

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

Thursday, January 28, 2010 at 5:30 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 (Via Telephone)	Secretary
Michael Terry	Assistant Secretary/Treasurer

Also Present:

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

I. **Preliminary**

- A. Call to Order
Director Cantin called the meeting to order at approximately 5:33 pm.
- B. Roll Call - Determination of a Quorum.
A Quorum was present. Director Eccles participated via telephone.
- 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, 2009.
One typo was corrected in the minutes.

A motion was made and seconded to approve the corrected Minutes of the Regular Meeting of December 11, 2009. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Sandy Goad reported that two of the five Board of Director positions are up for election on May 4, 2010. Self nomination and acceptance forms are available at the District's office for anyone interested in running for a seat on the Board.

- C. Changes to the Agenda

None.

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

None.

E. Review of District Finances - Cindy

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of January 27, 2010 the District has \$3,232,636.38 in funds. The District's expendable funds are \$3,149,398.76. The wastewater secured loan matured on December 31, 2009. It was renewed for \$100,000.00 earning 2.00% interest. It is necessary to transfer \$320,000 from the Money Market account into checking for payables, payroll and Lower Fountain.

A motion was made and seconded to approve the transfer of \$320,000 from the Great Western Money Market account into Wells Fargo checking for payables, payroll and Lower Fountain. Upon a voice vote, the motion passed unanimously.

- Budget Review

Ms. Monroe gave the budget report for December, 2009. The reserve fund is down by \$188,000 because of the payment of principal balance remaining on the fire truck loan. This will need to be paid back to the reserve fund (no timeline).

- Loan Resolution 20100128.1

Colorado Centre Metropolitan District is responsible to make defined contributions to Lower Fountain for its continued participation in Lower Fountain in furtherance of Lower Fountain Construction of a regional wastewater treatment facility. To meet the District's financial contributions in the interim, Dr. Testa has negotiated a one-year loan agreement with Great Western Bank for \$100,000 to commence January 1, 2010, secured by a cash deposit by the District.

A motion was made and seconded to approve Resolution No. 2010-01-28.1 to approve an interim loan for Lower Fountain expenses. Upon a voice vote, the motion passed unanimously.

- Investment Resolution 20100128.2

The Board desires to maximize the earning yield on Colorado Centre Metropolitan District's fund. One of the District's CD's held by Great Western matured on December 31, 2009 in the amount of \$284,326.71 (1.15%). The District's existing CD held by Great Western earns an annual percentage yield of 2.60% until the maturity date of January 5, 2011. Great Western Bank has offered to allow the funds from the matured CD (3115350117) to be deposited with the existing CD (3115350117) which earns at the higher rate of 2.60%.

A motion was made and seconded to approve Resolution 2010-01-28.2 authorizing the investment of \$284,326.71 into CD 3115349674 yielding 2.60%. Upon a voice vote, the motion passed unanimously.

F. Approval of Payables - Cindy

The Board reviewed the list of payables.

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

G. 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. Some graffiti has appeared in the ditch areas. The field personnel will paint over it. To date no leaks have been found. We are still experiencing a big water loss. Not much going on in the parks; mainly trash pickup. Frankie Diaz will be going to a wastewater class all next week and Pedro will be attending a class within the next month for license renewal.

- Water and Sewer Demand and Augmentation Reports (AI)

There is a substantial loss and we are continuing to try to determine where this loss is. 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. Two meters were placed in different locations to determine if the present location is causing misreads. Dr. Testa was able to negotiate with Fountain Sanitation to receive a credit for the "ghost water" situation of producing more sewer than water sold. We are starting a new augmentation year (11/07-10/08).

- Grant from State for Source Water Assessment (AI)

The Water Quality Control Division and the Source Water Protection Planning have awarded CCMD a source water protection planning grant in the amount of \$5,000. Mr. Paul Hempel, Source Water Specialist, for the Colorado Rural Water Association met with Dr. Testa and the staff to introduce us to the program and outline the necessary steps that need to be taken for the Grant. A meeting of stakeholder's will be planned within the next month.

A representative from GOCO will be meeting with us next week to help us with our grant writing process so that we will possibly be able to receive some GOCO Grants in the future.

- Parks Update – County's Matching Funds (AI)

We received the El Paso County Grant in the amount of \$22,500. The remaining \$2,500 will be received when the necessary repairs are made this coming spring.

Director Cantin inquired about the status of the Tresmar property lien. It has been turned over to the County Treasurer to be collected as a tax lien. If the taxes are not paid, the property will be sold at the County tax lien sales to take place in October, 2010.

- Update on Cuchares Development (AI)

Dr. Testa reported four lots have been sold to Premier Homes and they have started the construction process.

Negotiations with Randy Case are back on the table and Dr. Testa relayed that before any work can be done on the proposed military training facility a \$5,000 deposit must be paid to Colorado Centre.

Director Cantin suggested that we look into some possible land swaps with adjoining land owners to square up our boundary lines. Dr. Testa has already been speaking with Banning Lewis Ranch but has not heard back from them. He will research Director Cantin's suggestions.

H. Legal Report (Paul Anderson)

- Cuchares Water Rights Issue


The Correction Deed was signed, recorded and a copy sent to Don Lester of FMI Cuchares Ranch. The water court application is pending and Mr. Anderson is still conferring with water attorney Kevin Kinnear. The water lease with the Pikes Peak Community Foundation has been signed and finalized.

- 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 and rules decision will be tabled until the February regular board meeting.

Mr. Anderson and Chief Byes reported on a proposed Intergovernmental agreement for ground emergency ambulance services between CCMDFD and El Paso County Emergency Services Agency ("ESA"). The CCMDFD will back the decision made by ESA as to the ambulance service they will hire. This agreement puts CCMDFD in the County system and lets them legally represent CCMDFD if necessary.

A motion was made and seconded to approve and enter into an Intergovernmental Agreement for Ground Emergency Ambulance Services between The El Paso County Emergency Services Agency and CCMDFD. Upon a voice vote, the motion passed unanimously.

- Discussion on Legislative Issues at State Level 

Mr. Anderson reported on Bills 60, 61, and 100 being proposed (essentially Districts would not be able to assess property and sales tax without voter approval-voting to take place each year). These bills would be very detrimental to small Districts in the State of Colorado. The Board would like Paul to compile a fact sheet relaying all and any impact the passage of these bills would have on CCMD. CCMD is probably protected by the Federal Bankruptcy Plan put into effect in the 1990's. We could possibly plan an open forum in October to set forth any impact these bills would have.

- Discussion on District Financing Options for LFMSDD

Mr. Anderson reported that Dr. Testa has been researching possible financing through private placement of bonds. These would give the community the opportunity to cover cash flow issues in case the monies anticipated from the Cuchares and Case developments are delayed. This would give the community an opportunity to give back to their community and make a profit on their investment in their community. Monies borrowed from the State sometimes have "too many strings attached". The Board would like Dr. Testa to research this financing contingency a little further and report back to the Board.

- I. Emergency First Responder Services Report

Chief Byes reported that there were eight runs in the last month. There was a house fire on January 7th on Bramble Lane. The CCMDFD arrived within two minutes and their efforts saved the house from being totally destroyed. It was a chimney fire that started in the attic. The City of Colorado Springs Fire Department helped out with cleaning our bunker gear this month.

- J. El Paso County Water Authority

Due to some procedures that Dr. Testa felt were unprofessional on the part of some members of the EPCWA, he withdrew our membership from the Authority.

- K. Fountain Mutual Irrigation Company – (AI)

Minutes of the December 17, 2009 and January 13, 2010 meetings were included with Board packets. The Lorson litigation (infiltration problems because of defective liners in the ditch) should be settled soon. Fees were increased because of litigation issues. Two Board members (Mike Thibault and Ken Wilkins) were re-elected at the January annual meeting.

- L. Lower Fountain Metropolitan Sewage Disposal District (Mike Cantin)

Minutes of the December 10, 2009 meeting were included with the Board packets. Director Cantin reported that laying of the pipelines on the north end will begin Monday, February 1, 2010. Weaver Construction was selected as the main

contractor and their design meetings have started. Fountain Sanitation committed to bring the sewer line close to our lift station and we can connect our line at the time which will save monies because there will be a one unit price.

III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:55 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President



Michael Terry, Assistant Secretary