

**MINUTES OF THE BOARD OF DIRECTORS  
COLORADO CENTRE METROPOLITAN DISTRICT  
REGULAR MEETING**

Thursday, January 26, 2006 5:00 PM  
4770 Horizonview Drive  
Colorado Springs, CO 80925

Board Members Present:

Michael Cantin	President, Chairman
Floyd Edwards	Treasurer
Frank Ingraldi	Vice-President, Vice-Chairman
Jimmie Bridgewater	Secretary
Michael Terry	Assistant Secretary/Treasurer

Also Present:

Paul Anderson, Cynthia Monroe and Sandy Goad

**I. Preliminary**

- A. Call to Order  
Director Cantin called the meeting to order at approximately 5:02 pm.
- B. Roll Call - Determination of a Quorum.  
A Quorum was present.
- C. Acknowledgment, Notice and Consent to Regular Meeting-Entered with the minutes.

**II. General Business Items**

- A. Approval of the Minutes of the Regular Meeting of December 9, 2005.

The Board reviewed the minutes presented.

**A motion was made and seconded to approve the minutes of the Regular Meeting of December 9, 2005. Upon a voice vote, the motion passed unanimously.**

- B. Review of the District's Finances

Due to the absence of Al Testa, District Manager, Cindy Monroe presented the review of the District's finances.

The District has approximately \$767,000 in funds with approximately \$685,000 unencumbered. Liabilities include developer taxes, restricted taxes and customer deposits (approximately \$69,000). The bondholder's payment of \$132,476.53 was made on January 1, 2006 which accounts for the drop in unencumbered funds. All items are at or near budget. The District's investments are performing well with interest rates on the rise.

To date the General Fund has a deficit of approximately \$44,000 which according to District Manager, Al Testa, will be covered by a budgetary transfer of funds. The Reserve Fund earned a substantial amount of interest due to the accrual of interest on the four CD's that CCMD holds.

Water usage dropped substantially in December which is usual for this time of year. There is a surplus in the water fund part of which will be transferred to the wastewater fund to cover the deficit in that fund. Approximately \$53,000 of the water fund is attributable to the capital improvement funds collected. Dr. Testa will explain the necessary budgetary transfers at the next board meeting.

Director Terry inquired about the bankruptcy plan and when the bondholder payments will expire. Cindy explained that the 1992 Series "A" principal matures January 1, 2027. At that time interest payments to the B Bondholders will begin. If by January 1, 2032, the District has less than 1500 single family residences, the Series "B" bonds will be discharged. Two disbursements to the 1992 B Bondholders occurred on August 2, 2001 in the amount of \$77,003.00 and on September 1, 2005 in the amount of \$9,873.65. Mr. Terry noted that a lot of homeowners are very unhappy about the Bondholder payments. Mr. Anderson commented that the District made out very well with the bankruptcy plan and is in an excellent position financially. Mr. Terry will be provided a copy of the Bankruptcy Plan so that he can become better informed about the complete situation regarding the plan.

C. Approval of Payables

The Board reviewed the payables of the District.

**A motion was made and seconded to approve the current list of payables as presented. Upon a voice vote, the motion passed unanimously.**

D. Operations Report:

Superintendent Lloyd Shawcroft presented the operations report at this time. All systems are operating normally with no problems. We produced 4.7 million gallons of water and purchased 172,000 gallons from Widefield. We sold approximately 4.6 million gallons. Water loss is at 1.4 percent which is very minimal.

Mr. Ted Lindtveit of the Colorado Special Districts Loss Prevention program toured Colorado Centre park areas on December 14, 2005 and submitted his recommendations to the Board on December 27, 2006. The recommendations were discussed at this time and Mr. Shawcroft presented the actions taken in the park areas per the recommendations. Signs will be posted on the fences and gates

will be constructed at the entrances. The gates will replace the chains that are considered a bigger risk for liability. Dr. Testa will respond in writing to Mr. Lindtveit's recommendations. It is important to show some progress regarding implementing all the recommendations by the Special District.

E. El Paso County Water Authority

The Transit Loss model is still an ongoing issue and is a work in process. They are still working on getting more participation at the State level with the purpose of creating a much needed "State wide" policy in regards to water issues. The El Paso County Water Authority has a good representation at the State level so will be able to have a significant impact on any decisions made.

F. Fountain Mutual Irrigation Company

Everything is going very well at this time and there is nothing new to report. Dr. Testa has stepped down as President of this Board, but definitely has a seat and "voice" on the Board. Cindy Monroe reported that CCMD's share assessment increased from \$45 a share to \$49 a share for the District's 545 water shares.

G. Lower Fountain Metropolitan Sewage Disposal District

Fountain Sanitation has approved an agreement with Banning Lewis Ranch and it has been signed. The legal issues are still being discussed between Makar and the City of Colorado Springs. Paul Anderson will be meeting with Charley Morgan of Colorado Springs Utilities this week. He will report on the outcome of that meeting. Director Cantin commented that all parties are waiting for all the "puzzle pieces" to fall into place. The Intergovernmental Agreement is still being worked out. Paul Anderson noted that the "biggest point" regarding the IGA is the "term of the agreement". The agreement has to be forever and indefinite by CCMD standards. Lower Fountain defined February 28<sup>th</sup> as the "drop dead date". A package plant might be the best way to go. Mr. Anderson will report all ongoing developments and decisions and their impact on Colorado Centre at the next Board meeting.

H. Cuchares Inclusion

Dr. Testa and Mr. Anderson have been discussing the impact of the Cuchares Inclusion on the bankruptcy plan and it was determined that the Cuchares land tap fee revenue becomes subject to bondholder payment per the bankruptcy plan. Therefore, Dr. Testa and Paul Anderson recommend that Mr. Anderson assists the property owners in setting up their own Metropolitan District. Colorado Centre would then have a service contract with that new District. The revenue that would potentially come from this new District (\$4 million) would be substantial and the formation of a new District by our legal counsel would incur costs of

approximately 20 to 30 thousand dollars. After extensive discussion the Board directed Mr. Anderson to assist in forming a District and draft a service agreement.

**A motion was made and seconded to authorize CCMD legal counsel, Paul Anderson to form a Metropolitan District for the Cuchares property owners and draft a service agreement between CCMD and the new District. Upon a voice vote, the motion passed unanimously.**

I. Other Matters and Public Input

Discussed at this time is the need to appoint an Election Official for the May 2, 2006 election. Two of the five Board of Director positions are up for election. The two positions are for four (4) year terms. Self-nomination and acceptance forms will be available at the District's office on February 6, 2006.

**A motion was made and seconded to adopt Resolution 2006-01-26.1 appointing Sandy Goad as the designated Election Official and authorizing Sandy Goad as the designated Election Official to cancel the May 2, 2006 election. Upon a voice vote, the motion passed unanimously.**

Director Terry brought up discussion regarding a survey and meeting with the Colorado Springs City Council to lobby for a traffic light at the intersection of Bradley and Marksheffel. Mr. Terry will talk to the Schriever AFB Commander regarding forming some type of partnership to lobby for the light at that intersection. Traffic safety problems are becoming a real issue and something needs to be done. Directors Terry and Bridgewater will collaborate on putting together a survey to distribute to residents with the February newsletter. Director Cantin suggested adding the intersections at Bradley and Powers and Grinnell and Powers as part of the lobbying for lights. Cindy will check on accident statistics (with the Fire Department) at all these intersections and Director Bridgewater will inquire about statistics with CDOT. After all the information is collected, the Board will present the findings directly to the Colorado Springs City Council.

Director Cantin and Edwards expressed a desire to put together some type of 5 year plan expressing what the Board feels should happen over the next five years and in what direction it should be headed for the equal benefit of everyone connected to Colorado Centre. The Board will relay to Dr. Testa that a brainstorming executive planning session would be very beneficial and direct him to instigate a plan to start these sessions. Director Terry suggested having a question on the survey asking residents what their ideas would be for what should happen over the next five years. Getting input from the public would greatly enhance the executive planning sessions.

II. Adjournment

**A motion was made and seconded to adjourn the regular meeting at approximately 6:07pm. Upon a voice vote, the motion passed unanimously.**

Respectfully Submitted,

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Michael Cantin, President

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Jimmie Bridgewater, Secretary