

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

Thursday, August 24, 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:

Alvaro Testa, Paul Anderson, Cynthia Monroe, and Sandy Goad

**I. Preliminary**

- A. Call to Order  
Director Cantin called the meeting to order at approximately 5:04 pm.
- B. Roll Call - Determination of a Quorum.  
A Quorum was present. Director Terry arrived at 5:10 pm.
- 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 July 20, 2006

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

- B. Review of the District's Finances
  - a. Bank Balances

At this time, Cindy Monroe gave a review of the District's Finances. The District has approximately \$1,091,000 in funds with approximately \$1,002,000 unencumbered. Liabilities include developer taxes and customer deposits. Our investments are doing well and continue to grow. ColoTrust reserve funds are at approximately 5.1%. Reserve fund CD's are the collateral for the fire truck loan. The Fountain Mesa escrow account was replenished and the current balance is \$6,514. Lorson developers remitted \$10,000 to establish an escrow account for fire protection issues.

b. Budget Review-Closing of 2005 and Current

The 2005 audit by Hoelting and Company was completed and submitted to the State. The audit adjustments were transfers from the Reserve and Water Funds to the General and Wastewater Funds to bring the deficit balances to zero. Director Terry had several questions about the audit process and Ms. Monroe explained what the audit entails. A bound copy of the 2005 audit is available to Director Terry for review.

Currently the budget is on target. Although the General Fund currently has an ending balance of \$269,000 the General Fund will transfer \$264,950 before the end of the year to the Debt Service Fund for the two bondholder interest payments. The Reserve Fund is accruing interest and year to date is approximately \$642,000. Water is at approximately \$210,000 and the wastewater fund has a slight surplus of approximately \$2,000 which reflects that the wastewater fund is "holding its own".

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.**

E. Legal Matters

Mr. Anderson relayed that he and Dr. Testa have been meeting with Lorson Developers regarding setting up a fire protection agreement. Lorson is extremely interested in completing some kind of fire protection agreement as soon as possible. It is critical to get something completed by the end of August. Mr. Anderson and Dr. Testa will keep the Board apprised of any developments regarding the fire protection service agreement.

a. Cuchares District

Paul Anderson reported that he is continuing to work with Steve Meylan, who is the representative for the Cuchares inclusion project. He met with Mr. Meylan today and they reviewed the draft service agreement. Mr. Meylan has one minor adjustment that he would like to be made to the agreement. The adjustment is in regards to the expiring taps and he requested one more year before the expiration takes place for a total of three years instead of two years. The new District must be approved before the service agreement can be submitted. Dr. Testa and Mr. Anderson met with Carl Schuller who is with the County land use department. He provided Mr. Anderson with a copy of the County's land use requirements which Mr. Anderson incorporated into the service agreement. The land use

process must be completed before the service agreement can be accepted and before the formation of a new district. The service plan will be implemented immediately after plat approval. Dr. Testa arrived at this time and reiterated the information that Mr. Anderson had reported. They will keep the Board informed regarding the status of the Cuchares District formation and the service agreement.

b. Discuss a Water and Sewer Stand-by charge

Paul Anderson reported that Dr. Testa had requested that he research the possibility of a water and sewer stand-by charge. This applies to properties in the CCMD service area that are not currently connected to the systems. Paul is researching all the parcels and any situation that could significantly impact bringing in more water and fees for Colorado Centre. Paul has not completed his research on this matter and will report at the next regular Board meeting.

Other items that Mr. Anderson is still researching for feedback to the Board is the annexation agreement and permits involved with regards to the proposed reservoir.

F. Operations Report

a. Water System

All parts of the system are working great. The District has purchased or produced 10.4 million gallons and YTD the District has produced/purchased approximately 60 million gallons of water. There has been approximately a 1.5 percent YTD water loss which is minimal.

b. Sewer System

Approximately 4.3 million gallons of water has been pumped to Fountain Sanitation. At the beginning of August the force main blew and the dry well was flooded. All electrical equipment had to be dried and cleaned. Instead of calling Reliable to get rid of the sewage, we were able to pump directly into Widefield's manhole. The sewage was pumped for 2 1/2 days while all the pumps were cleaned and replaced. Dr. Testa talked to Widefield about using their manhole and offered to pay for this service. To date there has been no invoice from Widefield. The trash pump more than paid for itself with this incident and Dr. Testa again thanked the Board for approving the purchase of the trash pump.

c. Parks

Nothing reported.

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

Dr. Testa reported that Lorson and Rolling Hills are extremely motivated to get a fire service agreement with CCMD. The fire station will be run by CCMD with a contracted Fire Chief. Lorson and Rolling Hills will pay CCMD to operate the fire station. The service agreement will be set up year to year with payment up front. He reiterated that it is very important not to jeopardize or compromise our 15 year IGA with the City. This is a win-win situation for CCMD.

e. Request to allow additional subdividing/platting of Lot 1, Colorado Centre Foreign Trade Zone & Business Park, Filing No. 2

Dr. Testa shared correspondence with the Board from Cameron Butcher Commercial Real Estate. The owners would like to subdivide the property and in order to subdivide, the owners propose to buy two shares of water from Fountain Mutual, which they will give to Colorado Centre as assurance of a future water tap. Dr. Testa and Mr. Anderson will further research all of the ramifications. The item was tabled for discussion at a later regular Board meeting.

F. El Paso County Water Authority

The El Paso County Water Authority still has not signed the agreement approved by the CCMD Board.

G. Fountain Mutual Irrigation Company

The District is still on the Board and not much is going on at this time. They are still pursuing the Fountain Creek water rights. Dr. Testa will keep the Board apprised of any developments concerning water rights and the implications for Colorado Centre. The City wants to re-negotiate the lease regarding Big Johnson Reservoir. CCMD owns 545 shares which equates to a very valuable asset for CCMD.

H. Lower Fountain Metropolitan Sewage Disposal District

Director Cantin reported that everything is moving forward. The interceptor was “blessed” by Venezia. Colorado Springs didn’t like the changes LF made to their letter of agreement. Budgets are in process and Dr. Testa will have a good idea within the next month how much LF will need. There will be an increase.

J. Other Matters and Public Input

Director Terry requested that the meeting times be changed because he has a conflict with his School Board meeting. He is proposing that the meetings be changed to the 4<sup>th</sup> Thursday of the month keeping the 5pm start time. The Board discussed this change and agreed that a change was feasible.

**A motion was made and seconded to change the regular board meeting to take place the 4<sup>th</sup> Thursday of the month while keeping the November 16, 2006 and December 8, 2006 regular meetings as scheduled. Upon a voice vote, the motion passed unanimously.**

Director Terry commented at this time that the Widefield School District is exploring the possibility of purchasing the USOC building. Dr. Testa asked Mr. Anderson to research the impact of a Widefield School District purchase of the USOC building in respect to the bankruptcy plan.

I. Resolution 20060824.1 – Employee Recognition/Go into Executive Session After this action to cover personnel matters.

**A motion was made and seconded to enter into Executive Session at this time. Upon a voice vote, the motion passed unanimously.**

**A motion was made and seconded to exit the Executive Session at this time. Upon a voice vote, the motion passed unanimously.**

Dr. Testa commented on the fact that Ms. Cindy Monroe began working for the District in August 1986, becoming a full-time employee November 16, 1986. The Board on behalf of itself and the District resident's thanked and expressed its sincere gratitude to Cindy for 20 years of outstanding service to the District.

**A motion was made and seconded to approve Resolution No. 2006-08-24.1 To Honor Cindy Monroe For 20 Years Of Service To The District. Upon a voice vote, the motion passed unanimously.**

Cindy thanked the District for the opportunities of the last 20 years and the acknowledgement of everyone's appreciation.

J. Other Matters and Public Input

These items were discussed previously in the meeting.

III. Adjournment

**A motion was made and seconded to adjourn the regular meeting at approximately 6:15 pm. Upon a voice vote, the motion passed unanimously.**

Respectfully Submitted,

---

Michael Cantin, President

---

Shawn Eccles, Secretary