

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

Friday, December 11, 2009 at 5:30 PM
4770 Horizonview Drive
Colorado Springs, CO 80925

Board Members Present:

Floyd Edwards

Frank Ingraldi

Shawn Eccles (Via Telephone)

Michael Terry

Treasurer
Vice President, Vice Chairman
Secretary
Assistant Secretary/Treasurer

Also Present:

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

I. Preliminary

A. Call to Order

Director Edwards called the meeting to order at approximately 5:36 pm.

B. Roll Call - Determination of a Quorum.

A Quorum was present. Director Eccles participated via telephone. Director Cantin was absent. Director Ingraldi arrived a few minutes after the meeting was called to order.

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 19, 2009.

A motion was made and seconded to approve the Minutes of the Regular Meeting of November 19, 2009. Upon a voice vote, the motion passed unanimously.

B. Board's Time

Nothing reported.

C. Changes to the Agenda

The only change is that all budget transfers and resolutions will be addressed at the end of the meeting.

D. Public Comments – Maximum of 5 minutes per person who has signed in.

None.

E. Review of District Finances - Cindy

- Bank Balances- Cindy

Ms. Monroe gave the report on bank balances at this time. As of December 9, 2009 the District has \$3,555,678.17 in funds. The District's expendable funds are \$3,481,143.66. A transfer letter needs to be signed to transfer the Conservation Trust Fund monies (\$13,631) to the ColoTrust Account. These GOCO funds were used for the park play structure.

Ms. Monroe reported that the District will be paying off the fire engine loan (\$163,708.90 principal and \$136.42 interest) which will eliminate interest payments for next year. The fire engine loan collateral CD's are earning 2.0% and 2.6% in interest therefore we will leave them intact.

- Budget Review – Will Resume in January
- Approval of Payment to Bondholders of the District

The Bondholders payment was discussed and approved.

A motion was made and seconded to approve the December 31, 2009 payment of \$132,476.51 to the Series "A" interest only bondholders. Upon a voice vote, the motion passed unanimously.

- Approval of Payoff of Fire Engine Loan

This item was discussed previously in the meeting.

- Approval of District Investment Activities

This item was discussed previously in the meeting.

F. Approval of Payables - Cindy

The Board reviewed the list of payables. Approval was delayed until Director Ingraldi arrived.

A motion was made and seconded to approve the current list of payables as presented. Upon a voice vote, the motion passed, with yes votes from Directors Terry, Ingraldi and Edwards. Director Eccles abstained.

Ms. Monroe reported that to reduce expenses in 2010 to provide sufficient revenue to pay back the Reserve Fund for the 2009 loans for the General and Wastewater General Funds it is necessary to terminate the Pitney Bowes Lease Account. Another service has been found that will greatly reduce our mailing costs. To terminate the lease it is necessary that the Board by Resolution deny the

appropriation of funds for the Pitney Bowes Lease. Approval was delayed until Director Ingraldi arrived.

A Motion was made and seconded to approve Resolution No. 2009-12-11.6 regarding Termination of Pitney Bowes Lease Account 8322455. Upon a voice vote, the Motion passed, with yes votes from Directors Terry, Ingraldi and Edwards. Director Eccles abstained.

I. 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 (AI)

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. By keeping the tank level below 28 feet seems to have alleviated some of the loss. We continue to produce more sewer than water produced. A company from Denver will be coming to check all the meters and determine if they are malfunctioning. The augmentation report will be available at the January, 2010 regular board meeting. We are starting a new augmentation year (11/07-10/08).

Dr. Testa presented a historical water demand chart for Colorado Centre Metropolitan District based on the system operation numbers that the District's staff accumulates every day. The lower demand in 2009 can be attributed to many factors including larger amounts of rainfall, foreclosures, etc. Director Terry complimented that this was an excellent historical record document.

Dr. Testa reported that he has been talking with Colorado Springs about the possibility of negotiating a similar arrangement with the proposed military reserve center developers that was negotiated with the Case developers regarding interim service. He will report back any developments to the Board.

Also included in the Board packets was a letter from Devian McDowell regarding his Restorative Justice Process set up by Workout, Ltd. Mr. McDowell successfully completed his program at CCMD. He wrote a letter to the Board expressing his apologies to Colorado Centre for the problems he caused.

- Parks Update - County Matching Funds (AI)

Work in the big park has slowed down and it seems as though the vandalism has slowed way down. We weren't awarded the GOCO Grant. Dr. Testa would like to meet with representatives to try and determine the reasoning behind not getting the GOCO Grant. The County inspected the park and we will receive the

majority of the \$25,000 grant by the end of the year. There were a couple of minor adjustments needed in the park which the field personnel will correct. The County may withhold some of the grant money until these are corrected.

- Update on Cuchares Development (A1)

Field Superintendent, Pedro Velazquez reported that the developers have been working on electrical and gas lines. Work has slowed down a little because of the extremely cold weather.

- G. FY 2009 Budgetary Transfer Review and Public Hearing Announcement-Resolution 20091211.5

The Public Hearing was opened at 6:05 pm.

The District will likely experience a revenue shortfall of up to \$250,000 in the General Fund and an unexpected expenditure of not more than \$30,000 in the Wastewater General/Operations Fund. A resolution of the Colorado Centre Metropolitan District to authorize the transfer of Reserve funds to the General and Wastewater General/Operations funds to defray expenses in excess of amounts budgeted and/or revenue shortfall anticipated during fiscal year 2009 was discussed and approved.

The Public Hearing was closed at 6:15 pm.

A motion was made and seconded to approve Resolution No. 2009-1211.5 of the Colorado Centre Metropolitan District to Authorize the Transfer of Reserve Funds To Defray Expenses In Excess of Amounts Budgeted and/or Revenue Shortfall Anticipated During Fiscal Year 2009. Upon a voice vote, the motion passed unanimously.

- H. FY 2010 Budget approval – Includes Resolutions 20091211.1 through .4

Dr. Testa presented the 2010 Budget. The budget will be filed with the County and the State by December 15, 2009.

Resolution 2009-1211.1-Rates, Charges, Fees and Penalties for Fiscal Year 2010 was presented. The rates have not changed except for the First Responders Fees have gone down to \$29.86 (\$33.00/2009) and the tap fees have increased by 5 percent.

A motion was made and seconded to adopt Resolution 2009-12-11.1 “Rates, Charges, Fees and Penalties for Fiscal Year 2010”. Upon a voice vote, the motion passed unanimously.

Resolution 2009-12-11.2 – Budget for Fiscal Year 2010 was presented. This Resolution summarized expenditures and revenues for each fund and adopts a budget for the Colorado Centre Metropolitan District for the Fiscal Year 2010.

A motion was made and seconded to adopt Resolution 2009-12-11.2, "Budget for Fiscal Year 2010". Upon a voice vote, the motion passed unanimously.

Resolution 2009-12-11.3 - To set Mill Levies for Tax Year 2009 Collection Year 2010 was presented. This is a Resolution levying general and special property taxes to be collected in year 2009 according to the provisions of the Colorado Centre Metropolitan District's plan of re-organization, Case No. 89 B 16410 J, to allow for the optimum recovery of bondholder's investment in the District after specific allowances for operation expenses are satisfied for the 2009 budget year.

A motion was made and seconded to adopt Resolution 2009-12-11.3, "To set Mill Levies for Tax Year 2009 Collection Year 2010." Upon a voice vote, the motion passed unanimously.

Resolution 2009-12-11.4 – To Appropriate Sums of Money for Fiscal Year 2010 was presented. This Resolution appropriates sums of money to the various funds and agencies, in the amounts and for the purpose as set forth below, for the Colorado Centre Metropolitan District, Colorado, for the budget year 2010.

A motion was made and seconded to adopt Resolution 2009-12-11.4, "To Appropriate Sums of Money for Fiscal Year 2010". Upon a voice vote, the motion passed unanimously.

I. District Operations

This item was discussed previously in the meeting.

J. Legal Report (Paul Anderson)

- Cuchares Water Rights Issue

The Correction Deed was signed by Virginia Cuchares and recorded.

The water court application is pending. Water attorney Kevin Kinnear reported to Mr. Anderson that he has composed a draft Decree with Widefield Water and Sanitation. Mr. Anderson has reviewed the decree and sent his comments/recommendations to Mr. Kinnear and Dr. Testa.

- Park Rules, Regulations and Signage

This is still in process of being adopted. The community was given the opportunity to give their input via the December newsletter. To date no comments have been received. A big issue of concern is trash, vandalism, and clean-up of common areas and who is responsible for the costs, etc. The final signage, rules decision will be adopted in January or February, 2010.

- Approval of Water Lease to Pikes Peak Community Foundation

Mr. Anderson submitted a proposed Water Lease Agreement between CCMD and the Pikes Peak Community Foundation. It has been agreed upon by the Foundation. A few small changes need to be made regarding e-mail addresses, etc. Also, the Foundation representatives still need to sign the agreement.

A motion was made and seconded to approve the Water Lease Agreement between the Colorado Centre Metropolitan District and the Pikes Peak Community Foundation subject to the minor changes being made and the signatures of the Pikes Peak Foundation representatives. Upon a voice vote, the motion passed unanimously.

Dr. Testa reported that our water attorney, Porzak Browning & Bushong has sent an engagement letter and fee agreement for fiscal year 2010. Discussion ensued regarding retaining Porzak Browning & Bushong as water counsel for the Colorado Centre Metropolitan District.

A motion was made and seconded to retain Porzak Browning & Bushong as water counsel for Colorado Centre Metropolitan District for fiscal year 2010. Upon a voice vote, the motion passed, with yes votes from Directors Terry, Ingraldi and Edwards. Director Eccles abstained.

K. Emergency First Responder Services Report

Mr. Anderson reported that a letter of agreement has been signed by Joan Treese who is a resident of Colorado Centre. She will be donating volunteer hours as a Chaplain for any resident in need of her services.

Dr. Testa commented that Captain Clark Stidham will be leaving due to personal health problems. Captain Rodney Bartlett will be taking his place. Captain Bartlett is on duty tonight so Dr. Testa was able to introduce him to the Board and participants. Captain Bartlett thanked everyone for the opportunity and the warm welcome to the CCMDFD. He retired last week after 39 years with the City of Colorado Springs Fire Department.

Dr. Testa further commented that the First Responder Services did well budget-wise for the year. The fee was lowered to \$29.86 (\$33.00/2009). Fire Chief Tom Byes did an excellent job of coordinating everything. The City of Colorado Springs Fire Department helped out in various capacities during the year.

L. El Paso County Water Authority

Minutes of the November 9, 2009 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. Dr. Testa feels that we should retain

membership for another year and monitor the management of the Transit Loss Model. This may be the last year that we would benefit from participation in the El Paso County Water Authority. The dues for 2010 will need to be paid in December, 2009.

M. Fountain Mutual Irrigation Company – (AI)

Minutes of the November 19, 2009 meeting were included with Board packets. FMIC is still working on purchasing the No. 14 and No. 17 water rights from the City of Fountain. Also, they are still working on the exchange of FMIC shares for the water rights owned by the City of Fountain. Leasing storage rights in Big Johnson reservoir is an ongoing issue. The Lorson litigation (infiltration problems because of defective liners in the ditch) should be settled in January, 2010.

N. Lower Fountain Metropolitan Sewage Disposal District

Minutes of the November 12, 2009 meeting were included with the Board packets. Director Edwards reported that the 2010 budget was approved. They are laying the pipelines and are ahead of schedule. Weaver Construction was selected as the main contractor. Dr. Testa commented that we are approximately 1.1 million into a 4.4 million dollar project. Dr. Testa will confer with Great Western Bank regarding loans for the project in case it becomes necessary to obtain loans in the future. So far we are well funded.

O. 2010 Meeting Schedule and General Agenda – Approval of Notice

Schedule of Meetings for 2010 was discussed and chosen at this time as follows:

Thursday, Jan. 28, 2010; Thursday Feb. 25, 2010; Thursday, March 25, 2010; Thursday, April 22, 2010; Thursday, May 27, 2010; Thursday, June 24, 2010; Thursday, July 22, 2010; Thursday, Aug. 26, 2010; Thursday, Sept. 23, 2010; Thursday, Oct. 28, 2010; Thursday, Nov. 18, 2010; and Friday, December 10, 2010.

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 2010 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.

P. Executive Session – Personnel Issues

At this time the Board entered Executive Session for Personnel Issues (7:16 pm).

The Board came out of Executive Session at 7:20 pm and the regular board meeting was resumed.

III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:21 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

 / S /
Frank Ingraldi, Vice President

 / S /
Michael Terry, Assistant Secretary