

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

Thursday, February 23, 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:

Al Testa, Paul Anderson, Cynthia Monroe and Sandy Goad

I. Preliminary

- A. Call to Order
Director Cantin called the meeting to order at approximately 5:07 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 January 26, 2006.

The Board reviewed the minutes presented.

A motion was made and seconded to approve the minutes of the Regular Meeting of January 26, 2006. Upon a voice vote, the motion passed unanimously.

- B. Review of the District's Finances

District Manager Al Testa announced that BNY now has an office in Denver enabling the District's transactions to be completed in Denver instead of California. BNY is the paying agent/registrar for the 1992 Bonds.

b. Resolution to Correct the District's Industrial Water User Charges.

Dr. Testa reported that there was an oversight on his part regarding the 2006 rates for industrial water users in Colorado Centre. After discussion it was determined that an amendment would be needed to Resolution 2005-12-09.1.

A motion was made and seconded to approve Resolution No. 2006-02-23.2 regarding an amendment to Resolution 2005-12-09.1 to correct the tiered rate structure for industrial water users. Upon a voice vote, the motion passed unanimously.

a. 2005 Budget Amendment Resolution

Dr. Testa reported that CCMD received unexpected General Fund revenue in the amount of \$24,995 from the sale of a John Deere tractor seldom used for park and right-of-way maintenance functions. The District had a 2005 unexpected and unappropriated beginning balance in the Wastewater Fund for capital improvement purposes in the amount of \$4,616 and the District generated an additional \$11,017 of income from user charges in the Wastewater Fund in excess of the revenues budgeted and appropriated. The Fiscal Year 2005 appropriations for the General Fund and the Wastewater Fund are increased for the purpose of defraying additional capital expenses in those funds.

A motion was made and seconded to approve Resolution No. 2006-02-23.1 appropriating additional sums of money to defray expenses in excess of amounts budgeted during fiscal year 2005. Upon a voice vote, the motion passed unanimously.

c. Bank Balances

The District has approximately \$756,000 in funds with approximately \$675,000 unencumbered. Liabilities include developer taxes, restricted taxes and customer deposits (approximately \$69,000). District balances have declined due to large annual payments for worker's compensation, liability and property insurance premiums, annual dues to El Paso Count Water Authority and water share assessments. Our investments are doing well and continue to grow.

d. Budget Review

The State has requested that the District add a Debt Service Fund which includes the debt service for the bonds and restricted taxes. Taxes are at approximately two percent for the year and expenses are on target. When the audit is completed, the final transfers will be made to the budget.

There has been low usage which is typical for this time of year. Wastewater is on target and payments to Lower Fountain have been made.

Director Terry had questions about the budget and the debt service fund and exactly what the State involvement is. Dr. Testa explained about the bankruptcy plan and that every year a copy of the audit is sent to the State and after review the State gives recommendations. The State has no control over the Bankruptcy 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. Legal Matters

- a. Removal of Robert S. Wham as District's Counsel for CCMD for Banning-Lewis Ranch Flood Conservancy Issues.

Dr. Testa gave a history of the Banning-Lewis Ranch Flood Control Conservancy District which was created in 1988. Attorney, Robert S. Wham was the counsel of record for the Metro District. Mr. Wham is now retired and is requesting consent from the Board to withdraw as counsel of record for Colorado Centre Metropolitan District. He states that Paul Anderson is the current attorney of record and the role of the District as Petitioner for the creation of Banning Lewis Ranch Flood Control Conservancy District has been fully completed.

A motion was made and seconded to approve Mr. Robert S. Wham's request to withdraw and release him as Counsel of Record for Colorado Centre Metropolitan District. Upon a voice vote, the motion passed unanimously.

Dr. Testa will inform Mr. Wham in writing of the Board's approval of his request.

- b. Cuchares District

Paul Anderson reported that he has a Draft service plan ready for approval. A petition will be filed with the County and will be set for Public hearing before the County Commissioners. Any individual or entity with objections must appear at the hearing with their written objections. It will be called the Cuchares Ranch Metropolitan District. Mr. Anderson will send a copy of the draft agreement to Dr. Testa and Fountain Mesa. The inclusion must include the transfer of water rights to Colorado Centre Metropolitan District.

E. Operations Report:

a. Water System

All parts of the system are working great. The District has purchased or produced four million gallons and sold approximately 4 million. There was a 3.9 percent water loss which is minimal.

Dr. Testa gave a brief explanation of the augmentation plan. Colorado Centre has very junior rights thereby making it necessary to have to pay back every gallon of water used to the State of Colorado. The augmentation report keeps track of every gallon used and in what capacity. To date Colorado Centre has excess water. There is a possibility of leasing/selling our surplus water.

b. Sewer System

The sewer system is also working great with no significant problems. Dr. Testa is getting pricing on fixing the manhole. There is a possibility that we will not have to fix the manhole because the intersection at Fontaine & Marksheffel will probably be improved for the new development. Another improvement/expansion at Ohio and Jimmy Camp Road will facilitate a change where our Force Main is located. The developers want this all relocated underground, which is not an option, thereby making a re-location necessary to our lift station on Marksheffel. The manhole will remain but the shed will be razed and all data will be collected at the closer lift station. Also, with all the development happening along Marksheffel there is a possibility of beneficial changes happening for Colorado Centre which involve Widefield and Colorado Springs. Dr. Testa will keep the Board apprised of this situation.

c. Parks

The warning signs have been installed and the gates will be installed within the next two months. After the gates are installed, we will notify all residents via the newsletter that they can enter the park through the gates for walking/hiking, etc.

F. El Paso County Water Authority

The meetings have been focused on the politics of water in the entire State of Colorado which historically has been very complicated. The Transit Loss model is still an ongoing issue and the El Paso County Water Authority will probably be the entity to manage this. The Authority has an excellent lobbyist working on their behalf at the State level enabling the Authority to have a significant impact on any State-wide decisions made.

G. Fountain Mutual Irrigation Company

The District is still on the Board and there is not a lot happening at this time. There is a significant contract with Colorado Springs Utilities that is expiring this year which involves the Big Johnson Reservoir. Colorado Springs does not want Fountain Mutual to lease the Reservoir for any human contact. If a new contract is negotiated with CSU this could possibly be of some monetary value to Fountain Mutual.

H. Lower Fountain Metropolitan Sewage Disposal District

Mr. Anderson reported that there has been another revised draft IGA from Colorado Springs. It was voted that the IGA must be completed by April 1, 2006 or LFMSDD will continue ahead on its own. An honest attempt has been made to come to an agreement with Colorado Springs and this will be substantiated to the State if LFMSDD ends up going ahead on its own if certain deadlines are not met.

I. Resident Survey

Director Terry has completed the resident survey. Mr. Terry has the Widefield School District support and will be meeting with Peterson AFB and Schriever AFB Commanders next week to gather their support. Director Bridgewater and Cindy Monroe have obtained data and statistics on the intersections in question. It was determined that the best way to represent ourselves would be as "residents representing residents" when we go to the Colorado Springs City Council and/or County Commissioners. The survey will be placed in the March, 2006 newsletter for input. After all input is collected, it will be presented to the City Council and our representative Margaret Radford. Dr. Testa will try to get on the April, 2006 City Council's meeting agenda for the presentation.

J. Other Matters and Public Input

A resident of Colorado Centre, Mr. Shawn Eccles, was in attendance at the meeting. He presented his Self-Nomination to run for the CCMD Board of Directors to Sandy Goad, the election official. There have been three self-nominations submitted for the two Board seats, thereby making an election necessary on May 2, 2006.

Mr. Kielbaso, a resident of Colorado Centre was in attendance at the meeting to present his concerns about his sewer base for the 2006 calendar year. Dr. Testa had presented Mr. Kielbaso with a offer and Mr. Kielbaso decided he wanted to take it to the Board thereby making Dr. Testa's offer null and void. After a brief discussion, it was determined that any decision made by the Board will be tabled until the March 23rd Regular Board Meeting giving the Board ample time to review the circumstances.

A motion was made and seconded to table the final decision made regarding Mr. Kielbaso's 2006 sewer base until the March 23, 2006 Regular Board Meeting. Upon a voice vote, the motion passed unanimously.

Director Bridgewater inquired about the road repairs and Dr. Testa said that the repairs will begin in the Spring.

Director Cantin reported a light out on Horizonview. The outage has been reported to Mountain View Electric.

Director Cantin opened discussion regarding the brain storming session to work on a 5-year plan for CCMD and long term projects that appear to be necessary. The survey has a question asking for input from the residents so hopefully this will be a valuable resource of information for the workshop. Dr. Testa will work on arrangements for this "brain storming" workshop to take place in April, 2006.

II. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 6:45 pm. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

Michael Cantin, President

Jimmie Bridgewater, Secretary