

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

Friday, December 10, 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 5:30 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 November 18, 2010.

**A motion was made and seconded to approve the Minutes of the Regular Meeting of November 18, 2010. Upon a voice vote, the motion passed unanimously.**

- B. Board's Time

Director Lucia-Treese will be attending Commissioner Hisey's state of the County meeting to be held on December 13, 2010. She will report back to the Board regarding information obtained at the meeting.

C. Discuss Cuchares Ranch Metro District and its Concurrent Taxation of CCMD Tax Payers.

Approximately twenty residents of the Cuchares Ranch Metro District were in attendance with questions regarding the concurrent taxation of CCMD tax payers. Director Cantin gave a brief explanation of the history of Colorado Centre and the subsequent inclusion into Colorado Centre of the Cuchares Ranch development. Cuchares Ranch is attempting to impose all 45 mills allowed under the approved Service Plan, as amended, for operations. Colorado Centre provides all operational services to residents living in the new subdivision within Cuchares Ranch, and that under the Addendum Cuchares Ranch is not authorized to impose a mill levy for anything other than debt service unless authorized by Colorado Centre. Colorado Centre per the Addendum concludes that Cuchares Ranch is wrongfully imposing and collecting operation mills for services Colorado Centre already provides and will continue to provide. Colorado Centre also learned that Cuchares Ranch is attempting to reallocate mill levy designations under the Service Plan. Mr. Anderson obtained a copy of Cuchares Ranch's proposed 2011 budget, which showed that all 45 mills are to be used for operation, the large majority of which were for legal fees. The proposed budget also indicates that operation mills were charged and collected in 2010, even though Cuchares Ranch provides no operational services to residents living in the new subdivision.

Don Lester, the representative for FMIC Cuchares Ranch was in attendance and gave information regarding the development and answered questions from the residents, also. He explained that he is not on the CRMD Board but works closely with the CRMD developers who are the Board members. They have a Board meeting only once a year.

The Board, Dr. Testa, and Paul Anderson answered all resident's questions and encouraged them to get involved and educated about the Cuchares Ranch Metropolitan District and be proactive in addressing the mill levy situation and the concurrent taxation of CCMD tax payers. The next election for CRMD Board members will take place in 2012.

D. Changes to the Agenda

No Changes.

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

Before leaving the meeting, Mr. Lester thanked the Board for working with FMI Cuchares Ranch regarding the connection fees. He said the development is moving forward with a projection of 50 lots sold by the end of the year. They have started the process for Phase II. He wished all a Merry Christmas.

- F. Review of District Finances – (Not available this early in the month)
- Bank Balances-Not available
  - Budget Review-Not available
- G. 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.**

- 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, 2010 payment of \$132,475.16 to the Series “A” interest only bondholders. Upon a voice vote, the motion passed unanimously.**

- H. Approval of the 2011 Budget Resolutions

Dr. Testa presented the 2011 Budget. The budget will be filed with the County and the State by December 15, 2010.

Resolution 2010-12-10.1-Rates, Charges, Fees and Penalties for Fiscal Year 2011 was presented. The First Responder fees will be reduced to \$27.66 down from \$29.86 and the commercial entities will be \$165.96 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.

**A motion was made and seconded to adopt Resolution 2010-12-10.1 “Rates, Charges, Fees and Penalties for Fiscal Year 2011”. Upon a voice vote, the motion passed unanimously.**

Resolution 2010-12-10.2 – Budget for Fiscal Year 2011 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 2011.

**A motion was made and seconded to adopt Resolution 2010-12-10.2, “Budget for Fiscal Year 2011”. Upon a voice vote, the motion passed unanimously.**

Resolution 2010-12-10.3 - To set Mill Levies for Tax Year 2010 Collection Year 2011 was presented. This is a Resolution levying general and special property

taxes to be collected in year 2011 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 2011 budget year.

**A motion was made and seconded to adopt Resolution 2010-12-10.3, "To set Mill Levies for Tax Year 2010 Collection Year 2011." Upon a voice vote, the motion passed unanimously.**

Resolution 2010-12-10.4 – To Appropriate Sums of Money for Fiscal Year 2011 was presented. This Resolution appropriates sums of money to the various funds and agencies, in the amounts and for the purpose as set forth in the resolution, for the Colorado Centre Metropolitan District, Colorado, for the budget year 2011.

**A motion was made and seconded to adopt Resolution 2010-12-10.4, "To Appropriate Sums of Money for Fiscal Year 2011". Upon a voice vote, the motion passed unanimously.**

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.

I. 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 approximately 250 new remote meters.

Park maintenance consists of picking up trash and rocks. Two manhole covers were stolen last month. They have been replaced and screws attached to prevent more theft. The dirt that Pioneer Sand is delivering to the parks will be leveled and seeded after they have finished their deliveries.

Dr. Testa noted that there will probably be no charge in December for the Tier 1 (up to 10,000 gallons) water usage fee.

- Water and Sewer Demand and Augmentation Reports (AI)

The augmentation report was given for period November 2007-October 2008. We sold approximately 4.1 million gallons of water this month. Our loss was 8.2%. We will keep checking for possible leaks.

- Update on Cuchares Development (AI)

To date 45 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 and the plan review fees were paid for 111 lots.

- Update on US Army Reserve Center (AI)

The US Army Reserve Center is moving forward. They have two accounts with us and are paying their fees to Colorado Centre.

#### J. Legal Report (Paul Anderson)

Dr. Testa stated that the water case is getting close to a conclusion. The City of Fountain still needs to sign and submit their stipulation documents. We will keep pushing for a conclusion to this case.

Mr. Anderson 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 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.

The Board of Directors of the Colorado Water Resources and Power Development Authority has requested that the Water Quality Control Commission postpone the rulemaking hearing for consideration of nutrient standards and/or control regulations (currently scheduled for June 12, 2011) for a period of at least six months or such additional time as is deemed necessary by a contractor, in order to allow completion and consideration of a proposed cost-benefit study regarding nutrient reduction in the state. This is good news for Lower Fountain and will give us some breathing room.

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

Because of Chief Byes' absence, Captain Throgmorton reported that the CCMDFD responded to eleven alarms since the last board meeting. Approximately half of the calls were medical and also there were two traffic accidents. We are on track to end the year with 135-140 calls. The bi-annual CPR class was completed by Chief Byes, Captain Throgmorton and Captain Bartlett.

L. Fountain Mutual Irrigation Company – (AI)

Minutes of the November 18, 2010 meeting were included with the Board packets.

The litigation with Lorson Ranch has ended with FMIC victorious. Dr. Testa had requested at the November Board meeting that the Board consider pre-paying next year's assessment so they do not have to borrow monies for the litigation expenses. A motion was made to approve this pre-payment and unanimously passed. CCMD's pre-payment has been executed.

The City of Colorado Springs is suing FMIC regarding the Milton-Proby Parkway interchange drainage conduit/culvert. The parties are close to reaching an agreement. The project will be stopped until an agreement is reached.

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

Minutes of the November 10, 2010 meeting were included with the Board packets.

- Progress Report

Everything is moving forward. The footings and casings were installed for the clarifiers.

- Cost and Financing Issues

Dr. Testa included a LFMSDD summary of costs for the water reclamation facility. Director Terry would like a building occupancy date compiled with a critical path to occupancy. This information will be supplied. Colorado Centre has paid \$582,518.03 to date with a cost to complete of \$5,071,422.45,

N. 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.

O. Approve 2011 Meeting Schedule

Notice will be given that the Board of Directors of the Colorado Centre Metropolitan District of the County of El Paso, State of Colorado, will hold a regular meeting at 5:30 p.m. on the dates listed below at the Colorado Centre Offices, 4770 Horizonview Drive, Colorado Springs, Colorado 80925, for the purpose of any business that may come before the Board. There will be no meeting in January, 2011.

These meetings are open to the public.

Thursday, February 24, 2011  
Thursday, March 24, 2011  
Thursday, April 28, 2011  
Thursday, May 26, 2011  
Thursday, June 23, 2011  
Thursday, July 28, 2011

Thursday, August 25, 2011  
Thursday, September 22, 2011  
Thursday, October 27, 2011  
Thursday, November 17, 2011  
Friday, December 9, 2011

If any of the posted dates and/or the time and/or the place of the meetings change, a new announcement will be posted.

**A motion was made to approve the 2011 regular board meeting schedule. Upon a voice vote, the motion passed unanimously.**

**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,

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Michael Cantin, President

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Joan Lucia-Treese, Secretary