

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

Thursday, April 28, 2011 at 5:30 PM
4770 Horizonview Drive
Colorado Springs, CO 80925

Board Members Present:

Mike Cantin	President
Shawn Eccles	Vice-President
Joan Lucia-Treese	Secretary
Michael Terry	Treasurer
Karen Harvey	Assistant Secretary/Treasurer

Also Present:

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

I. Preliminary

- A. Call to Order
Director Cantin called the meeting to order at approximately 5:40 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 March 24, 2011.

Director Lucia-Treese' name was misspelled under B. Board's Time. It should Read Treese not Treece.

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

- B. Board's Time

Director Lucia-Treese is now a member at large of the Highway Advisory Committee and at the last meeting of HAC she was able to obtain a copy of the proposed work in 2011 to take place on Anvil Drive, Yukon Way, Harvest Moon

and Peaceful Meadow. She will keep the Board apprised of any additional work that will be scheduled for Colorado Centre.

Director Terry still has concerns about the proposed stringent nutrients standards. Information was distributed with the March, 2011 newsletters and placed on the Colorado Centre website. Director Terry had met with CSU's Jerry Forte and Mr. Forte was unaware of this situation. Dr. Testa will try to meet with Mr. Forte and educate him on this serious issue.

Director Terry also has concerns about the FMIC litigation with Lorson Ranch. 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. The District has been given a liability that is very burdensome. Dr. Testa will look into the legalities of suing the Board for violating their fiduciary responsibility. Resident Andy Tuthill suggested going after the developers and possibly placing a lien on their undeveloped properties and unsold homes. Dr. Testa will research this scenario and other legal options.

C. Changes to the Agenda

At this time the Board recognized Frankie Diaz' five years of working for the District. The Board thanked him for all his hard work the past five years.

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 April 25, 2011 the District has \$3,845,885.48 in funds. The District's expendable funds are \$3,736,305.31. A new money market account was opened at Farmers' Bank for depositing the availability of service fees collected. This was opened to facilitate getting the loan from the State.

- Budget Review – March 2011

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

- Bank Transfers and Other Banking Activities

A transfer letter was signed to transfer funds from the Cuchares escrow account

for reimbursement of augmentation water case expenses incurred.

- 2010 Audit Status

The auditors will present the audit at the May, 2011 Board meeting.

F. Approval of Payables – (Board)

The Board reviewed the list of payables. Ms. Monroe omitted a Best Buy invoice on the payables list. It will be included next month.

A motion was made and seconded to approve the current list of payables. Upon a voice vote, the motion passed unanimously.

G. District Operations

Dr. Testa submitted a proposal letter from Grimshaw & Haring to write an opinion letter regarding the Loan Transaction with the State. This required opinion is part of the loan review. For work on this transaction a flat fee of \$12,000.00 will be charged.

A motion was made and seconded to approve engaging Grimshaw & Haring to write an opinion letter required to obtain the loan from the State at a fee of \$12,000.00. Upon a voice vote, the motion passed unanimously.

Also, Dr. Testa would like Grimshaw & Haring to review & research the District Debt for the purposes of possibly purchasing the B Bonds.

A motion was made and seconded to approve engaging Grimshaw & Haring for review and research of District Debt for the purposes of possibly purchasing the B Bonds. Additionally a cap of \$5,000 will be in place for this service. Upon a voice vote, the motion passed unanimously.

- Sign at Marksheffel and Drennan Update (Al/John Wheeler)

Dr. Testa introduced architect John Wheeler. Mr. Wheeler prepared an estimate of costs to renovate the sign located at the corner of Marksheffel and Drennan Roads. CCMD has title to the property on which the sign is located. The Harris Corporation had made a request to CCMD to renovate the sign and clean up the area around the sign.

Mr. Wheeler's presentation included a model of the sign and area around the sign. His estimated cost for the renovation was \$28,120. The Board was impressed with and liked the renovation that Mr. Wheeler presented but felt that the costs were too high to make the improvements at this time. Dr. Testa will

confer with the Harris Corporation to see if they are willing to pay some or all of the expenses associated with the renovation of the sign and area around the sign.

- 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 force main break and spill at the lift station. The spill occurred by the Widefield wells. Dr. Testa submitted the mandatory report to the State. Our liability insurance will possibly pay for the clean-up costs. There was a large amount of items in the pipe that wouldn't dissolve (paper towels, diapers, etc.) Director Cantin would like something put in the newsletter regarding the high costs of BOD/TSS and being aware of what we put into the sewer system.

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

The Board would like Dr. Testa to look into looping the line at the end of Gunbarrel. This will improve the circulation of the water going through the lines.

The state came to audit our systems and found no major deficiencies. When the report comes back from the State it will be placed on the CCMD website.

- Water and Sewer Demand and Augmentation Reports (AI)

No numbers were received from the State so there was no augmentation report. We sold approximately 4.3 million gallons of water this month. Our loss was 7.9% 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. Dr. Testa has a draft of our attorney's reply. We don't want to leave anything in the decision that gives the State the right to re-open the case. The State wants to retain jurisdiction which is totally unacceptable. Cuchares cannot plat until the case is resolved. CCMD can handle 88 additional homes under our current water supply. We are still awaiting a decision.

- Update on Cuchares Development (AI)

To date sixty-six (66) lots have been sold and the project is moving ahead.

- Update on US Army Reserve Center (AI)

The US Army Reserve Center is moving forward. They have added some extensive landscaping and are now connected to our sewer line.

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. The Lower Fountain Coalition is actively working on this issue. Marsha Looper, our State Representative, is trying to meet with environmental groups and is planning on introducing a Resolution addressing this issue.

The availability of service charge that was placed in a separate escrow account is allowable because we have a debt to repay. The loan has been approved so technically we do have an outstanding debt.

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

Fire Chief Tom Byes reported that in the month of April the CCFD responded to thirteen alarms (ten were medical). The CCMDFD, in conjunction with the Security Fire Department, will have an automobile extrication class/exercise on June 18, 2011 (location will be at the church on the southeast corner of Fontaine). There will be a safe driving presentation by Security on the same date. The ESA Grant was approved for the CPR Anytime class. As soon as the funds are received, the classes will be scheduled.

- Discuss Fire Regulations – Draft Proposal

The County reinstated their Burn Policy so we will not need to go forward with implementing our own Burn Policy.

J. Fountain Mutual Irrigation Company – (AI)

Minutes of the March 17, 2011 meeting were included with the Board packets.

As discussed earlier in the meeting, the Lorson litigation is an ongoing issue. Mesa Ridge filed a complaint about the “ditches leaking”. Historically ditches leak and the claim is frivolous. FMIC has insurance coverage and the insurance company is working with them to fight this.

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

Minutes of the March 10, 2011 Regular meeting and the March 12, 2011 Special meeting were included with the Board packets.

- Progress Report

State approvals regarding the design review have delayed the project. As soon as the State approvals are finalized the project will resume. Any delay is costly so hopefully the approvals will be forthcoming.

- Cost and Financing Issues (A1)

Mountain View Electric charges came in \$11,000 under budget. The nutrients standards issue continues to be an on-going concern.

L. Tomorrow's Work Session

There will be a Work Session on Friday, April 29, 2011 commencing at 5:00 pm. Dinner will be provided. Director Lucia-Treese would like to postpone the meeting since Director Eccles is unable to attend. Due to the pre-arranged catering, it would be difficult to postpone. Director Cantin has asked Director Eccles to e-mail any concerns/questions that he may want addressed.

III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:30 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President



Joan Lucia-Treese, Secretary