

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

Thursday, June 28, 2007 at 5:00 PM
4770 Horizonview Drive
Colorado Springs, CO 80925

Board Members Present:

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|----------------|-------------------------------|
| Michael Cantin | President, Chairman |
| Floyd Edwards | Treasurer |
| Frank Ingraldi | Vice President, Vice Chairman |
| Shawn Eccles | Secretary |
| Michael Terry | Assistant Secretary/Treasurer |

Also Present:

Dr. Alvaro Testa, Paul Anderson, Cynthia Monroe, Sandy Goad

I. Preliminary

- A. Call to Order
Director Cantin called the meeting to order at approximately 5:06 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 May 24, 2007 and Special Meeting of June 2, 2007.

Dr. Testa reported that Director Terry has requested that the April, 2007 regular meeting minutes be restated to reflect the changes approved. The way it has been done in the past is to reflect that the prior minutes were approved with the changes and no change was made to the actual minutes; the changes and or additions have always been reflected in the minutes of the next regular board meeting. After discussion it was determined that the corrected language be inserted in the actual minutes with no reference to what was changed. This will be the policy for all future minutes.

A motion was made and seconded to approve the Minutes of the Regular Meeting of May 24, 2007 and the Special Meeting of June 2, 2007. Upon a voice vote, the motion passed unanimously.

B. Review of District Finances

The restricted developer taxes will be disbursed to bondholders on July 1, 2007 per the Bankruptcy plan. Discussions followed regarding the authorization and disbursement to BNY for the Bondholders.

A motion was made and seconded to approve the transfer and payment of \$132,476.52 to the Bank of New York for the July 1, 2007 payment of the interest on the Series "A" bonds. Upon a voice vote, the motion passed unanimously.

Cindy Monroe commented at this time regarding the necessity to transfer funds from the ColoTrust account for the purpose of paying a significant amount of payables. Also, a transfer is needed from Lorson and Rolling Hills escrow accounts for reimbursement of fire related expenses.

- Bank Balances

Cindy Monroe gave the report on bank balances at this time. Ms. Monroe reported that as of June 26, 2007 the District has \$2,240,261.53 in funds with \$2,009,567.87 unencumbered. The ColoTrust rates have changed a little from last month which was 5.16% to 5.17 % for June. We received approximately \$72 in developer taxes this month. The restricted developer taxes will be disbursed to bondholders on July 1, 2007.

- Budget Review

The Budget comparison was reported on at this time by Ms. Monroe. The General Fund tax revenue is at 58% bringing in \$8,197 for the month of May. All other revenues are at or below budget. Most expenses are right on target for the year. YTD the General Fund has approximately \$180,000.

Ms. Monroe further reported that the Reserve Fund earned interest of approximately \$6,953 closing at \$685,549. The Debt Service Fund has an YTD balance of \$45,577. The only expense in the Debt Service Fund was a treasurer fee of \$1.00 (1.5% for the collection and distribution of taxes).

The Governmental Fund Enterprises are IGA Lorson, IGA Rolling Hills and IGA Cuchares. Expenses for IGA Lorson were \$64,912 leaving an ending balance of \$336,878. Expenses for IGA Rolling Hills were \$65,157 leaving an ending balance of \$337,948. The capital outlay expenses were for the fire engine, Avalon Construction's first draw and the radios for the fire station. The Cuchares District has not been formed as yet so there is no budget activity YTD. Due to the fact that both Lorson and Rolling Hills have the same IGA with CCMD, Director Terry inquired as to why these entities are not showing the same numbers. Dr. Testa explained that Lorson has been billed a little extra because of the consulting work done by Dr. Testa pertaining to their reviews.

The Water Fund-General had total revenues of \$25,407 and total expenses of \$16,154 leaving an ending YTD deficit of -\$19,699 which is approximately \$9,000 less than last month; therefore this deficit continues to get smaller. Water usage is down because of the loss of Colorado Gold Chips and there has been a lot of rainfall in the month of May. The Water Fund-Capital YTD ended at approximately \$159,000.

The Wastewater Fund-General has a surplus balance of \$17,370. Most of the expenses were for Lower Fountain in the Wastewater Fund-Capital and these expenses are approximately \$30,000 a month. The Ferric chemicals were a little higher this month because it was necessary to switch out the ferric feed to the other end of the bay. The Wastewater Fund-Capital has an YTD ending balance of \$219,604.

C. Approval of Payables

The Board reviewed the list of payables.

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 Report

- Cuchares IGA

Mr. Anderson reported that the Petition to form the Cuchares Ranch District was filed last week. If the Court finds that the Petition is acceptable then the Court will direct that an election be held. Once the election is held and the Court approves then a Decree will be presented approving formation of the District. To date there are seven property owners. At least five and possibly all owners will be on the Board.

- Regional Sewer Plant Court Case

The Trial date has been set for January 15, 2008. Mr. Anderson had a Case Management conference with the Judge last week. The period for filing oppositions will end next month. We are expecting that there will be oppositions filed. The Judge will review all the Motions pending by mid July. The claims are that the annexation agreement is correct, Lower Fountain is the regional site, and all annexors have to agree if there are changes made to the annexation agreement. Both sites were recommended for approval by the Pikes Peak area council of government. The State has the power to say no to both sites. The EPA "encourages" consolidation. There have been at least 3-4 meetings a week regarding the site and the issues change daily.

- Jimmy Camp Creek Park Site Case

- This case is getting help because of newspaper articles stating that possibly there are dinosaur remains on this site. The alternate site is upper Williams Creek.

- District Rules and Regulations

The District Rules and Regulations were supplied for the Board to review. The content and intent will not be changed but it may be necessary to correct typographical errors. Mr. Anderson will research appropriate language indicating that any vandal/offender "will be prosecuted to the full extent of the law".

A motion was made and seconded to approve Resolution 2007-07-28.1 regarding the adoption of Revised Rules and Regulations, with the stipulation that minor typographical and language changes be addressed and a Table of Contents be included. Upon a voice vote, the motion passed unanimously.

E. District Operations

- Water and Sewer Operations

Dr. Testa reported that in regards to operations everything is going well. YTD the District produced approximately 24.6 million gallons and sold 23.8 million gallons. The water loss is 1.5 percent which is very minimal. Our systems are aging but to date are working properly. Wastewater pumped YTD is 20.4 million gallons. Dr. Testa has asked Cindy to research the costs of operating the Booster station. Water is pumped from Widefield to reduce the likelihood of stagnant water in the pipes. An alternative is to use our own system and we could eliminate the booster station expenses. Dr. Testa will research this and create a cost benefit analysis and report back to the Board.

- Augmentation Report

Dr. Testa reported on the augmentation report for period November 2004-October 2005. Colorado Centre Metropolitan District has already over paid what is owed for the entire year. Dr. Testa received a call from an individual wanting to use our excess water for the Venetucci Farm. Another possible user would be farmers/users for Arkansas Valley farming. Dr. Testa said that we would be happy to talk with any potential users and this could possibly be another source of revenue.

- Parks

Director Cantin reported that graffiti in the culvert needs to be painted over. The field personnel have been working everyday on mowing and maintenance and are aware of the graffiti problems and will be taking care of the clean-up of those areas. Dr. Testa will research the possibility of adding a pavilion by the basketball courts.

F. Fire Station

- Progress of Project – John Wheeler

Mr. Wheeler reported on the progress of the remodel. Sandy's office will become a bedroom for the firefighters and Sandy will share an office with Cindy. The kitchen and bathrooms will be totally updated with new appliances and cupboard fronts. The bay for the fire engine will be painted with epoxy paint. Curb and gutter will be added to the entire south side of the parking area and the asphalt will be replaced. The roof will be replaced and adding screening for the bird problem was suggested by Director Edwards. There will be a new washer and dryer added to the laundry room. There will be extra parking in the back and a chain link enclosed storage area.

- Staffing and Equipment progress – Lonnie Inzer

Mr. Inzer reported that the County Fire Marshall, Jim Reid, has been assisting Mr. Inzer with reviewing and editing the Fire Code. The completed Code will be presented at the next regular Board meeting. Mr. Inzer will be traveling to South Dakota to inspect the fire engine and after the inspection it will be driven to Max Fire in Castle Rock, Colorado where all the equipment will be mounted. Hopefully, the engine will be in the station by July 12, 2007. The proposed IGA with the City of Colorado Springs is with the City Attorney to be finalized and approved. The radios have arrived and Mr. Inzer will keep them secure. Mr. Inzer reported that four firefighters have been selected for the full-time positions. Three of these firefighters are definitely committed and one hasn't made his final decision yet. All selected are driver engineers and have extensive experience in all areas of fire fighting. Mr. Inzer has sent the flyer approved by Dr. Testa to Chief Cox to solicit contract firefighters. All interested will be contacting Mr. Inzer and he will review all their credentials, etc.

Dr. Testa would like to have the open house after the firefighters have had a chance to get acclimated to their new positions. Sometime in the middle of August would probably be the best time to have the event. Final dates and arrangements will be discussed at the July, 2007 regular board meeting. Announcement of the Grand Opening will be placed in the July and August newsletters.

Mr. Inzer reported that he submitted an invoice to Dr. Testa for the purchase of a defibrillator. It was purchased at a very good price of \$1,600.

Director Edwards explained that it is up to the fireman as to whether they would like to have a mascot for the fire station. A Dalmatian could be purchased from Dalmatian Rescue.

G. El Paso County Water Authority – Minutes

Dr. Testa included the Minutes of the EPCWA meeting. The main discussions still involve the formation of an enterprise for administration of the Transit Loss Model for Fountain Creek. The Transit Loss Model tracks the water that goes down Fountain Creek. Colorado Centre has an interest because we own Fountain Mutual shares.

H. Fountain Mutual Irrigation Company – Minutes

Dr. Testa included the Minutes of the April 19th FMIC meeting. CSU wanted to renew their lease of Big Johnson Reservoir so that nobody will touch this water but to date the City has not signed the agreement. The City requested that the Agreement include an indemnification clause and the FMIC concluded this was not FMIC's responsibility. FMIC will contact CSU to decline the indemnification request and ask CSU for an immediate response on signing the Agreement as written or the offer would be withdrawn.

I. Lower Fountain Metropolitan Sewage Disposal District

- Minutes

Minutes from LFMSDD regular meeting of May 10, 2007 and special meeting of June 5, 2007 were provided by Dr. Testa. This item was discussed previously in the meeting.

- General progress update

The MOU (Method of Operation) between FSD and LFMSDD for system operation services has been revised and will be submitted to Dr. Testa and Mr. Anderson for review.

J. Public Comments

A resident asked about the security arrangements for the fire station. Dr. Testa relayed that a security system will be in place and he will research additional security arrangements for the outside storage area.

Director Terry reported that Representative Looper has been sending updates to him regarding grant possibilities and legislative matters. It was determined that a link to the State website be added to CCMD's website. Director Terry also announced that he will not be able to attend the July regular board meeting because of TDY commitments. Also, he may miss the August regular board meeting if he is selected for special training in Germany.

Mr. Anderson reported that he may have to attend the July regular board meeting via telephone because of "Dad" duties.

A Happy Birthday card and acknowledgment was given to Director Ingraldi.

III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 6:55 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

Michael Cantin, President

Shawn Eccles, Secretary