

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

Thursday, March 24, 2011 at 5:30 PM

4770 Horizonview Drive

Colorado Springs, CO 80925

Board Members Present:

Shawn Eccles

Joan Lucia-Treese

Michael Terry

Karen Harvey

Vice President, Vice Chairman

Secretary

Treasurer

Assistant Secretary/Treasurer

Board Members Absent:

Mike Cantin (On Vacation)

President

Also Present:

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

I. Preliminary

A. Call to Order

Director Eccles called the meeting to order at approximately 5:30 pm.

B. Roll Call - Determination of a Quorum.

A Quorum was present. Director Cantin was absent.

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 February 24, 2011.

A motion was made and seconded to approve the Minutes of the Regular Meeting of February 24, 2011. Upon a voice vote, the motion passed unanimously.

B. Board's Time

Director Lucia-Treese commented that she is now a member at large of the Highway Advisory Committee and has voting privileges.

Director Terry commented that he has real concerns regarding the proposed stringent nutrients regulations and feels it is the responsibility of the Board to

inform and educate all residents about these proposed regulations. Resident AndyTuthill agreed that it is extremely important to inform the public about the proposed stringent nutrients regulations. After discussion it was unanimously decided that information regarding this issue will be made available to the CCMD residents via the CCMD newsletter and the CCMD website.

C. Changes to the Agenda

Dr. Testa requested that the Board address Ms. Lauren Billings request to come before the Board regarding her 2011 sewer usage fee.

A motion was made and seconded to approve addressing Ms. Lauren Billings written request to come before the Board regarding her 2011 sewer usage. Upon a voice vote, the motion passed unanimously.

The Board has been apprised of Ms. Billings situation and has reviewed all letters, Dr. Testa's reply, and a memo compiled by Ms. Monroe regarding a history of Ms. Billings' usage.

Ms. Billings introduced herself to the Board and asked that her sewer usage fee be recalculated since she feels that the base is not the accurate amount of water that her family uses on a regular basis. She explained that there were leaking toilets at the time it was calculated for 2011. The leak has caused her sewer base to be nearly \$100 monthly. She would like the Board to consider making an exception in her situation and recalculate her base.

Dr. Testa, the Board and staff discussed Ms. Billings request and their comments included:

1. All customers who are experiencing malfunctioning equipment have full control over what happens to the water that is metered into their home.
2. Statistically, one out of every six years the malfunctioning equipment will impact the sewer base because the malfunctions will fall in one of the two months out of the year where the sewer base rate is reviewed.
3. Malfunctions and excessive usage can actually happen any time of the year. However, the District only catches a customer when these events take place during the base rate evaluation period.
4. As an example of how the averaging works under just normal water consumption, Ms. Billings' sewer rate for 2010 was based on 8,111 gallons of average water usage during December '09 and January '10. Her household used a 2010 yearly average of 12,109 gallons; therefore, the additional gallons treated were not paid for by the customer, which is permitted under the current rate structure of the District.
5. The District announced in its October, November, December and January newsletters of the sewer base computation.

6. Ms. Billings February, 2011 water usage is still significantly higher than normal even though there were only 28 days in the month.

The Board concurred with Dr. Testa's original conclusion that "as with most of our customers, the waste of the District resources is not something that the District can financially endure. In fact, it is the Board's position that the remaining customers of the District should not have to pay for the few that are in this situation." The Board concluded that they felt the situation did not merit special consideration and/or dispensation to modify Ms. Billings' 2011 computed base rate.

A motion was made and seconded to deny Ms. Lauren Billings request of a re-calculation of her 2011 sewer usage fee. Upon a voice vote, the motion passed unanimously.

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 March 14, 2011, the District has \$3,740,155.48 in funds. The District's expendable funds are \$3,636,449.31.

- Budget Review – February 2011

Ms. Monroe gave a report on the Budget for February, 2011

- Bank Transfers and Other Banking Activities

Transfer letters were signed to transfer reimbursed Cuchares Ranch augmentation case funds and excess funds in Wells Fargo checking into the Farmers State Bank Money Market Account.

Resolution 2011-03-24.2 authorizing the investment of \$12,140.62 per month of availability of service charge revenue. These monies will be escrowed into money market account number 0928594 established at the Farmers State Bank located at 7025 Old Meridian Road, Falcon, Colorado.

A motion was made and seconded to approve Resolution No. 2011-03-24.2 authorizing the investment of \$12,140.62 per month of availability of service

charge revenue into money market account 0928594 established at the Farmers State Bank located at 7025 Old Meridian Road, Falcon, Colorado. Upon a voice vote, the motion passed unanimously.

Resolution 2011-03-24.1 regarding certification of a lien for a delinquent account for collection by the El Paso County Treasurer was reviewed and discussed. Mr. James E. Morris, Jr.'s fees penalties, assessments and other charges total \$2,371.85 (more than \$150.00 which is required for assignment for collection). His account with the District has been in delinquency for more than six months.

A motion was made and seconded to approve Resolution No. 2011-03-24.1 to certify a lien for a delinquent account for collection by the El Paso County Treasurer. 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 Update (Al Testa)

Dr. Testa has contracted with architect John Wheeler to produce a proposal regarding improvements/updates to the sign located at the corner of Marksheffel and Drennan Roads. Mr. Wheeler will make a presentation at the April regular Board meeting. We now have title to the property on which the sign is located.

- Water, Sewer and Parks Operations (Pedro)

Mr. Velazquez reported that they are doing regular maintenance and pumping about 2-5 hours a day. There was a pump failure this month because of too many solids in the flow. The BOD/TSS has been very high probably because of the warmer weather.

Flushing of the water lines will take place April 18th through the 22nd.

We have been doing fence and gate repairs in Mosko Park. Also, the pine needles have been picked up all along Horizonview Drive.

To date we have installed approximately 300 new remote meters. The entire installation will probably be completed in two years.

- Water and Sewer Demand and Augmentation Reports (AI)

The augmentation report was given for water paid in period November 2010 to October 2011 for augmentation period November 2008-October 2009. CCMD has over augmented its water for years so the courts should allow CCMD to lease some out. We sold approximately 3.3 million gallons of water this month. Our loss was 9.1% which is normal for our system.

Dr. Testa has started research for the water treatment facility. He has submitted Requests for Information (RFI's) and is awaiting feedback.

- 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. A conference meeting is scheduled for March 28. We are awaiting a decision.

- Update on Cuchares Development (AI)

To date sixty (60) lots have been sold and the project is steadily moving ahead.

- Update on US Army Reserve Center (AI)

The US Army Reserve Center is moving forward. Work has started back after being stopped for two months because they had to re-design the foundations.

H. Legal Report (Paul Anderson)

Issues regarding the nutrients regulations were discussed earlier in the meeting. 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. As stated earlier the residents will be educated and informed about these proposed regulations.

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

Fire Chief Tom Byes was unable to attend so Captain Bob Throgmorton reported for him. In the month of February, 2011 the CCMDFD responded to two medicals, two traffic accidents and three service calls. In the near future the CCMDFD, in conjunction with the Security Fire Department, will have an automobile extrication class/exercise. Chief Byes has submitted the application

for the ESA Grant to allow us to offer the CPR Anytime classes and we should be getting an answer within the next few weeks.

Director Lucia-Treese inquired about the policy for ATV's using the areas in and around Colorado Centre. ATV's have to be licensed and street safe and if there are any safety concerns the Sheriff should be notified.

- Discuss Fire Regulations – Draft Proposal

Regarding the Open Fire Policy, Mr. Anderson stated that the statute allows the Fire Chief the authority to enforce the open fire policy. The policy and how to implement enforcement of the policy will be discussed at the April, 2011 regular board meeting.

J. Fountain Mutual Irrigation Company – (AI)

Minutes of the February 17, 2011 meeting 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 burdened with the bill because the developer assigned the debt to the District. The homeowners are not aware of this situation to date.

Big Johnson Reservoir storage and how to lease the storage is still being discussed. Mesa Ridge filed a complaint about the "ditches leaking". There will be a hearing on April 15, 2011 and in the meantime there is an injunction in place not to irrigate. FMIC has insurance coverage for this type of action. At issue is historic preservation of ditches to enable future strength and well-being.

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

Minutes of the February 10, 2011 meeting were included with the Board packets.

- Progress Report

State approvals regarding the design review delayed the project for five weeks. The project will be re-started next week. Due to the delay there was no billing last month.

- Cost and Financing Issues (AI)

CCMD's application for the LFMSDD loan was submitted and the report and recommendation of Mr. Barry Cress of the Water Pollution Control Revolving Fund (WPCRF) was presented to the WPCRF Board on Friday, March 4, 2011. Dr. Testa and Cindy Monroe attended the meeting of the Board. Mr. Cress

recommended approval of a direct loan of \$2,000,000 to the Colorado Centre Metropolitan District. The Board authorized the loan and a resolution is being prepared by the WPCRF legal counsel.

III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 8:07 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,

_____/s/
Shawn Eccles, Vice-President

_____/s/
Joan Lucia-Treese, Secretary