

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

Thursday, December 11, 2008 at 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
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 5:00 pm.
- B. Roll Call - Determination of a Quorum.
A Quorum was present. Director Eccles was absent.
- 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 November 20, 2008.

A motion was made and seconded to approve the Minutes of the Regular Meeting of November 20, 2008. Upon a voice vote, the motion passed unanimously.

- B. Review of District Finances - Cindy

- Bank Balances- Cindy

No report was given on bank balances. A transfer of funds from ColoTrust to the general checking account was approved to cover payables. The Bondholders payment was approved. Lindsey Case replenished his deposit and those monies were transferred from the escrow account.

A motion was made and seconded to approve the December 31, 2008 payment of \$132,476.52 to the Series "A" interest only bondholders. Upon a voice vote, the motion passed unanimously.

- Current Budget Review – Not available this early in the month

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. Adoption of 2009 Budget Resolutions 20081211.1 through .4

Dr. Testa presented the 2009 Budget. The budget will be filed with the County and the State by December 15, 2008.

Resolution 2008-12-06.1-Rates, Charges, Fees and Penalties for Fiscal Year 2009 was presented.

A motion was made and seconded to adopt Resolution 2008-1211.1 "Rates, Charges, Fees and Penalties for Fiscal Year 2009". Upon a voice vote, the motion passed unanimously.

Resolution 2008-1211.2 – Budget for Fiscal Year 2009 was presented.

A motion was made and seconded to adopt Resolution 2008-1211.2, "Budget for Fiscal Year 2009". Upon a voice vote, the motion passed unanimously.

Resolution 2008-1211.3 - To set Mill Levies for Tax Year 2008 Collection Year 2009 was presented.

A motion was made and seconded to adopt Resolution 2008-1211.3, "To set Mill Levies for Tax Year 2008 Collection Year 2009." Upon a voice vote, the motion passed unanimously.

Resolution 2008-1211.4 – To Appropriate Sums of Money for Fiscal Year 2009 was presented.

A motion was made and seconded to adopt Resolution 2008-1211.4, "To Appropriate Sums of Money for Fiscal Year 2009". Upon a voice vote, the motion passed unanimously.

E. District Operations

- Water and Sewer Operations - Pedro

Field Superintendent, Pedro Velazquez reported that water and sewer operations are going well with no major problems. The field personnel have been working on valve locations and any repairs needed. Water usage has been down.

- Water and Sewer Demand and Augmentation Reports (A1)

There is still a loss and we are continuing to try to determine where this loss is. The loss is minimal but it is important to try to find the cause of any loss. There is also some infiltration into the sewer system which we are trying to pinpoint. The augmentation report will be available at the January, 2009 regular board meeting.

- Parks Update (Pedro)

Work in the big park has slowed down and it seems as though the vandalism has slowed way down. The fence in the little park still gets some vandalism and is in constant need of repair. The Board feels that it might be beneficial to just remove this fence.

The well protection project along Jimmy Camp Creek has been completed. The costs, benefits and final completion of this project were exceptional.

- Approve Resolution 20081211.5 Re: Employee Benefit Standards

This resolution is the same as presented at the November regular board meeting.

A motion was made and seconded to approve Resolution 20081211.5 Re: Employee Benefit Standards. Upon a voice vote, the motion passed unanimously.

- Approve Resolution 20081211.6 Re: Transfer of Excess Reserve, Water General and Wastewater General Funds to the Wastewater Capital Fund.

A resolution of the Colorado Centre Metropolitan District to authorize a transfer of excess Reserve, Water General and Wastewater General Funds to the Wastewater Capital Fund was discussed.

A motion was made and seconded to approve Resolution No. 2008-1211.6 of the Colorado Centre Metropolitan District to Authorize a Transfer of Excess Reserve, Water General and Wastewater General Funds to the Wastewater Capital Fund. Upon a voice vote, the motion passed unanimously.

F. Legal Report

- Cuchares Development and Resolution 20081211.7

A resolution regarding conceptual agreement with the Cuchares Ranch developer was discussed at this time. Mr. Don Lester, the principal of the Cuchares Development, was introduced by Dr. Testa. Mr. Lester explained that they have every intention of doing all possible to go ahead with this project. The fraudulent actions of Mr. Steve Meylan have come to the forefront and made it necessary to restructure the entire project. Part of going ahead with the project involves an

inclusion agreement with Colorado Centre Metropolitan District. This conceptual agreement is subject to review and final approval of an inclusion petition submitted by the owners of the Cuchares service area property to the District pursuant to Colorado law and District rules and regulations. Mr. Lester submitted a good-faith check in the amount of \$41,000. Per the agreement approximately \$400,400 will be paid on January 2, 2009 for fees owed to date.

A motion was made and seconded to approve Resolution 20081211.7 regarding conceptual agreement with the Cuchares Ranch developer. Upon a voice vote, the motion passed unanimously.

A public hearing will be held in conjunction with the January, 2009 regular Board Meeting to address the Cuchares Ranch inclusion.

G. Fire Services –Tom Byes, Chief

- Activity Report – Tom

Due to the present economic situation the developers that funded the fire station operation will not renew their contracts; therefore the fire station will close on December 31, 2008 with no prospects of reopening. The full-time firefighters will get a two month severance pay.

- Status of Fire Services for 2009 (AI)

Dr. Testa would like Tom Byes to continue working on alternatives for fire protection. There will need to be a liquidation of all the fire equipment with all participants submitting a \$10,000 certified check to be a part of the bidding process.

A motion was made and seconded to authorize liquidation of the fire station equipment. Upon a voice vote, the motion passed with Directors Cantin, Ingraldi and Terry voting aye and Director Edwards voting nay.

A motion was made and seconded to approve Colorado Centre Metropolitan District's participation in the purchase of the fire equipment. Upon a voice vote, the motion passed unanimously.

K. Retain/Release District Manager, General Counsel and Water Counsel for CCMD for Fiscal Year 2009.

Discussion ensued regarding retaining Dr. Testa as District Manager, Paul Anderson as Legal Counsel and Porzak as water counsel for the Colorado Centre Metropolitan District.

A motion was made and seconded to retain Dr. Alvaro Testa as District Manager, Paul Anderson as legal counsel, and Porzak as water counsel for Colorado Centre Metropolitan District for fiscal year 2009. Upon a voice vote, the motion passed unanimously.

Director Cantin excused himself at this time (5:52 pm) because of his attendance required at the Lower Fountain meeting. Dr. Testa and Paul Anderson will join him when the CCMD meeting is adjourned.

H. El Paso County Water Authority (AI)

Minutes of the November 5, 2008 regular board meeting were included with the board packets. There is still a push to disband and become a part of the Pikes Peak Regional Water Authority. Most members agree it is important to keep the EPCWA functional and continue the management of the Transit Loss Model. Another asset is the membership includes the benefits of a State lobbyist.

I. Fountain Mutual Irrigation Company – (AI)

Minutes of the November 20, 2008 meeting were included with Board packets. FMIC is still working on purchasing the No. 10 and No. 17 water rights from the Gray Family Trust. Also, they are still working on the exchange of FMIC shares for the water rights owned by the City of Fountain.

J. Lower Fountain Metropolitan Sewage Disposal District (Mike Cantin)

- Minutes

Minutes of the November 13, 2008 meeting were included with the Board packets.

- General progress update (Mike Cantin)

Dr. Testa reported that the LF meeting is tonight and he will be joining Director Cantin when this meeting is adjourned. The biggest item of discussion will be the 2009 proposed budget.

Mr. Anderson is working on the service agreement, water lease and the water carriage agreement. The site application is still pending.

K. Retain/Release District Manager, General Counsel and Water Counsel for CCMD for Fiscal Year 2009.

This item was discussed previously in the meeting.

L. Select Schedule of Board Meetings for 2009

Schedule of Meetings for 2009 was discussed and chosen at this time as follows:

Thursday, Jan. 22, 2009; Thursday Feb. 26, 2009; Thursday, March 26, 2009; Thursday, April 23, 2009; Thursday, May 28, 2009; Thursday, June 25, 2009; Thursday, July 23, 2009; Thursday, Aug.27, 2009; Thursday, Sept. 24, 2009; Thursday, Oct. 22, 2009; Thursday, Nov. 19, 2009; and Thursday, Dec. 10, 2009.

The posting places shall remain the same: El Paso County's Clerk and Recorder's Office, CCMD's Offices, at the Children's Park in Horizonview Drive, and on the fence at the intersection of Horizonview and Chieftan Drives.

A motion was made and seconded to adopt the above schedule of CCMD Board Meetings for 2009 and post it at the required locations: El Paso County's Clerk and Recorder's Office, CCMD's Offices, at the Children's Park in Horizonview Drive, and on the fence at the intersection of Horizonview and Chieftan Drives. Upon a voice vote, the motion passed unanimously.

III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 6:05 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

Michael Cantin, President

Shawn Eccles, Secretary