

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

Thursday, May 25, 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, Pedro Velazquez 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 April 20, 2006

The Board reviewed the minutes presented. Director Cantin made a correction to the minutes regarding B. Special Discussion on Intersection Safety. He stated that Steve Finnegan is a resident of the areas in question and Gary Wilson was in attendance representing the Widefield area school bus drivers.

A motion was made and seconded to approve the corrected minutes of the Regular Meeting of April 20, 2006. Upon a voice vote, the motion passed unanimously.

B. Election Results and Installation of Elected and Appointed Directors

Michael Terry and Frank Ingraldi were elected to 4-year terms on the Colorado Centre Board of Directors. The regular election was held May 2, 2006. Shawn Eccles was re-appointed to a two-year term since he did not get elected. The three new board members collectively took their oath of office administered by Board President, Michael Cantin.

C. Review of the District's Finances

a. Bank Balances

Dr. Testa explained that it is necessary to make a motion to transfer money from the Cuchares escrow fund in order to reimburse the District for expenses incurred in regards to the Cuchares inclusion. Director Cantin gave a brief history of the Fountain Mesa development plans and the Cuchares inclusion for the benefit of the new CCMD directors. Due to the fact that there is quite of bit of expense involved with regards to the Cuchares inclusion, the Board requested that this Cuchares escrow account be set up in the amount of \$10,000. Expenses incurred are getting close to the initial \$10,000 therefore it will be necessary for Fountain Mesa to deposit additional monies.

A motion was made and seconded to approve the transfer of funds from the Cuchares Escrow account to reimburse CCMD for expenses incurred in regards to the Cuchares inclusion. Upon a voice vote, the motion passed unanimously.

The District has approximately \$977,000 in funds with approximately \$874,000 unencumbered. Liabilities include developer taxes and customer deposits. The restricted developer taxes will be disbursed to the bondholders on July 1, 2006. Our investments are doing well and continue to grow. ColoTrust reserve funds are at 4.86%. The reserve fund CD's are the collateral for the fire truck loan.

b. Budget Review

Taxes are at approximately 50 percent for the year and expenses are on target. When the audit is completed, the final transfers will be made to the budget. We already have the first bondholder's payment which will be disbursed on July 1, 2006.

The Reserve Fund is at approximately \$634 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.

Under water operations, revenue is up probably because of residential and commercial irrigating taking place. Revenues and expenditures are starting to even out and are pretty much on budget year to date. There is approximately \$170 thousand in the capital reserve fund which will come down to approximately \$110 thousand when the audit is completed.

Wastewater revenue is on target but expenses are a little higher because of numerous necessary repairs at the lift station. Most of the repairs have been done by our field personnel.

Director Edwards inquired about the necessity of putting another well into operation. Dr. Testa stated that this is definitely something we should consider doing. Another well would possibly get us up to 500 GPM. Water demand will slow down after August. Dr. Testa would like to confer with the field personnel and determine meter needs, etc. The Board tabled discussion regarding meters and wells until the next regular board meeting. Dr. Testa will research these items and give his feedback at that meeting. He stated that to make another well operational would cost approximately \$60,000. A new meter system would cost approximately \$70,000.

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 reported that he is continuing to work with Steve Meylan, who is the representative for the Cuchares inclusion project. The Cuchares land has not closed yet. Dr. Testa and Mr. Anderson are still working on the agreement and the sewer tap issues and when exactly at what stage the sewer tap payments be made. There will be 120 homes initially in Phase 1 and the water from Cuchares will cover Phase 1. Mr. Meylan suggested that the District consider taking a Deed of Trust. The best scenario would be to get the tap fees as early as possible to facilitate building the sewer treatment plant. Mr. Anderson stated that the Cuchares project is due to commence in the fall of this year.

Mr. Anderson is still reviewing the CCMD Rules & Regulations and will propose his recommendations at the next regular board meeting.

F. Operations Report

a. Water System

All parts of the system are working great. The District has purchased or produced 9.7 million gallons and sold approximately 10.2 million. There was a .9 percent water loss which is minimal.

b. Sewer System

The wastewater system had a malfunctioning meter. It was determined to be clogged and after the field personnel unclogged and cleaned it, it was working properly. The clog was causing it to misread. Dr. Testa submitted all the data to Fountain Sanitation and CCMD was given a credit. The augmentation chart shows that we have excess water therefore we are in a good position in terms of augmentation water.

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 month and if necessary, a contractor will be hired to do the gates. Hopefully, our field personnel will be able to put up the gates after the wastewater repairs are finished. The signage is in place.

d. Fire Protection Service – CCMD/Lorson/Rolling Hills

The Lorson developers are still in contact with us and wanting to do some type of arrangement for fire protection. The Rolling Hills developers have contacted Dr. Testa and are interested in some type of fire protection collaboration also. Dr. Testa is researching all the implications concerning this and will report back to the Board. Obtaining an IGA with Lorson and Rolling Hills allows CCMD to pass the fire station debt to Lorson and Rolling Hills. He stated that it is very important not to jeopardize or compromise our IGA with the City.

G. El Paso County Water Authority – Sign Agreement from Last Month

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 gave approval to this agreement. CCMD President Michael Cantin signed the agreement.

A motion was made and seconded to approve the El Paso County Water Authority Amended Establishing Contract. Upon a voice vote, the motion passed unanimously.

H. Fountain Mutual Irrigation Company

The District is still on the Board and not much is going on at this time. There are some water rights issues being discussed and Dr. Testa will keep the Board apprised of any developments concerning water rights and the implications for Colorado Centre.

I. Lower Fountain Metropolitan Sewage Disposal District

Dr. Testa reported that the papers to go ahead on our own were filed with the State today. Dr. Testa will report on any new developments as far as getting the loans approved. The State loans would come to us interest free.

J. Discuss Tour of Facilities After Meeting Today

Director Eccles inquired about the web site and Dr. Testa said that it has been established but is not completely finished. He will inform us as to when we will be able to access it.

A motion was made and seconded to enter into Executive Session at 5:50 pm. Upon a voice vote, the motion passed unanimously.

A tour of CCMD facilities began at this time.

K. Other Matters and Public Input

None

II. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:20 pm. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

Michael Cantin, President

Shawn Eccles, Secretary