CRYSTAL THURBER
NOTARY PUBLIC
STATE OF COLORADO

My Commission Exp. May 17, 2013

Crystal Thurber 9/21/09



EXHIBIT A



A	SCALE: 1"=50'
	DATE: 07/30/09
	DRAWN: TAK
	CHECK: RG

LIFT STATION EASEMENT
 AND
CONSTRUCTION EASEMENT

TECH CONTRACTORS
 10305 ANGELES ROAD
 FALCON, CO 80831
 TELEPHONE: 719.495.7444
 FAX: 719.495.7608

RECEIVED
AUG - 7 2003

EXHIBIT F

CHICO BASIN WASTEWATER TREATMENT FACILITY AND BLACK SQUIRREL BASIN RECHARGE FACILITY INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement ("IGA") is made and entered into effective this 26th day of June, 2003 by and between the following public entities:

1. Cherokee Metropolitan District ("Cherokee"); and
2. Meridian Service Metropolitan District ("Meridian") acting for, and on behalf of, the Meridian Ranch Metropolitan District

RECITALS

A. The above entities (collectively the "Districts") are both quasi-municipal corporations and political subdivisions of the State of Colorado formed pursuant to Title 32, Colorado Revised Statutes.

B. The Districts supply or will supply a variety of municipal services to their residents and land owners within in their respective boundaries and service areas.

C. Cherokee provides services to Cimarron Hills and owns and operates a wastewater treatment plant ("Cherokee WWTP") located near Peterson Field. This plant has a capacity of treating 2,000,000 gallons per day (2 MGD) and will need expansion within a few years.

D. Meridian will provide services to a yet to be constructed development located north of Falcon, Colorado. Woodmen Hills Metropolitan District ("Woodmen Hills") and Paint Brush Hills Metropolitan District ("Paint Brush") own and operate a treatment facility north of Falcon, Colorado ("Paint Brush WWTP"). Meridian has secured capacity in this facility. Meridian is the manager of the Meridian Ranch Metropolitan District. Meridian will facilitate sewer services through this IGA with Woodmen Hills, Paint Brush and the newly formed Falcon Highlands Metropolitan District with the goal and objective of eventually closing the Paint Brush WWTP

E. Cherokee also provides wastewater services to the Shriever Air Force Base as a bulk wastewater customer via a 14-inch diameter polyvinylchloride (PVC) sewage force main extending from Shriever AFB west to the Cherokee WWTP (the "Shriever Line"). The Shriever Line is sized for reverse flow so that Cherokee's raw wastewater can be pumped to the east.

F. Cherokee's source of potable water is from the Upper Black Squirrel Creek Designated Ground Water Basin ("Black Squirrel") located approximately 15 miles east of the Cherokee WWTP. Meridian and Woodmen Hills also own water rights in the Black Squirrel (the "Guthrie Rights").

G. Cherokee has an extensive water collection and conveyance system in the Black Squirrel consisting of approximately 17 wells, pumps, a booster station, storage tank, and transmission pipelines varying in size from 8-inches to 30-inches in diameter (the "Cherokee System").

H. The parties are desirous of: closing the Cherokee and Paint Brush WWTPs, constructing a new WWTP at a new location, and recovering and delivering treated effluent to the Black Squirrel aquifer for replacement water pursuant to a yet to be developed and approved water replacement plan (the "Replacement Plan") which plan will provide for:

- the construction and operation of an advanced treatment facility (the "Advanced Plant") located in the Chico Creek drainage basin;
- the construction and operation of a recovery and recharge line extending from the Advanced Plant to a site at which percolation ponds will be constructed located south of Ellicott, Colorado at the northeast corner of Bar Ten and Henderson Roads in the Black Squirrel ("Recharge System");
- the reversal of flow in the Shriever Line so that raw wastewater may move from the Cherokee WWTP site and Shriever AFB to the Advanced Plant;
- the construction and operation of a raw sewage force main from the Paint Brush WWTP to connect with the Shriever Line (the "Falcon Line"); and
- obtaining additional water diversions points together with expanding authorized diversions at Cherokee's existing diversion points in the Black Squirrel allowing for the recapture of the water that is being replaced in the Basin ("Replacement Water").

Collectively these improvements shall be referred to as the "Replacement Plan Facilities".

I. The parties have already and are continuing to incur substantial expenses in regard to preliminary hydrological engineering, the acquisition of the recharge site, and the design, construction and operation of a pilot recharge facility.

J. Meridian desires to participate with Cherokee in the installation of the new Advanced Plant and the ultimate recovery of treated effluent in the form of ground water from the Black Squirrel.

K. Cherokee shall have and will maintain full control over all components of the Replacement Plan and Replacement Plan Facilities, except for the Falcon Line, including, but not limited to, the design, financing, construction, operations, ownership and management activities.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. **OWNERSHIP.** Cherokee will maintain a 100% ownership interest in and control of the Schriever Line, Advanced Plant, Recharge System and the Cherokee System.

2. **ALLOCATION OF CAPACITY/COST - WWTP.** Based upon receiving an allocation of dedicated capacity in the Advanced Plant of 2.2 MGD by Cherokee for Meridian of the total required 4.8 MGD, Meridian agrees to pay 45.8% of all documented project costs for the Advanced Plant and associated work to Cherokee. Cherokee is responsible for the remaining 54.2% of all documented project costs and associated work..

3. **ALLOCATION OF CAPACITY / COST - RECHARGE SYSTEM / CHEROKEE SYSTEM.** A proportionate allocation of resulting newly available Black Squirrel Replacement Water will be made by Cherokee for Meridian based upon the ratio of Cherokee's influent flow to that of Meridian adjusted annually to take into account changes in influent flow volumes, not to exceed the allocated dedicated WWTP capacity of Meridian unless so otherwise agreed. Meridian agrees to pay 45.8% of all documented project costs to cover the Recharge System and the cost of additional water well/transmission lines required to be added to the Cherokee System to recover Replacement Water from new diversion points. Available new water withdrawals shall take into account the replacement water physically available in the aquifer in addition to limitations contained in Sections 8 and 13.

4. **CONSTRUCTION.** Based upon required build-out capacities, Cherokee agrees to provide 2.2 MGD of dedicated capacity in the Advanced Plant for Meridian together with 2.6 MGD of capacity for its own needs.

5. **FINANCE.** Each party to this IGA is responsible for the payment of their pro-rated portion of the total costs of the Replacement Plan Facilities and the upgrades to Cherokee's System to accommodate new diversion points including land acquisition, site preparation, design, construction, bond issuance and underwriting, engineering and legal based upon the allocated capacities and corresponding percentages of the total Advanced Plant capacity as set forth in Sections 2, 3 and 4. The parties may meet their obligations by cash contribution, separate or joint bond financing, or bond financing through Cherokee with appropriate fee obligations from Meridian subject to Cherokee's approval.

6. **INTERIM USEAGE.** On an interim basis, Meridian is authorized to make use of available Cherokee WWTP capacity up to an average day flow of 150,000 gallons. Meridian will pay a monthly fee based on 50% of Cherokee's then going rate for sewer service (currently 50% of \$10.00) for each single family residence combined with the single family equivalency for commercial and industrial users for wastewater treatment services. A single family equivalent ratio is to be based on 210 gallons per tap per day of wastewater generation. In addition thereto, Meridian shall pay a one time non-refundable connection fee of \$20,100 to cover the available 150,000 gallons per day that Cherokee is making available which is intended to compensate Cherokee for its plant investment taking into account that Meridian's use will be on a temporary basis. The use of

Cherokee's existing WWTP capacity is authorized through December 31, 2006, the date established in Cherokee's Compliance Schedule contained in its Colorado Department of Public Health and Environment, Water Quality Control Division, Colorado Discharge Permit System permit No. CO-0024457 which mandates Cherokee's Advanced Plant be operational by that time.

7. **REPLACEMENT PLAN.** Cherokee in cooperation with Meridian will plan and draft the Replacement Plan for filing with the Colorado Ground Water Commission in conjunction with Curt Wells, ground water hydrologist, and the URS Corporation and/or others as Cherokee determines. The goal of the Replacement Plan is to allow for the expansion of water withdrawals at existing Cherokee diversion points and securing additional diversion points in the Black Squirrel based upon the right to divert the Replacement Water.

The parties have tentatively agreed to cooperate with the Upper Black Squirrel Creek Ground Water Management District in the approval of the Replacement Plan and to potentially make some return flow waters available for recharge in the northern part of the Basin, assuming that the Management District provides, at its expense, a recharge line and recharge site, subject to final approval of Cherokee and Meridian of the requirements associated therewith.

8. **REPLACEMENT WATER.** Replacement Water is that additional water that the parties are allowed to divert from the Black Squirrel as a result of the Replacement Plan. Specifically, this Replacement Water shall include water derived from any new diversion points as well as water derived from existing Cherokee diversion points from Well Nos. 9-17 which result in an increase of productivity over and above the historic amounts produced or authorized for diversion, whichever is greater, from said existing Cherokee diversion points.

Any increase in the present allocation of 840 Acre Feet (AF) for Cherokee Wells 9-12 shall be considered as Replacement Water. For Cherokee wells 13-18, Replacement Water shall be any amount over and above the Maximum Annual Withdrawal as set forth:

<u>WELL NUMBER</u>	<u>MAXIMUM ANNUAL WITHDRAWAL</u>
13	1,516.2
14	129.0
15	371.0
16	387.1
17	379.1
18	433.9

In addition, Cherokee shall be entitled to receive the first 200 AF of Replacement Water on an annual basis as compensation to Cherokee for its plant investment in the water delivery system and well fields.

9. **PLANT EXPANSION.** The Districts acknowledge and agree that statutes and regulations imposed and propounded by the applicable regulatory authorities as in existence or hereafter amended may require that Cherokee commence the planning for WWTP expansion when the Advanced Plant reaches 80% of capacity and that construction must be underway when the facility reaches 95% of capacity. Cherokee shall determine the need for any such expansion based, in part, on the need for future capacity. Cherokee shall define the responsibilities for paying for such expansion prior to initiation of same. If Meridian does not project the need for additional capacity beyond the initial 2.2 MGD allocation of capacity, then Meridian shall not be required to fund same, unless said modifications are a result of regulatory requirements and/or replacements.

Meridian shall give Cherokee reasonable notice of growth projections and capacity needs from time to time so that Cherokee can adequately plan and obtain the necessary governmental approvals. Meridian shall give Cherokee rolling 5 year growth projections of capacity needs no later than March 15 of each year. In connection with any future expansion, the estimated costs of the same shall be fully funded prior to commencement of construction. Ownership and control of any expansion shall be solely vested in Cherokee unless otherwise agreed. Any expanded allocation of capacity requested by Meridian, if approved by Cherokee, will require not only work at the Advanced WWTP, but also the installation of a parallel sewage force main as the capacity of the existing main is limited in capacity as defined in a March 13, 2002 letter from GMS, Inc. to GTL, Inc., which is attached hereto and conditions stated therein incorporated herein.

10. **USE OF CAPACITY.** Cherokee under the conditions of this Agreement is allocating and dedicating 2.2 MGD in capacity in the new Advanced Plant to Meridian. Cherokee acknowledges that Meridian may enter into IGA's with other governmental or quasi-municipal entities for the provision of wastewater treatment service, subjecting any such parties to all of the conditions set forth in this Agreement. All wastewater, generated from Meridian and/or its contracting entities, is to be conveyed to Cherokee's Schriever Line through the Falcon Line or through a parallel line to the Schriever Line. Said wastewaters' daily volume, maximum flow rate, water quality parameters, regulatory related issues and related matters shall comply with all of the conditions set forth herein. Cherokee will only work directly with Meridian on matters pertaining to this Agreement. Meridian shall include as a minimum all requirements set forth in this Agreement in any IGA entered into with another entity requiring said entity to comply therewith and be subject thereto. Meridian is responsible for all financial obligations and compliance with all conditions set forth within this Agreement in regard to both its wastewater operations and those of its contract users.

11. **OPERATIONS, MAINTENANCE, AND REPLACEMENT OF REPLACEMENT PLAN FACILITIES.** All operation, maintenance and replacement costs for the Replacement Plan Facilities shall be allocated by Cherokee for Cherokee and Meridian in direct proportion to their respective metered influent flows transmitted to the Advanced Plant ("O & M Costs"). Subject to annual budgeting and appropriation, Meridian agrees to budget and appropriate sufficient funds for payment of its O & M

Costs including those attributable to any entities with whom it has contracted through an IGA to provide wastewater treatment service. Cherokee will provide Meridian with the monthly metered influent sewage flow data within the calculation of the pro-rated monthly O&M Costs. Documentation will be provided in regard to the operation, administration, maintenance, and replacement (including a reasonable repair and replacement reserve) costs forming the basis of cost against which the ratio of influent flows is applied.

12. WHEELING COSTS FOR MERIDIAN REPLACEMENT WATER. Cherokee will establish a wheeling charge per acre foot of water for Replacement Water conveyed through the Cherokee System for delivery to Meridian. All Meridian water will be made available at Cherokee's 5 MG tank site located at Marksheffel and Tamlin Roads at which location Meridian has participated with Woodman Hills in the construction of a water booster station and 12-inch pipeline. Said wheeling charge developed by Cherokee will include all costs of operation, administration, maintenance, and replacement (including a reasonable repair and replacement reserve) for those portions of the Cherokee System required to convey the Replacement Water to Meridian. The cost of wheeling water per acre foot shall be established and adjusted annually on January 31 by Cherokee based upon dividing the prior calendar year's total related costs covering those items set forth herein by the total acre feet conveyed from the Black Squirrel through the Cherokee System for the calendar year in question. Billings for conveying Meridian Replacement Water will be submitted monthly based upon the metered volume of water conveyed. Billings for this activity carry the same payment provisions as that of the monthly O&M Costs associated with the Replacement Plan Facilities.

13. REPLACEMENT WATER AVAILABILITY AND USE: Meridian's pro-rated volume of Replacement Water is subject to the physical availability of water in the Black Squirrel taking into such factors as evaporation losses in the percolation ponds, failure to capture all of the resulting ground water, ground water withdrawals by unrelated parties and the like. At no time shall Cherokee be required to reduce its water withdrawals in the Black Squirrel below those to which it has been historically entitled to under its water rights and approved diversion point withdrawals that existed prior to the Replacement Plan in order to accommodate water withdrawals desired by Meridian. Replacement Water to the extent available may be withdrawn for the benefit and use of Cherokee and Meridian based upon the ratio of their contributing effluent flows to the Recharge System. Meridian may use its Recharge Water once conveyed through the Cherokee System to the 5 MG tank site in any manner it determines prudent.

14. POINT OF MERIDIAN CONNECTION. Meridian shall deliver its wastewater without cost and in accordance with the technical requirements set forth in a letter dated March 13, 2002 from GMS, Inc. to GTL, Inc., a copy of which is attached hereto and incorporated herein, to the Schriever Line at the wye connection installed for that purpose.

Meridian shall be responsible for all costs and other obligations for the design, construction, operation, maintenance and replacement of its Falcon Line and appurtenant facilities including those components detailed in said March 13, 2002 letter.

15. **STRENGTH OF WASTEWATER.** If Meridian's wastewater contains greater than 280 milligrams per liter (mg/l) of five day biochemical oxygen demand (BOD₅) or 250 mg/l of total suspended solids (TSS) as monitored at the point of entry into the Falcon Line, Meridian shall pay an extra-strength surcharge in addition to the pro-ration of the Replacement Plan Facilities' operation, maintenance and replacement costs as provided in Section //hereof. In such case, the following formulas shall be used for calculating extra-strength surcharges for BOD₅ and TSS as appropriate. The unit cost shall be modified from time to time to reflect current operational costs.

$$\text{BOD}_5 \text{ Extra-strength surcharge} = \$0.241 \text{ per } 1,000 \text{ gallons} \times 280 \times (\text{BOD}_5 - 280)/280$$

$$\text{TSS Extra-strength surcharge} = \$0.107 \text{ per } 1,000 \text{ gallons} \times 250 \times (\text{TSS} - 250)/250$$

Where:

BOD₅ = BOD₅ loading in mg/l for extra-strength discharges

TSS = TSS loading in mg/l for extra-strength discharges

Surcharges will be based on twenty-four (24) hour composite samples.

16. **MONTHLY PAYMENTS FOR SERVICE.** Payment of the total monthly bill shall be due at Cherokee's office at the address stated herein within thirty (30) days of the date of the invoice.

17. **FAILURE TO ACCEPT OR TREAT.** Cherokee shall not be liable to Meridian for failure to accept or treat Meridian's wastewater when such a failure is the result of any injunction, order, judgement of any court, State or Federal agency action, or when such failure is the result of a strike, casualty, upset condition, mechanical or power failure, weather or flood conditions, or other cause beyond Cherokee's reasonable control. Cherokee shall have the right to interrupt service and require Meridian to temporarily store and contain wastewater flows to the extent of Meridian's storage capabilities in the event of a malfunction of Cherokee's Advanced Plant. In the event of plant maintenance which will render the Advanced Plant unable to accept wastewater from Meridian, a 48-hour notice shall be given to Meridian after which it will temporarily store and contain wastewater to the extent of its storage capabilities.

18. **CONVENTIONAL POLLUTANTS.** The obligation of Cherokee is limited to the acceptance for treatment of conventional pollutants. No Significant Industrial User (SIU), as defined in Cherokee's Ordinance 83-0100, as it may be amended from time to time, shall be permitted to connect to Meridian's wastewater system or any district's wastewater system that Meridian provides wastewater treatment service to through an IGA, and no industrial wastes shall be permitted to enter the system without the prior

written consent of Cherokee. Written consent by Cherokee shall not be unreasonably withheld. "Industrial user" and "Industrial wastes" shall be as defined in Cherokee Ordinance 83-0100 as it may be amended from time to time. Pursuant to 40 CFR Part 403.8 (f)(2), Meridian must provide Cherokee each quarter (due on January 15, April 15, July 15, October 15), an updated inventory of all non-residential users connected to Meridian's wastewater system and any other system whose wastewater treatment service is provided through agreement with Meridian. Such inventory shall include the user's name, address, Standard Industrial Classification code (SIC) and average daily water usage for previous quarter. The inventory list must be sent by certified mail to Cherokee at the address given herein.

19. **PLUMBING INSTALLATIONS.** Meridian and any other system whose wastewater treatment service is provided through agreement with Meridian shall require plumbing installations to their wastewater system to be in accordance with the rules and regulations of Cherokee so as to minimize the possibility of damage to Cherokee's Schriever Line and Advanced Plant. Meridian and any other system whose wastewater treatment service is provided through agreement with Meridian shall perform inspection of all such plumbing installations.

20. **SERVICE AREA CHANGES.** Any significant changes in service area and/or political boundary limits, additions, expansions or deletions of Meridian's collection system or any other system whose wastewater treatment service is provided through agreement with Meridian shall be reported to Cherokee. Meridian and any other system whose wastewater treatment service is provided through agreement with Meridian must maintain current maps of their collection systems and provide a copy of the documents by registered mail to Cherokee on an annual basis to the address contained herein.

21. **WASTEWATER METERING.** Meridian shall purchase, install and replace discharge meters which meet specifications approved by Cherokee to measure Meridian's wastewater discharge to Cherokee's Schriever Line. Cherokee shall read the discharge meter(s). The cost to purchase, install, operate, maintain and replace the meters shall be paid by Meridian. Cherokee may require that flows which may originate outside Meridian's boundaries be metered prior to discharge into Meridian's wastewater system.

22. **PRETREATMENT PROGRAM.** Meridian or any other system whose wastewater treatment service is provided through agreement with Meridian shall adopt, implement and enforce a Pretreatment Program if required to do so by Federal regulation (40 CFR Section 403.8). Meridian and any other system whose wastewater treatment service is provided through agreement with Meridian hereby authorize Cherokee to conduct enforcement activities as described in Cherokee Ordinance 83-0100 as amended from time to time against users within Meridian's service area or any other system whose wastewater treatment service is provided through agreement with Meridian along, with authority to disconnect users who violate requirements of the Pretreatment Program. An annual report documenting Pretreatment Program activities shall be submitted on an annual basis by registered mail to Cherokee at the address listed herein on forms provided

by Cherokee by Meridian and any other system whose wastewater treatment service is provided through agreement with Meridian

23. **RULES AND REGULATIONS.** Meridian and any other system whose wastewater treatment service is provided through agreement with Meridian shall adopt discharge regulations or ordinances prohibiting certain classes of pollutants and controlling certain classes of discharges as stringent as, or more restrictive than those regulations of Cherokee as they may be amended from time to time (40 CFR Part 403.5, 35.927.4). Meridian and any other system whose wastewater treatment service is provided through agreement with Meridian shall maintain these regulations to be in compliance and shall submit a copy of their rules annually to Cherokee at the address contained herein by January 15 and amendments to these regulations within thirty (30) days following adoption. Such regulations and amendments shall be submitted by registered mail to Cherokee at the address contained herein.

24. **RECORD AUDITS.** Cherokee shall have the right to audit all of Meridian's records and any other system whose wastewater treatment service is provided through agreement with Meridian relating to this Agreement annually to insure compliance with EPA regulations (40 CFR Part 403.8, 35.929.3). Meridian shall have the right to audit all Cherokee records relating to this Agreement and charges imposed pursuant thereto.

25. **FEDERAL AND STATE REGULATIONS.** Meridian understands that Cherokee's existing WWTP and yet to be constructed Advanced Plant are publicly-owned treatment works, and Cherokee is required by the Clean Water Act of 1977 (P.L. 95-217) to control wastewaters introduced by all users into the system. Meridian also understands that Cherokee is subject to present and continuing Federal and State statutory and regulatory controls which may, subsequent to the date of this Agreement, be changed, amended or added to, which changes, amendments or additions are unforeseen by the parties hereto and which may result in additional costs to Cherokee for capital improvements, operations, maintenance, repair, inspection and administration of its system. Therefore, Cherokee may incur added costs that may increase Meridian's pro-rated operating or capital construction costs as a result of Federal or State statutory or regulatory changes which result in an increased cost to Cherokee for capital improvements, operations, maintenance, repair, inspection, or administration of its Replacement Plan Facilities. Meridian and any other system whose wastewater treatment service is provided through agreement with Meridian agree that they will comply with, and cause to be complied with by their users, all Federal laws and regulations applicable to Cherokee including the Clean Water Act of 1977.

26. **WARRANTIES AND REPRESENTATIONS.** In addition to the other warranties, covenants and representations, the Districts make the following warranties, representations, and covenants to each other:

(a) Each District has full right, power and authority to enter into, perform, and observe this Agreement.

(b) Neither the execution of this Agreement, the consummation of the transactions contemplated hereunder, nor the compliance with the terms and conditions of this Agreement by either District will conflict with or result in a breach of any terms, conditions or provisions of, or constitute a default under any agreement, instrument, indenture, order or decree to which either District is a party or by which either District is bound.

(c) This Agreement is a valid and binding obligation of each of the Districts and is enforceable in accordance with its terms.

(d) The Districts shall keep and perform all of the covenants and agreements contained herein and, except in the event of an uncured default, shall not take any action which could have the effect of rendering this Agreement unenforceable in any manner.

(e) The facilities, systems and Replacement Plan shall not be utilized in any manner which would jeopardize the tax exempt status of any bonds or debt issued by either of the Districts.

(f) Each of the Districts is a duly constituted and validly existing political subdivision of the State of Colorado.

(g) Each District has, or reasonably believes it can obtain adequate financial resources to fulfill the obligations of this Agreement.

27. **INDEMNIFICATION.** Subject to the provisions of the Colorado Governmental Immunity Act, and without waiving the same, and to the extent allowed by law each District agrees to indemnify, protect, and hold harmless each other from any claims or damages to persons or property resulting from the interruption of service or other malfunction of their respective systems including any claims for the share of costs and repairs so resulting.

28. **DEFAULTS.** The occurrence of any of the following events not cured within fifteen (15) days of written notice, may, at the option of the non-defaulting party, constitute a default under this Agreement:

(a) failure to pay any sums due;

(b) failure to perform or observe any other term, condition, covenant, representation or warranty;

(c) the appointment of a receiver, general assignment for the benefit of creditors, or any declaration of filing under any insolvency or bankruptcy act.

29. **REMEDIES.** A non-defaulting District shall have all remedies available through law or equity as may be determined in arbitration and in addition thereto, may refuse to allow the addition of any new taps or connections beyond those being served on the date of default. Any sum not paid when due, shall bear interest at 8%.

30. ARBITRATION. In any dispute involving this Agreement, the same shall be resolved by binding and mandatory arbitration before one mutually-agreed to arbitrator in El Paso County, Colorado which arbitrator shall make all decisions concerning procedure and discovery and shall be empowered to grant injunctive relief. Should the parties be unable to agree upon said arbitrator, the same shall be appointed by an El Paso County District Court Judge. The arbitrators fees shall be divided between the parties.

31. MISCELLANEOUS.

(a) Notices. All notices required or permitted to be given hereunder shall be in writing and shall be effective upon personal delivery or three (3) business days following deposit of the notices in the United States Mail, postage prepaid and addressed as follows, or to such other address designated by a party upon notice as hereinabove provided:

Cherokee Metropolitan District
Att: Manager
1335 Valley
Colorado Springs, CO 80915

Meridian Service Metropolitan District
% R.S. Wells LLC
6399 South Fiddler's Green
Suite 102
Greenwood Village, CO 80111

(b) Entire Agreement. This Agreement constitutes the final and complete expression of the parties' agreements and each party agrees that it has not relied upon any prior negotiations, representations, warranties or understandings, whether oral or written.

(c) Amendment. This Agreement cannot be amended or modified except by a writing executed by the parties.

(d) Owner and Operator. Meridian is the owner and operator of all facilities and infrastructure benefiting Meridian Ranch Metropolitan District.

(e) Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions invalid, illegal or unenforceable.

(f) Applicable Law. This Agreement shall be construed and interpreted in accordance with Colorado law.

(g) Access to Records. Each party shall have the right to inspect the books and records of the other party relating to this Agreement at reasonable times upon reasonable notice.

(h) Waiver. No failure by either party to insist upon the strict performance of any agreement, term, covenant, or condition hereof or the exercise of any right or remedy consequent upon default, and no acceptance of full or partial performance during the continuance of any such default, shall constitute a waiver of any such default of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition hereof to be performed or complied with by either party, and no default thereof, shall be waived, altered, or modified except by a written instrument executed by the non-defaulting party.

(i) Attorney Fees. In any dispute over this Agreement, the prevailing party shall be entitled to an award of all costs and reasonable attorney fees.

(j) Enterprise. Each party may establish and operate pursuant to an enterprise as provided by Article X, Section 20 of the Colorado Constitution. Any rights or responsibilities under this Agreement may be assigned to said enterprise provided that such assignment shall not relieve the Districts of their responsibilities hereunder.

(k) Perpetuity. Insofar as this Agreement affects water and water rights it is the intention of the parties that it be perpetual in nature according to the Colorado Supreme Court's decision in Cherokee v. City of Colorado Springs. Therefore, the parties forever waive any and all arguments in defense to the effect that this Agreement violates the Rule Against Perpetuities.

(l) Recording. A summary of this Agreement, with the consent of all parties, may be recorded in the real property records of El Paso County with an attachment thereto setting forth the legal description for the location of the Advance Plant and recharge sites.

Made and entered the day first above written.

(Signature Page Follows)

CHEROKEE METROPOLITAN DISTRICT

BY: Jon Maroon

ATTEST:

Stuart L. L... [Signature]

MERIDIAN SERVICE METROPOLITAN DISTRICT

BY: Anna J. [Signature] Pres.

ATTEST:

Jacqueline C. [Signature]

GMS, INC.
CONSULTING ENGINEERS
811 NORTH WEBER, SUITE 300
COLORADO SPRINGS, COLORADO 80903-1074
TELEPHONE (719) 475-2838
TELECOPY (719) 478-2838

EDWARD D. MEYER, P.E.
ROGER J. SAMS, P.E.

GREGORY R. WORDEN, P.E.
KEN L. WHITE, P.L.S.
DAVID R. FRISCH, P.L.S.

March 13, 2002

Mr. Doug Woods
GTL, Inc.
PO Box 80036
San Diego, CA 92138

Dear Doug:

This correspondence is submitted on behalf of the Cherokee Metropolitan District. Your consultant, Charles Cothorn with URS, has contacted Cherokee requesting information with respect to the interconnection points on Cherokee's soon to be installed 14-Inch sanitary sewage force main. I am by way of copy of this correspondence providing the information to Charles that he has requested. I am also incorporating into this correspondence a list of those items that need to be addressed within the design of your improvements for interconnection to Cherokee's facilities. The following listing of technical items addresses those measures that must be undertaken to ensure capability of the wastewater being transmitted from your and other area developments to the Cherokee system. These items represent steps Cherokee has already incorporated into the current design and installation of their interconnecting line work as well as items that will be incorporated into Cherokee's revisions to their wastewater operations when their raw wastewater flow is to be transmitted easterly. As such, please coordinate with your consultant to ensure that these items are incorporated into your wastewater conveyance system's design and installation.

1. All raw wastewater shall receive grit removal prior to being transferred to the Cherokee system.
2. All raw wastewater shall be screened to eliminate to the greatest extent practicable nonorganic debris within the raw wastewater being transferred to Cherokee's system.
3. Your conveyance facilities must provide for flow equalization. Your consultant will need to determine the size and type of flow equalization facilities required together with what action may be required to keep the sewage in a fresh state. If the wastewater is to be pumped, we strongly recommend the facility be equipped with emergency backup power.

Two potential operating conditions exist that have different flow equalization requirements. The first of these is the conveyance of wastewater from your facilities westerly in Cherokee's force main for ultimate treatment at Cherokee's existing wastewater treatment facility. A westerly connection point has been incorporated into the design of Cherokee's 14-inch force main. I have enclosed Sheet 31 of the force main drawings which depicts both the location and the nature of the piping and valving to be installed to accommodate your westerly interconnection. This westerly location has been determined based upon the need to minimize any additional head placed on the Cherokee Schriever Air Force Base lift station. The imposition of additional head on the station will significantly reduce its pumping capacity. Thus the westerly connection point has been shifted to a location immediately upstream of the dramatic vertical drop to the west to minimize the introduction of additional head. The maximum flow rate that can be accommodated from your facilities and transmitted westerly is 1,150 gallons per minute (gpm). Your flow equalization facilities and companion pumping facilities should be sized accordingly.

Mr. Doug Woods
March 13, 2002
Page 2

The second scenario pertains to the conveyance of wastewater to a location east of Blaney Road for conveyance to the east. Sheet 31 again depicts this connection. In this case, Cherokee will also be pumping its raw wastewater easterly from its current wastewater treatment plant location. The force main has been designed to accommodate an influent flow rate from your facilities of 1,675 gpm. That flow rate will work in harmony with Cherokee's projected pumping rate of 1,800 gpm.

4. Your facilities must be equipped with a flow recording device that will provide a hard copy of totalized flows together with a corresponding continuous flow chart.
5. Your facilities must be equipped with a composite sampler such that the nature of the raw wastewater's water quality being conveyed to the Cherokee system can be established.
6. As with Cherokee's current design, your facilities must incorporate hydrogen sulfide control. We have incorporated US Filter's patented bioxide chemical feed system into the current Cherokee system. We anticipate the need to suppress hydrogen sulfide in an aqueous solution to less than 0.1 milligram per liter (mg/l). The chemical should be fed in close proximity to the downstream side of your flow equalization facilities.
7. Within your interconnecting line work, likely just north of Highway 94 and Blaney Road, a manhole is required with a sample port such that water quality can be monitored at that location to ensure that hydrogen sulfide concentrations are at acceptable levels.
8. We have undertaken extensive research on the gaskets to be incorporated into Cherokee's sanitary sewage force main conveyance system. Unless specified otherwise, the standard gasket material that will be provided is Styrene Butadiene (SBR). This material is not recommended for use with wastewater containing hydrogen sulfide. It will deteriorate over time. It holds the potential of failure. As such, within Cherokee's force main project, we have specifically required the use of Neoprene (CR) or Ethylene Propylene Diene Monomer (EPDM) gasket material. This requirement has added cost to the piping based upon the cost associated with the higher quality gasket material. Given the fact these conveyance facilities are transmitting raw wastewater under pressure, we viewed the higher quality gasket material as necessary based upon potential future failures of the gaskets. The potential failure of the gaskets is not acceptable. I suggest you have your consultant review this issue and make recommendations to you.

In addition to the above technical aspects of the interconnection requirements, Doug, I believe it is important to start laying the ground work for the ultimate long term working agreement between Cherokee, your organization and other related parties. In that regard, the following is offered.

1. The outlying district's conveying wastewater to Cherokee's wastewater conveyance and treatment systems must comply with all of Cherokee's Sewer Use Regulations and the limitations established therein to ensure compatibility and acceptability of the raw wastewater.
2. The sewage conveyance facilities described above will originate in the vicinity of your development and will convey wastewater to Cherokee's 14-inch force main. They are to be operated and maintained by Mederian Ranch and your related contractual partners. Cherokee will operate and maintain the 14-inch force main to which the connections are projected to be made. All necessary operation and maintenance activities that are required prior to the connecting point on Cherokee's main will be your responsibility. Likewise, Cherokee will be solely responsible for the operation and maintenance costs associated with those segments of the conveyance system in which Cherokee is the sole party using that segment of the line for the conveyance of their wastewater. In those areas where the wastewater flows are combined, the operation and maintenance expenses will be prorated back to the parties based upon the proportional relationship of the volumes of wastewater conveyed.

Mr. Doug Woods
March 13, 2002
Page 3

3. The long term intention of the Cherokee board of directors at this time is that the ultimate construction of the remaining components of the sanitary sewage force main extending easterly together with the future wastewater treatment plant (WWTP) would be owned, operated and maintained by the Cherokee Metropolitan District. Mederian Ranch, Woodman Hills and any other related districts would be bulk wastewater customers who would pay their proportionate share of capital construction costs for a corresponding proportionate allocation of capacity together with paying their proportionate share of operation and maintenance costs based on actual loadings. These items along with other potable water related issues are to be further refined in an agreement yet to be developed and consummated.

Per our earlier discussions, Doug, I understand that Cherokee has provided a letter commitment to you indicating their willingness to accept up to 150,000 gallons per day of your wastewater at their current WWTP. In exchange for that initial commitment, Mederian Ranch will reimburse Cherokee for the cost associated with the two connection points programmed to be installed on the 14-inch line to accommodate you. Each connection has been bid as an alternate to the base bid. Each represents a cost of \$5,700 for a total cost of \$11,400. In addition, I understand that Mederian Ranch is willing at the time of the connection to Cherokee's wastewater system, and prior to the installation of the new easterly wastewater treatment plant, to advance to Cherokee at no interest, the differential pipeline material costs between the needed 10-inch main size to accommodate Schriever and the 14-inch line work currently being installed. That differential cost totals \$161,207.20. I understand that amount would be paid to Cherokee at the time of your connection. It is, in turn, to be credited by Cherokee toward your account to cover future capital construction costs when the force main is extended easterly and the new wastewater treatment plant is constructed.

Upon your review of these items, Doug, if you should have any questions, please feel free to contact me. As noted, I am providing this information to your consultant together with Sheet 11 of our drawings to facilitate their design effort. Once that design has progressed to a sufficient point, we request that Cherokee be allowed to review the key components such as flow monitoring, flow equalization and composite sampling to determine their acceptability. If you should have any questions in regard to any of these matters, please feel free to contact me. We look forward to working with you and your associates as this project of regional scope is brought to a point of successful implementation.

Sincerely,



Edward D. Meyer, P.E.

EDM/mv

Enclosures

cc: ~~Stuart Loostey, Cherokee Metropolitan District~~
Art Sintas, Cherokee Metropolitan District
Charles Cothem, URS Greiner, Inc. w/enclosure
Rusty Green, Woodman Hills Metropolitan District
Peter Susemihl, Esquire

STATE OF COLORADO

John W. Hickenlooper, Governor
Larry Wolk, MD, MSPH
Executive Director and Chief Medical Officer

Dedicated to protecting and improving the health and environment of the people of Colorado

4300 Cherry Creek Dr. S.
Denver, Colorado 80246-1530
Phone (303) 692-2000
Located In Glendale, Colorado
www.colorado.gov/cdphe



Colorado Department
of Public Health
and Environment

EXHIBIT G Part 1 of 2 State Approval of C.O.C.

June 23, 2014

Cherokee Metropolitan District
Attention: Sean Chambers, General Manager
6250 Palmer Park Boulevard
Colorado Springs, CO 80915

Certified Mail Number: 7007 0220 0001 0163 1121

RE: Compliance Order on Consent, Number: MC-140514-1

Dear Mr. Chambers:

On May 14, 2014, the Colorado Department of Public Health and Environment's Water Quality Control Division (the "Division") executed a Compliance Order on Consent, Number MC-140514-1 (the "Consent Order"), between the Division and Cherokee Metropolitan District. The Consent Order was public noticed on May 16, 2014 and was subject to a thirty (30) day public comment period.

In accordance with paragraph 76 of the Consent Order, the Consent Order shall be fully effective, enforceable and constitute a final agency action upon notice from the Division following closure of the public comment period. The public comment period closed on June 16, 2014 and no comments were received by the Division during this period. **Therefore, effective the date of this letter, the Consent Order constitutes a final agency action and is fully enforceable.**

Additionally, pursuant to paragraph 29 of the Consent Order, the Division hereby provides Cherokee Metropolitan District authorization to continue its *Pilot/Full Scale Demonstration Project-Methanol Addition as a Carbon Source* ("Demonstration Project") until August 31, 2014, subject to the same terms and conditions outlined in the Division's November 26, 2013 extension.

If you have any questions, please don't hesitate to contact me at (303) 692-3598 or by electronic mail at michael.harris@state.co.us.

Sincerely,

Michael Harris, Manager
Clean Water Enforcement Unit
WATER QUALITY CONTROL DIVISION

EXHIBIT G
Part 2 of 2, C.O.C.



COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
DIVISION OF ADMINISTRATION
WATER QUALITY CONTROL DIVISION

COMPLIANCE ORDER ON CONSENT

NUMBER: MC-14XXXX-X

IN THE MATTER OF: CHEROKEE METROPOLITAN DISTRICT
CDPS PERMIT NO. COX-048348
EL PASO COUNTY, COLORADO

The Colorado Department of Public Health and Environment ("Department"), through the Water Quality Control Division ("Division"), issues this Compliance Order on Consent ("Consent Order"), pursuant to the Division's authority under §§25-8-602 and 605, C.R.S. of the Colorado Water Quality Control Act ("the Act") §§25-8-101 to 803, C.R.S., and its implementing regulations, with the express consent of Cherokee Metropolitan District ("Cherokee"). The Division and Cherokee may be referred to collectively as "the Parties."

STATEMENT OF PURPOSE

1. The mutual objectives of the Parties in entering into this Consent Order are:
 - a. To establish compliance requirements and criteria for the continued operation of Cherokee's Wastewater Reclamation Facility located at or near 19174 Drennan Road, El Paso County, Colorado Springs, Colorado (the "Facility"); and
 - b. To resolve, without litigation, the alleged violations of the Act cited herein by the Division, and the associated civil penalties.

DIVISION'S FINDINGS OF FACT AND DETERMINATION OF ALLEGED VIOLATIONS

2. Based upon the Division's investigation into and review of the compliance issues identified herein, and in accordance with §§25-8-602 and 605, C.R.S., the Division has made the following determinations regarding Cherokee, the Facility and Cherokee's compliance with the Act and its Colorado Discharge Permit System ("CDPS") permit.

3. At all times relevant to the alleged violations cited herein, Cherokee was a "Special District" formed in El Paso County, Colorado pursuant to the Colorado Special District Act, §§32-1-101 et seq and 32-4-501 et seq, C.R.S.
4. Cherokee is a "person" as defined by §25-8-103(13), C.R.S. and its implementing permit regulation, 5 CCR 1002-61, §61.2(73).
5. The Facility receives and treats approximately 1.59 million gallons per day of domestic sewage generated from the Cimarron Hills area of Colorado Springs, El Paso County, Colorado and from two (2) contract customers: Meridian Service Metropolitan District and Schriever Air Force Base.
6. The Facility consists of a mechanical treatment plant that includes an extended aeration activated sludge biological process, utilizing four sequencing batch reactors for carbon oxidation, nitrification and denitrification, followed by effluent flow equalization, and ultraviolet disinfection. Waste activated sludge is aerobically digested and dewatered utilizing centrifuges. Treated effluent from the Facility is conveyed to a rapid infiltration basin system, approximately four (4) miles east-southeast, and consisting of ten (10) individual infiltration basins.
7. On August 21, 2009, Cherokee applied for coverage under a CDPS individual ground water discharge permit for Discharges to Ground Water from Domestic Wastewater Treatment Works (the "Permit").
8. On May 13, 2010, the Division issued Cherokee Individual Permit Number COX-048348 authorizing Cherokee to discharge effluent wastewater from the Facility to groundwater under the terms and conditions of the Permit. The Permit became effective on June 12, 2010 and is due to expire May 31, 2015.
9. Cherokee commenced operations at the Facility in June 2010 and has continuously operated since that date.
10. The Permit specifies that Cherokee is authorized to discharge effluent wastewater from the Facility to groundwater (Upper Black Squirrel Alluvial Aquifer). No other discharges are authorized by the Permit. The discharge is subject to the specific effluent limitations and other conditions of the Permit.
11. Groundwater is "state waters" as defined by §25-8-103(19), C.R.S. and its implementing permit regulation, 5 CCR 1002-61, §61.2 (101).
12. Section 61.8, 5 CCR 1002-61, states in part that "A permittee must comply with all the terms and conditions of the permit."

Failure to Comply with Permit Effluent Limitations

13. Pursuant to Part I.A.1 of the Permit, the discharge from the Facility at outfalls 001A, 050C(L), and 050D(L) should not have exceeded, among other parameters and limitations not listed herein, the effluent limitations specified below:

Point of Compliance	Effluent Parameters	Discharge Limitations			
		30-Day Average	7-Day Average	Monthly Minimum	Daily Maximum
Outfall 001A	5-Day Biochemical Oxygen Demand ("BOD ₅ ") (mg/L)	30 mg/L	45 mg/L	-	-
Outfall 001A	BOD ₅ Removal (%)	-	-	85%	-
Outfall 001A	Total Suspended Solids ("TSS") (mg/L)	30 mg/L	45 mg/L	-	-
Outfall 001A	TSS Removal (%)	-	-	85%	-
Outfall 001A	Total Inorganic Nitrogen ("TIN") (mg/L)	-	-	-	10 mg/L
Outfalls 050C(L) and 050D(L)	Total Dissolved Solids ("TDS") (mg/L)	400 mg/L	-	-	-

Each point of compliance shown in the above table is as directed in CDPS Permit No. COX-048348 effective June 12, 2010:

- a) Outfall 001A = The Facility's outfall following ultraviolet radiation disinfection and prior to the effluent being conveyed by pipeline to the rapid infiltration basins and mixing with the receiving water.
 - b) Outfalls 050C(L) and 050D(L) = Downgradient monitoring wells located within fifteen (15) feet of the southern (downgradient) boundary of the Facility's property where the rapid infiltration basins are located.
14. Pursuant to Part I.D.1 of the Permit, to provide an indication of the quality of the wastewater being discharged into the Upper Black Squirrel Alluvial Aquifer, Cherokee collects specific samples of the effluent at the monitoring locations specified in the Permit. The analytical results of the samples are summarized and reported to the Division via monthly Discharge Monitoring Reports ("DMRs") which include a certification by Cherokee affirming that the information provided therein is true, accurate and complete, to the knowledge and belief of Cherokee.
15. Cherokee's DMRs submitted to the Division include, among other information and data, the effluent concentration summary data for BOD₅, BOD₅ Removal, TSS, TSS Removal, TIN, and TDS which

exceeded the effluent limitations imposed by Part I.A.1 of the Permit. These effluent violations are attached as Exhibit A.

16. BOD₅, BOD₅ Removal, TSS, TSS Removal, TIN, and TDS are each a "pollutant" (or indicator thereof) as defined by §25-8-103(15), C.R.S. and its implementing permit regulation, 5 CCR 1002-61, §61.2 (76).
17. The Permit did not authorize the pollutant discharge levels identified above in paragraph 15 and in Exhibit A and Cherokee does not have any other permits authorizing such discharge into State Waters.
18. Cherokee's failure to comply with the effluent limitations set forth in the Permit and identified above in paragraph 15 and Exhibit A constitutes alleged violations of Part I.A.1 of the Permit.

Cherokee's Position on Alleged Violations

19. Cherokee submitted a request for preliminary effluent limitations ("PELs") for the proposed discharge of the Facility to groundwater through rapid infiltration basins on May 2, 2006. The Division responded with a letter dated June 15, 2006 stating the PELs which would apply to that discharge to groundwater. The PELs presented by the Division in the June 15, 2006 letter did not include TDS as an effluent limit for this discharge. Cherokee accomplished the design and preparation of construction documents in accordance with the PELs set forth in the June 15, 2006 letter. The subsequent site location approval and construction documents approval by the Division for the Facility did not include any statements regarding a requirement for meeting a TDS effluent limit. TDS was presented by the Division as an effluent limit parameter in a draft discharge permit following Cherokee's application for a discharge permit on August 14, 2009. Even though the Facility was not designed or constructed to remove or otherwise control TDS in the effluent, the Division issued a draft permit for public review on March 19, 2010, and a final permit effective June 12, 2010, containing effluent limits for TDS.
20. In response to the TIN discharge permit violations occurring in early 2011, Cherokee's initial investigations indicated that the anoxic treatment periods may not have been long enough and the process may be carbon deficient. Cherokee implemented process changes to increase the anoxic treatment periods and experimented with feeding supplemental carbon, in the form of methanol, during the anoxic periods. These process modifications initially showed positive results, with the effluent TIN concentration steadily dropping from 34.0 mg/L in March 2011 to 11.8 mg/L in June 2011. Cherokee was in the process of installing equipment that would allow methanol to be fed on a more consistent basis to improve the performance of the denitrification process in June 2011 when the Division informed Cherokee that adding methanol would likely be a change in the treatment process and therefore require an amendment to the site location approval and design, plan and specification review and approval by the Division. Cherokee advocated the immediate implementation of a methanol feed and expressed its concern to the Division that the effluent would not be in compliance with the TIN limitation until process modifications could be implemented. Cherokee's *Pilot/Full Scale Demonstration Project – Methanol Addition as a Carbon Source* was authorized by the Division on May 24, 2012 and Cherokee commenced operation of the demonstration project on June 15, 2012. If a mechanism was in place that allowed the Division to immediately authorize the implementation of Cherokee's methanol feed in early July 2011, the TIN limitation exceedences that occurred from July 2011 through June 2012 might have been avoided.

21. The Division finds that Cherokee's position statement, including the additional statements documented in CMD's January 17, 2014 letter to the Division, are not entirely consistent with the information gathered in the course of the Division's inspections and investigation of the incidents described herein and the inclusion of Cherokee's position statement in this order should not be construed to constitute any admission or agreement by the Division as to the content of the position statement.

ORDER AND AGREEMENT

22. Based on the foregoing factual and legal determinations, pursuant to its authority under §§25-8-602 and 605, C.R.S., and in satisfaction of the alleged violations cited herein, the Division orders Cherokee to comply with all provisions of this Consent Order, including all requirements set forth below.
23. Cherokee agrees to the terms and conditions of this Consent Order. Cherokee agrees that this Consent Order constitutes a notice of alleged violation and an order issued pursuant to §§25-8-602 and 605, C.R.S., and is an enforceable requirement of the Act. Cherokee also agrees not to challenge directly or collaterally, in any judicial or administrative proceeding brought by the Division or by Cherokee against the Division:
 - a. The issuance of this Consent Order;
 - b. The factual and legal determinations made by the Division herein; and
 - c. The Division's authority to bring, or the court's jurisdiction to hear, any action to enforce the terms of this Consent Order under the Act.
24. Notwithstanding the above, Cherokee does not admit to any of the factual or legal determinations made by the Division herein, and any action undertaken by Cherokee pursuant to this Consent Order shall not constitute evidence of fault and liability by Cherokee with respect to the conditions of the Facility.

Compliance Actions and Requirements

25. Cherokee shall immediately implement measures to attain compliance with the Colorado Water Quality Control Act and the terms and conditions of the Permit.

Schedule to Meet Total Inorganic Nitrogen Effluent Limit

26. Cherokee implemented a *Pilot/Full Scale Demonstration Project-Methanol Addition as a Carbon Source* ("Demonstration Project"), as initially authorized by the Division on May 24, 2012 with a subsequent authorization for an extension to December 31, 2013. The full-scale Demonstration Project was intended to provide for the addition of supplemental carbon to improve the denitrification process, modify the manner in which air delivery to the pre-react basin is accomplished to enhance anoxic conditions and provide for internal recycle in the aeration basin to the pre-react zone. Cherokee submitted a request to the Division to continue the Demonstration Project past December 31, 2013 to September 30, 2014. On November 26, 2013, the Division extended authorization to operate the Demonstration Project to May 24, 2014, which is two years after the initial authorization to operate the Demonstration Project.

27. On July 17, 2013, Cherokee submitted an Application for Amendment of an Existing Site Location Approval to incorporate modifications to the activated sludge system to enhance and improve performance of the denitrification process. The Division approved the Application for Amendment on September 27, 2013. The Amendment authorized Cherokee to proceed with implementation of permanent improvements for application of methanol as a supplemental carbon source to enhance the denitrification process at the Facility.
28. In accordance with the Division's WPC Policy DR-1, Cherokee submitted a Process Design Report ("PDR") to the Division on November 26, 2013, addressing the permanent improvements to the Facility to facilitate the addition of methanol as a supplemental carbon source. By April 30, 2014, Cherokee shall submit a certification of the design and construction documents (plans and specifications) in accordance with the "streamlined design review process" specified by Water Quality Control Commission ("WQCC") Regulation No. 22.
29. Upon receipt and acceptance of the certification of design and construction documents submitted by Cherokee for the Facility improvements to add supplemental carbon referenced in Paragraph 28, the Division will provide Cherokee authorization to continue the Demonstration Project until August 31, 2014 during which time Cherokee will implement the permanent improvements to the Facility.
30. Within sixty (60) days of the Division's approval of the PDR and the plans and specifications for the new preliminary treatment facility, Cherokee shall initiate construction of the new preliminary treatment facility. Cherokee shall submit quarterly progress reports to the Division outlining the progress of the preliminary treatment facility construction. At a minimum, each report shall outline activities undertaken in the current reporting period and planned activities for the next three (3) months to remain in compliance with this Consent Order.

Schedule to Meet Total Dissolved Solids Effluent Limit

31. Within thirty (30) days of the effective date of this Consent Order, Cherokee shall commence a technical assessment of the suitability and effectiveness of accomplishing Total Dissolved Solids ("TDS") removal in its source water supply as a means of controlling TDS discharge from the Facility. This will include blending with new source water supplies presently being developed and source water treatment. The assessment of alternative approaches for TDS control will also include evaluation of TDS control at the Facility's biological process discharge. Additionally, Cherokee shall prepare a summary report of the findings of the assessment of the suitability and effectiveness of accomplishing TDS removal in its source water supply and submit this report to the Division.
32. Within one hundred eighty (180) days of the effective date of this Consent Order, Cherokee shall complete the assessment of technically feasible approaches to control TDS in the Facility's effluent, as required by Paragraph 31 of this Consent Order addressing financial and cost-benefit impacts, operational impacts with particular attention to the requirements for management of residuals from the TDS control processes, legal issues and impacts from conditions of well permits, decrees and other water resource management and use agreements, water use efficiency, institutional constraints and other identified issues which will influence the selection of a TDS control strategy for implementation. Additionally, Cherokee shall prepare a summary report of the findings of the assessment described in this paragraph and submit to the Division.

33. Within two hundred ten (210) calendar days of the effective date of this Consent Order, Cherokee shall submit to the Division an implementation plan for a selected TDS control strategy, as addressed in Paragraphs 31 and 32. The submitted plan shall become a condition of this Consent Order and Cherokee shall comply with the plan as submitted unless notified by the Division, in writing within sixty (60) calendar days of the submittal, that modifications or an alternate plan or program is appropriate. If the Division imposes modifications or an alternate plan or program, it shall also become a condition of this Consent Order.
34. Within sixty (60) days of the effective date of this Consent Order, Cherokee shall submit a summary report of the review and an update of the dynamic groundwater model of the Black Squirrel Creek alluvial aquifer in the vicinity of the rapid infiltration basins to which the Facility discharges. Cherokee shall analyze the variation in the groundwater phreatic surface as a result of application of treated wastewater in the rapid infiltration basins and pumping of production wells upstream and downstream, and laterally from the rapid infiltration basins.
35. Within thirty (30) days of the effective date of this Consent Order, Cherokee shall complete development of a customer education program expressed as Best Management Practices to maximize the efficiency of home water softeners for purposes of minimizing wastewater generated from the ion exchange resin regeneration process. The primary means of education will be through Cherokee's customer newsletter. Outreach and educational tools shall also be developed for implementation of Best Management Practices for TDS control in nonresidential wastewater contributions. Cherokee shall publish the consumer education program in the customer newsletter no less than semi-annually.
36. Within forty-five (45) days of the effective date of this Consent Order, Cherokee shall develop design and construction documents for new groundwater monitoring wells at or near Cherokee's property boundary and submit to the Division for approval. Within one hundred twenty (120) days following Division approval of the new groundwater monitoring well location's design and construction documents, Cherokee shall complete construction of the modified groundwater monitoring system.
37. Within one hundred eighty (180) days of the effective date of this Consent Order, Cherokee shall complete an assessment of the local limits in its pretreatment program addressing TDS and other constituents of concern in accordance with USEPA Region 8 guidance for development of local limits. Additionally, within two hundred ten (210) days of the effective date of this Consent Order, Cherokee shall prepare a summary report of the findings of the assessment and submit to the Division.
38. All documents submitted under this Consent Order shall use the same titles as stated in this Consent Order, and shall reference both the number of this Consent Order and the number of the paragraph pursuant to which the document is required. No plan submitted for Division approval under this Consent Order may be implemented unless and until written approval is received from the Division except as otherwise specified or provided herein. Any approval by the Division of a plan submitted under this Consent Order is effective upon receipt by Cherokee. All approved plans, including all procedures and schedules contained in the plans, are hereby incorporated into this Consent Order, and shall constitute enforceable requirements under the Act.

CIVIL PENALTY AND SUPPLEMENTAL ENVIRONMENTAL PROJECTS

39. Based upon the application of the Division's Civil Penalty Policy (May 1, 1993), and consistent with Departmental policies for violations of the Act, the Division has determined that a penalty of Sixty Three Thousand Seven Hundred Twenty Dollars (\$63,720.00) is appropriate for the violations cited herein.
40. Through the application of the criteria set forth in the Colorado Department of Public Health and Environment's Final Agency-Wide Policy on Settling Administrative and/or Civil Penalties Against Eligible Governmental Entities, the Division has determined the entire penalty can be mitigated through the completion of the following Supplemental Environmental Projects ("SEPs") identified by Cherokee and which are valued at Sixty Nine Thousand Seven Hundred Seventy Five Dollars (\$69,775.00).
41. Cherokee shall undertake the following SEPs, which the Parties agree are intended to secure significant environmental or public health protection and improvements.
42. Cherokee shall spend no less than Sixty Nine Thousand Seven Hundred Seventy Five Dollars (\$69,775.00) on the implementation and completion of energy efficiency/pollution prevention upgrades within the Cherokee service area in El Paso County. The combination of the first and third party SEPs are further described in Exhibit B. If Cherokee completes the energy efficiency/pollution prevention upgrades specified in Exhibit B and does not expend the full Sixty Nine Thousand Seven Hundred Seventy Five Dollars (\$69,775.00), Cherokee may propose an alternate SEP for Division review and approval that accounts for the remaining balance. The alternate SEP proposal shall be submitted to the Division by December 1, 2014.
43. Cherokee shall not deduct the expenses associated with the implementation of the above-described SEPs for any tax purpose or otherwise obtain any favorable tax treatment of such payment or project.
44. Cherokee hereby certifies that, as of the date of this Consent Order, it is not under any existing legal obligation to perform or develop the SEPs. Cherokee further certifies that it has not received, and will not receive, credit in any other enforcement action for the SEPs. In the event that Cherokee has, or will receive credit under any other legal obligation for the SEPs, Cherokee shall pay Sixty Three Thousand Seven Hundred Twenty Dollars (\$63,720.00) to the Division as a civil penalty within thirty (30) calendar days of receipt of a demand for payment by the Division. Method of payment shall be by certified or cashier's check drawn to the order of the "Colorado Department of Public Health and Environment," and delivered to:

Michael Harris
Colorado Department of Public Health and Environment
Water Quality Control Division
Mail Code: WQCD-CWE-B2
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

45. The SEPs must be completed to the satisfaction of the Division by November 30, 2014, and must be operated for the useful life of the SEPs. In the event that Cherokee fails to comply with any of the terms or provisions of this Consent Order relating to the performance of the SEPs, Cherokee shall be liable for penalties as follows:
 - a. Payment of a penalty in the amount of Sixty Three Thousand Seven Hundred Twenty Dollars (\$63,720.00). The Division, in its sole discretion, may elect to reduce this penalty for environmental benefits created by the partial performance of the SEPs.
 - b. Cherokee shall pay this penalty within thirty (30) calendar days of receipt of written demand by the Division. Method of payment shall be as specified in paragraph 44 above.
46. Cherokee shall submit SEP Completion Reports for each SEP to the Division by December 30, 2014. The SEP Completion Reports shall contain the following information:
 - a. A detailed description of the SEPs as implemented;
 - b. A description of any operating problems encountered and the solutions thereto;
 - c. Itemized costs, documented by copies of purchase orders and receipts or canceled checks or other forms of proof of payment;
 - d. Certification that the SEPs have been fully implemented pursuant to the provisions of this Consent Order; and
 - e. A description of the environmental and public health benefits resulting from implementation of the SEPs (with quantification of the benefits and pollutant reductions, if feasible).
47. Failure to submit the SEP Completion Reports with the required information, or any periodic report, shall be deemed a violation of this Consent Order.
48. Cherokee shall include the following language in any public statement, oral or written, making reference to the SEPs: "This project was undertaken in connection with the settlement of an enforcement action taken by the Colorado Department of Public Health and Environment for alleged violations of the Colorado Water Quality Control Act."

SCOPE AND EFFECT OF CONSENT ORDER

49. The Parties agree and acknowledge that this Consent Order constitutes a full and final settlement of the alleged violations cited herein.
50. This Consent Order is subject to the Division's "Public Notification of Administrative Enforcement Actions Policy," which includes a thirty-day public comment period. The Division and Cherokee each reserve the right to withdraw consent to this Consent Order if comments received during the thirty-day period result in any proposed modification to the Consent Order.
51. This Consent Order constitutes a final agency action upon a determination by the Division following the public comment period. Any violation of the provisions of this Consent Order by Cherokee, including any false certifications, shall be a violation of a final order or action of the Division for the

purpose of §25-8-608, C.R.S., and may result in the assessment of civil penalties of up to ten thousand dollars per day for each day during which such violation occurs.

52. The Parties' obligations under this Consent Order are limited to the matters expressly stated herein or in approved submissions required hereunder. All submissions made pursuant to this Consent Order are incorporated into this Consent Order and become enforceable under the terms of this Consent Order as of the date of approval by the Division.
53. The Division's approval of any submission, standard, or action under this Consent Order shall not constitute a defense to, or an excuse for, any prior violation of the Act, or any subsequent violation of any requirement of this Consent Order or the Act.
54. Notwithstanding paragraph 24 above, the alleged violations described in this Consent Order will constitute part of Cherokee's compliance history for purposes where such history is relevant. This includes considering the alleged violations described above in assessing a penalty for any subsequent violations against Cherokee. Cherokee agrees not to challenge the use of the cited alleged violations for any such purpose.
55. This Consent Order does not relieve Cherokee from complying with all applicable Federal, State, and/or local laws in fulfillment of its obligations hereunder and shall obtain all necessary approvals and/or permits to conduct the activities required by this Consent Order. The Division makes no representation with respect to approvals and/or permits required by Federal, State, or local laws other than those specifically referred to herein.

LIMITATIONS, RELEASES AND RESERVATION OF RIGHTS AND LIABILITY

56. Upon the effective date of this Consent Order, and during its term, this Consent Order shall stand in lieu of any other enforcement action by the Division with respect to the specific instances of alleged violations cited herein. The Division reserves the right to bring any action to enforce this Consent Order, including actions for penalties or the collection thereof, and/or injunctive relief.
57. This Consent Order does not grant any release of liability for any violations not specifically cited herein.
58. Nothing in this Consent Order shall preclude the Division from imposing additional requirements in the event that new information is discovered that indicates such requirements are necessary to protect human health or the environment.
59. Upon the effective date of this Consent Order, Cherokee releases and covenants not to sue the State of Colorado or its employees, agents or representatives as to all common law or statutory claims or counterclaims arising from, or relating to, the alleged violations of the Act specifically addressed herein.
60. Cherokee shall not seek to hold the State of Colorado or its employees, agents or representatives liable for any injuries or damages to persons or property resulting from acts or omissions of Cherokee, or those acting for or on behalf of Cherokee, including its officers, employees, agents, successors, representatives, contractors, consultants or attorneys in carrying out activities pursuant to

this Consent Order. Cherokee shall not hold out the State of Colorado or its employees, agents or representatives as a party to any contract entered into by Cherokee in carrying out activities pursuant to this Consent Order. Nothing in this Consent Order shall constitute an express or implied waiver of immunity otherwise applicable to the State of Colorado, its employees, agents or representatives.

OFFSITE ACCESS

61. To the extent any plan submitted by Cherokee requires access to property not owned or controlled by Cherokee, Cherokee shall use its best efforts to obtain site access from the present owners of such property to conduct required activities and to allow Division access to such property to oversee such activities. In the event that site access is not obtained when necessary, Cherokee shall notify the Division in writing regarding its best efforts and its failure to obtain such access.

SITE ACCESS AND SAMPLING

62. The Division shall be authorized to oversee any and all work being performed under this Consent Order. The Division shall be authorized access to the Facility property at any time work is being conducted pursuant to this Consent Order, and during reasonable business hours during any period work is not being conducted, for the purposes of determining Cherokee's compliance with the Act, the Regulations, and this Consent Order. The Division shall be authorized to inspect work sites, operating and field logs, contracts, purchasing/shipping records, and other relevant records and documents relating to this Consent Order or any requirement under this Consent Order and to interview Cherokee personnel and contractors performing work required by this Consent Order. Nothing in this paragraph limits or impairs the Division's statutory authorities to enter and inspect the Facility.
63. The Division may conduct any tests necessary to ensure compliance with this Consent Order and to verify the data submitted by Cherokee. Cherokee shall notify the Division in writing of any sampling activities undertaken pursuant to any plan or requirement of this Consent Order a minimum of seventy-two (72) hours prior to the sampling being conducted, and shall provide split samples to the Division upon request.
64. Cherokee shall notify the Division in writing of any excavation, construction (including the construction of monitoring wells) or other investigatory or remedial activities undertaken pursuant to any plan or requirement of this Consent Order a minimum of seventy-two (72) hours prior to beginning the excavation, construction, or required activity. Cherokee shall provide the Division any blue print, diagram, construction or other permits for any construction activity undertaken pursuant to this Consent Order upon request.

FORCE MAJEURE

65. Cherokee shall perform the requirements of this Consent Order within the schedules and time limits set forth herein and in any approved plan unless the performance is prevented or delayed by events that constitute a force majeure. A force majeure is defined as any event arising from causes which are not reasonably foreseeable, which are beyond the control of Cherokee, and which cannot be overcome by due diligence.

66. Within seventy-two (72) hours of the time that Cherokee knows or has reason to know of the occurrence of any event which Cherokee has reason to believe may prevent Cherokee from timely compliance with any requirement under this Consent Order; Cherokee shall provide verbal notification to the Division. Within seven (7) calendar days of the time that Cherokee knows or has reason to know of the occurrence of such event, Cherokee shall submit to the Division a written description of the event causing the delay, the reasons for and the expected duration of the delay, and actions which will be taken to mitigate the duration of the delay.
67. The burden of proving that any delay was caused by a force majeure shall at all times rest with Cherokee. If the Division agrees that a force majeure has occurred, the Division will so notify Cherokee. The Division will also approve or disapprove of Cherokee's proposed actions for mitigating the delay. If the Division does not agree that a force majeure has occurred, or if the Division disapproves of Cherokee's proposed actions for mitigating the delay, it shall provide a written explanation of its determination to Cherokee. Pursuant to the Dispute Resolution section, within fifteen (15) calendar days of receipt of the explanation, Cherokee may file an objection.
68. Delay in the achievement of one requirement shall not necessarily justify or excuse delay in the achievement of subsequent requirements. In the event any performance under this Consent Order is found to have been delayed by a force majeure, Cherokee shall perform the requirements of this Consent Order that were delayed by the force majeure with all due diligence.

DISPUTE RESOLUTION

69. If the Division determines that that a violation of this Consent Order has occurred, that a force majeure has not occurred; that the actions taken by Cherokee to mitigate the delay caused by a force majeure are inadequate; that Cherokee's Notice of Completion should be rejected pursuant to paragraph 75, or that the Cherokee's SEP Completion Report submitted pursuant to paragraph 46 is deficient, the Division shall provide a written explanation of its determination to Cherokee. Within fifteen (15) calendar days of receipt of the Division's determination, Cherokee shall:
 - a. Submit a notice of acceptance of the determination; or
 - b. Submit a notice of dispute of the determination.

If Cherokee fails to submit either of the above notices within the specified time, it will be deemed to have accepted the Division's determination.

70. If the Division disapproves or approves with modifications any original or revised plan submitted by Cherokee pursuant to this Consent Order, the Division shall provide a written explanation of the disapproval or approval with modifications. Within fifteen (15) calendar days of receipt of the Division's approval with modifications or disapproval of the plan, Cherokee shall:
 - a. In the case of an approval with modifications only, submit a notice of acceptance of the plan as modified and begin to implement the modified plan;

- b. In the case of disapproval only, submit a revised plan for Division review and approval. Cherokee may not select this option if the Division has included in its disapproval an alternate plan that shall be implemented by Cherokee; or
- c. Submit a notice of dispute of the disapproval or approval with modifications.

If Cherokee fails to do any of the above within the specified time, Cherokee shall be deemed to have failed to comply with the Consent Order, and the Division may bring an enforcement action, including an assessment of penalties.

71. If Cherokee submits a revised plan, the plan shall respond adequately to each of the issues raised in the Division's written explanation of the disapproval or approval with modifications. The Division may determine that failure to respond adequately to each of the issues raised in the Division's written explanation constitutes a violation of this Consent Order. The Division shall notify Cherokee in writing of its approval, approval with modifications, or disapproval of the revised plan. If the Division disapproves the revised plan, it may include in its disapproval a plan for implementation by Cherokee. Such disapproval and plan shall be deemed effective and subject to appeal in accordance with the Act and the Colorado State Administrative Procedures Act, §§ 24-4-101 through 108, C.R.S. (the "APA"), unless Cherokee submits a notice of dispute, pursuant to paragraph 70 above, of the Division's disapproval and plan for implementation. All requirements and schedules of the Division's plan shall not become effective pending resolution of the dispute.

NOTICES

72. Unless otherwise specified, any report, notice or other communication required under the Consent Order shall be sent to:

For the Division:

Colorado Department of Public Health and Environment
Water Quality Control Division / WQCD-CWE-B2
Attention: Michael Harris
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530
Telephone: 303.692.3598
E-mail: michael.harris@state.co.us

For Cherokee Metropolitan District:

Cherokee Metropolitan District
Attention: Sean Chambers, General Manager
6250 Palmer Park Boulevard
Colorado Springs, Colorado 80915
Telephone: 719.597.5080
E-mail: schambers@cherokeemetro.org

OBLIGATIONS UNAFFECTED BY BANKRUPTCY

73. The obligations set forth herein are based on the Division's police and regulatory authority. These obligations require specific performance by Cherokee of corrective actions carefully designed to prevent on-going or future harm to public health or the environment, or both. Enforcement of these obligations is not stayed by a petition in bankruptcy. Cherokee agrees that the penalties set forth in this Consent Order are not in compensation of actual pecuniary loss. Further, the obligations imposed by this Consent Order are necessary for Cherokee and the Facility to achieve and maintain compliance with State law.

MODIFICATIONS

74. This Consent Order may be modified only upon mutual written agreement of the Parties.

COMPLETION OF REQUIRED ACTIONS

75. Cherokee shall submit a Notice of Completion to the Division upon satisfactory completion of all requirements of this Consent Order. The Division shall either accept or reject Cherokee's Notice of Completion in writing within thirty (30) calendar days of receipt. If the Division rejects Cherokee's Notice of Completion, it shall include in its notice a statement identifying the requirements that the Division considers incomplete or not satisfactorily performed and a schedule for completion. Cherokee shall, within fifteen (15) calendar days of receipt of the Division's rejection, either:
- a. Submit a notice of acceptance of the determination; or
 - b. Submit a notice of dispute.

If Cherokee fails to submit either of the above notices within the specified time, it will be deemed to have accepted the Division's determination.

NOTICE OF EFFECTIVE DATE

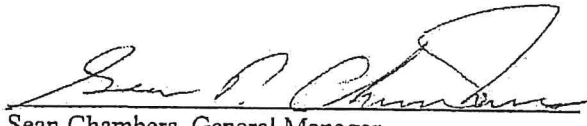
76. This Consent Order shall be fully effective, enforceable and constitute a final agency action upon notice from the Division following closure of the public comment period referenced in paragraph 50.

BINDING EFFECT AND AUTHORIZATION TO SIGN

77. This Consent Order is binding upon Cherokee and its officials, employees, agents, representatives, successors in interest, and assigns. The undersigned warrant that they are authorized to legally bind their respective principals to this Consent Order. Cherokee agrees to provide a copy of this Consent Order to any contractors and other agents performing work pursuant to this Consent Order and require such agents to comply with the requirements of this Consent Order. In the event that a party does not sign this Consent Order within thirty (30) calendar days of the other party's signature, this

Consent Order becomes null and void. This Consent Order may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Consent Order.

FOR CHEROKEE METROPOLITAN DISTRICT:

 Date: May 9, 2014
Sean Chambers, General Manager

FOR THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT:

Steven H. Gunderson, Director
WATER QUALITY CONTROL DIVISION

Date: _____

Report #: CAEVRBX004
 Created Date: March 2, 2012
 Approved By:

EXHIBIT A
Colorado Department of Public Health and Environment
Water Quality Control Division
Effluent Violation Report

Date of Report: 4/21/14

*** Query Name: Effluent Data ***

Monitoring Period End Date From: 5/1/2010 12:00:00 AM
 Monitoring Period End Date To: 4/21/2014 12:00:00 AM
 Outfalls: (Optional)
 Enter NPDES ID: (Optional)
 Primary Permit SIC Code: (Optional)
 Major/Minor (Enter "Major" or "Minor") (Enter * to select all) *
 Matching NPDES ID: (Optional) COX048348
 Parameter Desc: (Optional)
 Enter Primary Permit SIC Code Not Equal to: (Optional)

Permit #: COX048348
 Facility Name: CHEROKEE METRO DISTRICT WATER RECLAMATION FACILITY
 Permit Name: Cherokee Metro District
 Major/Minor Ind.: Major
 County: El Paso
 Primary SIC Code: 4952
 Water Body: Groundwater

NPDES ID	Outfall	Mon Pd Start Date	Mon Pd End Date	Parameter	Rptd Value	Unit Desc	Limit Value	Stat Base Desc	% Exceed	Viol Code	NODI Code	RNC Detect Code	RNC Resolve Code
COX048348	001A	7/1/10	7/31/10	00310 - BOD, 5-day, 20 deg. C	=47	mg/L	30	30DA AVG	57	E90			
COX048348	001A	7/1/10	7/31/10	00310 - BOD, 5-day, 20 deg. C	=47	mg/L	45	MX 7D AV	4	E90			
COX048348	001A	7/1/10	7/31/10	00640 - Nitrogen, inorganic total	=28.1	mg/L	10	DAILY MX	181	E90	R		2
COX048348	001A	7/1/10	7/31/10	81010 - BOD, 5-day, percent removal	=65.4	%	85	MO AV MN	131	E90			
COX048348	001A	7/1/10	7/31/10	81011 - Solids, suspended percent removal	=68.8	%	85	MO AV MN	108	E90			
COX048348	001A	8/1/10	8/31/10	00640 - Nitrogen, inorganic total	=33.8	mg/L	10	DAILY MX	238	E90	R		2
COX048348	001A	8/1/10	8/31/10	81010 - BOD, 5-day, percent removal	=76	%	85	MO AV MN	60	E90			
COX048348	001A	9/1/10	9/30/10	00640 - Nitrogen, inorganic total	=17.41	mg/L	10	DAILY MX	74	E90	R		2
COX048348	001A	9/1/10	9/30/10	81010 - BOD, 5-day, percent removal	=80	%	85	MO AV MN	33	E90			
COX048348	001A	10/1/10	10/31/10	00640 - Nitrogen, inorganic total	=12.84	mg/L	10	DAILY MX	26	E90	U		2
COX048348	001A	10/1/10	10/31/10	81010 - BOD, 5-day, percent removal	=80	%	85	MO AV MN	33	E90			
COX048348	001A	10/1/10	10/31/10	81011 - Solids, suspended percent removal	=83	%	85	MO AV MN	13	E90			
COX048348	001A	11/1/10	11/30/10	00310 - BOD, 5-day, 20 deg. C	=36.5	mg/L	30	30DA AVG	22	E90			

Report #: CAEVRBX004
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 Colorado Department of Public Health and Environment
 Water Quality Control Division
 Effluent Violation Report

Date of Report: 4/21/14

*** Query Name: Effluent Data ***
 Monitoring Period End Date From: 5/1/2010 12:00:00 AM
 Monitoring Period End Date To: 4/21/2014 12:00:00 AM
 Outfalls: (Optional)
 Enter NPDES ID: (Optional)
 Primary Permit SIC Code: (Optional)
 Major/Minor (Enter "Major" or "Minor") (Enter "*" to select all)
 Matching NPDES ID: (Optional) COX048348
 Parameter Desc: (Optional)
 Enter Primary Permit SIC Code Not Equal to: (Optional)

NPDES ID	Outfall	Mon Pd Start Date	Mon Pd End Date	Parameter	Rptd Value	Unit Desc	Limit Value	Stat Base Desc	% Exceed	Viol Code	NODI Code	RNC Detect Code	RNC Resolve Code
COX048348	001A	11/1/10	11/30/10	00640 - Nitrogen, Inorganic total	=10.5	mg/L	10	DAILY MX	5	E90		U	2
COX048348	001A	2/1/11	2/28/11	00310 - BOD, 5-day, 20 deg. C	=34	mg/L	30	30DA AVG	13	E90			
COX048348	001A	2/1/11	2/28/11	00640 - Nitrogen, Inorganic total	=21.53	mg/L	10	DAILY MX	115	E90		R	2
COX048348	001A	2/1/11	2/28/11	81010 - BOD, 5-day, percent removal	=84	%	85	MO AV MN	7	E90			
COX048348	001A	3/1/11	3/31/11	00310 - BOD, 5-day, 20 deg. C	=89	mg/L	30	30DA AVG	130	E90			
COX048348	001A	3/1/11	3/31/11	00310 - BOD, 5-day, 20 deg. C	=89	mg/L	45	MX 7D AV	53	E90			
COX048348	001A	3/1/11	3/31/11	00530 - Solids, total suspended	=32	mg/L	30	30DA AVG	7	E90			
COX048348	001A	3/1/11	3/31/11	00640 - Nitrogen, Inorganic total	=34.02	mg/L	10	DAILY MX	240	E90		R	2
COX048348	001A	3/1/11	3/31/11	81010 - BOD, 5-day, percent removal	=84	%	85	MO AV MN	7	E90			
COX048348	001A	4/1/11	4/30/11	00640 - Nitrogen, Inorganic total	=21.3	mg/L	10	DAILY MX	113	E90		R	2
COX048348	001A	5/1/11	5/31/11	00640 - Nitrogen, Inorganic total	=12.2	mg/L	10	DAILY MX	22	E90		U	2
COX048348	001A	6/1/11	6/30/11	00640 - Nitrogen, Inorganic total	=11.8	mg/L	10	DAILY MX	18	E90		U	2
COX048348	001A	7/1/11	7/31/11	00640 - Nitrogen, Inorganic total	=18.8	mg/L	10	DAILY MX	88	E90		R	2
COX048348	001A	8/1/11	8/31/11	00640 - Nitrogen, Inorganic total	=20.9	mg/L	10	DAILY MX	109	E90		R	2
COX048348	001A	9/1/11	9/30/11	00640 - Nitrogen, Inorganic total	=20	mg/L	10	DAILY MX	100	E90		R	2
COX048348	001A	10/1/11	10/31/11	00640 - Nitrogen, Inorganic total	=20.9	mg/L	10	DAILY MX	109	E90		R	2
COX048348	001A	1/1/12	1/31/12	00640 - Nitrogen, Inorganic total	=19	mg/L	10	DAILY MX	90	E90		R	2
COX048348	001A	2/1/12	2/29/12	00640 - Nitrogen, Inorganic total	=12.99	mg/L	10	DAILY MX	30	E90		H	2

Report #: CAEVRBX004

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Colorado Department of Public Health and Environment
Water Quality Control Division
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Date of Report: 4/21/14

*** Query Name: Effluent Data ***
Monitoring Period End Date From: 5/1/2010 12:00:00 AM
Monitoring Period End Date To: 4/21/2014 12:00:00 AM
Outfalls: (Optional)
Enter NPDES ID: (Optional)
Primary Permit SIC Code: (Optional)
Major/Minor (Enter "Major" or "Minor") (Enter * to select all) *
Matching NPDES ID: (Optional) COX048348
Parameter Desc: (Optional)
Enter Primary Permit SIC Code Not Equal to: (Optional)

NPDES ID	Outfall	Mon Pd Start Date	Mon Pd End Date	Parameter	Rptd Value	Unit Desc	Limit Value	Stat Base Desc	% Exceed	Viol Code	NODI Code	RNC Detect Code	RNC Resolve Code
COX048348	001A	3/1/12	3/31/12	00640 - Nitrogen, inorganic total	=11.42	mg/L	10	DAILY MX	14	E90	H	H	2
COX048348	001A	4/1/12	4/30/12	00640 - Nitrogen, inorganic total	=16.48	mg/L	10	DAILY MX	65	E90	R	R	2
COX048348	001A	5/1/12	5/31/12	00640 - Nitrogen, inorganic total	=11.8	mg/L	10	DAILY MX	18	E90	H	H	2
COX048348	001A	7/1/12	7/31/12	00640 - Nitrogen, inorganic total	=13.4	mg/L	10	DAILY MX	34	E90	U	U	2
COX048348	001A	8/1/12	8/31/12	00640 - Nitrogen, inorganic total	=12.5	mg/L	10	DAILY MX	25	E90	U	U	2
COX048348	001A	10/1/12	10/31/12	00640 - Nitrogen, inorganic total	=20	mg/L	10	DAILY MX	100	E90	R	R	2
COX048348	001A	11/1/12	11/30/12	00640 - Nitrogen, inorganic total	=18	mg/L	10	DAILY MX	80	E90	R	R	2
COX048348	001A	12/1/12	12/31/12	00640 - Nitrogen, inorganic total	=13	mg/L	10	DAILY MX	30	E90	U	U	2
COX048348	001A	1/1/13	1/31/13	00640 - Nitrogen, inorganic total	=22	mg/L	10	DAILY MX	120	E90	R	R	2
COX048348	001A	2/1/13	2/28/13	00640 - Nitrogen, inorganic total	=23	mg/L	10	DAILY MX	130	E90	R	R	2
COX048348	001A	3/1/13	3/31/13	00640 - Nitrogen, inorganic total	=17	mg/L	10	DAILY MX	70	E90	R	R	2
COX048348	050CC	7/1/10	7/31/10	70295 - Solids, total dissolved	=2000	mg/L	400	30DA AVG	400	E90	T	T	1
COX048348	050CC	10/1/10	10/31/10	70295 - Solids, total dissolved	=762	mg/L	400	30DA AVG	91	E90	T	T	1
COX048348	050CC	11/1/10	11/30/10	70295 - Solids, total dissolved	=752	mg/L	400	30DA AVG	88	E90	T	T	1
COX048348	050CC	12/1/10	12/31/10	70295 - Solids, total dissolved	=680	mg/L	400	30DA AVG	70	E90	T	T	1
COX048348	050CC	1/1/11	1/31/11	70295 - Solids, total dissolved	=624	mg/L	400	30DA AVG	56	E90	T	T	1
COX048348	050CC	2/1/11	2/28/11	70295 - Solids, total dissolved	=642	mg/L	400	30DA AVG	61	E90	T	T	1
COX048348	050CC	3/1/11	3/31/11	70295 - Solids, total dissolved	=694	mg/L	400	30DA AVG	74	E90	T	T	1

Report #: CAEVRBX004
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EXHIBIT A
Colorado Department of Public Health and Environment
Water Quality Control Division
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Date of Report: 4/21/14

*** Query Name: Effluent Data ***
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 Monitoring Period End Date To: 4/21/2014 12:00:00 AM
 Outfalls: (Optional)
 Enter NPDES ID: (Optional)
 Primary Permit SIC Code: (Optional)
 Major/Minor (Enter "Major" or "Minor") (Enter " " to select all) -
 Matching NPDES ID: (Optional) COX048348
 Parameter Desc: (Optional)
 Enter Primary Permit SIC Code Not Equal to: (Optional)

NPDES ID	Outfall	Mon Pd Start Date	Mon Pd End Date	Parameter	Rated Value	Unit Desc	Limit Value	Stat Base Desc	% Exceed	Viol Code	NDDI Code	RNC Detect Code	RNC Resolve Code
COX048348	050CC	4/1/11	4/30/11	70295 - Solids, total dissolved	=664	mg/L	400	30DA AVG	66	E90		T	1
COX048348	050CC	5/1/11	5/31/11	70295 - Solids, total dissolved	=653	mg/L	400	30DA AVG	63	E90		T	1
COX048348	050CC	6/1/11	6/30/11	70295 - Solids, total dissolved	=666	mg/L	400	30DA AVG	67	E90		T	1
COX048348	050CC	7/1/11	7/31/11	70295 - Solids, total dissolved	=704	mg/L	400	30DA AVG	76	E90		T	1
COX048348	050CC	8/1/11	8/31/11	70295 - Solids, total dissolved	=637	mg/L	400	30DA AVG	59	E90		T	1
COX048348	050CC	9/1/11	9/30/11	70295 - Solids, total dissolved	=658	mg/L	400	30DA AVG	65	E90		T	1
COX048348	050CC	10/1/11	10/31/11	70295 - Solids, total dissolved	=600	mg/L	400	30DA AVG	50	E90		T	1
COX048348	050CC	11/1/11	11/30/11	70295 - Solids, total dissolved	=645	mg/L	400	30DA AVG	61	E90		T	1
COX048348	050CC	12/1/11	12/31/11	70295 - Solids, total dissolved	=678	mg/L	400	30DA AVG	70	E90		T	1
COX048348	050CC	1/1/12	1/31/12	70295 - Solids, total dissolved	=654	mg/L	400	30DA AVG	64	E90		T	1
COX048348	050CC	2/1/12	2/29/12	70295 - Solids, total dissolved	=671	mg/L	400	30DA AVG	68	E90		T	1
COX048348	050CC	3/1/12	3/31/12	70295 - Solids, total dissolved	=682	mg/L	400	30DA AVG	71	E90		T	1
COX048348	050CC	4/1/12	4/30/12	70295 - Solids, total dissolved	=669	mg/L	400	30DA AVG	67	E90		T	1
COX048348	050CC	5/1/12	5/31/12	70295 - Solids, total dissolved	=732	mg/L	400	30DA AVG	83	E90		T	1
COX048348	050CC	6/1/12	6/30/12	70295 - Solids, total dissolved	=656	mg/L	400	30DA AVG	64	E90		T	1
COX048348	050CC	7/1/12	7/31/12	70295 - Solids, total dissolved	=667	mg/L	400	30DA AVG	67	E90		T	1
COX048348	050CC	8/1/12	8/31/12	70295 - Solids, total dissolved	=672	mg/L	400	30DA AVG	68	E90		T	1
COX048348	050CC	9/1/12	9/30/12	70295 - Solids, total dissolved	=654	mg/L	400	30DA AVG	64	E90		T	1

EXHIBIT A
Colorado Department of Public Health and Environment
Water Quality Control Division
Effluent Violation Report

Report #: CAEVRBX004
 Created Date: March 2, 2012
 Approved By:

Date of Report: 4/21/14

*** Query Name: Effluent Data ***
 Monitoring Period End Date From: 5/1/2010 12:00:00 AM
 Monitoring Period End Date To: 4/21/2014 12:00:00 AM
 Outfalls: (Optional)
 Enter NPDES ID: (Optional)
 Primary Permit SIC Code: (Optional)
 Major/Minor (Enter "Major" or "Minor") (Enter * to select all) *
 Matching NPDES ID: (Optional) COX048348
 Parameter Desc: (Optional)
 Enter Primary Permit SIC Code Not Equal to: (Optional)

NPDES ID	Outfall	Mon Pd Start Date	Mon Pd End Date	Parameter	Rpted Value	Unit Desc	Limit Value	Stat Base Desc	% Exceed	Viol Code	NODI Code	RNC Detect Code	RNC Resolve Code
COX048348	050CC	10/1/12	10/31/12	70295 - Solids, total dissolved	=617	mg/L	400	30DA AVG	54	E90		T	1
COX048348	050CC	11/1/12	11/30/12	70295 - Solids, total dissolved	=605	mg/L	400	30DA AVG	51	E90		T	1
COX048348	050CC	12/1/12	12/31/12	70295 - Solids, total dissolved	=610	mg/L	400	30DA AVG	53	E90		T	1
COX048348	050CC	1/1/13	1/31/13	70295 - Solids, total dissolved	=610	mg/L	400	30DA AVG	53	E90		T	1
COX048348	050CC	2/1/13	2/28/13	70295 - Solids, total dissolved	=606	mg/L	400	30DA AVG	52	E90		T	1
COX048348	050CC	3/1/13	3/31/13	70295 - Solids, total dissolved	=638	mg/L	400	30DA AVG	60	E90		T	1
COX048348	050CC	4/1/13	4/30/13	70295 - Solids, total dissolved	=573	mg/L	400	30DA AVG	43	E90		T	1
COX048348	050CC	5/1/13	5/31/13	70295 - Solids, total dissolved	=643	mg/L	400	30DA AVG	61	E90		T	1
COX048348	050CC	6/1/13	6/30/13	70295 - Solids, total dissolved	=567	mg/L	400	30DA AVG	42	E90		T	1
COX048348	050CC	7/1/13	7/31/13	70295 - Solids, total dissolved	=605	mg/L	400	30DA AVG	51	E90		T	1
COX048348	050CC	8/1/13	8/31/13	70295 - Solids, total dissolved	=510	mg/L	400	30DA AVG	28	E90		C	1
COX048348	050CC	9/1/13	9/30/13	70295 - Solids, total dissolved	=422	mg/L	400	30DA AVG	6	E90		C	1
COX048348	050CC	10/1/13	10/31/13	70295 - Solids, total dissolved	=444	mg/L	400	30DA AVG	11	E90		C	1
COX048348	050CC	11/1/13	11/30/13	70295 - Solids, total dissolved	=504	mg/L	400	30DA AVG	26	E90		C	1
COX048348	050CC	12/1/13	12/31/13	70295 - Solids, total dissolved	=442	mg/L	400	30DA AVG	11	E90		C	1
COX048348	050CC	1/1/14	1/31/14	70295 - Solids, total dissolved	=476	mg/L	400	30DA AVG	19	E90		C	1
COX048348	050CC	2/1/14	2/28/14	70295 - Solids, total dissolved	=496	mg/L	400	30DA AVG	24	E90		C	1
COX048348	050DD	7/1/10	7/31/10	70295 - Solids, total dissolved	=2000	mg/L	400	30DA AVG	400	E90		T	1

Report #: CAEVRBX004
 Created Date: March 2, 2012
 Approved By:

EXHIBIT A
Colorado Department of Public Health and Environment
Water Quality Control Division
Effluent Violation Report

Date of Report: 4/2/1/14

*** Query Name: Effluent Data ***
 Monitoring Period End Date From: 5/1/2010 12:00:00 AM
 Monitoring Period End Date To: 4/2/12014 12:00:00 AM
 Outfall: (Optional)
 Enter NPDES ID: (Optional)
 Primary Permit SIC Code: (Optional)
 Major/Minor (Enter "Major" or "Minor") (Enter " " to select all)
 Matching NPDES ID: (Optional) COX048348
 Parameter Desc: (Optional)
 Enter Primary Permit SIC Code Not Equal to: (Optional)

NPDES ID	Outfall	Mon Pd Start Date	Mon Pd End Date	Parameter	Rpted Value	Unit Desc	Limit Value	Stat Base Desc	% Exceed	Viol Code	NODI Code	RNC Detect Code	RNC Resolve Code
COX048348	050DD	10/1/10	10/31/10	70295 - Solids, total dissolved	=786	mg/L	400	30DA AVG	97	E90		T	1
COX048348	050DD	11/1/10	11/30/10	70295 - Solids, total dissolved	=618	mg/L	400	30DA AVG	55	E90		T	1
COX048348	050DD	12/1/10	12/31/10	70295 - Solids, total dissolved	=672	mg/L	400	30DA AVG	68	E90		T	1
COX048348	050DD	1/1/11	1/31/11	70295 - Solids, total dissolved	=774	mg/L	400	30DA AVG	94	E90		T	1
COX048348	050DD	2/1/11	2/28/11	70295 - Solids, total dissolved	=638	mg/L	400	30DA AVG	60	E90		T	1
COX048348	050DD	3/1/11	3/31/11	70295 - Solids, total dissolved	=692	mg/L	400	30DA AVG	73	E90		T	1
COX048348	050DD	4/1/11	4/30/11	70295 - Solids, total dissolved	=674	mg/L	400	30DA AVG	69	E90		T	1
COX048348	050DD	5/1/11	5/31/11	70295 - Solids, total dissolved	=725	mg/L	400	30DA AVG	81	E90		T	1
COX048348	050DD	6/1/11	6/30/11	70295 - Solids, total dissolved	=702	mg/L	400	30DA AVG	76	E90		T	1
COX048348	050DD	7/1/11	7/31/11	70295 - Solids, total dissolved	=734	mg/L	400	30DA AVG	84	E90		T	1
COX048348	050DD	8/1/11	8/31/11	70295 - Solids, total dissolved	=670	mg/L	400	30DA AVG	68	E90		T	1
COX048348	050DD	9/1/11	9/30/11	70295 - Solids, total dissolved	=684	mg/L	400	30DA AVG	71	E90		T	1
COX048348	050DD	10/1/11	10/31/11	70295 - Solids, total dissolved	=746	mg/L	400	30DA AVG	87	E90		T	1
COX048348	050DD	11/1/11	11/30/11	70295 - Solids, total dissolved	=707	mg/L	400	30DA AVG	77	E90		T	1
COX048348	050DD	12/1/11	12/31/11	70295 - Solids, total dissolved	=714	mg/L	400	30DA AVG	79	E90		T	1
COX048348	050DD	1/1/12	1/31/12	70295 - Solids, total dissolved	=692	mg/L	400	30DA AVG	73	E90		T	1
COX048348	050DD	2/1/12	2/29/12	70295 - Solids, total dissolved	=706	mg/L	400	30DA AVG	77	E90		T	1
COX048348	050DD	3/1/12	3/31/12	70295 - Solids, total dissolved	=682	mg/L	400	30DA AVG	71	E90		T	1

EXHIBIT A
Colorado Department of Public Health and Environment
Water Quality Control Division
Effluent Violation Report

Report #: CAEVRBX004

Created Date: March 2, 2012

Approved By:

Date of Report: 4/21/14

*** Query Name: Effluent Data ***

Monitoring Period End Date From: 5/1/2010 12:00:00 AM
 Monitoring Period End Date To: 4/21/2014 12:00:00 AM
 Outfalls: (Optional)
 Enter NPDES ID: (Optional)
 Primary Permit SIC Code: (Optional)
 Major/Minor (Enter "Major" or "Minor") (Enter * to select all) *
 Matching NPDES ID: (Optional) COX048348
 Parameter Desc: (Optional)
 Enter Primary Permit SIC Code Not Equal to: (Optional)

NPDES ID	Outfall	Mon Pd Start Date	Mon Pd End Date	Parameter	Rptd Value	Unit Desc	Limit Value	Stat Base Desc	% Exceed	Viol Code	NODI Code	RNC Detect Code	RNC Resolve Code
COX048348	050DD	4/1/12	4/30/12	70295 - Solids, total dissolved	=656	mg/L	400	30DA AVG	64	E90		T	1
COX048348	050DD	5/1/12	5/31/12	70295 - Solids, total dissolved	=669	mg/L	400	30DA AVG	67	E90		T	1
COX048348	050DD	6/1/12	6/30/12	70295 - Solids, total dissolved	=630	mg/L	400	30DA AVG	58	E90		T	1
COX048348	050DD	7/1/12	7/31/12	70295 - Solids, total dissolved	=697	mg/L	400	30DA AVG	74	E90		T	1
COX048348	050DD	8/1/12	8/31/12	70295 - Solids, total dissolved	=605	mg/L	400	30DA AVG	51	E90		T	1
COX048348	050DD	9/1/12	9/30/12	70295 - Solids, total dissolved	=544	mg/L	400	30DA AVG	36	E90		V	1
COX048348	050DD	10/1/12	10/31/12	70295 - Solids, total dissolved	=689	mg/L	400	30DA AVG	72	E90		T	1
COX048348	050DD	11/1/12	11/30/12	70295 - Solids, total dissolved	=695	mg/L	400	30DA AVG	74	E90		T	1
COX048348	050DD	12/1/12	12/31/12	70295 - Solids, total dissolved	=706	mg/L	400	30DA AVG	77	E90		T	1
COX048348	050DD	1/1/13	1/31/13	70295 - Solids, total dissolved	=651	mg/L	400	30DA AVG	63	E90		T	1
COX048348	050DD	2/1/13	2/28/13	70295 - Solids, total dissolved	=580	mg/L	400	30DA AVG	45	E90		T	1
COX048348	050DD	3/1/13	3/31/13	70295 - Solids, total dissolved	=629	mg/L	400	30DA AVG	57	E90		T	1
COX048348	050DD	4/1/13	4/30/13	70295 - Solids, total dissolved	=608	mg/L	400	30DA AVG	52	E90		T	1
COX048348	050DD	5/1/13	5/31/13	70295 - Solids, total dissolved	=634	mg/L	400	30DA AVG	59	E90		T	1
COX048348	050DD	6/1/13	6/30/13	70295 - Solids, total dissolved	=595	mg/L	400	30DA AVG	49	E90		T	1
COX048348	050DD	7/1/13	7/31/13	70295 - Solids, total dissolved	=614	mg/L	400	30DA AVG	54	E90		T	1
COX048348	050DD	8/1/13	8/31/13	70295 - Solids, total dissolved	=641	mg/L	400	30DA AVG	60	E90		T	1
COX048348	050DD	9/1/13	9/30/13	70295 - Solids, total dissolved	=597	mg/L	400	30DA AVG	49	E90		T	1

Report #: CAEV/RBX004
 Created Date: March 2, 2012
 Approved By:

EXHIBIT A
Colorado Department of Public Health and Environment
Water Quality Control Division
Effluent Violation Report

Date of Report: 4/21/14

*** Query Name: Effluent Data ***
 Monitoring Period End Date From: 5/1/2010 12:00:00 AM
 Monitoring Period End Date To: 4/21/2014 12:00:00 AM
 Outfalls: (Optional)
 Enter NPDES ID: (Optional)
 Primary Permit SIC Code: (Optional)
 Major/Minor (Enter "Major" or "Minor") (Enter " to select all) *
 Matching NPDES ID: (Optional)/COX048348
 Parameter Desc: (Optional)
 Enter Primary Permit SIC Code Not Equal to: (Optional)

NPDES ID	Outfall	Mon Pd Start Date	Mon Pd End Date	Parameter	Reported Value	Unit Desc	Limit Value	Stat Base Desc	% Exceed	Viol Code	NODI Code	RNC Detect Code	RNC Resolve Code
COX048348	050DD	10/1/13	10/31/13	70295 - Solids, total dissolved	=572	mg/L	400	30DA AVG	43	E90		T	1
COX048348	050DD	11/1/13	11/30/13	70295 - Solids, total dissolved	=549	mg/L	400	30DA AVG	37	E90		V	1
COX048348	050DD	12/1/13	12/31/13	70295 - Solids, total dissolved	=492	mg/L	400	30DA AVG	23	E90		V	1
COX048348	050DD	1/1/14	1/31/14	70295 - Solids, total dissolved	=515	mg/L	400	30DA AVG	29	E90			
COX048348	050DD	2/1/14	2/28/14	70295 - Solids, total dissolved	=496	mg/L	400	30DA AVG	24	E90			

EXHIBIT B

**SUPPLEMENTAL ENVIRONMENTAL PROJECTS (SEP)
FIRST PARTY PROPOSAL/AGREEMENT FORM**

The Regulated Entity, identified below, submits the following SEP application to the Colorado Department of Public Health and Environment (the Department) for consideration.

Enforcement Action Information	Cherokee Metropolitan District Case No.: MC-14XXXX
Regulated Entity Project Manager	Sean Chambers, General Manager Cherokee Metropolitan District 6250 Palmer Park Boulevard Colorado Springs, CO 80915 Office Telephone: 719-597-5080 E-mail Address: SChambers@cherokeemetro.org
CDPHE Contact Person	Rachel Wilson-Roussel, Supplemental Environmental Projects Coordinator, 303-692-2976, rachel.wilson-roussel@state.co.us -and- Mike Harris, WQCD Compliance and Enforcement Unit Manager, 303-692-3598, michael.harris@state.co.us
Geographical Area to Benefit Most Directly From Project	Cherokee Metropolitan District Street Light Service Area located in unincorporated El Paso County, Colorado
Project Name	LED Exterior Lighting Project
Project Type	First Party
SEP Category	Pollution Prevention
Project Summary	The Cherokee Metropolitan District (CMD) LED Lighting Project will replace a portion of the existing exterior lighting fixtures serving CMD facilities which use metal halide (mercury vapor and high pressure sodium) lamp technology with light emitting diode (LED) lamp assemblies. The LED lamp assemblies will be applied to certain fixtures at the CMD office and maintenance building and at the clubhouse and maintenance facility of the Cherokee Ridge Golf Course that are energized during all non-daylight hours each day of the year.

EXHIBIT B

<p>Project Description</p>	<p>As detailed in Attachment CMD-1, this project would replace 19 high pressure sodium (HPS) or mercury vapor pole and wall mounted lights with LED lamp assemblies with 18 LED lamps, using less than one half of the energy for an equivalent light output. The intent is to replace nine (9) existing pole mounted 400 watt lamp fixtures at public parking and exterior work areas at the District's facilities. Five pole mounted fixtures will be retrofitted at the CMD office and maintenance shop. Four pole mounted fixtures will be retrofitted at the public parking lot at the Cherokee Ridge Golf Course.</p> <p>Nine (9) 400 watt, eight (8) existing wall mounted fixtures (70 to 400 watts each) and two (2) 70 watt mercury vapor lamps (mast mounted) will be replaced with LED lamp assemblies that have a comparable light output. The 400 watt lamps would be replaced with an 85 watt LED assembly and the other wall and mast mounted fixtures would be replaced with one 30 or 50 watt LED assembly at each location. The two (2) 70 watt mercury vapor lamps at the Terminal Ave. Pump Station will be replaced with one (1) LED lamp assembly.</p> <p>The objective is to reduce energy consumption by over 50% which would reduce the carbon footprint relative to lights presently in use. Existing lamps have a design life of no more than 40,000 hours while LED lamps are anticipated to have a useful life of at least 100,000 hours. This increase in lamp life reduces the District's cost of service to its constituents for independent contractor service and expenditures for electric energy. Implementation would consist of design, procurement and installation. Fixture selection for this retrofit project will be those fixtures which are normally continuously energized during all non-daylight hours.</p>
<p>Expected Environmental and/or Public Health Benefits</p>	<p>Refer to Attachment CMD-1 for a tabulation of the lighting fixture locations, characteristics and expected environmental impacts and benefits.</p> <p>Summary: Annual Estimated Energy Savings = 21,500 kWh Annual Estimated Energy Cost Savings = \$1,726 Annual Estimated Maintenance Cost Savings = \$338</p> <p>Discussion:</p> <p>This project would reduce energy consumption by over 21,500 kWh per year. This represents an annual reduction of 12.9 to 25.8 tons of CO₂ depending on generation mix.</p> <p>All of the lamps proposed for retrofitting in this First Party SEP are provided power from Colorado Springs Utilities, billed directly to the Cherokee Metropolitan District in accordance with the current commercial rate tariff. There is an annual energy cost savings of \$1,726 to be realized under the current rates and assumptions of use recited in Attachment CMD-1. This cost savings will be directly reflected as a reduction in the Cherokee Metropolitan District (CMD) cost of service to its constituents. It is a comparatively small incremental reduction as the total CMD use of funds for operations in 2013 was approximately \$10,300,000 exclusive of capital improvements and additions, renewals and replacements.</p> <p>Maintenance requirements will be reduced by more than 50% based on the expected useful added life cycle of the LED lamp assemblies noted above, recognizing reductions in maintenance vehicle use and disposal of MH lamps. The proposed LED lamp assemblies are rated at a useful life of 100,000. The estimated savings in reduced maintenance cost due to the longer useful life of the LED light assemblies likewise will be reflected in a reduced cost of service to the District's constituents. The annual savings in maintenance cost as a result of this SEP are not significant in relation to the District's total expenditures for operations reflected above.</p>

EXHIBIT B

	Existing high pressure sodium and mercury vapor lamps removed from the District's facilities will be reused if possible and mercury vapor lamps will be disposed of using federal guidelines.		
Project Budget	Refer to the Budget Discussion below and Attachment CMD-1.		
	Category	Description	Cost
	Personnel - Salaries, Wages. (Include rates and # of hrs.)	CMD Superintendent-Direct time spent on project management, evaluation of contractor proposals & management of accounts payable: 30 hrs @ \$60	\$ 1,800
	Materials and Supplies		
	Equipment		
	Contractors/ Subcontractors	Electrical contractor labor, equipment and materials	\$11,361
		GMS, Inc. Engineering Consultants	\$ 2,500
	Other Direct Costs	Publication of Request for proposals; Final report to CMD constituents	\$ 800
Total:		\$16,461	
Budget Discussion	<ul style="list-style-type: none"> • Describe how all costs were determined and how they relate to the project. All project costs must be clearly and solely attributable to the proposed SEP and cannot include administrative overhead or indirect expenses. <ul style="list-style-type: none"> ○ The project costs have been developed from electrical contractor quotations for work at the Cherokee Ridge Golf Course and extrapolated to work at the CMD office and maintenance facility. The project budget does not include any general and administrative overhead or indirect expenses. It includes only costs directly associated with performance/implementation of the project. Refer to Attachment CMD-2. • Quantify any financial or other benefit (i.e. maintenance costs) to the regulated entity resulting from the implementation of this project. <ul style="list-style-type: none"> ○ The estimated total annual cost savings from this project is \$2,064 (including \$1,726 in energy costs and \$338 in maintenance costs) providing an 8 year payback period. The savings in energy costs at the CMD facilities will directly impact the cost of service to the CMD constituents. • Describe the availability of funding for this project from sources other than SEP contributors. Include sources of funding, secured and applied for, directly related to this SEP. <ul style="list-style-type: none"> ○ The funding for this project will be provided solely by the regulated entity, the CMD. No other funding source will be available or utilized. <p>This project as developed will not be completed without this funding: Replacements will be converted as part of routine maintenance or capital upgrades without LED lighting.</p>		
Project Schedule	Activities and Deliverables	Staff Responsible	Due Date
	Proposed Start Date	Art Sintas, Superintendent, Cherokee Metropolitan District (CMD)	Within 30 days of the effective date of the Consent Order
	Solicit and receive contractor proposals for labor, equipment and materials	Project Manager, GMS, Inc., Consulting Engineers	May 5, 2014
	Award contract for retrofit of MH fixtures with LED lamp assemblies	Board of Directors, CMD	June 11, 2014

EXHIBIT B

	Initiate construction contract implementation, commence LED lamp assembly installations	Electrical Contractor TBD	July 7, 2014
	Biannual Status Report Due Date	CMD Superintendent & GMS, Inc. Project Manager	July 30, 2014
	Projected Completion Date	CMD Superintendent & GMS, Inc. Project Manager	November 30, 2014
	SEP Completion Report Due	CMD Superintendent & GMS, Inc. Project Manager	December 30, 2014
Reporting Requirements	<p><u>Biannual Status Reports</u></p> <p>The CMD will submit a semiannual project status report to the Department's SEP Coordinator. Status reports will include the following information reported on the Department's Status Report Form:</p> <ul style="list-style-type: none"> • A description of activities completed to date; • A budget summary table listing funds expended to date by budget category; and • A discussion of any anticipated changes to the project scope or timeline. <p><u>SEP Completion Report</u></p> <p>The SEP Completion report will be submitted within 30 days of project completion and contain at a minimum:</p> <ul style="list-style-type: none"> • A detailed description of the project as implemented; • A summary table identifying project deliverables and tasks along with the associated completion date; • A description of any operating problems encountered and the solutions thereto; • A full expense accounting including itemized costs, documented by copies of purchase orders, contracts, receipts or canceled checks; • Certification and demonstration that the SEP has been fully implemented pursuant to the provisions of the Settlement Agreement aka Compliance Order on Consent and this SEP Agreement; • A description of the environmental and public health benefits resulting from implementation of the SEP along with quantification of the outcomes and benefits; <p>Additional information will include:</p> <ul style="list-style-type: none"> • Examples of brochures, educational or outreach materials developed or produced as part of the SEP; and • Photographs documenting the project. 		

EXHIBIT B

<p>Other Relevant Information</p>	<p>The CMD will execute this project using competitively procured proposals from qualified electrical contractors. The cost of the contractors work and any other direct project related costs will be documented and reported to CDPHE in the Final SEP Report. The CMD proposes to apply the cost of this project at a ratio of 1.5 to 1 to the monetary penalty agreed with the Colorado Department of Public Health and Environment. With an estimated project cost of \$16,461, the offset to the monetary penalty assessed will be \$10,974.</p> <p>This project is not required by any local land use regulation, building code or utility purveyor requirement. The CMD's constituents will realize the benefit of reduced cost of energy for lighting the public facilities of the District. There will be a reduced greenhouse gas (CO₂) emission as the result of reduced energy required to service the District facilities.</p>
<p>Has the applicant entered into any prior commitments to fund or implement this project, voluntary or otherwise? If yes, please explain.</p>	<p>No</p>

ATTACHMENT CMO-2012-2014 COMPLIANCE ORDER EXHIBIT B

Cherokee Metropolitan District
2012-2014 Compliance Order
FIRST PARTY SEP - LED Lamp Replacement SEP at CMD Facilities

Current Fixture	Type	Metal Halide Mercury Vapor Pump Station 70x2	Metal Halide Pole-HPS Office-Parking 400	Metal Halide Pole-HPS CRGC 468	Metal Halide Pole-HPS Office-Vehicle Doors 150	Metal Halide Pole-HPS Office-Vehicle Doors 185	Metal Halide Pole-HPS Office-Vehicle Doors 70	Metal Halide Pole-HPS CRGC-Storage 400	Metal Halide Pole-HPS CRGC-Storage 468	Total
Power Consumption (watts)	LED	173	468	468	468	468	468	468	468	94
Proposed Fixture	LED	173	468	468	468	468	468	468	468	94
Power Consumption (watts)	LED	50	85	85	85	85	85	85	85	50
Power Consumption (watts)	LED	38	58	58	58	58	58	58	58	38
Quantity		1	5	4	4	4	2	1	1	18
Annual Estimated Energy Savings (kWh)		173	468	468	468	468	468	468	468	94
Power Consumption (watts)		38	58	58	58	58	58	58	58	38
Proposed Fixture		135	410	410	410	410	410	410	410	56
Energy Savings (watts/fixture)		4,289	4,289	4,289	4,289	4,289	4,289	4,289	4,289	4,289
Annual Operating Hours (h)		579	1,758	1,758	1,758	1,758	1,758	1,758	1,758	240
Energy Savings (kWh/fixture)		1	4	4	4	4	2	1	1	1
Quantity		579	8,792	7,034	2,522	575	1,758	240	240	21,500
Annual Est. Energy Savings (kWh)		579	8,792	7,034	2,522	575	1,758	240	240	\$ 0.766 = \$kWh Reduced
Annual Estimated Energy Cost Savings		\$0.0803	\$0.0803	\$0.0803	\$0.0803	\$0.0803	\$0.0803	\$0.0803	\$0.0803	\$1,726.41
Annual Est. Energy Savings (kWh)		\$46.49	\$705.99	\$564.79	\$202.50	\$46.15	\$141.20	\$19.29	\$19.29	\$1,726.41
Annual Est. Energy Cost Savings (kWh)		\$402.50	\$402.50	\$402.50	\$392.50	\$392.50	\$392.50	\$392.50	\$392.50	\$392.50
Estimated Lamp Life (hours)		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Annual Operating Hours (h)		4,289	4,289	4,289	4,289	4,289	4,289	4,289	4,289	4,289
Lamp Replacement Interval (yrs)		9.33	9.33	9.33	9.33	9.33	9.33	9.33	9.33	9.33
Annual Replacement Cost per Fixture		\$43.69	\$43.16	\$43.16	\$42.82	\$42.82	\$42.08	\$43.16	\$42.08	\$42.08
Quantity		1	5	4	4	2	1	1	1	1
Total Annual Replacement Cost		\$43.69	\$215.78	\$172.82	\$170.48	\$84.17	\$43.16	\$42.08	\$42.08	\$171.98
Proposed Fixture		\$557.50	\$577.50	\$577.50	\$557.50	\$557.50	\$557.50	\$557.50	\$557.50	\$557.50
Lamp Replacement Cost		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Estimated Lamp Life (hours)		4,289	4,289	4,289	4,289	4,289	4,289	4,289	4,289	4,289
Annual Operating Hours (h)		23.32	23.32	23.32	23.32	23.32	23.32	23.32	23.32	23.32
Lamp Replacement Interval (yrs)		\$23.91	\$24.77	\$24.77	\$23.91	\$23.91	\$21.55	\$24.77	\$23.91	\$23.91
Annual Replacement Cost per Fixture		1	5	4	4	2	1	1	1	1
Quantity		\$23.91	\$123.84	\$99.07	\$95.64	\$43.10	\$24.77	\$23.91	\$23.91	\$23.91
Total Annual Replacement Cost		\$19.78	\$91.94	\$73.55	\$74.84	\$41.06	\$18.30	\$18.17	\$18.17	\$337.74
Annual Est. Maintenance Cost Savings										

(1) Based on average operating time of 11.75 hours per day
Winter solstice = 4:45 pm to 8:45 am (MST) = 14 hrs; Summer solstice = 8:45pm to 6:15 am (MDT) = 8.5 hrs; Avg = 11.75 hrs

(2) Energy Cost Calculation Based on CSU Rates as of Sept 2013

Access Charge (\$A/W/h) = \$0.0532
Supply Charge (\$A/W/h) = \$0.0289
Electric Cost Adjustment (ECA) (\$A/W/h) = \$0.0010
Capacity Charge (\$A/W/h) = \$0.0002
Energy Cost (\$A/W/h) = \$0.0803

(3) CSU's rate card for street lights is based on 100 watt fixtures per month. The current charges, as of Jan 1, 2014, for 100 watt fixtures are:
100 Watt Metal Halide (MH) - Operational = \$12.42; Current Annual User Charge = \$1,709.28
100 Watt Equivalent LED - Operational = \$12.14; Future Annual User Charge with LED Retrofit = \$4,061.70; \$107.52 per year less than existing MH based lighting.

EXHIBIT B

**SUPPLEMENTAL ENVIRONMENTAL PROJECTS (SEP)
FIRST PARTY PROPOSAL/AGREEMENT**

The regulated entity, identified below, submits the following SEP application to the Colorado Department of Public Health and Environment (the department) for SEP consideration.

Enforcement Action Information	Cherokee Metropolitan District Case No.: MC-14xxxx-x
Regulated Entity Contact Information	Sean Chambers, General Manager Cherokee Metropolitan District 6250 Palmer Park Boulevard Colorado Springs, CO 80915 Office Phone: 719-597-5080 E-mail Address: SChambers@cherokeemetro.org
CDPHE Contact Person	Rachel Wilson-Roussel, Supplemental Environmental Projects Coordinator, 303-692-2976, rachel.wilson-roussel@state.co.us -and- Mike Harris, WQCD Compliance and Enforcement Unit Manager, 303-692-3598, michael.harris@state.co.us
Geographical Area to Benefit Most Directly From Project	Westerly portion of Cherokee Metropolitan District Street Light Service Area provided electric power by Colorado Springs Utilities
Project Title	LED Streetlight Project
Project Type	First Party SEP
SEP Category	Pollution Prevention
Project Summary	This project would replace 41 existing high pressure sodium or mercury vapor (metal halide) streetlight lamps with high efficiency LED lamps. Energy consumption would be reduced by over 50 percent and the driving public and impacted pedestrians would have improved lighting. Hazard exposure to lighting maintenance personnel would be reduced because of longer LED lamp life.

EXHIBIT B

<p align="center">Project Description</p>	<p>This project would replace forty-one (41) 100 watt high pressure sodium (HPS) or mercury vapor ornamental exterior light fixtures with LED lamp assemblies using less than one half of the energy for an equivalent light output. The locations selected for consideration in this project include a residential collector street (Piros Drive) at a school campus, 100 watt fixtures on Palmer Park Boulevard west of Peterson Road and street lights in the Cimarron Industrial Park. In addition, 100 watt fixtures at Hathaway Drive and Peterson Road between Palmer Park Blvd and Galley Road are considered in this project.</p> <p>The objective is to reduce energy consumption by over 50% which would reduce the carbon footprint relative to lights presently in use. Existing lamps have a design life of 40,000 hours while LED lamps are anticipated to last 100,000 hours. This increase in lamp life reduces maintenance vehicle usage for replacement and lowers maintenance crew exposure to vehicle hazards while working in the roadway. Implementation would consist of design, permitting, materials ordering and installation.</p> <p>Colorado Springs Utilities Energy Services Division will coordinate and administer the project with all labor, equipment and materials being furnished by and through Colorado Springs Utilities. This will be done initially with a unit priced, time and materials work order arrangement between CSU and CMD. The work order will be jointly developed and administered by CSU and CMD to fit the desired expenditure with the greatest benefit to the Cherokee Metropolitan District service area.</p>
<p align="center">Expected Environmental and/or Public Health Benefits</p>	<p>Calculated Benefits:</p> <p>Refer to Attachment CSU-1 for a demonstration of the estimated annual energy and energy consumption cost savings from this SEP. This attachment also shows the calculated annual savings in maintenance costs as a result of implementation of this SEP.</p> <p>Summary: Annual Estimated Energy Savings = 10,709 kWh Annual Calculated Energy Cost Savings = \$860 Annual Calculated Maintenance Cost Savings = \$1,009</p> <p>These cost savings would only be realized if CMD was paying the energy consumption charges and maintenance costs directly. However, CMD pays Colorado Springs Utilities on a per lamp per month basis. See actual benefits discussion below.</p> <p>Actual Benefits:</p> <p>This project will reduce energy consumption by approximately 10,709 kWh per year. This represents an annual reduction of 7 to 13 tons of CO₂ depending on generation mix. Maintenance vehicle use and associated CO₂ production will be reduced by more than 50% based on the expected lamp life extension noted above. If the existing metal halide lamps have an effective service life of 40,000 hours, the maintenance vehicle and labor requirements may well be 60% less when this SEP using LED lamp assemblies is implemented.</p> <p>The major environmental benefit of this SEP is the reduction in energy consumption and the related environmental effects from power generation with fossil fuels.</p> <p>Because CMD pays for streetlights on a per lamp per month basis, the calculated cost savings from lower energy consumption and maintenance costs listed above will not be realized. CMD's actual cost savings will be approximately \$142.20 per year from the implementation of this SEP. Additional details can be found in the Budget Discussion section.</p> <p>Existing high pressure sodium lamp heads removed from the system will be reused if possible and mercury vapor lamps will be disposed of using federal guidelines. Existing</p>

EXHIBIT B

	mercury vapor lamps have been and will be permanently removed from service in the CSU system.				
Project Budget	Refer to Attachment CSU-2 for the preliminary work order and contract with Colorado Springs Utilities.				
	Budget Category	Description	SEP Funds	Matching Funds	Total Cost
	Personnel (Salaries, Wages)	Lineman, apprentice, barricading, supervision, reporting	\$9,555		\$9,555
	Materials and Supplies	100 watt equivalent LED fixtures	\$10,257		\$10,257
	Major Equipment	Bucket truck, material truck	\$492		\$492
	Contractors/ Subcontractors	NONE – Install by Colorado Springs Utilities	\$0		\$0
	Other Direct Costs	Minor materials used and disposal of existing MH Lamps			
	Total:			\$20,304	\$0
Budget Discussion	<p>Note: Budget based on Colorado Springs Utilities preliminary contract issued March 20, 2014. See Attachment CSU-2.</p> <p>The comparatively low annual energy expenditures avoided with implementation of this SEP are a result of the selection of 100 watt rated lamps for retrofitting in the project. The 100 watt fixtures were selected because, under the current rate tariff, this is the only street light installation resulting in a user charge equal to or less than that for metal halide lamp installations. The District has sought to avoid an increase in on-going operations cost as a result of this SEP. Please refer to the footnotes on Attachment CSU-1.</p> <p>Although Colorado Springs Utilities has indicated the unit charge for LED street light installations will likely be reduced in the future, the amount and schedule or timing of that possible rate reduction is undefined. Thus, the District deems it most prudent to pursue retrofitting those installations which will not immediately adversely impact the District cost of service to its customers.</p> <p>As of January 1, 2014, the rate for high pressure sodium and LED lamp assemblies was \$12.42 and \$12.14 per month per pole respectively for ornamental pole installations. The current rate schedule provides for the 100 watt equivalent LED lamps on an "ornamental" pole to be \$3.36 per year per pole less cost to the District than the existing 100 watt metal halide installations.</p> <p>The classification of "ornamental" installations includes the common aluminum pole with either a mast arm or top mounted luminaire. The "Colonial" fixture identified in Attachment CSU-1 is a top mounted luminaire in a hooded four-sided fixture requiring a LED lamp assembly having a current retail cost exceeding that for a similar "cobrahead" fixture.</p> <p>This project as developed will not be completed without this funding. Replacements will be covered as part of routine capital upgrades without LED lighting in accordance with current tariffs. There are no local land use regulations, CMD service plan requirements or regulations of the electric utility which requires the CMD to initiate this project.</p>				

EXHIBIT B

	Activities	Staff Responsible	Date
Project Schedule and Work Plan	Project Start Date	Colorado Springs Utilities (CSU), Energy Services Division	May 19, 2014
	Material delivery	CSU, Energy Services Division	July 31, 2014
	Status Report(s) Due to CDPHE	CMD Superintendent & GMS, Inc. Project Manager	August 15, 2014
	Projected Completion Date	CSU and CMD Superintendent	November 30, 2014
	SEP Completion Report Due to CDPHE	CMD Superintendent & GMS, Inc. Project Manager	December 20, 2014
	Other Relevant Information	<p>This project is not required by any local land use regulation, building code or utility purveyor requirement. The CMD's constituents will not immediately realize the benefit of reduced cost of energy for lighting in the District until CSU accomplishes a cost of service study with the latest in LED lamp technology considered. There will be reduced greenhouse gas (CO₂) emissions as the result of reduced energy required to service the District facilities</p>	
Reporting Requirements	<p><u>Biannual Status Reports</u></p> <p>The CMD SEP Administrator will submit a biannual project status report to the department's SEP Coordinator. Status reports will include the following information:</p> <ul style="list-style-type: none"> • A description of activities completed to date; • A budget summary table listing funds expended to date by budget category; and • A discussion of any anticipated changes to the project scope or timeline. <p><u>Final SEP Completion Report</u></p> <p>The SEP Completion report will be submitted within 30 days of project completion and contain at a minimum:</p> <ul style="list-style-type: none"> • A detailed description of the project as implemented; • A summary table identifying project deliverables and tasks along with the associated completion date; • A description of any operating problems encountered and the solutions thereto; • A full expense accounting including itemized costs, documented by copies of purchase orders, contracts, receipts or canceled checks; • Certification and demonstration that the SEP has been fully implemented pursuant to the provisions of the Settlement Agreement aka Compliance Order on Consent and this SEP Agreement; • A description of the environmental and public health benefits resulting from implementation of the SEP along with quantification of the outcomes and benefits; • Examples of brochures, educational or outreach materials developed or produced as part of the SEP; and • Photographs documenting the project. 		

ATTACHMENT CSU-1
EXHIBIT B

Cherokee Metropolitan District
2012-2014 Compliance Order
LED Lamp Replacement SEP

<u>Current Fixture</u>				<u>Total</u>		
	Type	Metal Halide Cobrahead	Metal Halide Colonial			
	Watt Rating	100	100			
	Power Consumption (watts)	127	118			
<u>Proposed Fixture</u>						
	Type	LED Cobrahead	LED Colonial			
	Wattage					
	Power Consumption (watts)	66	58			
	Quantity	37	4	41		
<u>Annual Estimated Energy Savings (kWh)</u>						
	Power Consumption (watts)					
	Current Fixture	127	118			
	Proposed Fixture	66	58			
	Energy Savings (watts/fixture)	61	60			
	Annual Operating Hours ⁽¹⁾	4,289	4,289			
	Energy Savings (kWh/fixture)	262	257			
	Quantity	37	4			
	Annual Est. Energy Savings (kWh)	9,680	1,029	10,709	129%	\$ 1.896 =\$/KWH Reduction
<u>Annual Estimated Energy Cost Savings</u>						
	Annual Est. Energy Savings (kWh)	9,680	1,029			
	Energy Cost (\$/kWh) ⁽²⁾	<u>\$0.0803</u>	<u>\$0.0803</u>			
	Annual Est. Energy Cost Savings ⁽³⁾	\$777.28	\$82.65	\$859.93		
<u>Annual Estimated Maintenance Cost Savings</u>						
<u>Current Fixture</u>						
	Lamp Replacement Cost	\$412.50	\$462.50			
	Estimated Lamp Life (hours)	40,000	40,000			
	Annual Operating Hours ⁽¹⁾	4,289	4,289			
	Lamp Replacement Interval (yrs)	9.33	9.33			
	Annual Replacement Cost per Fixture	\$44.23	\$49.59			
	Quantity	37	4			
	Total Annual Replacement Cost	\$1,636.43	\$198.35			
<u>Proposed Fixture</u>						
	Lamp Replacement Cost	\$450.00	\$650.00			
	Estimated Lamp Life (hours)	100,000	100,000			
	Annual Operating Hours ⁽¹⁾	4,289	4,289			
	Lamp Replacement Interval (yrs)	23.32	23.32			
	Annual Replacement Cost per Fixture	\$19.30	\$27.88			
	Quantity	37	4			
	Total Annual Replacement Cost ⁽³⁾	\$714.08	\$111.51			
	Annual Est. Maintenance Cost Savings	\$922.35	\$86.85	\$1,009.20		

(1) Based on average operating time of 11.75 hours per day

Winter solstice = 4:45 pm to 6:45 am (MST) = 14 hrs; Summer solstice = 8:45pm to 6:15 am (MDT) = 9.5 hrs;

(2) Energy Cost Calculation Based on CSU Rates to CMD Sept 2013

Access Charge (\$/kWh) = \$0.0532

Supply Charge (\$/kWh) = \$0.0269

Electric Cost Adjustment (ECA) (\$/kWh) = -\$0.0010

Capacity Charge (\$/kWh) = \$0.0012

Energy Cost (\$/kWh) = \$0.0803

(3) CSU's rate tariff for street lights is based on Charge per pole per month. The current charges, as of Jan 1, 2014, for 100 watt fixtures are:

100 Watt Metal Halide (MH) - Ornamental = \$12.42; Current Annual User Charge = \$4,769.28

100 Watt Equivalent LED - Ornamental = \$12.14; Future Annual User Charge with LED Retrofit = \$5,972.88; \$142.20 per year less than existing MH based charge.

EXHIBIT B
ATTACHMENT CSU-2

Colorado Springs Utilities
Contract for Time and Material
Third Party Billing

WHEREAS, the undersigned Applicant requests Springs Utilities (SU), to provide labor, services, materials and equipment, as described below, or on exhibits or addenda attached hereto and incorporated herein by reference for Applicant's benefit at the location commonly known as: **CHEROKEE METROPOLITAN DISTRICT.**

IT IS HEREBY AGREED that Applicant shall deposit with SU on or before 05/04/2014, as a condition precedent to SU's obligation to provide said labor, services, materials and equipment, the sum of \$20,303.55, which is the estimated cost of said labor, services, materials and equipment. This estimated sum is based upon a preliminary survey and analysis of the project as described by the Applicant. It is understood and agreed that the above estimated cost is subject to revision based upon the actual cost, as determined by SU after completion of the project. Applicant agrees to pay the actual cost of the project in full, as determined by SU, within ten (10) days after completion of the project and final billing. In the event the deposit is determined to be greater than the actual cost, as finally determined, SU shall refund the difference within thirty (30) days of completion of the project and final billing. In the event Applicant fails to pay the actual cost within ten (10) days after final billing, SU shall have the right to recover the actual costs, damages, including incidental and consequential damages, costs of collection, attorney's fees and interest on the amount owing at the statutory rate under Colorado law.

SU, its employees and agents, shall have the right to enter upon the Applicant's property, as described below, at all reasonable hours as necessary to provide the labor, services, materials and equipment described herein.

Applicant warrants and represents to SU that the individual executing this Contract on behalf of the Applicant has authority to bind the Applicant, its successors and assigns.

The laws of the State of Colorado shall apply to this Contract for Time and Material and the construction or enforcement thereof.

In the event the Applicant requests a modification to the labor, materials, services and equipment described below, or in the event it is necessary for SU to perform additional or other labor, services, materials and equipment to complete the project, the Applicant agrees to pay for the additional costs and payment thereof will be made in accordance with the terms of this Contract. The Applicant or the Applicant's representative shall execute a contract addendum describing additional labor, services, materials and equipment as requested or required by SU, upon request of SU. SU shall have discretion to require additional amounts be paid, or the entire cost of additional labor, services, materials and equipment be paid prior to commencement of work on such additions or modifications.

EXHIBIT B

Location of Job: CHEROKEE METROPOLITAN DISTRICT

Type of Service Requested: REPLACE 41 STREETLIGHT LUMINAIRES WITH LED LUMINAIRES

Charges

Total Material including credit and handling charges	\$0.00
Total Labor Charges	\$9,554.96
Total Tool & Vehicle Charges	\$491.59
Total	<u>\$10,046.55</u>
Additional Charges	+ \$10,257.00
Total Job Cost	\$20,303.55
Customer Credit	- \$0.00
Total Amount Due	<u>\$20,303.55</u>

Special instructions on billing:

Ginny Halvorson Energy Services

Applicant

20-Mar-2014
Date

By: _____
Title

2680028-01
Work Order Number

Company Name

Address

City, State, Zip Code

Date Phone Number

FE-16
7/25/95

EXHIBIT B
SUPPLEMENTAL ENVIRONMENTAL PROJECTS (SEP)
FIRST PARTY PROPOSAL/AGREEMENT

The regulated entity, identified below, submits the following SEP application to the Colorado Department of Public Health and Environment (the department) for SEP consideration.

Enforcement Action Information	Cherokee Metropolitan District Case No.: MC-14xxxx-x
Regulated Entity Contact Information	Sean Chambers, General Manager Cherokee Metropolitan District 6250 Palmer Park Boulevard Colorado Springs, CO 80915 Office Phone: 719-597-5080 E-mail address: SChambers@cherokeemetro.org
CDPHE Contact Person	Rachel Wilson-Roussel, Supplemental Environmental Projects Coordinator, 303-692-2976, rachel.wilson-rousseau@state.co.us -and- Mike Harris, WQCD Compliance and Enforcement Unit Manager, 303-692-3598, michael.harris@state.co.us
Geographical Area to Benefit Most Directly From Project	Easterly portion of Cherokee Metropolitan District Street Light Service Area provided electric power by Mountain View Electric Association
Project Title	LED Streetlight Project
Project Type	First Party SEP
SEP Category	Pollution Reduction, Public Health and Safety
Project Summary	This project would replace 15 existing high pressure sodium or mercury vapor (metal halide) streetlight lamps with high efficiency LED lamp assemblies. Energy consumption would be reduced by approximately 60 percent and the driving public and impacted pedestrians would have improved lighting. Hazard exposure to lighting maintenance personnel would be reduced because of longer LED lamp life.

EXHIBIT B

<p style="text-align: center;">Project Description</p>	<p>This project would replace no less than 15 metal halide street light luminaires with LED lamp assemblies using less than one half of the energy for an equivalent light output. The intent is to replace existing 400 watt fixtures with LED heads that have a comparable light output. The locations to be selected are along major and minor arterial roadways and collector streets where the public roadway users may have the maximum benefit from the project.</p> <p>The objective is to reduce energy consumption by approximately 60% which would reduce the carbon footprint relative to lights presently in use. Existing lamps have a design life of 40,000 hours while LED lamps are anticipated to last 100,000 hours. This increase in lamp life reduces maintenance vehicle usage for replacement and lowers maintenance crew exposure to vehicle hazards while working in the roadway. Implementation would consist of design, permitting, materials ordering and installation.</p> <p>The Mountain View Electric Association (MVEA) will implement the project with all labor, equipment and materials being furnished by and through MVEA. This will be done initially with a unit priced, time and materials work order arrangement between MVEA and CMD. The work order will be jointly developed and administered by MVEA and CMD to fit the desired expenditure with the greatest benefit to the Cherokee Metropolitan District service area.</p>
<p style="text-align: center;">Expected Environmental and/or Public Health Benefits</p>	<p>Calculated Benefits:</p> <p>Refer to Attachment MVEA-1 for a demonstration of the estimated annual energy and energy consumption cost savings from this SEP. This Attachment MVEA-1 also shows the calculated annual savings in maintenance costs as a result of implementation of this SEP.</p> <p>Summary: Annual Estimated Energy Savings = 15,214 kWh Annual Calculated Energy Cost Savings = \$1,655 See Below Annual Calculated Maintenance Cost Savings = \$366</p> <p>The calculated cost savings would only be realized if CMD was paying the energy consumption charges and maintenance costs directly. However, CMD pays Mountain View Electric on a per lamp per month basis. See actual benefits discussion below.</p> <p>Actual Benefits</p> <p>This project will reduce energy consumption by approximately 15,214 kWh per year. This represents an annual reduction of 9.1 to 18.3 tons of CO₂ depending on generation mix. Maintenance vehicle usage and associated CO₂ production will be reduced by more than 50% based on the expected lamp assembly life extension noted above.</p> <p>The MVEA does not presently have a different tariff for LED street lighting. Based on discussions with the MVEA management and Directors, there will be a rate study accomplished in the near future. In the meantime, as this SEP is implemented by the MVEA, the current rate tariff for street lighting will apply. This is a unit charge per pole, without a direct relationship to energy consumption. While there is not expected to be any actual cost savings as a result of this SEP, there will be an energy consumption reduction with implementation of this SEP.</p> <p>The reduction in maintenance vehicle operation should be reasonably directly proportional to the difference in service life for the LED lamp assemblies as compared to the metal halide lamps. Based on comparative service life cycles of 40,000 and 100,000 hours respectively for metal halide and LEDs, the maintenance vehicle operation will be reduced more than 50 percent.</p>

EXHIBIT B

	<p>Existing high pressure sodium lamp heads removed from the system will be reused if possible and mercury vapor lamps will be disposed of using federal guidelines. Mercury vapor lamps will be removed from service in the MVEA public street and security lighting system.</p>				
Project Budget	Refer to Attachment MVEA-1				
	Budget Category	Description	SEP Funds	Matching Funds (if any)	Total Cost
	Personnel (Salaries, Wages)	Lineman, apprentice, barricading, supervision, reporting	\$2,720		\$2,720
	Materials and Supplies	20- 400 watt equivalent LED pole mounted fixtures	\$9,750		\$9,750
	Major Equipment	Bucket truck, material truck	\$1,000		\$1,000
	Contractors/ Subcontractors	NONE - Install by MVEA staff using MVEA equipment	\$0		\$0
	Other Direct Costs	Minor materials used and disposal of existing MH Lamps	\$400		\$400
	Total:	\$13,870	\$0	\$13,870	
Budget Discussion	<p>Note: Budget based on \$650 per lamp with MVEA engineering and procurement support.</p> <p>The project budget for this SEP to be implemented by the MVEA was based on the unit cost of retrofitting similar existing metal halide street light installations as presented by the EPCDOT. As the final work order is developed with the MVEA, the scope of work will be adjusted to provide for an expenditure conforming to the requirements of the CDPHE. In general, the scope of work will be adjusted if necessary to provide for a monetary contribution to this "first party" project in an amount no less than that shown in the referenced budget.</p> <p>As indicated in the discussion of environmental benefits of this SEP, there is no known financial benefit to the Cherokee Metropolitan District. As of this time, the MVEA will be assessing the same user charges for the LED street lights as are now billed for the metal halide installations. The MVEA has indicated they will be doing a rate study to assess the cost of the LED street light installations. There is no indication if the resulting user charge will be less or more than that assessed for metal halide street light installations.</p> <p>This project as developed will not be completed without this funding. Replacements will be covered as part of routine capital upgrades without LED lighting in accordance with current tariffs. There are no local land use regulations, CMD service plan requirements or regulations of the electric utility which requires the CMD to initiate this project.</p>				
Project Schedule and Work Plan	Activities	Staff Responsible	Date		
	Project Start Date	Cherokee/ MVEA	May 5, 2014		
	Material delivery	MVEA	July 1, 2014		
	Status Report(s) Due to CDPHE	CMD Superintendent & GMS, Inc. Project Manager	August 15, 2014		
	Projected Completion Date	MVEA and CMD Superintendent	November 30, 2014		

EXHIBIT B

	SEP Completion Report Due to CDPHE	CMD Superintendent & GMS, Inc. Project Manager	December 20, 2014
Other Relevant Information	<p>This project is not required by any local land use regulation, building code or utility purveyor requirement. The CMD's constituents will not immediately realize the benefit of reduced cost of energy for lighting in the District until MVEA accomplishes a cost of service study with the latest in LED lamp technology considered. There will be reduced greenhouse gas (CO₂) emissions as the result of reduced energy required to service the District facilities</p>		
Reporting Requirements	<p><u>Biannual Status Reports</u></p> <p>The CMD SEP Administrators will submit a biannual project status report to the department's SEP Coordinator. Status reports will include the following information:</p> <ul style="list-style-type: none"> • A description of activities completed to date; • A budget summary table listing funds expended to date by budget category; and • A discussion of any anticipated changes to the project scope or timeline. <p><u>Final SEP Completion Report</u></p> <p>The SEP Completion report will be submitted within 30 days of project completion and contain at a minimum:</p> <ul style="list-style-type: none"> • A detailed description of the project as implemented; • A summary table identifying project deliverables and tasks along with the associated completion date; • A description of any operating problems encountered and the solutions thereto; • A full expense accounting including itemized costs, documented by copies of purchase orders, contracts, receipts or canceled checks; • Certification and demonstration that the SEP has been fully implemented pursuant to the provisions of the Settlement Agreement and this SEP Agreement; • A description of the environmental and public health benefits resulting from implementation of the SEP along with quantification of the outcomes and benefits; • Examples of brochures, educational or outreach materials developed or produced as part of the SEP; and • Photographs documenting the project. 		

EXHIBIT B
ATTACHMENT MVEA-1

Cherokee Metropolitan District
2012-2014 Compliance Order
Mountain View Electric Association (MVEA) LED Lamp Replacement SEP - 04/15/14

Current Fixture

Type	Metal Halide Cobrahead
Watt Rating	400
Power Consumption (watts)-EPCDOT Data	400

Proposed Fixture

Type	LED Cobrahead
Watt Rating	400
Power Consumption (watts)	163.5
Quantity	15

Annual Estimated Energy Savings (kWh)

Power Consumption (watts)			
Current Fixture	400		
Proposed Fixture	163.5		
Energy Savings (watts/fixture)	236.5		
Annual Operating Hours ⁽¹⁾	4,289		
Energy Savings (kWh/fixture)	1,014		
Quantity	15		
Annual Est. Energy Savings (kWh) ⁽⁴⁾	15,214	\$	0.912 =\$/kWh Reduced

Annual Estimated Energy Cost Savings

Annual Est. Energy Savings (kWh)	\$15,214
Energy Cost (\$/kWh) ⁽²⁾	<u>\$0.1088</u>
Annual Est. Energy Cost Savings	\$1,655

Annual Estimated Maintenance Cost Savings

Current Fixture

Lamp Replacement Cost	\$412.50
Estimated Lamp Life (hours)	40,000
Annual Operating Hours ⁽¹⁾	4,289
Lamp Replacement Interval (yrs)	9.33
Annual Replacement Cost per Fixture	\$44.23
Quantity	15
Total Annual Replacement Cost ⁽⁴⁾	\$663.42

Proposed Fixture

Lamp Replacement Cost ⁽²⁾	\$462.50
Estimated Lamp Life (hours)	100,000
Annual Operating Hours ⁽¹⁾	4,289
Lamp Replacement Interval (yrs)	23.32
Annual Replacement Cost per Fixture	\$19.84
Quantity	15
Total Annual Replacement Cost ⁽⁴⁾	\$297.53

Annual Est. Maintenance Cost Savings⁽⁴⁾ \$365.88

- (1) Based on average operating time of 11.75 hours per day
Winter solstice = 4:45 pm to 6:45 am (MST) = 14 hrs; Summer solstice = 8:45pm to 6:15 am (MDT) = 9.5 hrs; Avg = 11.75 hrs
- (2) Comparative MVEA Rates for Commercial General Power = \$0.0725 per kWh Plus Grid Access and Demand Charges
MVEA Small Power Rate schedule, per kWh = \$0.1088
- (3) LED Replacement Lamp Cost =\$125; Equipment Cost =\$150 per hour; Labor Cost = \$75 per hour; 1.5 hours to replace lamp
- (4) MVEA's rate tariff for street lights is based on charge per pole per month. The current charges, as of Jan 1, 2014, for 400 watt fixtures are:
400 Watt Metal Halide (MH) = \$18.90; Current Annual User Charge = \$3,402
400 Watt Equivalent LED rate has not been established pending rate study by MVEA; For purposes of SEP evaluation, assume LED rate tariff is equal to MH rate tariff.
400 Watt Equivalent LED = \$18.90; Future Annual User Charge with LED Retrofit = \$3,402; \$0.00 per year less than existing MH based charge.

EXHIBIT B

**SUPPLEMENTAL ENVIRONMENTAL PROJECTS (SEP)
THIRD PARTY PROPOSAL/AGREEMENT**

The regulated entity, identified below, submits the following SEP application to the Colorado Department of Public Health and Environment (the department) for SEP consideration.

Enforcement Action Information	Cherokee Metropolitan District Case No.: MC-14xxxx-x:	
Regulated Entity Contact Information	Sean Chambers, General Manager Cherokee Metropolitan District 6250 Palmer Park Boulevard Colorado Springs, CO 80915 719-597-5080 SChambers@cherokeemetro.org	
Third Party SEP Administrator Contact	Mr. John Clack El Paso County Department of Public Services 3275 Akers Drive Colorado Springs, CO 80922 Office Phone: 719-520-6851 E-mail address: JohnClack@elpasoco.com	Type of organization: Non-profit* <input type="checkbox"/> Government <input checked="" type="checkbox"/> *If non-profit, please attach a copy of your 501c(3) exemption to this SEP Agreement.
CDPHE Contact Person	Rachel Wilson-Roussel, Supplemental Environmental Projects Coordinator, 303-692-2976, rachel.wilson-roussel@state.co.us -and- Mike Harris, WQCD Compliance and Enforcement Unit Manager, 303-692-3598, michael.harris@state.co.us	
Geographical Area to Benefit Most Directly From Project	Cherokee Metropolitan District Street Light Service Area	
Project Title	LED Streetlight Project	
Project Type	Third Party SEP Donation	
SEP Category	Pollution Reduction, Public Health and Safety	
Project Summary	This project would replace existing 22 high pressure sodium or mercury vapor (metal halide) streetlight lamps with high efficiency LED lamps. Energy consumption would be reduced by approximately 58 percent, the driving public and impacted pedestrians would have improved lighting. Hazard exposure to lighting maintenance personnel would be reduced because of longer LED lamp life.	

EXHIBIT B

<p align="center">Project Description</p>	<p>This project would replace twenty-two (22) 400 watt high pressure sodium (HPS) or mercury vapor street light fixtures with LED lamp assemblies using less than one half of the energy for an equivalent light output. The locations selected for consideration in this project include the following</p> <ul style="list-style-type: none"> Constitution Avenue and Marksheffel Road – Four fixtures Constitution Avenue and Piros Drive – Two fixtures Peterson Road and Piros Drive – Three fixtures Peterson Road and Palmer Park Boulevard – Four fixtures Galley Road and Hathaway Drive – Four fixtures Peterson Road and Galley Road – Three fixtures Peterson Road and Omaha Boulevard – One fixture Palmer Park Boulevard and Winnebago Drive – One fixture <p>The objective is to reduce energy consumption by approximately 58% which would reduce the carbon footprint relative to lights presently in use. Existing lamps have a design life of 24,000 hours while LED lamps are anticipated to last 100,000 hours. This increase in lamp life reduces maintenance vehicle usage for replacement and lowers maintenance crew exposure to vehicle hazards while working in the roadway. Implementation would consist of design, permitting, materials ordering and installation.</p> <p>The El Paso County Department of Public Services, Transportation Division, will coordinate and administer the project with all labor, equipment and materials being furnished by and through El Paso County (EPC). This will be done initially with a unit priced, time and materials work order arrangement between EPC and CMD. The work order will be jointly developed and administered by EPC and CMD to fit the desired expenditure.</p>
<p align="center">Expected Environmental and/or Public Health Benefits</p>	<p>Refer to Attachment EPC-1 for a demonstration of the estimated annual energy and power cost savings from this SEP. This Attachment EPC-1 also shows the estimated annual savings in maintenance costs as a result of implementation of this SEP.</p> <p>Summary: Annual Estimated Energy Savings = 22,145 kWh Annual Estimated Energy Cost Savings = \$2,237 Annual Estimated Maintenance Cost Savings = \$1,028 Payback period: ~ 5.9 years</p> <p>Discussion:</p> <p>This project would reduce estimated energy consumption by 22,145 kWh per year. This represents an annual reduction of 13.3 to 26.6 tons of CO₂ depending on generation mix. Maintenance vehicle usage and associated CO₂ production will be reduced by more than 50% based on the expected life extension noted above.</p> <p>The EPC Department of Transportation has provided information on common replacement lamps for existing HPS fixtures reflecting a useful life of 23,000 hours. The proposed LED lamp assemblies are rated at a useful life of 100,000. Based on this ratio, there will be a reduction of 77% in the frequency or unit use of maintenance equipment when the LED assemblies are put into service.</p> <p>There are 16 of the 22 lamps located in the Mountain View Electric Association service area with 6 of the lamps provided power from Colorado Springs Utilities. Using a weighted energy user charge rate for the 22 lamps proposed for retrofitting, there is an annual energy cost savings of \$2,237 realized. This cost savings will not be passed on</p>

EXHIBIT B

	<p>to the Cherokee Metropolitan District as the subject street lighting fixtures are owned, operated and maintained by El Paso County, completely independent of the Cherokee Metropolitan District street lighting system. The estimated savings in reduced maintenance cost due to the longer useful life of the LED light assemblies likewise will not be passed on to the District's constituents. The energy cost savings are projected from the respective power companies' commercial energy charges applicable in their service areas. The basis of charge to EPC is on a per light basis in accordance with the applicable tariffs.</p> <p>The District's constituents will not necessarily realize and cost benefits from this SEP but will be supporting the benefits of reduced energy consumption and generation of greenhouse gases and improved lighting of public spaces.</p> <p>Existing high pressure sodium lamp heads removed from the system will be reused if possible and mercury vapor lamps will be disposed of using federal guidelines.</p>				
Project Budget	<p align="center">Budget Category</p>	<p align="center">Description</p>	<p align="center">SEP Funds</p>	<p align="center">Matching Funds (if any)</p>	<p align="center">Total Cost</p>
	<p>Personnel (Salaries, Wages)</p>	<p>Lineman, apprentice, barricading, supervision, reporting</p>	<p align="right">\$3,640</p>		<p align="right">\$3,640</p>
	<p>Materials and Supplies</p>	<p>22 – 400 watt equivalent pole mounted LED fixtures</p>	<p align="right">\$13,300</p>		<p align="right">\$13,300</p>
	<p>Major Equipment</p>	<p>Bucket truck, material truck</p>	<p align="right">\$1,800</p>		<p align="right">\$1,800</p>
	<p>Contractors/ Subcontractors</p>	<p>NONE – Install by El Paso County personnel & equipment</p>	<p align="right">\$0</p>		<p align="right">\$0</p>
	<p>Other Direct Costs</p>	<p>Minor materials used and disposal of existing MH Lamps</p>	<p align="right">\$400</p>		<p align="right">\$400</p>
		Total:	<p align="right">\$19,140</p>	<p align="right">\$0</p>	<p align="right">\$19,140</p>
Budget Discussion	<p>This project as developed will not be completed without this funding. Replacements will be covered as part of routine capital upgrades without LED lighting. The project budget total was provided by the El Paso County (EPC) Public Services Department in an electronic mail message of February 15, 2014 from the EPC Project Manager, Mr. John Clack. Refer to Attachment EPC-2. The itemization given above is to be refined with EPC if necessary and will be itemized at project close-out.</p>				
Project Schedule and Work Plan	<p align="center">Activities</p>	<p align="center">Staff Responsible</p>	<p align="center">Date</p>		
	<p>SEP Donation of \$19,140 from Cherokee Metro District to Third Party SEP Administrator, El Paso County</p>	<p>CMD Board of Directors, General Manager & Superintendent</p>	<p>Within 30 days of the effective date of this SEP Agreement.</p>		
	<p align="center">Project Start Date</p>	<p>El Paso County Department of Public Services (EPC)</p>	<p align="center">May 15, 2014</p>		
<p align="center">Material delivery</p>	<p>El Paso County Department of Public Services</p>	<p align="center">July 16, 2014</p>			

EXHIBIT B

	Status Report(s) Due to CDPHE	CMD Superintendent & GMS, Inc. Project Manager	August 15, 2014
	Projected Completion Date	EPC and CMD Superintendent	November 30, 2014
	SEP Completion Report Due to CDPHE	CMD Superintendent & GMS, Inc. Project Manager	December 20, 2014
<p>Other Relevant Information</p>	<p>This project is not required by any local land use regulation, building code or utility purveyor requirement. The CMD's constituents will not realize the benefit of reduced cost of energy for lighting in the District. There will be reduced greenhouse gas (CO₂) emissions as the result of reduced energy required to service the District facilities and improved lighting will enhance vehicular traffic and pedestrian safety.</p>		
<p>Reporting Requirements</p>	<p><u>Biannual Status Reports</u></p> <p>The CMD and EPC SEP Administrator will submit a biannual project status report to the department's SEP Coordinator. Status reports will include the following information:</p> <ul style="list-style-type: none"> • A description of activities completed to date; • A budget summary table listing funds expended to date by budget category; and • A discussion of any anticipated changes to the project scope or timeline. <p><u>Final SEP Completion Report</u></p> <p>The SEP Completion report will be submitted within 30 days of project completion and contain at a minimum:</p> <ul style="list-style-type: none"> • A detailed description of the project as implemented; • A summary table identifying project deliverables and tasks along with the associated completion date; • A description of any operating problems encountered and the solutions thereto; • A full expense accounting including itemized costs, documented by copies of purchase orders, contracts, receipts or canceled checks; • Certification and demonstration that the SEP has been fully implemented pursuant to the provisions of the Settlement Agreement and this SEP Agreement; • A description of the environmental and public health benefits resulting from implementation of the SEP along with quantification of the outcomes and benefits; • Examples of brochures, educational or outreach materials developed or produced as part of the SEP; and • Photographs documenting the project. 		

EXHIBIT B
ATTACHMENT EPC-1

Cherokee Metropolitan District
2012-2014 Compliance Order
El Paso County Public Services Dept. LED Lamp Replacement SEP

Current Fixture

Type	Metal Halide Cobrahead
Watt Rating	400
Power Consumption (watts)-EPCDOT Data	400

Proposed Fixture

Type	LED Cobrahead
Watt Rating-Equivalency per EPCDOT	400
Power Consumption (watts)	165.3
Quantity	22

Annual Estimated Energy Savings (kWh)

Power Consumption (watts)		
Current Fixture	400	
Proposed Fixture	165.3	
Energy Savings (watts/fixture)	234.7	
Annual Operating Hours ⁽¹⁾	4,289	
Energy Savings (kWh/fixture)	1,007	
Quantity	22	
Annual Est. Energy Savings (kWh)	22,145	\$ 0.864 =\$/KWH Reduced

Annual Estimated Energy Cost Savings

Annual Est. Energy Savings (kWh)	22,144.53
Energy Cost (\$/kWh) ⁽²⁾	\$0.1010
Annual Est. Energy Cost Savings	\$2,236.72

Annual Estimated Maintenance Cost Savings

Current Fixture

Lamp Replacement Cost ⁽⁴⁾	\$372.50
Estimated Lamp Life (hours)	24,000
Annual Operating Hours ⁽¹⁾	4,289
Lamp Replacement Interval (yrs)	5.60
Annual Replacement Cost per Fixture	\$66.56
Quantity	22
Total Annual Replacement Cost	\$1,464.43

Proposed Fixture

Lamp Replacement Cost ⁽⁶⁾	\$462.50
Estimated Lamp Life (hours)	100,000
Annual Operating Hours ⁽¹⁾	4,289
Lamp Replacement Interval (yrs)	23.32
Annual Replacement Cost per Fixture	\$19.84
Quantity	22
Total Annual Replacement Cost	\$436.38

Annual Est. Maintenance Cost Savings \$1,028.05

(1) Based on average operating time of 11.75 hours per day

Winter solstice = 4:45 pm to 6:45 am (MST) = 14 hrs; Summer solstice = 8:45pm to 6:15 am (MDT) = 9.5 hrs; Avg = 11.75 hrs

(2) Energy Cost Calculation Based on CSU Rates to CMD Sept 2013

Access Charge (\$/kWh) = \$0.0532

Supply Charge (\$/kWh) = \$0.0269

Electric Cost Adjustment (ECA) (\$/kWh) = -\$0.0010

Capacity Charge (\$/kWh) = \$0.0012

Energy Cost (\$/kWh) = \$0.0803

Weighted blend of CSU & MVEA = ((16/22)*0.10877) + ((6/22)*0.0803)

(3) Comparative MVEA Rates for Commercial General Power = \$0.0725 per kWh Plus Grid Access and Demand Charges

MVEA Small Power Rate schedule = \$0.10877 per kWh;

(4) Lamp Cost = \$35; Equipment Cost = \$150 per hour; Labor Cost = \$75 per hour; 1.5 hours to replace lamp

(5) Weighted blend of CSU & MVEA = \$0.10101

(6) Lamp Cost = \$125; Equipment Cost = \$150 per hour; Labor Cost = \$75 per hour; 1.5 hours to replace lamp

ATTACHMENT EPC-2

From: John Clack [JohnClack@elpasoco.com]
Sent: Saturday, February 15, 2014 6:15 AM
To: 'rjsams@gmsengr.com'
Cc: Andre Brackin; Troy Wiitala; Steve Barden
Subject: RE: street lights.doc
 Roger,

Here is our estimate for the LED street lamps that would be purchased by Cherokee Metro District. These are listed by priority.

Constitution & Marksheffel Rd	4 lights	\$3,480
Peterson & Palmer Park	4 lights	\$3,480
Galley & Hathaway	4 lights	\$3,480
Peterson & Galley	3 lights	\$2,610
Constitution & Piros Dr	2 lights	\$1,740
Peterson & Piros Dr	3 lights	\$2,610
Palmer Park & Winnebago	1 light	\$870
Peterson & Omaha	1 light	\$870
Total	22 lights	\$19,140

I understand our crews would install. Would we be responsible for purchasing the lights and then get reimbursed? If so, we will need to go out to bid using our regular process. Let me know if you need any additional information.

Thanks,
 John

From: Roger Sams [mailto:rjsams@gmsengr.com]
Sent: Monday, December 09, 2013 9:46 AM
To: John Clack
Subject: RE: street lights.doc

John:

Thanks to you and other EPC staff for pulling this information together for us. We, and the CMD, would like to consider funding replacement of existing lamps with LED lamp assemblies at the locations listed as part of the Supplemental Environmental Project (SEP) the District is arranging with the Colorado Department of Health & Environment (CDPHE). We will also be working directly with Colorado Springs Utilities and MVEA on some locations where those respective utilities are responsible for operation and maintenance with the CMD paying for the energy costs. The District will have about \$50,000 to \$55,000 to put into this project for all parts and pieces with all three responsible agencies.

First, it would be greatly appreciated if the EPC Public Service Department could provide a proposal for replacement of the existing lamp assemblies as described at the locations listed below. Please itemize the proposal by intersection as we may not be able to do all of them within this project. We would appreciate your input as to priorities where LED lamps would yield the most public benefit. We would agree with making Constitution and Marksheffel a top priority if EPC would concur.

The schedule for this work is presently proposed to commence April 1, 2014 and be completed by November 30, 2014. The start date could just be the ordering of materials; physical replacement would not necessarily have to start at that time.

We need to refine the CMD proposal to the CDPHE by responsible third party, i.e. CSU, MVEA and EPC, so getting us the proposal as soon as possible would be greatly appreciated. We trust the EPC experience with the

LED lamp installation at Constitution and Peterson will be useful in making the proposal for the 2014 work in the CMD service area.

Thank you again. Please let me know if you have any questions or desire additional information.

Roger J. Sams, P.E.
GMS, Inc.
611 North Weber Street, Suite 300
Colorado Springs, CO. 80903
Phone: 719-475-2935
Fax: 719-475-2938
Email: rsams@gmsenr.com

From: John Clack [mailto:JohnClack@elpasoco.com]
Sent: Monday, December 09, 2013 9:04 AM
To: rjsams@gmsenr.com
Subject: FW: street lights.doc

Roger,

Attached the El Paso County maintained street lights within the Cherokee Metro District's area. I verified with Frank Biggerstaff that these are all non-LED street lights. Please let me know if you have any questions or need additional information.

Thanks,
John Clack
719-520-6851

From: Ed Braun
Sent: Tuesday, December 03, 2013 7:09 AM
To: John Clack
Subject: FW: street lights.doc

John,

Attached are the numbers for the luminaries for GMS, all within Cherokee's district.

Edgar Braun
Inspection Supervisor
El Paso County PSD
719-520-6869, Cell 719-339-5205

From: Frank Biggerstaff
Sent: Monday, December 02, 2013 4:50 PM
To: Ed Braun; Steve Barden
Subject: FW: street lights.doc

Inform you ask for.

Frank

From: Joe Ashe
Sent: Monday, December 02, 2013 4:10 PM
To: Frank Biggerstaff
Subject: street lights.doc

<u>Intersection</u>	<u># Street Lights</u>
Constitution & Marksheffel Rd	4
Constitution & Piros Dr	2
Peterson & Piros Dr	3
Peterson & Palmer Park	4
Palmer Park & Winnebago	1
Peterson & Omaha	1
Peterson & Galley	3
Galley & Hathaway	4
Total	22

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APR 28 2014

STATE OF COLORADO

John W. Hickenlooper, Governor
Larry Wolk, MD, MSPH
Executive Director and Chief Medical Officer

Dedicated to protecting and improving the health and environment of the people of Colorado

4300 Cherry Creek Dr. S.
Denver, Colorado 80246-1530
Phone (303) 692-2000
Located in Glendale, Colorado

www.colorado.gov/cdphe



Colorado Department
of Public Health
and Environment

April 21, 2014

Cherokee Metropolitan District
Attention: Sean Chambers, General Manager
6250 Palmer Park Boulevard
Colorado Springs, Colorado 80915

RE: Final Compliance Order on Consent for Signature

Dear Mr. Chambers,

Enclosed for your signature, you will find the final version of the Compliance Order on Consent for Cherokee Metropolitan District. Please review the document carefully and, if satisfied, sign both copies. After you have signed both copies of the document, please promptly return both of the originals to me for the Division's signature. Once the Division has signed the document, we will return one copy, with original signatures, to you for Cherokee's records and the Division will retain the other copy. *(Note: The agreement number at the top of the document will be determined upon the Division's signature and inserted onto the first page prior to returning your copy to you.)*

If you have any questions, please don't hesitate to contact me at (303) 692-3598 or by electronic mail at michael.harris@state.co.us.

Sincerely,

Michael Harris, Manager
Clean Water Compliance & Enforcement Unit
WATER QUALITY CONTROL DIVISION

Enclosure(s)

EXHIBIT 'H'

DISTRICT COURT, WATER DIVISION 2 PUEBLO COUNTY, COLORADO Pueblo County Judicial Bldg. 320 West 10 th Street Pueblo, CO 81003	DATE FILED: October 30, 2013 CASE NUMBER: 1998CW80
CONCERNING THE APPLICATION FOR WATER RIGHTS OF CHEROKEE METROPOLITAN DISTRICT	Court Use Only
IN EL PASO COUNTY COLORADO	Case Number: 98CW80
And Intervener: MERIDIAN SERVICE METROPOLITAN DISTRICT	Division 5 Courtroom S501
ORDER RE: MOTION TO CERTIFY ORDERS AS FINAL	

UBS has filed a Motion to Certify Orders as Final in this case. Meridian has filed an objection, arguing that a number of matters have never been addressed. Cherokee has not responded. The matter is at issue.

Meridian complains that it moved twice to vacate the preliminary injunction that issued to stop Cherokee from moving forward with the Ground Water Commission on the Cherokee/Meridian "replacement plan". Meridian also moved to dismiss this action for lack of jurisdiction. Both times the motion was denied by the Water Court and ultimately attorney fees were awarded.

In denying the motion, Judge Larry C. Schwartz concluded that the preliminary injunction only enjoined Cherokee, "it does not enjoin Meridian". He also noted that the injunction was not appealed, even though it had become a final order. He awarded attorney fees however, on the jurisdiction issue. He concluded that Meridian pursued a groundless motion since the Supreme Court had already concluded that the Water Court, not the Ground Water Commission had jurisdiction.

If my rulings are not appealed, I intend to vacate the preliminary injunction and allow the Ground Water Commission to move forward on the Cherokee/Meridian replacement plan. Cherokee has not moved to vacate the injunction. There is no reason to readdress the previous attorney fee order, which Judge Schwartz dealt with more than once.

Meridian asserts that its motion to dismiss the UBS claim against Meridian under Rule 12(b)(6) has still not been ruled upon. Under clear precedent I am required to deny such a motion unless it appears beyond a doubt that the plaintiff can prove no set of facts supporting the claim which would entitle the plaintiff to relief.

Cherokee owns the water treatment facility through which Meridian's waste returns would be processed. If I had determined that "recharge" precluded replacement

credit, then arguably Cherokee, by virtue of the 1999 stipulation could not provide the treatment services, that would be required by Meridian. The IGA and the Stipulation taken together made Meridian an indispensable party to this dispute. Accordingly, UBS stated a cognizable claim against Meridian.

Meridian's Motion to Dismiss under Rule 12(b) is DENIED.

Meridian further claimed that I had no jurisdiction to rule on the IGA agreement. I agree that I don't have jurisdiction to determine whether the IGA replacement plan should be approved. That will ultimately be determined by the Ground Water Commission. However, this lawsuit is grounded on the argument that the IGA violates the 1999 Stipulation. I had jurisdiction to at least determine whether it did. I have concluded that the IGA does not violate the 1999 Stipulation insofar as UBS argues that the requirement to "recharge" the basin prohibits such an agreement.

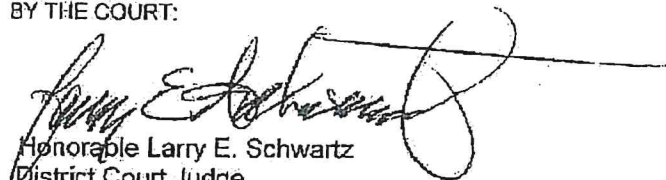
I have already ruled that the 1999 Stipulation was not binding upon Meridian.

CONCLUSION:

1. The June 17, 2013 and August 9, 2013 Orders entered in this matter are final judgments.
2. Rule 4(a) of the Colorado Appellate Rules and Rule 58 of the Colorado Rules of Civil Procedure permit the parties to file an appeal with the Supreme Court within 49 days of the date these Orders are certified as final

So ordered this 30 day of Oct 2013

BY THE COURT:


Honorable Larry E. Schwartz
District Court Judge

Cc: counsel of record

EXHIBIT 'H'

El Paso County, CO DISTRICT COURT Court address: 270 South Tejon St. Colorado Springs, CO 80903 Phone Number: (719) 448-7632	DATE FILED: June 17, 2013
CONCERNING THE APPLICATION FOR UNDERGROUDN WATER RIGHTS, CHANGE OF WATER RIGHTS, AND PLAN FOR AUGMENTATION OF: CHEROKEE WATER DISTRICT EL PASO COUNTY, COLORADO	Court Use Only
	Case Number: 98CW80 Division 5 Courtroom 501
Order Re: UPPER BLACK SQUIRREL GROUND WATER MANAGEMENT DISTRICT'S AMENDED MOTION FOR DECLARATORY RELIEF	

The Upper Black Squirrel Ground Water Management District ("UBS") has filed this motion, seeking a determination that the Cherokee Water District ("Cherokee") is violating a 1999 stipulation that was intended to end the original disputes in this case. UBS asserts that Cherokee violated the stipulation by entering into an IGA with Meridian Service Metropolitan District ("Meridian"). Cherokee's Intergovernmental Agreement with Meridian provided for a joint application for a replacement plan with the Colorado Ground Water Commission that would result in Cherokee being able to divert additional water from the UBS basin as a result of "replacement credit" given in exchange for Cherokee pumping wastewater return flows into the UBS basin.

Meridian sought to intervene in this action but the Water Court denied Meridian's request. Thereafter, Judge Maes granted UBS' declaratory judgment request, concluding that Cherokee was precluded by the 1999 stipulation from seeking replacement credit for Cherokee's waste water returns into basin. The Supreme Court reversed the Water Court's intervention denial as well as the grant of declaratory relief. In deciding that Meridian's interests were not being adequately protected by Cherokee, the Court noted that Meridian claimed a vested right to reuse the return flows from the "first use of its Denver Basin water".

Since the reversal, UBS has renewed its request for declaratory relief. It has filed an Amended Motion for Declaratory Relief, to which both Cherokee and Meridian have responded. Cherokee and Meridian also seek declaratory relief. UBS has recently filed a Motion for Summary Judgment on the same issues. That motion is not yet ripe for ruling.

There are two paragraphs of the 1999 stipulation that are the subject of this action:

"4E. Diversions from all wells used or owned by Cherokee located in the Upper Black Squirrel Designated Basin shall be limited to the lesser of the permit, decree or physical availability at the permitted or decreed location of the well..."

"5. RECHARGE: Cherokee will use its best efforts to deliver wastewater returns from Sunset, Paintbrush, and Woodman Hills subdivisions, Falcon Air Force Base and any other subdivisions it services back into the Upper Black Squirrel Creek Designated Basin for recharge of the aquifer. Cherokee shall recharge any wastewater returns from the Sunset Plant in the aquifer".

In arguing their interpretations of what these paragraphs mean, Cherokee and Meridian also point to following language in a 1991 Decree that resulted from a prior stipulation between the RTC (who at the time was foreclosing on certain Cherokee interests) and UBS:

"2: ...In addition, the stipulation shall not be construed as a limitation on the right to withdraw additional quantities of water lawfully available to these water rights as a result of artificial recharge of aquifer, as a result of the recapture and/or reuse of return flows resulting from the exercise of the water rights or as the result of any other lawful means of increasing the supply of water available to these water rights.

Cherokee has filed a motion seeking an evidentiary hearing regarding the meaning of the 1999 stipulation. UBS and Meridian seek rulings on their declaratory judgment motions before hearings are set. Depending on such a ruling, the motion for evidentiary hearing could be moot.

The law regarding interpretation of instruments is fairly well settled and is set forth in the UBS amended motion. "To determine the intention of the parties, courts look first to the plain meaning of the words in the instrument." Cherokee Metropolitan District v. Upper Black Squirrel Creek Ground Water Management District, 247 P.3d 567, 573 (Colo. 2011). "In the absence of any contrary manifestation in the contract itself, contractual terms that have a generally prevailing meaning must be interpreted according to that meaning..." In re Revised Abandonment List of Water Rights in Water Division 2, 276 P3 at 575. A contract is interpreted "in its entirety," and "seeking to harmonize and to give effect to all provisions so that none will be rendered meaningless" Pepecol Mfg. Co. V Dnever Union Corp., 687 P.2d 13110, 1313 (Colo. 1984). The court must "adopt a construction of the agreement that will give effect to all of its

provisions". Union Rural Elec. Ass'n, Inc. v. Pub. Utilities Comm'n of State, 661 P.2d 247, 252 (Colo. 1983).

Judge Maes ruled in favor of UBS and in doing so indicated that "recharge is synonymous with replenishing the aquifer". UBS asks that I adopt a similar interpretation of "recharge". In response, Cherokee has argued there are several meanings of "recharge" Cherokee quotes the Director of the Ground Water Commission, in dealing with UBS proposed rules, who indicated that "recharge" can have several meanings in ground water matters. While I have no reason to quibble with Judge Maes interpretation of "recharge" as "replenishment", I respectfully disagree that "recharge" is necessarily synonymous with "abandonment" of "forfeiture" of all claims or rights to the water being recharged. While the stipulation requires Cherokee to "use its best efforts to deliver waste water returns" to the basin, it does not specifically preclude Cherokee from later claiming the amount of that return as a replacement credit for future withdrawals. Rather, it is silent beyond the term "recharge".

UBS asserts that the language requiring Cherokee to use its "best efforts" in the 1999 stipulation requires Cherokee to deliver waste water to the basin without credit whether Cherokee has that authority from the individual recyclers or not. It further argues that once returned to the Basin, neither Cherokee nor any other entity has the right to claim credit for the returns for future withdrawals. In response, Meridian argues not only that it was not a party to that stipulation but that it has given no such authority to use its waste water without credit. Further, Meridian points out that some of its recycled waste water comes from the Denver Basin and is not merely a "return" to UBS. Meridian argues that the fact that Meridian uses the Cherokee facility to recycle wastewater does not mean that Meridian has abandoned any right to reuse those returns. Moreover, Meridian further asserts that adding its Denver Basin recycled water to the UBS basin would constitute augmentation of the basin and not mere replacement.

Similarly, there is no indication that the other entities listed in paragraph 5 of the 1999 stipulation have agreed to relinquish any claim to replacement credit by virtue of using Cherokee waste water plant.

UBS and Cherokee have provided affidavits from the attorneys who prepared the 1999 stipulation as well letters and emails that were exchanged by a variety of parties. The affidavits merely provide contradictory subjective opinions about what was contemplated by the creation of the 1999 stipulation. Likewise, the correspondence does little to provide meaning to the stipulation.

Paragraph 5 clearly requires the return by Cherokee of certain recycled waste water. Using "best efforts" likely gives recognition to the fact that Cherokee would not necessarily own the returns and that some of the named

waste water recyclers might not agree to be bound by the stipulation. Meridian, for one, holds itself out as one such recycler who argues that is in no way bound by the stipulation.

Even though the stipulation provides for a return, there is nothing in the agreement, or the term "recharge" that prohibits Cherokee from claiming a future credit against that return. The 1991 stipulation and subsequent decree provided that recharge alone did not result in the RTC (or successor) being unable to take additional withdrawals. That language is pertinent here not because it binds me in this determination but rather, it demonstrates the parties' recognition that "recharge" is not necessarily inconsistent with subsequent withdrawals.

In light of the language contained in the 1991 stipulation, if UBS intended for the term "recharge" to create a bar to claim future return credits it could have included language in the 1999 stipulation that by return of the waste water for recharge, Cherokee was surrendering any further claim for use of that waste water for any purpose. As it is, the stipulation is silent. I don't conclude that silence means abandonment or forfeiture of future credits.

I conclude therefore, that the 1999 stipulation does not preclude Cherokee from making a claim for return flow credits as part of the replacement plan currently before the Colorado Ground Water Commission.

This order does not imply that the Cherokee/Meridian IGA must necessarily be approved by the Ground Water Commission. I have merely concluded that the IGA does not violate the 1999 stipulation. As the Supreme Court pointed out in its opinion returning this issue for Water Judge determination, *"an applicant (for replacement plan approval) is required to replace the amount of designated ground water withdrawn with other water in such a way that no material injury occurs to other water rights."* It may be that the Ground Water Commission will yet determine that the Cherokee/Meridian replacement plan would not meet that burden.

The second issue raised in UBS amended motion for declaratory relief is the meaning of paragraph 4E of the 1999 stipulation. The language of that paragraph is clear and not subject to varying interpretations. It limits diversions in all wells "used or owned by Cherokee" located in the UBS Basin to the amount indicated in paragraph 4E. Cherokee asserts those wells were "*obtained after execution of the stipulation*". It's not abundantly clear what "obtained after execution" means, but to the extent the wells did not exist at the time the stipulation was signed, its restrictions do not apply to those later-constructed wells. On the other hand, if the wells existed at the time, paragraph 4E clearly limits their production.

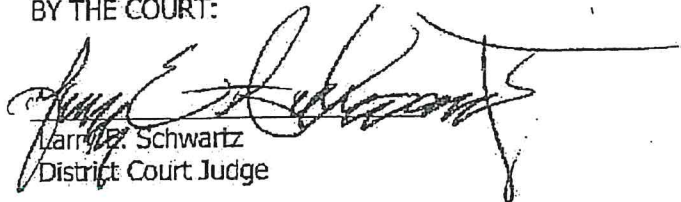
CONCLUSION:

I conclude that paragraph 5 of the 1999 stipulation does NOT prohibit Cherokee from claiming wastewater returns as credits for its replacement plan, even though the wastewater is being returned to UBS as recharge. In addition, I further conclude that Meridian was not a party to the 1999 stipulation. Accordingly, the 1999 stipulation could not preclude Meridian from claiming replacement credit.

Paragraph 4E clearly sets diversion limits. To the extent that Cherokee wells 9 – 12 were in existence when the stipulation was signed, the limits are applicable to those wells. If they were constructed after the stipulation was signed, the stipulation limits do not apply to them.

Done this 17 day of June 2013

BY THE COURT:


Jarrid Schwartz
District Court Judge

cc: counsel of record

**RESOLUTION NO. MSMD 24-04 BY THE BOARD OF DIRECTORS
OF THE
MERIDIAN SERVICE METROPOLITAN DISTRICT**

**RESOLUTION ADOPTING THE COLORADO SPECIAL DISTRICT RECORDS
RETENTION SCHEDULE, APPOINTING AN OFFICIAL CUSTODIAN, AND
ADOPTING POLICIES AND FEE SCHEDULE FOR THE HANDLING OF RECORD
REQUESTS UNDER THE COLORADO OPEN RECORDS ACT (“CORA”)**

WHEREAS, the Meridian Service Metropolitan District (the “District”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, the Board of Directors of the District (the “Board”) is responsible for the management, control and supervision of all business and affairs of the District and has the authority to appoint, hire, and retain agents; and the District is authorized pursuant to Colorado law to fix and from time to time to increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District; and

WHEREAS, the Board recognizes a need for a comprehensive records retention 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 Board has determined that it is appropriate to designate an official custodian of the District’s records for the purpose of storing, maintaining, and protecting such records in accordance with state statute and to permit their inspection in an orderly and timely fashion; and

WHEREAS, pursuant to C.R.S. § 24-80-101 et seq., the Colorado State Archives has developed a statewide records retention schedule in cooperation with the Special District Association, the Colorado Attorney General’s Office, and the State Auditor’s Office for special districts and other governmental entities to use and follow; and

WHEREAS, the Board has determined that it is appropriate to adopt the model special district retention schedule unless modified by Section 4 below; and

WHEREAS, C.R.S. § 24-72-200.1 et seq., (Colorado Open Records Act or CORA) requires that public documents and records be made available upon request to members of the public unless protected by an exception and allows for public entities such as special districts to charge a reasonable fee for copying such documents and for any extra work that is required to research and retrieve requested documents; and

WHEREAS, the Board has determined that it is appropriate to adopt policies regarding CORA requests for documents and a fee schedule for the copying and retrieval of such documents.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. The Board designates the Board Secretary or his/her designee as the Official Custodian of public records as such term is used in C.R.S. § 24-72-202. The Official Custodian is authorized to develop such procedures as may be reasonably required for the protection of such records. On behalf of the District, the Official Custodian may charge the maximum fees allowed by law for the development of a privilege log, copies, a printout or photograph, and such other services as are authorized by law.

The Board hereby sets a charge of \$41.37 per hour for research and retrieval of documents. The first hour of time spent on research and retrieval will be without charge.

Unless otherwise determined by the Board, all such fees and charges shall be increased or decreased for changes in the maximum rates allowed by law.

Section 2. The Official Custodian shall have the authority to designate such persons and/or organizations as it shall determine appropriate to perform any and all acts necessary to the maintenance, care, and keeping of the District's records. This may include, and shall not be limited to, the temporary, off-site storage of such records.

Section 3. The Board hereby adopts the 2008 Colorado Special District Records Retention Schedule ("Schedule") and all subsequent amendments, modifications, and revisions.

Section 4. Unless otherwise prescribed by Statute, all District records shall be retained in accordance with the Schedule and the Board authorizes the District Secretary or the Official Custodian to submit a request to the Colorado State Archivist to adopt the Schedule. Approval from the State Archivist is legal authority for the destruction and preservation of District records. This Schedule may be amended from time to time as required by the Official Custodian or by the State Archivist.

Section 5. All District records are public records and shall be available for public inspection as set forth in the District's Policy on Responding to Open Records Request outlined in **Attachment A** as may be amended from time to time by the Board, the Official Custodian or his or her designee, unless prohibited by the exceptions of Part 2 of Title 24, Article 72, C.R.S. Inspection shall be permitted during normal hours, Monday through Friday, except on holidays, at a time set by the Official Custodian.

Section 6. No person shall be permitted to inspect or copy any records of the District if, in the opinion of the Official Custodian after consultation with the District's general counsel, such inspection or copying would be prohibited by one or more exceptions set forth in the Colorado Open Records Act.

Section 7. Unless otherwise directed by the Board, by July 1 of every five-year period after July 1, 2024, the Official Custodian shall adjust the maximum hourly fee specified in this Resolution in accordance with the percentage change over the period of the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Denver-Aurora-

Lakewood, All Items, All Urban Consumers, or its successor index as posted by the Director of Research of the Legislative Council on the website of the General Assembly.

Section 8. If any provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the Board's intention the various provisions hereof are severable.

Section 9. All acts, orders, and resolutions or parts thereof of the District's Board which are inconsistent with or in conflict with this Resolution, are hereby repealed to the extent only of such consistency or conflict.

Section 10. The provisions of this Resolution shall take effect as of the date set forth below.

Approved and adopted this 6th day of November, 2024.

MERIDIAN SERVICE METROPOLITAN DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

ATTACHMENT A
Policy on Responding to Open Records Request
(Effective Upon Adoption of CORA Resolution)

The following are general policies concerning the release of records. Such policies may be amended from time to time. If a policy is determined to violate the Colorado Open Records Act, that provision shall be deemed void and unenforceable.

Policies and Procedures

1. **Public Records Open to Inspection.** All public records of the District shall be open for inspection at the times designated in the District’s CORA Resolution unless prohibited by the provisions of CORA or policies adopted by the Board of Directors in conformance with CORA.

2. **Requirements.** Every request (a “Records Request” or “Request”) by a party (the “Requesting Party” or “Party”) to inspect and/or copy any District record (a “Record” or “Records”) shall be submitted to the District’s Official Custodian in writing and specify the requested information.

a. The Official Custodian will not accept a Records Request made over the telephone or via social media.

b. If not submitted to the Official Custodian, any District employee or Board Member who receives the Records Request may, but is not obligated to, send the Request to the Official Custodian. To assist the Official Custodian in responding to requests in a timely and complete manner, the Official Custodian may require records requests to be submitted on a form developed by the Official Custodian.

3. **Scope of Disclosure.**

a. The Official Custodian may only disclose Records in the Official Custodian’s custody and control.

b. The Official Custodian does not need to create a new Record to comply with a Request.

c. If any question arises as to the propriety of fully complying with a Records Request, the Official Custodian will immediately forward the Request to the District’s legal counsel.

d. After receiving the forwarded Request, the District’s legal counsel will consult with the Official Custodian as to whether it may disclose the requested Records.

4. **Form of Disclosure.**

a. A public record stored in a digital format that is neither searchable nor sortable will be provided in a digital format. The Official Custodian need not make such Record searchable or sortable before releasing the Record to the Requesting Party.

b. A Record stored in a digital format that is searchable and/or sortable will be provided in such digital format, unless (1) the public record is in a searchable or sortable format and producing the Record in the requested format would violate the terms of any copyright or licensing agreement between the District and a third party; (2) producing the Record would result in the release of a third party's proprietary information; (3) after making reasonable inquiries, it is not technologically or practically feasible to provide a copy of the Record in a searchable or sortable format; (4) if the Official Custodian would be required to purchase software or create additional programming functionality in its existing software to remove the information; or (5) the Official Custodian determines to provide the Record in a different format consistent with the provisions of CORA.

5. **Time and Cost Estimates; Deposit.** If a Records Request includes producible Records, the Official Custodian will estimate the time it will take to research, retrieve, and provide the requested Records as set out in Paragraph 8, and send the Requesting Party an estimate of the time and the amount of the required deposit (the "Deposit") as set out in Paragraph 5(a). The Official Custodian may require a Deposit at his or her discretion. The Requesting Party must approve the estimate and submit the Deposit before the Official Custodian will begin compiling the Records. The Requesting Party must pay the costs of the Request in full before the Official Custodian will provide the Records.

a. *Deposit.* A Deposit will equal 50% of the estimated costs of research and retrieval of the Requested Records.

6. **Time to Respond.** The Official Custodian will make every effort to respond to the Request within three working days as required by C.R.S. § 24-72-203(3)(b) after the Request is made or the estimate is approved and the Deposit is received, whichever is later. The three working days of response time begin on the first working day following receipt of the Request or approval of the estimate and receipt of the Deposit. A Request received on any non-working day will be considered as received the following working day. The District may add up to a seven additional working day extension of extenuating circumstances as described in C.R.S. § 24-72-203(3)(b). If an extension is required, the reasons will be given to the Requesting Party.

7. **Abandoned Requests.**

a. If the Official Custodian attempts to contact a Requesting Party to clarify or discuss the scope of a Request and the Requesting Party does not respond within ten business days, the Request will be considered abandoned, and the Request will be

automatically closed. The Requesting Party will then be required to submit a new Records Request.

b. The Official Custodian will hold Records for no more than ten business days after the Requesting Party is notified that they are available for inspection or pick-up. Failure to pick up the Records within this time will be considered an abandoned Request, and the Request will be automatically closed.

8. Fees.

a. *Research and Retrieval Fee.* Research and retrieval of Requested Records will be charged a fee of \$41.37 per hour, including the development of a privilege log (if applicable), copies, a printout or photograph, and such other services as are authorized by law. The first hour of time spent for research and retrieval will be without charge.

b. *Copying Fee.* Physical copies of a Record may be provided at the cost of \$.25 per standard page. Copies, printouts, and photographs of a Record in a format other than a standard page will cost the actual cost of production.