

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

Thursday, April 22, 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	Secretary
Michael Terry (Via Telephone)	Assistant Secretary/Treasurer

Also Present:

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

I. **Preliminary**

- A. Call to Order
Director Cantin called the meeting to order at approximately 5:30 pm.
- B. Roll Call - Determination of a Quorum.
A Quorum was present. Director Terry 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 March 25, 2010.

A motion was made and seconded to approve the Minutes of the Regular Meeting of March 25, 2010. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Director Terry reported that he was in contact with the President and Vice-President of the Widefield School District Board. They wrote back and stated that they were not interested in entering into any type of lease agreement and if any upkeep issues occur on the school property they will be addressed by the WSD.

- C. Changes to the Agenda

Dr. Testa stated that Mr. Don Lester would like to meet with the Board regarding the Cuchares Development. Dr. Testa would like to go into executive session before the candidate's forum to address this issue

- Purchase of 10 Fountain Mutual Shares from Jim Cathcart-1031 Exchange

At this time Dr. Testa explained that Mr. James Cathcart desired to anul the original Water Purchase Agreement that was approved at the last Board meeting for the purpose of Colorado Centre's purchase of 10 shares of Fountain Mutual Irrigation Company for a total purchase price of \$110,000 (\$11,000 per share). Mr. Cathcart would like to treat this transaction as a 1031 exchange agreement instead (a 1031 exchange can occur when one has taxable assets, capital gains, which asset can then be rolled over into a new asset without having to pay the capital gains tax. Mr. Cathcart did not cash the \$110,000 check of March 25, 2010 and a new \$110,000 check was issued payable to the intermediary investment custodial account of James D. Cathcart.

A motion was made and seconded to void the previous Water Purchase Agreement (and \$110,000 check) between James D. Cathcart and Colorado Centre Metropolitan District which was entered into on March 25, 2010. Upon a voice vote, the motion passed unanimously.

A motion was made and seconded to approve the Water Purchase Agreement dated April 22, 2010 between James D. Cathcart ("Seller") and Colorado Centre Metropolitan District ("Buyer") for the purchase of 10 shares of Fountain Mutual Irrigation Company shares (\$11,000 per share) at the total purchase price of \$110,000. Upon a voice vote, the motion passed unanimously.

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

None.

G. District Operations

- Water, Sewer and Parks Operations (Pedro)

Field Superintendent, Pedro Velazquez reported that water and sewer operations are going well with no major problems. Water usage has been down. Since the leak was found we are back to a normal water loss. We continue to produce more sewer than water produced. Most of the manholes have been plugged and checked to try to determine if there is any infiltration occurring. To date nothing has been found. We still need to check the area between the lift station and Horizonview. The City of Colorado Springs will be "TVing" the Horizonview line next week. Not much going on in the parks; mainly trash pickup. Parks maintenance will pick up in the next month. Flushing was completed this week.

E. Review of District Finances – Cindy

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of April 20, 2010, the District has \$2,585,936.40 in funds. The District's expendable funds are \$2,486,899.01.

- Budget Review

Ms. Monroe gave the budget report for March, 2010. We are 25 percent into the year and most budget items are under target.

- 2009 Audit Status – RFQ for next three years?

Ms. Monroe stated that the audit field work is finished and the audit meeting will possibly be held in May, 2010. The Board requested that Dr. Testa compose a Request for Proposals to be published for the purpose of attaining proposals from CPA Firms for preparation of the CCMD audits for the next three years. The Board will choose the auditor based on the results of the process.

F. Approval of Payables - Cindy

The Board reviewed the list of payables. Ms. Monroe noted that the \$110,000 check to Jim Cathcart/Happy Acres LLC was made out to the intermediary investment custodial account of James D. Cathcart.

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, Sewer and Parks Operations (Pedro)

This item was reported on earlier in the meeting.

- Water and Sewer Demand and Augmentation Reports (AI)

Since a major leak was found our water loss is back to normal losses. As Mr. Velazquez stated we are working diligently to determine why we are producing more sewer than water produced. We are close to a 100 acre feet surplus on the augmentation front.

- Purchase of 10 Fountain Mutual Shares from Jim Cathcart-1031 Exchange

This item was addressed earlier in the meeting under Changes to the Agenda.

- Update on Cuchares Development (AI)

Dr. Testa reported that to date eleven connection fees have been sold. Two homes are currently occupied.

- Water Connection Surcharge for Cuchares Development Resolution 2010-04-22.1 (AI)

Dr. Testa submitted a memorandum regarding justification for a Cuchares surcharge to use with the Cuchares Ranch Development. He also provided a table regarding Colorado Centre/Cuchares Development Plan for Augmentation. The plat recorded for the Cuchares Ranch Filing No. 1 concerns the first phase of the property subdivision for single-family residential lots, and the recorded plat limits the amount of water provided to each lot to a maximum of 0.25 acre-feet per year. The property owners are requesting the District to provide the same level of water service to each lot in the subdivision as is currently provided to the remainder of the District's residential service area which is an annual amount of 0.35 acre-feet per lot. Based on Dr. Testa's recommendations and research, the District offers to provide each new and future owner of a residential lot within the Cuchares Ranch subdivision water service in the annual amount of 0.35 acre-feet per lot. During 2010, the lot owner requesting additional consumptive water shall pay the District at the time of building permit a one-time surcharge of \$1,252 per lot to compensate the District for the right to the additional consumptive water.

A motion was made and seconded to approve Resolution No. 2010-04-22.1 regarding water service to the Cuchares Ranch Subdivision. Upon a voice vote, the motion passed unanimously.

- Schedule Interviews for Trash Service Proposals (AI/Cindy)

Five companies returned quotes to CCMD. These quotes were sent to all Board members for review. A Special Meeting will be held on May 6, 2010 at 5:30 pm to interview the five companies that submitted quotes.

- Source Water Assessment Status Report (AI)

A SWAP committee was formed to give guidance/advice on the design and development of the source water protection plan for Colorado Centre's water supply. The committee consists of Michael Cantin (CCMD Board President and resident); Joan Treese (CCMD resident and consumer); Pedro Velazquez (CCMD Superintendent); Eric Howell, (CSU/City of Colorado Springs); Mike McCarthy (EPC Health Department); and Elaine Kleckner (EPC Planning Department). This committee will hold their first meeting on April 26, 2010 at 3 pm at Colorado Centre Metropolitan District.

H. Legal Report (Paul Anderson)

This item was addressed after the Emergency First Responder Services Report.

I. Emergency First Responder Services Report

Chief Byes reported that there were 25 calls in the last month. Fourteen of these calls were medical and all were transported to a hospital. There was a HazMat service call today. Chief Byes will contact Fire Marshall Jim Reid regarding the legal procedures, etc. to address any hazardous materials spills.

The CCMDFD entered into an Intergovernmental Agreement for Ground Emergency Ambulance Services with the El Paso County Emergency Services Agency. Through this agreement Chief Byes applied to receive two new ADD's and a suction unit. This application was successful and the CCMDFD was awarded a grant in the amount of \$4,320.49 for the purchase of the two ADD's and the suction unit.

Ms. Russell from El Paso County has asked for our assistance in putting together a wildfire risk assessment. Questionnaires were distributed to area residents for their input. All input will be compiled and a Wildfire Protection Plan will be put in place by the El Paso County Sheriff's Office of Emergency Management.

H. Legal Report (Paul Anderson)

Mr. Anderson has been in contact with water attorney Kevin Kinnear and he is still working on the water case. Dr. Testa feels it will be settled in the near future. Other legal issues need to be discussed in executive session.

J. Fountain Mutual Irrigation Company – (AI)

Minutes of the March 18, 2010 meeting were included with Board packets. Leasing of Big Johnson Reservoir continues to be a discussion matter. The City of Fountain still wants to sell FMIC more water rights. Dr. Testa stated that the price, etc. is not feasible for FMIC to purchase these water rights. The litigation with Lorson Ranch is still not settled.

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

Minutes of the February 11, 2010 meeting were included with the Board packets. Director Cantin reported that installation of the pipeline continues with 20 percent of the contract left to be finished. There will be a Ground Breaking Ceremony for the sewer plant on May 13, 2010 at 3:30 pm.

Director Cantin reported that the EPA is rethinking their standards and will potentially make them more stringent. We are still assessing if there will be any impact from this situation.

L. Election Update (Sandy)

Sandy reported that the Ballot content and order established (by Lot Drawing on March 4, 2010) is:

Michael E. Terry

Kevin Turcotte (Withdrew nomination)
Tony Cuchares
Frank Ingraldi
Joan Lucia-Treese
Melanie Joy Clague

The election will take place on May 4, 2010. There are 271 permanent mail-in voters and their ballots were mailed the week of April 12, 2010. Two residents of Colorado Centre volunteered to serve as election Judges for the May 4, 2010 election. They are Marcia Tuthill and Shari Prater.

At this time the Board entered into Executive Session (6:50 pm).

A motion was made and seconded to come out of Executive Session and resume the regular meeting (7:25pm). Upon a voice vote, the motion passed unanimously.

Director Cantin stated that they had discussions with the Cuchares Ranch Developer regarding ways to move forward. More information will become available in the next few months.

M. Candidates Forum (5 minutes per candidate) – 15 min Q/A

The candidates in attendance were Michael E. Terry (via telephone), Frank Ingraldi, Joan Lucia-Treese and Melanie Joy Clague. Candidate Tony Cuchares was not in attendance. Each candidate gave a 5 minute presentation and all were asked questions by the Board and audience.

III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 8:27 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

/s/

Michael Cantin, President

/s/

Shawn Eccles, Secretary