

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

Thursday August 26, 2010 at 5:30 PM
4770 Horizonview Drive
Colorado Springs, CO 80925

Board Members Present:

Michael Cantin	President, Chairman
Shawn Eccles	Vice President, Vice Chairman
Floyd Edwards	Treasurer
Joan Lucia-Treese	Secretary
Michael Terry	Assistant Secretary/Treasurer

Also Present:

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

I. Preliminary

- A. Call to Order
Director Cantin called the meeting to order at approximately 5:34 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 July 22, 2010.

A motion was made and seconded to approve the Minutes of the Regular Meeting of July 22, 2010. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Director Terry reported that he has been researching information for obtaining grants for funding a skateboard park and/or a BMX track. He will draft a letter for El Paso County Board of Commissioners and the Parks and Recreation Advisory Committee requesting a list of available grants.

Director Lucia-Treese would like to organize a kid's clothing swap to be held in the Fire Station's bay in October or November. She will put together all the flyers and distribute them and will not require any staff assistance. The Board

concurred that this would be a good idea for building community cohesion. Director Lucia-Treese will put this together to take place on a Saturday in October or November.

Director Cantin reported that his wife Annette was able to locate 2 wooden wire spools at Ft. Carson. Ft. Carson officials donated them to CCMD and Pedro picked them up and placed them in the park area.

C. Changes to the Agenda

No Changes.

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

No Public Comment.

E. Review of District Finances – Cindy

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of August 24, 2010, the District has \$2,524,808.80 in funds. The District's expendable funds are \$2,447,878.30. The July 1, 2010 Series "A" Bondholder's payment was made.

- Budget Review – July 2010

Ms. Monroe gave the budget report for July, 2010.

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, Sewer and Parks Operations (Pedro)

Mr. Velazquez reported that the water tank cleaning took place by the divers from Liquid Engineering. They also cleaned the little tank at the water plant. Pedro will power wash the walls of the little tank in the fall. We did the State required water quality test and all looks good. Our water hardness is 338 ppm which is very hard (well water). Residents installing water softeners need to know this information for installation purposes.

Everything is good with the sewer system. We still have one summer helper for another week. The park maintenance continues on a regular basis.

The Board has concerns about the kids playing in and around the streets. If anyone feels that this is a hazard and they witness any vandalism, please call the Sheriff and encourage your neighbors to do the same.

- Water and Sewer Demand and Augmentation Reports (AI)

We sold approximately 10.4 million gallons of water this month. Our loss was 9.3% in June and 8.1% in July which is still a little high. We will keep an eye on this. We are starting a new augmentation year (11/07-10/08). We have a 480.70 acre feet surplus. The City of Fountain has not drawn their water yet and we have had no calls from the Pikes Peak Community Foundation.

- Update on US Army Reserve Center

Dr. Testa reported that they haven't broken ground yet but intend to be operational by October, 2011.

- Update on Cuchares Development (AI, Don Lester)

There are a total of 25 lots sold in the Cuchares subdivision (Premier Homes/20 and Challenger Homes/5). Dr. Testa introduced Mr. Don Lester who gave an overview of the status of the Cuchares Ranch development. He thanked the Board for the opportunity to talk on a regular basis and he addressed the pending payment owed to Colorado Centre. He stated that they want to live up to their obligations in a timely matter but are stifled by the current economic situation. They have made a proposal to Dr. Testa and the Board which includes a full financial report regarding how they can move forward. The proposal essentially modifies the schedule and terms not the price. The proposal put forward begins payment for Phase II with the 75th lot sale. Dr. Testa and the Board will review the proposal and discussions will take place in Executive Session.

- Update on US Army Reserve Center

This item was reported on earlier in the meeting.

H. Legal Report (Paul Anderson)

Mr. Anderson commented that options need to be discussed and put into place in the event that State Amendments 60, 61 and 101 pass. Dr. Testa and Mr. Anderson are researching different scenarios (the District loan to itself, set up an enterprise, etc.) Mr. Anderson outlined a scenario for Enterprise Formation, one for water and one for wastewater as water activity enterprises. An Enterprise Formation can wait until results of the election are in. He expressed that Dr.

Testa is extremely “creative” in terms of financing. Dr. Testa is working diligently to get a loan in place for Lower Fountain by the end of the year.

Mr. Anderson stated that Colorado’s proposed extremely stringent nutrient criteria for streams and rivers is still pending. There will be an administrative action hearing in October 2010 at the Water Quality Control Commission meeting. Director Terry drafted a letter from the CCMD Board which was sent to the Water Quality Control Division in opposition and urged them not to approve these stringent nutrient criteria.

I. Emergency First Responder Services Report – Chief Tom Byes

Chief Byes reported that there were fourteen runs in the last month. There was a mandatory pump test on the engine completed and hose testing will take place next week. Harris fixed their hydrant last week. One car has been donated and Chief Byes needs two more for the extraction training.

J. Fountain Mutual Irrigation Company – (AI)

Minutes of the July 14, 2010 meeting were included with Board packets. The litigation with Lorson Ranch is still not settled and has been postponed until October. The City of Colorado Springs has started a lawsuit with FMIC because FMIC will not allow them to build a bridge across the Milton Proby Parkway which will change the location of the ditch through South Academy Boulevard.

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

Minutes of the July 15, 2010 meeting were included with the Board packets.

- Progress Report

Director Cantin and Dr. Testa have conferred with Roger Sams regarding the increased costs. After conferring with Mr. Sams they will get back to the Board.

- Cost and Financing Issues

As stated earlier in the meeting Dr. Testa will have a loan in place before the end of the year.

L. Public Hearing for SWA/PP Report (Paul Hempel) – 7 PM

The Public Hearing was opened at 7:25 p.m.

Director Cantin introduced Mr. Paul Hempel, who is with the Colorado Rural Water Association. Mr. Hempel is providing training and technical assistance to CCMD in developing a Source Water Protection Plan. Mr. Hempel passed out

informational brochures and gave an overview of the source water protection planning process for CCMD.

The Water Quality Control Division and the Source Water Protection Program has awarded to CCMD a source water protection planning grant in the amount of \$5,000. Mr. Hempel reported that Stakeholder's meetings have been held and a steering committee was set up to put together a source water protection plan. The steering committee has identified zones of protection around water intakes and potential problems. Through input from the CRWA, WQCD, the steering committee and stakeholders, the Source Water Protection Plan was compiled by CCMD District Manager, Dr. Testa. This plan was sent to all committee members for editing and presentation to the public. Mr. Hempel addressed questions from those in attendance (six residents). The second public hearing will take place during the Sept. 23, 2010 regular board meeting.

The public hearing was closed at 8:03 p.m.

At this time (8:04 p.m.) the Board, Dr. Testa and Paul Anderson entered into Executive Session to discuss the Cuchares Development. Executive Session ended at 8:41 p.m. and the regular meeting resumed.

III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 8:42 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

/s/

Michael Cantin, President

/s/

Joan Lucia-Treese, Secretary