

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

Thursday, February 24, 2011 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	Treasurer
Karen Harvey	Assistant Secretary/Treasurer

Also Present:

Dr. Alvaro Testa, Cynthia Monroe, Tom Byes, Paul Anderson, 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.
- 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 10, 2010.

After discussion, the Directors would like the comments regarding the pizza meal and Santa's visit omitted from the minutes.

A motion was made and seconded to approve the Minutes of the Regular Meeting of December 10, 2010 with the recommended changes. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Director Terry was given information regarding the Southern Delivery System meeting/tours to take place on February 26, 2011 and March 09, 2011. These are all day informational forums to educate the public about the proposed Southern Delivery System. Director Terry will read the information and possibly attend one of the forums. Director Lucia-Treese will try to attend in March.

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 February 22, 2011, the District has \$3,603,579.09 in funds. The District's expendable funds are \$3,525,211.34.

- Budget Review - December 2010 – Closing of 2010 Pre-Audit

Ms. Monroe gave a report on the Budget for December 2010-and closing of 2010 Pre-Audit.

- Budget Review – January 2011

Ms. Monroe gave a report on the January 2011 Budget Review.

- Resolution 20110224.1 – Capital Reimbursement from New Loan Proceeds

A resolution of the Board of Directors to declare its intent to approve reimbursement of capital expenses to the District from loan proceeds obtained in connection with the Harold D. Thompson water reclamation facility and related expenses were discussed.

A motion was made and seconded to approve Resolution No. 2011-02-24.1 To Declare Its Intent to Approve Reimbursement of Capital Expenses To The District From Loan Proceeds Obtained In Connection With The Harold D. Thompson Water Reclamation Facility and Related Expenses. Upon a voice vote, the motion passed unanimously.

- Resolution 20110224.2 – Inter-Fund Loan

A resolution of The Board of Directors concerning an Inter-Fund loan was discussed. To meet its financial obligations to Lower Fountain to help fund the Facility construction and to minimize borrowing from the Authority and other outside sources, the District has determined it is in the best interest of the District

to effect an inter-fund loan from the District's Water Fund Capital Account to the Wastewater Fund Capital Account in the amount of one million seven hundred thousand dollars (\$1,700,000).

A motion was made and seconded to approve Resolution No. 2011-02-24.2 Concerning an Inter-Fund Loan. Upon a voice vote, the motion passed unanimously.

- Resolution 20110224.3 – Reaffirming Repayment Fees for Repayment of Loan Debt for LFMSDD

A resolution reaffirming repayment fees for repayment of loan debt for LFMSDD was discussed. The District acknowledges it is essential for the District to continue to maintain and assess the ASF (availability of service fee) charge and the minimum monthly capital service charge so as to allow the District to service the debt created by the authority's anticipated loan and to timely repay in full the financed amount plus all accrued interest.

A motion was made and seconded to approve Resolution No. 2011-02-24.3 Concerning the Continued Assessment of Certain District Fees for Debt Service and Repayment of a Loan Obtained In Connection With The Harold D. Thompson Water Reclamation Facility and Related Expenses. Upon a voice vote, the motion passed unanimously.

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. District Operations

- Sign at Marksheffel and Drennan (Harris Corp)

Dr. Testa introduced Mr. Rock Alderman from Harris Corporation at this time. Mr. Alderman made a request and presentation of needed improvements to the sign located at the corner of Marksheffel and Drennan Roads. He stated that the Harris Corporation would like to work with Colorado Centre to make improvements to the sign and the area landscaping around the sign. After discussion, the Board would like Dr. Testa to negotiate with the Harris Corporation to facilitate mutual cooperation in coming up with a suitable win-win situation.

- Water, Sewer and Parks Operations (Frankie)

Dr. Testa gave the report on water, sewer and parks at this time. It wasn't necessary for Frankie Diaz to stay and give a report. All systems are running efficiently with no problems. The area where the dirt was delivered by Pioneer Sand has been graded but still needs a little more work to further enhance proper drainage. It will be seeded, maintained and watered this spring.

- Water and Sewer Demand and Augmentation Reports (AI)

The augmentation report was given for period November 2007-October 2008. Some augmentation water was sold to Lower Fountain which will be taken in August, 2011. We sold approximately 3.4 million gallons of water this month. Our loss was 9.6%.

- Cuchares Water Augmentation Case Status (AI)

The Cuchares Augmentation case is coming to an end. The State replied in January, 2011 and the reply back to the State had "good arguments" for approval.

- Update on Cuchares Development (AI)

Mr. Dave Spirinac from FMI Cuchares Ranch was in attendance and gave an update on the development. To date 56 lots have been sold. They are processing Phase II of Cuchares Ranch and the plan review fees were paid for 111 lots. Dr. Testa's plan review will be submitted to FMI Cuchares Ranch as soon as all outstanding bills owed CCMD are paid current. Mr. Spirinac will check with Tom Benkert regarding the additional invoices/escrow payments that are still outstanding.

- Cuchares Phase II Utility Easement

A Utility Easement was discussed at this time. With this utility easement FMI Cuchares Ranch grants to CCMD perpetual, nonexclusive easement to enter, and permit CCMD's agents to enter upon and use FMI Cuchares Ranch's property for the sole and exclusive purpose of maintenance (including repair and replacement) and operation of water and sewer lines.

A motion was made and seconded to approve the Utility Easement between FMI Cuchares Ranch, LLC and Colorado Centre Metropolitan District. Upon a voice vote, the motion passed unanimously.

- Update on US Army Reserve Center (AI)

The US Army Reserve Center is moving forward. Work has slowed a little because of the harsh weather conditions.

H. Legal Report (Paul Anderson)

Mr. Anderson's report will be given under the Lower Fountain discussion.

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

Fire Chief Tom Byes reported that in the month of February, 2011 the CCMDFD responded to 14 medicals, two traffic accidents and nine service calls. Chief Byes has submitted the application for the ESA Grant to allow us to offer the CPR Anytime classes. An Open Fire Policy Draft was discussed. Chief Byes and Paul Anderson will research code enforcement, liabilities, etc. and present the final draft to the Board of Directors.

Chief Byes reported that the three mills and taxes generated \$317,563 for 2010 and with \$250,455 to run the fire department, \$67,108 went to the reserve fund for repayment of the fire truck loan. The Board congratulated Chief Byes for a well-run and fiscally responsible fire department.

J. Fountain Mutual Irrigation Company – (AI)

Minutes of the December 8, 2010 and January 12, 2011 meetings were included with the Board packets.

The litigation with Lorson Ranch has ended with FMIC victorious. The developer did the damage and lost the litigation and now the homeowners are stuck with the bill because the developer transferred the property to the District.

Big Johnson Reservoir storage and how to lease the storage is still being discussed. Fountain Mesa Investors (south) are threatening to sue because the "ditches leak".

The City of Colorado Springs and FMIC have reached an agreement regarding the Milton-Proby Parkway interchange drainage conduit/culvert.

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

Minutes of the December 9, 2010 and January 13, 2011 meeting were included with the Board packets.

- Cost and Financing Issues

Dr. Testa included in the board packets the recommendation of Mr. Barry Cress of the Water Pollution Control Revolving Fund (WPCRF) concerning CCMD's application for the LFMSDD loan. Mr. Cress essentially recommends approval of

a direct loan of \$2,000,000 to the Colorado Centre Metropolitan District. His report and recommendation will be presented to the WPCRF Board on Friday, March 4, 2011. Dr. Testa and Cindy Monroe will attend the meeting of the Board.

- Progress Report

State approvals regarding the design review are pending which has delayed the project moving forward.

The nutrient issue is a real concern and Mr. Anderson stated that the stringent nutrient standards will cause an enormous financial burden for all treatment facilities because every facility will have to comply. He stated that it will occur and it is only a matter of "when and how" these stringent standards will be adopted.

There will be a special meeting of the Lower Fountain Metropolitan Sewage Disposal District on Saturday, March 12, 2011 at 9:00 am. This meeting will take place at the LF District offices located at 901 S. Santa Fe Ave., Fountain, Colorado. This will be an informational meeting on the Water Quality Control Division's proposed Statewide Nutrient Criteria.

Dr. Testa inquired about the possibility of going to Pappadeaux's in Denver for the Christmas party. After discussion the Board conferred that it would be better to have the party take place in the Colorado Springs area.

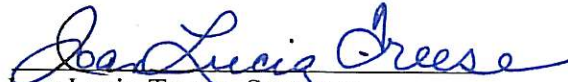
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:05 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



~~Michael Cantin, President~~
Shawn Eccles



Joan Lucia-Treese, Secretary