

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

Thursday, July 24, 2008 at 5:00 PM
4770 Horizonview Drive
Colorado Springs, CO 80925

Board Members Present:

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

Also Present:

Al Testa, Paul Anderson, Cynthia Monroe, Sandy Goad

I. **Preliminary**

- A. Call to Order
Director Ingraldi called the meeting to order at approximately 5:05 p.m.
- B. Roll Call - Determination of a Quorum.
A Quorum was present. Director Cantin was absent. Director Terry arrived at 5:12 p.m.
- 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 June 26, 2008.

A motion was made and seconded to approve the Minutes of the Regular Meeting of June 26, 2008. Upon a voice vote, the motion passed unanimously.

- B. Review of District Finances - Cindy

- Presentation of the 2007 Audit Report by Hoelting & Company

Dr. Testa introduced Mr. Tom Sistare & Mr. Scott Hoelting from Hoelting & Company at this time. Mr. Hoelting and Mr. Sistare presented a one page summary of what the audit entails including a comparison to 2006 and 2005. All present were supplied with a copy of the draft audit. The audit includes an Unqualified Opinion, a Balance Sheet, Cash Flows from Operations, a Reporting Letter and an Internal Control Letter. They explained that for the audit this year there are eight new governmental auditing standards that must be adhered to. These new standards resulted in a significant increase in time and effort regarding the audit. Copies of the audit are available at the CCMD offices and on the

CCMD website. The Board would like to have the option of being able to ask any questions concerning the audit even though it will be submitted to the State by the July 31, 2008 deadline. Hoelting & Company said they would be very open to accommodating any questions that may come up.

A motion was made and seconded to accept the audit for FY2007 prepared by Hoelting & Company, Inc. with the condition that any questions can be addressed to Dr. Testa before the July 31, 2008 submission date. Upon a voice vote, the motion passed unanimously.

Dr. Testa reported that a proposal letter for the 2008 CCMD audit was submitted by Hoelting & Company, Inc. The Board will review this proposal and make a final decision at a later date. Dr. Testa has requested that the audit for the 2008 fiscal year to begin in April, 2009. Hoelting & Company, Inc. will accommodate this request.

- Bank Balances - Cindy

Cindy Monroe gave the report on bank balances at this time. Ms. Monroe reported that as of July 23, 2008 the District has \$2,786,464.65 in funds with \$2,715,456.90 unencumbered. The ColoTrust rates are a little higher at 2.39%. One of the First Community CD's is at 5.25%.

The restricted developer taxes were disbursed to Series A bondholders on July 1, 2008 per the Bankruptcy plan.

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. The appropriate letter was signed to facilitate the transfer of funds.

- Budget Review (Closing of 2007 and Current) - Cindy

Ms. Monroe reported on the budget review for the closing of 2007 and for the current month of June, 2008. A schedule for the 1992 Bond Debt accumulation & service (Series A and Series B Bonds) for CCMD was included with the Board packets.

- Approval of Excess Revenue in 2007 to Series B Bondholders

Because of Widefield's water and sewer tap fees and other excess 2007 funds it is necessary to disburse \$70,618.87 to the Series B Bondholders.

A motion was made and seconded to approve the transfer and payment of \$70,618.87 to the Bank of New York for payment of excess 2007 Funds to the Series "B" Bondholders. Upon a voice vote, the motion passed unanimously.

C. Approval of Payables - Cindy

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. District Operations

- Water and Sewer Operations

Dr. Testa reported that everything is going great. Our water loss is minimal especially in comparison with other districts. The BOD/TSS continues to improve resulting in a big savings in regards to Fountain Sanitation treatment. Dr. Testa included a table with a record of BOD & TSS at the Ohio vault which is delivered to Fountain Sanitation. The dates are 01/06/04 through 06/05/08.

- Water & Sewer Demand & Augmentation Reports (Pedro and Al)

The augmentation report was given for the period November 2005-October 2006 which is what is paid back at this time. There is a credit of -180.68 per acre feet. Dr. Testa relayed that it is important to be able to sell the credits especially if we experience a very dry year. Pedro reported that the State Health Department came for the inspection of our District. Everything went well and all information requested was supplied to the inspector. Within 45 days we will be ready to go with the two new wells.

- Parks (Pedro)

Some of the equipment (swing sets and benches) have been set-up in the park. The irrigation installation and landscape planning for the park has begun as well as the water/sewer and electric for the park.

E. Legal Report – (Paul)

- Cuchares District/Development – Service Plan Amendment Process

Mr. Anderson reported that the full service plan will be submitted to the El Paso County Planning Commission on August 5, 2008. The amendment is asking that a debt service mill levy be put into place (highest allowable without having to have a separate vote) and permission to have a separate ballot item to issue private bonds. These items will be part of the November, 2008 election process. In order to receive conservation trust fund monies a service plan must be put into place.

Regarding the water case draft decree, comments have been submitted from Widefield and Fountain Mutual. Mr. Anderson will report on the status of this when anything new occurs.

- Jimmy Camp Creek Park Site Matter/SDS

Comments regarding the SDS have been submitted. Mr. Anderson will follow up on this and report to the Board. There has been no feedback on this issue. A final decision probably won't be made until next year.

A Notice of Default letter on the Jimmy Camp Creek Regional Park is still pending and will be tabled until the Fall. At that time an executive session will be set up to discuss this situation.

The water tank site lease has been sent to Mark Earle, the airport representative. To date we have not had any feedback on this matter.

Mr. Anderson reported that the Pikes Peak Community Foundation would like to renew their water lease. Dr. Testa needs reports on what they are using before any new arrangements can be made.

F. Fire Services – Tom Byes

- Activity Report

Fire Chief Tom Byes reported that Captain Tom Winters and Captain Mark Eades unexpectedly resigned at the end of June, 2008. Captain Bob Throgmorton was re-hired and two new Captains were hired. They are Captain Clark Stidham and Captain Bill Ballton.

Chief Byes submitted an internal memorandum which discusses fire department staffing options. Under the current staffing level, Colorado Centre Fire Department will not be able to accommodate a three person crew with contract firefighters. The benefits gained by staffing with 3 as opposed to 2 would be minimal given the current alarm load of approximately 80 per year plus the added costs cannot be justified. The Board agreed with Chief Byes' recommendations to keep the staffing level at two per shift.

Chief Byes reported that for the month there were four medicals, one fireworks call, one truck fire, two grass fires and one smoke investigation. There was a neighborhood 4th of July bike parade organized by the Zeff family. The firefighters on duty participated. Director Edwards took pictures and is hopeful that this will become an annual event.

- Water Usage for Mutual Aid Situations

Chief Byes reported that there will be water aid in terms of mutual aid situations. If the water is expended outside the CCMD area, the fire fund will be charged and if the water is expended in CCMD, the general fund will be charged.

Director Eccles suggested that our fire department should check out getting rehabilitation trucks for service during fire fighting situations. He will get the information to Chief Byes regarding what organization to call.

G. El Paso County Water Authority – None This Month

H. Fountain Mutual Irrigation Company – (AI)

Minutes from the June 12, 2008 meeting were included with the Board packets. No decision has been made regarding FMIC's proposal to the City of Fountain regarding exchanging the No. 4 & No. 17 water rights for FMIC shares. Dr. Testa will keep the Board updated once the City of Fountain responds.

I. Lower Fountain Metropolitan Sewage Disposal District – (AI)

Mr. Anderson reported that there is a separate agreement with Vintage Development concerning water that will be lost through the outfall of the new sewage plant. The City of Fountain has agreed to cover this loss. The easement agreement with JV Ranches was finalized allowing LF to move ahead with the interceptor project. The site application has been submitted to the WQCD for review. The turn around time is 60-90 days. No problems are anticipated.

- Discuss LFMSDD's plant naming and FSD/CCMD settlement.
- Minutes

Minutes of the June 12, 2008 meeting were included with the Board packets.

- General progress update

Roger Sams has been submitting funding applications to water and power authorities. Dr. Testa is diligently working on private financing options. A tentative start date is Spring, 2009.

J. 2008 Election Ballot (Sandy)

We will be participating in the coordinated election to take place on November 4, 2008. We will have one ballot question concerning The Lower Fountain Metropolitan Sewage Disposal District New Regional Wastewater Treatment Plant Project and funding for this project. This question will be asking if the District shall be authorized to incur a long-term financial obligation for purposes of Section 20 of Article X of the Colorado Constitution, without adding new taxes or bonds, for the purpose of construction of a new regional wastewater treatment plant and interceptor line by LFMSDD.

A motion was made and seconded to approve participation in the 2008 coordinated election with the LFMSDD funding ballot question. Upon a voice vote, the motion passed unanimously.

Additional information will be distributed via the newsletter and flyers concerning this important election question.

K. Public Comments

Resident Andrea Maddox has concerns about the maintenance in and around Colorado Centre. Our field personnel are responsible for and have been doing routine maintenance along Horizonview Drive. The County is responsible for roads and sidewalks and the City of Colorado Springs is responsible for city areas around Colorado Centre. Residents need to call the County and/or the City for any trash, road, sidewalk, etc. issues.

III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 8:00 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

Frank Ingraldi, Vice-President

Shawn Eccles, Secretary