

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

Thursday November 18, 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
Joan Lucia-Treese	Secretary
Michael Terry (Via Telephone)	Treasurer
Karen Harvey	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. 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 October 28, 2010.

**A motion was made and seconded to approve the Minutes of the Regular Meeting of October 28, 2010. Upon a voice vote, the motion passed unanimously.**

- B. Board's Time

Director Lucia-Treese shared some pictures that she had taken at the clothing swap that took place in October, 2010.

Also, she reported that she participated in the ribbon-cutting as a member of the Highway Advisory Committee (HAC) for the completion of the work at South Academy.

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 November 16, 2010, the District has \$4,119,371.44 in funds. The District's expendable funds are \$4,042,303.69.

- Budget Review – September, 2010

Ms. Monroe gave the budget report for October, 2010. The signature cards to add Director Harvey to the accounts were signed by the Board members.

Director Cantin inquired about the surplus monies (from inspection fees). Dr. Testa explained that it will be moved into capital for future expenses in regards to inspection fees. That entry will decrease the surpluses existing in the water and wastewater general funds. The Board gave direction to Dr. Testa to compile a possible credit for the customers. The water credit will be for the Tier 1 water usage fee during the month of December and in addition the sewer usage fee may be lowered just for the month of December. Notice of this possible reduction of fees will be placed in the December newsletter.

F. Approval of Payables – (Board)

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. Public Hearing of Proposed 2011 Budget

The Public Hearing of Proposed 2011 Budget was opened at 6:00 pm.

As required by State law (before October 15<sup>th</sup> of every year) Dr. Testa made a presentation of the Draft 2011 Budget. This is a proposed draft of the 2011 budget and is subject to change based on input from the Board, residents, etc. This budget has been modified since the public hearing in October.

The assessed valuation and the developer owned assessed valuation will be changed on the final budget. El Paso County neglected to include Cuchares in the county records and this will be revised. He may make a decision to change the tiers and not raise the rates, or leave the tiers and adjust the rates or neither. The rates have not been increased for several years. He has proposed that the First Responder fees will be reduced to \$27.69 down from \$29.86 and the commercial entities will be \$166.14 down from \$179.11. The water and wastewater tap fees will increase to \$5,884.00 up from \$5,775.00. The sewer and water administrative fees will be decreased to \$11.00 down from \$11.95. The sewer rate will increase to \$6.25 per thousand gallons up from \$5.95.

Dr. Testa explained that the District uses the Modified Accrual Budgetary Basis of Accounting for its governmental and proprietary funds.

The District intends to provide the following services during fiscal year 2011: potable water, wastewater collection, trash collection, fire protection, park and landscaping maintenance, and general government liaison. Certain surplus revenues of the District at the end of each fiscal year are pledged to repay the non-G.O. bonds resulting from the CCMD US Bankruptcy Case No. 89 B 16410 J.

The Public Hearing of Proposed 2011 Budget was closed at 6:25 pm.

#### H. District Operations

- Water, Sewer and Parks Operations (Pedro)

Mr. Velazquez reported that they continue with daily maintenance on the systems with no emergencies. To date we have installed 200 new remote meters.

Pioneer Sand has been dumping their excess dirt from the US Army Reserve Center in the large Mosko Park area. They will be spreading it out and re-seeding the area. The dirt can be used for trails, BMX obstacles, slope mitigation, etc. Something will be placed in the newsletter asking for input/ideas about using the dirt for creation of a BMX track. Park maintenance consists of picking up trash and rocks. Leaf pickup will begin now that most of the leaves have dropped. Mr. Velazquez attended a class on our SCADA system. He will now be able to trouble shoot any problems with the system.

- Water and Sewer Demand and Augmentation Reports (Al)

We didn't receive the numbers from the State so there will be no augmentation report. We sold approximately 7.3 million gallons of water this month. Our loss was 10.9%. A new meter was installed at the Widefield Bus Facility and it appears that the metering was accurate. We will keep checking for possible leaks.

- Approval of FMIC Water Lease Extensions for 2010 (LFMSDD and PPCF).

The Board approved and signed the new Pikes Peak Community Foundation water lease. The Lower Fountain Metropolitan Sewage Disposal District Lease was approved and will be signed in December, 2010. The rates for the new leases will be \$150 per acre foot.

**A motion was made and seconded to renew the water leases for the Pikes Peak Community Foundation and Lower Fountain Metropolitan Sewage Disposal District. Upon a voice vote, the motion passed unanimously.**

- Automatic Meter Reading Hardware and Software Update (Cindy)

To date we have installed 200 residential meters and one commercial meter.

- Accounting Computer Update (AI)

We are in the process of installing all the programs on the new accounting computer. By the end of the year it should be fully operational.

- Update on Cuchares Development (AI)

To date 42 lots have been sold. It appears that there will probably be up to 50 lots sold by the end of the year. They are processing Phase II of Cuchares Ranch. The plan review fees were paid for 111 lots.

- Update on US Army Reserve Center (AI)

The US Army Reserve Center made a payment on October 29<sup>th</sup> and is moving forward with the project.

I. Legal Report (Paul Anderson)

Dr. Testa commented that the water case is getting close to a conclusion. The stipulation papers were signed by Chilcotte. The City of Fountain still needs to sign and send theirs in.

Paul has been conferring with County Attorney Cole Emmons regarding the Cuchares Mill Levy controversy. He will report on any feedback he receives from Mr. Emmons.

He stated that the nutrient issue is still an issue with Lower Fountain and his involvement is becoming greater. The State only needs a rational basis to pass the stringent nutrient standards. The Water Quality Commission will adopt the rules based on the Water Quality Divisions' feedback. It is five to ten years out before any specific standards will be adopted. The Lower Fountain plant will be paid for by then. Given the potential millions of dollars of cost it becomes cost effective to challenge this. The majority of the cost will be accountable to Lower Fountain and not Colorado Centre.

J. Emergency First Responder Services, Operations and Financial Report  
(Chief Tom Byes)

Chief Byes reported that the CCMDFD responded to twenty alarms since the last board meeting. Approximately half of the calls were medical and also there were two traffic accidents. Chief Byes will look into possibly charging for traffic accidents. Other smaller districts are doing this and it may be beneficial for us to do the same.

As discussed at the last meeting The American Heart Association has available a "CPR" Anytime program which allows families, friends and the general public (who most likely would not attend a traditional CPR course) to learn the core skills of CPR in 22 minutes using their own personal kit. The kit contains everything needed to learn basic CPR. Users practice CPR on a personal, inflatable manikin while watching these skills being taught and performed on a DVD. Something will be placed in the newsletter again to inquire if there is any interest and, if we can generate enough interest, Chief Byes will apply for an ESA Grant to fund the course. The personal kits cost \$36.00 apiece (includes a personal, inflatable manikin (Mini Anne), a CPR Anytime Practice DVD, and skills reference cards.

K. Fountain Mutual Irrigation Company – (AI)

Minutes of the October 14, 2010 meeting were included with the Board packets. Dr. Testa attended the hearings regarding the litigation with Lorson Ranch. The ruling should occur next week. To date \$250,000 has been spent on the Lorson Litigation issue. Dr. Testa's stance is that the shareholders should be informed of the Lorson Ranch litigation costs to date and become a more active part of the solution.

The City of Colorado Springs is suing Lower Fountain regarding the interchange drainage conduit/culvert and this is an ongoing issue. They will be meeting with the City tomorrow to try and negotiate a win/win situation.

Dr. Testa requested that the Board consider pre-paying next year's assessment so they do not have to borrow monies for the litigation expenses. All of the shareholder's will be asked to pre-pay.

**A motion was made and seconded to approve pre-payment of the 2011 FMIC assessment. Upon a voice vote, the motion passed unanimously.**

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

Minutes of the October 14, 2010 meeting were included with the Board packets.

- Progress Report

Mountain View Electric was paid to necessitate power hookups. Steel needed for the project will be purchased now because prices continue to go up. The footings and casings will be installed for the clarifiers.

- Cost and Financing Issues

The 2011 proposed budget was included in the Board packet. Director Cantin and Dr. Testa will review the worksheet composed by Mr. Sams of the breakdown tabulation of all costs incurred on the treatment facility project not just the contractor's costs.

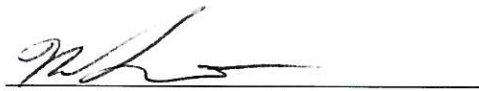
M. Christmas Gathering (Sandy)

All arrangements have been made for the Christmas Gathering to take place on Monday, December 13, 2010 at the Crowne Plaza Colorado Springs Hotel.

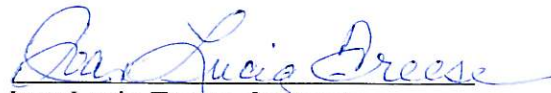
### III. Adjournment

**A motion was made and seconded to adjourn the regular meeting at approximately 7:20 p.m. Upon a voice vote, the motion passed unanimously.**

Respectfully Submitted,



Michael Cantin, President



Joan Lucia-Treese, Secretary