

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

Thursday, September 28, 2006 5:00 PM
4770 Horizonview Drive
Colorado Springs, CO 80925

Board Members Present:

Michael Cantin
Floyd Edwards
Shawn Eccles

President, Chairman
Treasurer
Secretary

Also Present:

Paul Anderson, Cynthia Monroe, and Sandy Goad

I. Preliminary

- A. Call to Order
Director Cantin called the meeting to order at approximately 5:10 pm.
- B. Roll Call - Determination of a Quorum.
A Quorum was present. Director's Terry and Ingraldi were not in attendance.
- 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 August 24, 2006

Paul Anderson had two minor corrections to the minutes. The corrections were under E. Legal Matters/a. Cuchares District. The correct spelling for Carl Schuller is Carl Schueler. The second correction is in the sentence "The service plan will be implemented immediately after plat approval" which should read "The service plan will be filed immediately after plat approval."

A motion was made and seconded to approve the minutes as amended by Paul Anderson of the Regular Meeting of August 24, 2006. Upon a voice vote, the motion passed unanimously.

B. Review of the District's Finances-Cindy Monroe

a. Bank Balances

At this time, Cindy Monroe gave a review of the District's Finances. The District has approximately \$1,158,000 in funds with approximately \$1,065,000 unencumbered. Liabilities include approximately \$22,000 of funds held on behalf of developers and \$71,000 of customer deposits. Our investments are doing well and continue to grow. ColoTrust reserve funds are at approximately 5.14%.

b. Budget Review

Currently the budget is on target. Although the General Fund currently has an ending balance of \$275,000 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 majority of taxes (97%) have been received. The Reserve Fund is accruing interest and year to date is approximately \$644,000. Water is at approximately \$224,000 and the wastewater fund has a slight deficit of approximately \$133.00 due to unexpected repairs needed on the force main. The wastewater fund is near total self-sufficiency.

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.

A motion was made and seconded to transfer \$20,000 from the CCMD checking account to the higher interest ColoTrust Account. Upon a voice vote, the motion passed unanimously.

A motion was made and seconded to transfer monies from the Fountain Mesa Escrow account (\$5,340.00) and the Lorson Escrow Account (\$5,130.00) to the CCMD checking account for reimbursement of expenses. Upon a voice vote, the motion passed unanimously.

D. Legal Matters – Paul Anderson

b. Lorson's Fire Protection IGA

Paul Anderson introduced Mr. Dave Cocolin who is representing the Lorson Ranch Development. Dr. Testa and Paul Anderson have worked with Mr. Cocolin and his attorneys to develop the Lorson Fire Protection IGA. Mr. Anderson met with the Deputy Fire Marshall of El Paso County, Jim Reid, and he

reviewed the IGA and is satisfied with the final agreement. Paul Anderson and Dr. Testa (via memorandum) have recommended that the Board approve and sign-off on the Lorson Fire Protection IGA.

Dr. Testa will be meeting with Rolling Hills Development representatives next week. The agreement with Rolling Hills will be separate from the Lorson IGA but similar in content.

Dr. Testa and Paul Anderson met with Lonnie Inzer who was formally with the Colorado Springs Fire Department. He is now teaching at Pikes Peak Community College in the Fire Science Department. He has agreed to serve as a consultant and Dr. Testa will be the Fire Chief. Fire service is scheduled to begin April 1, 2007.

A motion was made and seconded to approve the Lorson Fire Protection IGA as presented. Upon a voice vote, the motion passed unanimously.

A form letter that Mr. Cocolin will provide to El Paso County was signed by Director President Michael Cantin.

This is an excellent agreement for CCMD and will make a significant impact on lowering homeowner's insurance rates.

a. Cuchares District

Paul Anderson reported that we are still waiting for Steve Meylan to provide exhibits for the service plan. Cuchares is going to submit all four (4) phases for preliminary approval and ask for final approval for Phase One. Phase One will consist of 120 units and Dr. Testa will propose lending water for the first phase with the understanding that the Fountain Mutual shares and all water rights will be deeded over to CCMD. The school site has enough water which would solve the problems for Phase One and after conferring with the County Attorney, Paul notes Widefield school district would have to commit to not develop until the supplemental decree is approved. Mr. Anderson reiterated that the new District will have to adopt the same mil levy of CCMD upon formation. Ninety days from the service plan approval the Court will organize the District.

b. Lorson's Fire Protection IGA

This item was discussed previously in the meeting.

c. Water and Sewer Stand-by Charge

Paul Anderson reported that after research he determined that there is no legal issue with regards to not going forward with water and sewer stand-by charges.

Director Cantin requested that Dr. Testa move forward on this and develop water and sewer stand-by charges for the 3-4 undeveloped commercial properties in Colorado Centre.

E. Operations Report – Lloyd Shawcroft

a. Water System

All parts of the system are working great. In August the District has purchased or produced 7.7 million gallons and sold 7.8 million gallons with the difference being in the tank level. YTD the District has produced/purchased approximately 68 million gallons of water. There has been approximately a 1.7 percent YTD water loss which is minimal.

Director Cantin questioned if the Bramble Lane potholes were possibly the cause of the water loss. Lloyd said that isn't a main leak and the water loss source has not been established.

b. Sewer System

Approximately 4.2 million gallons of water has been pumped to Fountain Sanitation. Wastewater to water ratio is normal at 53 percent. At the beginning of August the force main blew and the dry well was flooded. All electrical equipment had to be dried and cleaned. Everything is repaired and working normally.

c. Parks

No report.

d. Fire Station Reactivation Effort

The Lorson IGA was discussed previously in the meeting. Deputy Fire Marshal Jim Reid and Lonnie Inzer (fire protection consultant) toured the CCMD facility and Mr. Inzer will report to Dr. Testa. Dr. Testa will be the Fire Chief.

F. El Paso County Water Authority – Al's Memo

Per Al's memo "most of the activities of the authority have revolved around certain bills that are circulating in the legislature. We continue to try to position the authority as a major force in the politics of "water".

G. Fountain Mutual Irrigation Company – Al's Memo

Per Al's memo "we are very close to letting a contractor drill exploratory holes at the bottom of Big Johnson to determine how much silt has accumulated in it.

This will allow the company to better plan how to dredge the reservoir to increase its storage capacity. We are also contemplating buying more equipment to improve our maintenance fleet and avoid paying unnecessary taxes. Remember that FMIC is a for profit company”.

H. Lower Fountain Metropolitan Sewage Disposal District – Mike Cantin

Director Cantin reported that after attending the last meeting Dr. Testa noted that LF is making significantly more progress towards building a wastewater plant than the City of Colorado Springs. Mr. Anderson noted that easements are currently being obtained and LFMSDD is working at developing a good relationship with all stakeholders.

I. Resolution to Clarify Employee Retirement Age and Benefits –
Cindy, Paul and Al’s Memo

Per Al’s memo “I need to apologize for the way the existing resolution came out. The original intent was to mimic the requirements of the Social Security Administration (SSA) for retirement purposes. Cindy will present to you a new resolution that allows our employees to retire when they qualify for it under the SSA rules. In addition, if an employee qualifies at an earlier age for Medicare, then the employee must apply for that benefit and the District’s insurance program (health, dental and Life) will no longer be offered. I believe a new resolution that covers these items as states clarifies what the intent was for the previous resolution. If the Board wants to discuss this further, no action needs to be taken yet.” Cindy added that the issue of disability insurance needs to be addressed also. After discussion the Board decided to table this matter until the next Board meeting. Director Cantin added that this issue could be addressed at the Special Budget meeting on October 10, 2006.

J. Community Cleanup – Saturday, October 7 – Cindy Monroe

Home Depot made gift card donations and trash bags and gloves will be purchased with these donations. Lowe’s donated 25 pairs of gloves and trash bags. Bestway will deliver the 30 yard dumpster on Friday at a reduced rate. The dumpster will be placed at Colorado Centre. We have requested gift card donations from Safeway and King Soopers for food purchases. Colorado Gold Chips will be providing chips again this year. A community service individual set up free “thank you” ads in the Thrifty Nickel and the Gazette Slice. The staff will set up on Friday and the clean-up will begin at 9am Saturday morning, October 7th. Director Cantin would like to concentrate on all the open spaces, roadways and the area around Colorado Gold Chips. Director Cantin suggested we purchase enough food for 50 volunteers.

Cindy reported that Mountain View Electric will “de-graffiti” the electric boxes that have been vandalized.

K. Other Matters and Public Input

Since the signal lights are now working at Marksheffel and Bradley, Director Cantin suggested we check with Mountain View Electric regarding discontinuing the street lights at that intersection. This will save the District some monies. Cindy will look into this matter.

Director Cantin inquired about the District's retirement plan and its long term liability repercussions. Cindy explained that once it is expensed at the end of the month it is no longer a liability for the District. The employee is responsible for the investment of their monies.

Director Eccles suggested we check into getting stop signs placed at the corner of Anvil and Gunbarrel. This intersection is a bus stop. The children have to cross the street and the vehicles have no stop sign which makes this a very dangerous situation. Cindy will look into this matter.

Mountain View Electric did come out and trim some of the trees around the street lights. Director Cantin would like Cindy to check into the possibility of the resident trimming their bush at the corner of Levi Lane and Anvil Drive.

III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 6:10 pm. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

Michael Cantin, President

Shawn Eccles, Secretary