

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

Thursday, April 20, 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
Shawn Eccles	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 5:05 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

- F. Operations Report
 - d. Fire Station Lease

Dr. Testa started the meeting with discussion regarding the Lorson Ranch Development and the possibility of exploring some type of workable situation between Colorado Centre Metropolitan District and the Lorson Ranch Development in regards to fire protection for Lorson Ranch. He mentioned that some type of mutual aid could possibly be worked out with Colorado Springs.

Dr. Testa introduced Mr. Dave Cocolin, head of Lorson Ranch Development, who explained that he is requesting that CCMD and Lorson Ranch explore a workable "win win" situation in regards to fire protection for the Lorson Ranch Development. Director Terry remarked that he thought it was a good idea especially in terms of possibly lowering insurance rates for residents of Colorado Centre. Director Cantin has concerns about the fire truck purchase and our

agreement with the City of Colorado Springs. The Board concurred that this situation was worth looking into and would like Dr. Testa to explore this situation and report back to the Board.

A motion was made and seconded to direct District Manager Dr. Testa to explore the possibility of a mutual “win win” agreement with Lorson Ranch Development in regards to fire protection for Lorson Ranch. Upon a voice vote, the motion passed unanimously.

B. Special Discussion on Intersection Safety

Director Cantin introduced County Commissioner Dennis Hisey. Commissioner Hisey consented to attending this meeting for the purpose of hearing concerns regarding traffic safety in and around Colorado Centre.

Director Terry presented a brief slide show explaining the progress that has been made in regards to the concerns about traffic safety at the intersections of Marksheffel /Bradley, Powers /Bradley and Powers/Grinnell.

Surveys were taken from the residents of Colorado Centre, Widefield area school bus drivers, and residents in the area surrounding Grinnell and Powers. Director Terry reported that the surveys were close to 100 percent agreeing that the three intersections in question were extremely dangerous and all needed some type of traffic control lights. Data was also compiled from the State Patrol, the Fire Department and the City Police. Director Terry also mentioned that Schriever AFB, Peterson AFB and the Widefield School District are all supportive of some type of traffic control to enhance the safety of all the intersections.

Director Cantin introduced Steve Finnegan who is a Widefield area school bus driver and facilitated the survey of the bus drivers. He reiterated the concerns of the drivers about safety issues at the three intersections. The bus drivers also added a fourth intersection at Wageman and Bradley which is a real safety concern to them.

Commissioner Hisey explained that he is an advocate for traffic lights at the intersections of Powers/Bradley and Powers/Grinnell. He shared an e-mail with the group from Chris Bland of the DOT regarding studies at the intersections in question. He stated that a signal warrant study was recently completed for the intersection of Bradley/Marksheffel and the results of the study indicated that a signal was not warranted at this time. Regarding Bradley Road/Powers Boulevard, the city is in the process of gathering the necessary traffic data for the signal warrant analysis. Regarding Grinnell Boulevard/Powers Boulevard, it is Mr. Bland's understanding after speaking with John Clack of the DOT that a signal warrant study was completed by a consultant in 2005 and the study results indicated that a traffic signal was warranted at the location. However, due to cost constraints, the location is not presently scheduled for a traffic signal.

Dave Cocolin of Lorson Ranch and Commissioner Hisey remarked that there is an area traffic study in the works which is being done by a group of local developers. The developers are responsible for the costs of traffic light improvements in their developing areas and need the traffic study to determine the most cost effective way for any type of road development.

Commissioner Hisey was very impressed with all the data and survey collected to this point. He suggested having the same type of presentation during "Public Comment" time at the Commissioners meeting. Commissioner Hisey will contact Chris Bland of the DOT and Dr. Testa will be the contact point to schedule the presentation. Mr. Hisey suggested that it would be important to have all communities with concerns represented at the presentation. He also remarked that John McCarty, DOT Department Head, needs to have the presentation agenda before the meeting.

Director Terry excused himself at this time (5:40 pm) due to his having a prior commitment.

Director Hisey reported that work is scheduled to begin in June for repairs on Horizonview Drive.

Director Cantin expressed some concerns regarding the trash dumping that is still occurring in and around Colorado Centre. Commissioner Hisey stated that the land that is being used for a "dump" is school district land and the school district should be contacted regarding cleanup issues.

Dr. Testa inquired about the residents who lost their water service and where they are going to get the service. CCMD prepared for their usage and hasn't been contacted by any residents. Commissioner Hisey said that most of those residents are using commercial services.

- A. Approval of the Minutes of the Regular Meeting of March 23, 2006 and Minutes of the Work Session Meeting of April 1, 2006.

The Board reviewed the minutes presented.

Paul Anderson had a question regarding the statement in item C. and the sewer rate adjustment. Dr. Testa explained the rules and regulations regarding the resident's sewer rate adjustments and that the statement was according to the rules and regulations. The resident rejected the offer made therefore he will pay the sewer rate calculated during the months of December and January.

A motion was made and seconded to approve the minutes of the Regular Meeting of March 23, 2006 and Minutes of the Work Session Meeting of April 1, 2006. Upon a voice vote, the motion passed unanimously.

Dr. Testa explained that the Work Session was an informal brainstorming session and no formal action was taken. The minutes are a synopsis of what was discussed. Director Cantin mentioned that he would like some sort of line item added to the agenda regarding an "update" noting progress and any action taken on past recommendations coming out of the meetings. Dr. Testa will put something on the agenda to address this suggestion by Director Cantin.

C. Review of the District's Finances

a. Bank Balances

The District has approximately \$871,000 in funds with approximately \$785,000 unencumbered. Liabilities include developer taxes, restricted taxes and customer deposits (approximately \$69,000). Our investments are doing well and continue to grow. ColoTrust reserve funds are at 4.63%. The reserve fund CD's are the collateral for the fire truck loan.

b. Budget Review

Dr. Testa gave a brief description of the Budget Comparison for the benefit of the Board members. He explained the General Fund, Reserve Fund, Debt Service Fund and the Water and Wastewater Funds.

Taxes are at approximately 38 percent for the year and expenses are on target. When the audit is completed, the final transfers will be made to the budget. We are very close to the next bondholder's payment. The Reserve Fund is at approximately \$631 thousand. We have collected some restricted taxes in the Debt Service Fund. These restricted funds are strictly to pay the bondholders. The lottery funds collected have increased compared to what was collected last year.

CCMD has a new field employee, Frankie Diaz. He is in the trial period at this time.

Under water operations, user charges are at approximately 17 percent year to date. Transmission and distribution is at 30 percent due to the large first of the year payments. This will even out as the year progresses. Wastewater revenue is on target and expenses are a little higher because of some repairs at the lift station.

D. 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.

E. Legal Matters

a. Cuchares District

Paul Anderson has submitted a draft service agreement which the Board needs to review. Dr. Testa will review, edit and approve the agreement at a later date. Mr. Anderson stated that the Cuchares project is due to commence in the fall of this year.

F. Operations Report:

a. Water System

All parts of the system are working great. The District has purchased or produced 13.2 million gallons and sold approximately 13.6 million YTD. There was a 1.5 percent water loss which is minimal.

b. Sewer System

The wastewater system appears to have a malfunctioning meter or some type of infiltration (we are producing sewage, which cannot happen). Dr. Testa had the field personnel check the vault and they opened the meter and discovered that the sensor was clogged. They cleaned it up and it is now working properly. Dr. Testa submitted all the data to Fountain Sanitation and they will give CCMD a credit. The Board and Dr. Testa conferred that negotiating with Widefield regarding wastewater is very necessary at this time. There is no augmentation report because data has not been received from the State.

c. Parks

As soon as the gates are installed, there will be a notice placed in the newsletter that the park is open to be used by the residents. The gates will be installed within the next 2 months. The signage is in place.

d. Fire Station Lease

This item was discussed previously in the meeting. After more discussion, the Board would like for Dr. Testa to explore possibilities of some type of land exchange or acquisition with the City, BLR and/or Lorson developers. The Board discussed ideas regarding a library, recreation center and park areas. Also, Dr. Testa will look into more space for CCMD. He will report back to the Board. Director Cantin reiterated that he doesn't want to go above the 3 mil addition so any plans would need to take this into consideration. All ideas need to come under the restraint of no more taxes.

G. El Paso County Water Authority

When the El Paso County Water Authority was established all the entities approved the contract. There was a problem regarding what constituted a quorum (Item 8). Consequently, the Authority decided that the quorum guidelines shall be established in the Bylaws. An Amended Establishing Contract for El Paso County Water Authority with the quorum guidelines being established in the Bylaws was reviewed and the CCMD Board decided to table approval until the next regular Board meeting. Also, as part of Exhibit B to the Establishing Contract of the El Paso County Water Authority the Board needs to appoint an initial Director and an alternate member. The Amended Bylaws (Second) of the El Paso County Water Authority can be approved by the Authority Board.

A motion was made and seconded to approve Dr. Alvaro Testa as the CCMD Director Member of the El Paso County Water Authority and Sandy Goad as the Alternate Member. Upon a voice vote, the motion passed unanimously.

H. Fountain Mutual Irrigation Company

The District is still on the Board and an issue at this time is concerns regarding development along the canal. Standards are being put together in regards to how to deal with developers and guidelines that they will need to follow as far as any development which occurs along the canal.

Director Cantin inquired about development along the east side of Grinnell along the canal and what exactly is happening. Dr. Testa will take a look at that area and report back to the Board.

I. Lower Fountain Metropolitan Sewage Disposal District

Director Cantin reported that the IGA between Lower Fountain and the City of Colorado Springs is still not finalized. Jim Heckman sent a final version on April 20th to the City of Colorado Springs and it seems that the City wants total control. Paul Anderson reported that there is a meeting on Friday, April 21st and the LFMSDD will make a final decision at this time. If the City doesn't accept the final version then LF will go ahead on its own.

J. Resident Survey- Additional Status Report

This was discussed previously in the meeting. Dr. Testa would like copies of all survey results in order to have all data necessary when he meets with the County Commissioners. Commissioner Dennis Hisey is very supportive and will work with Dr. Testa and the Board to get the results presented to the Commissioners and the DOT.

K. Discuss Board Work Session of April 1, 2006

The “brainstorming” work session which took place on April 1, 2006 at the Garden of the Gods Club on Mesa Road was very successful. Dr. Testa will prepare a summary and a schedule for tracking the progress of any ideas that were discussed at the work session.

L. Other Matters and Public Input

Paul Anderson reported that he has talked to the attorney representing Mr. Campbell’s insurance company. Mr. Campbell has been invoiced for the water loss that occurred because of a break in the line leading to his house. All data has been sent to the State Farm insurance agency representing Mr. Campbell and a decision should be forthcoming. A lien has been prepared and will be certified as a tax lien to be collected by the State Treasurer if the insurance company fails to pay for the loss.

Cindy Monroe made inquiries about the City of Fountain Cleanup and learned that their costs are approximately \$15,000 for their annual cleanup.

Cindy also called the Department of Health regarding open burning. An application needs to be filled out at a cost of \$80.00. The Department of Health stated that they are denying all applications at this time.

There have been rumors in the area regarding an increase of miscarriages and also a resident had reported that their doctor had found high levels of arsenic in her blood. Dr. Testa stated that any time there are concerns about any type of possible water contaminants; our field staff tests the water immediately.

II. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:30 pm. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

Michael Cantin, President

Shawn Eccles, Secretary