

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

Thursday, January 22, 2009 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
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 5:04 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 December 11, 2008.

A motion was made and seconded to approve the Minutes of the Regular Meeting of December 11, 2008. Upon a voice vote, the motion passed unanimously.

- B. Review of District Finances - Cindy

- Bank Balances- Cindy

Cindy Monroe gave the report on bank balances at this time. Ms. Monroe reported that as of January 21, 2009 the district has \$2,574,731.73 in funds with \$2,499,113.98 unencumbered. The ColoTrust rates have dropped to .69%. The First Community CD's are at 2.00%, 2.60% and 2.65%. A transfer of funds from ColoTrust to the general checking account was approved to cover payables.

- Resolution to Open a Money Market Account at First Community Bank

Discussion involved authorizing an investment of \$1,500,000 into a money market account at the First Community Bank at 5225 North Academy Blvd. in

Colorado Springs which has a current yield of 1.87. The percentage yield on the Money Market Account will vary daily. This decision is based on the Board of Directors desires to maximize the earning yield on Colorado Centre Metropolitan District's funds. An amendment form was signed to facilitate wire transfers. An authorization letter was signed to make one wire transfer from ColoTrust into the Money Market Account at First Community Bank. First Community Bank is an eligible public depository.

A motion was made and seconded to approve Resolution 2009-01-22.1 authorizing the investment of \$1,500,000 of Colorado Centre Metropolitan District's Treasury at the First Community Bank at 5225 North Academy Blvd., Suite 100, Colorado Springs, Colorado. Upon a voice vote, the motion passed unanimously.

- Manager's Disclosure About Potential Conflict

District Manager Al Testa disclosed that he sits on the advisory Board for First Community Bank. This advisory Board has no power and he owns no stock in the Corporation. The actual Board is in New Mexico.

- November 2008 and December 2008 Budget Reviews

Ms. Monroe reported on the budget comparisons for the months of November, 2008 and December, 2008. There are still some outstanding expenses which will need to be accrued back.

C. Approval of Payables - Cindy

The Board reviewed the list of payables. Director Eccles was inadvertently omitted on the payables list. This will be corrected.

A motion was made and seconded to approve the current list of payables as amended. Upon a voice vote, the motion passed unanimously.

D. District Operations

- Water and Sewer Operations - Pedro

Field Superintendent, Pedro Velazquez reported that water and sewer operations are going well with no major problems. There were several homeowners that had frozen pipes because of neglecting to winterize their homes. There is still significant infiltration occurring and Dr. Testa and Pedro are researching costs, etc. of using a camera robot to put in the lines to try and determine where the infiltration is occurring. Dr. Testa also has requested that Colorado Springs give us a quote on "TVing" the line for us. He will report any results back to the Board. It seems as if most of the infiltration is occurring during the winter months.

- Water and Sewer Demand and Augmentation Reports (A1)

Dr. Testa reported that for 2008 we produced approximately 85 million gallons of water and sold 81.5 million gallons. The sewer numbers still indicate that we are producing sewer. For augmentation a new column has been added which indicates water that is being leased (Pikes Peak Foundation). 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. As mentioned earlier, there continues to be some infiltration into the sewer system which we are trying to pinpoint.

- Parks Update – Grant Application

The grant application to El Paso County has been submitted. The County has requested a letter from the Board indicating what specifically the grant monies will be used for. Dr. Testa has compiled a letter that will be signed by the Board to submit to the Board of County Commissioners. Also, any letters from the children in Colorado Centre stating the benefits of the park would be very beneficial in obtaining the grant. Commissioner Hisey will be writing a recommendation letter on our behalf.

A motion was made and seconded to authorize Dr. Testa to submit the grant application requesting \$25,000 for the park equipment (Dragon Jungle Gym). Upon a voice vote, the motion passed unanimously

E. Legal Report – Paul Anderson

- Fire Station Liquidation Report

Mr. Anderson reported that a Fire Station Liquidation auction was held on January 16, 2009. There was a silent auction from 8:30 am to 10:00 am and a live auction commencing at 10:00 am. CCMD purchased the Fire Engine (\$90,000) and bunker gear (\$10,000); Colorado Springs Fire Department purchased the brush truck (\$30,000); Broadmoor Fire Department purchased the wild land gear (\$1,700); and Lorson Ranch purchased the station equipment consisting of 3 bunk beds and 4 lockers (\$300). As soon as all the payments have been made, the checks will be submitted to Lorson and Rollings Hills.

- Lease of FMIC Water to LFMSDD

Mr. Anderson reported that Lower Fountain desires to lease some of the excess water credits from Colorado Centre for use in connection with the regional plant construction and landscaping irrigation purposes as part of the site construction work. Colorado Centre augments its water supply with water available from shares it owns in the Fountain Mutual Irrigation Company which in turn own water rights on Fountain Creek. Colorado Centre has excess water credits available on Fountain Creek due to current over-augmentation of Colorado

Centre's water supply; therefore Colorado Centre is in a position to be able to lease their excess water. Lower Fountain will be able to lease up to 5-acre feet.

A motion was made and seconded to approve the Water Lease Agreement between Colorado Centre Metropolitan District and the Lower Fountain Metropolitan Sewage Disposal District. Upon a voice vote, the motion passed unanimously.

- Public Hearing for Cuchares Inclusion Petition

The public hearing was opened at 5:50 pm. Mr. Anderson and Dr. Testa have been in contact with Mr. Lester's attorney regarding the terms of the Inclusion Addendum. It seems that the inclusion addendum is still a work in process. It was concluded by Mr. Lester and his attorney that the Cuchares Ranch Metropolitan District needs to stay in place as a district. CCMD will have no liability if Cuchares Ranch remains a separate district.

Mr. Don Lester was in attendance and commented that CRMD needs to stay in existence so that they can continue to have access to public financing. They need the ability to issue bonds and have a separate mill levy. CCMD's current agreement with Colorado Springs for fire protection would cover CRMD if they are allowed to be included in CCMD's boundaries. Mr. Lester submitted copies of a letter from his banker (Mark Dunsmoor) indicating that the Colorado East Bank & Trust is committed to funding the water and sewer acquisition costs associated with the final inclusion agreement.

- Cuchares Inclusion Petition, Inclusion Agreement & Inclusion Addendum

Tony Cuchares was in attendance and commented that he feels that Mr. Lester has been very straight forward and will follow through with his commitments.

Dr. Testa commented that he believes it is necessary that all the paperwork be in order and the money in place before the IGA amendment is finalized. Also, additional monies need to be included and the Cuchares escrow account needs to be replenished to cover the additional legal and consulting costs of Dr. Testa and Mr. Anderson. They are still working on the water case, also. It is necessary that this process be dealt with as a "closing" and when the agreement is signed the bank should be in attendance along with Mr. Lester with the checks in hand to deliver to CCMD.

In summary, a continuance of the hearing was requested by Mr. Lester and he will produce the monies at the next hearing. He stated that he has no monies to submit at this time. He also requested that a special meeting not be held and this matter be addressed at the next regular board meeting.

A motion was made and seconded to continue the public hearing until the next regular board meeting on February 26, 2009 with the condition that all the paperwork is in order and all monies with additional monies requested be submitted to CCMD. Upon a voice vote, the motion passed unanimously.

The Public Hearing was closed at 6:30 pm. At this time a five minute break was taken. The regular meeting resumed at 6:35 pm.

- Fire Station Liquidation Report

This item was reported on previously in the meeting.

- Lease of FMIC Water to LFMSDD

This item was reported on previously in the meeting.

F. Fire Services –Tom Byes, Chief

- What's next?

Dr. Testa has been consulting with Tom Byes regarding options to re-open the fire station. Tom will continue working on this, exploring grants, working with the City of Colorado Springs, private contractors, volunteer, etc. Director Cantin commented that sufficient funding is the most essential item needed. The Board would like to hold a special meeting public forum to get ideas on how to move forward and ways to raise the necessary funding. It is crucial to find out exactly what the residents want to do as far as re-opening the fire station and they must be informed regarding every scenario involved as far as funding, etc. A public forum special meeting will be scheduled on Thursday, April 2, 2009 at 6:00 pm. The residents will be notified and asked to come up with any and all suggestions concerning their thoughts about the fire station re-opening.

G. El Paso County Water Authority (AI)

Minutes of the December 3, 2008 regular board meeting were included with the board packets. It is necessary to appoint a representative and alternate from CCMD.

A motion was made and seconded to appoint Dr. Testa as CCMD's representative on the El Paso County Water Authority Board and Sandy Goad as alternate. Upon a voice vote, the motion passed unanimously.

H. Fountain Mutual Irrigation Company – AI

Minutes of the December 11, 2008 and January 8, 2009 meetings were included with the Board packets. There was an election and Dr. Testa was re-elected to continue serving on the Board.

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

Minutes of the November 13, 2008 meeting were included with the Board packets. Director Cantin reported that Jim received a letter from the Water Quality Board regarding the site approval and feels that the letter was a delay tactic by the Water Quality Board. Geo work has started on the project and the

interceptor will be going to bid next month with work starting next quarter. The water lease agreement has been approved. The service agreement was submitted by Mr. Anderson. The Board hasn't had the opportunity to read through the service agreement so this item will be tabled until the Board has reviewed it.

J. Public Comments

None.

III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:30 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

Michael Cantin, President

Shawn Eccles, Secretary