

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

Thursday, May 24, 2012, 2012 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: Al Testa, Cynthia Monroe, Paul Anderson, Tom Byes, Pedro Velazquez and Sandy Goad

**I. Preliminary**

- A. Call to Order  
Director Cantin called the meeting to order at approximately 5:31 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 April 26, 2012.

**A motion was made and seconded to approve the Minutes of the Regular Meeting of April 26, 2012. Upon a voice vote, the motion passed unanimously.**

- B. Oath of Office for Re-elected Board Members

Director Lucia-Treese administered the Oath of Office to Michael Cantin, Shawn Eccles and Karen Harvey. Their term of office will end May, 2016.

- C. Election of Officers

**A motion was made by Director Eccles and seconded by Director Harvey to keep the slate of officers as is. Upon a voice vote, the motion passed with Directors Cantin, Eccles and Harvey voting yes and Directors Lucia-Treese and Terry voting no.**

Director Lucia-Treese commented that she would like to have discussion and voting for the officer's position. Director Terry expressed the same opinion. After discussion the Board decided to rescind the prior vote.

**A motion was made and seconded to rescind the prior motion to keep the slate of officers as is. Upon a voice vote, the motion passed with Directors Cantin, Lucia-Treese, Harvey and Terry voting yes and Director Eccles voting no.**

Each Director filled out their choices for the CCMD Board officers. Director Lucia-Treese tallied the votes. The results were: Mike Cantin, President; Shawn Eccles, Vice President; Joan Lucia-Treese, Treasurer; Karen Harvey, Secretary; and Mike Terry, Assistant Secretary/Treasurer.

**A motion was made and seconded to accept the slate of officers as voted. Upon a voice vote, the motion passed unanimously.**

D. Board's Time

Director Terry commented that he was unable to write an article on the Nutrients issue informing the residents about the issues and the current status for the May, 2012 newsletter. He will write the article for the June, 2012 newsletter.

Director Cantin attended the briefing given by Ultra Petroleum at the Fountain Valley Republican Club meeting on May 14, 2012. He commented that the public meeting was very informative and would like CCMD to host a similar informational meeting. Sandy will contact Ultra Petroleum and set up a Special Informational meeting the week of June 11, 2012.

E. Changes to the Agenda

J. District Operations

- Water, Sewer and Parks Operations (A1)

Pedro Velazquez has to leave for another meeting so he reported on water, sewer and parks at this time. He commented that water production is high and they are trying to not pump during peak hours to save money. They will be checking all the manholes next week. Two summer workers will be starting the first week of June. They have encountered rattlesnakes at the lift station and in the park. Ultra Petroleum treated the prairie dogs to prevent the infestation of the parks and prevent large populations that can result in plague. A licensed professional did this work and every precaution was taken to make this a safe procedure. They used grain pellets that they placed in the burrows. The product is Rozol and Material Safety Data Sheet information can be found online. All carcasses were picked up and disposed of but the majority died in their burrows. We are

still using our product in our parks which is carbon monoxide canisters which are inserted into the burrows.

F. Presentation of 2011 Audit by Hoelting & Company

Cindy Monroe prefaced the introduction of Mr. Tom Sistare from Hoelting & Company with a thank you to Mr. Sistare and Jake for doing such an outstanding job with the CCMD audit. Mr. Sistare presented a one page summary of what the audit entails including a comparison to 2010. He reported on the General Fund, Enterprise Funds, Water and Wastewater Fund-Cash Flow, Fund Balance, Fund presentation versus Government-Wide presentation, Long-term Liabilities and Internal Controls. All present were supplied with a copy of the draft audit. Mr. Sistare commented that they spent quite a bit of time testing internal controls and found that internal controls are very strong and there are no negative internal control comments. Because of this strong internal control, Mr. Sistare stated that an unqualified opinion was received which is the highest level of opinion that can be received. Mr. Sistare was very complimentary and said that the CCMD audit is one of the cleanest and strongest in internal controls that his firm does.

Copies of the audit are available at the CCMD offices and on the CCMD website. The audit will be submitted to the State by the July 31, 2012 deadline.

**A motion was made and seconded to accept the audit for FY2011 prepared by Hoelting & Company, Inc. Upon a voice vote, the motion passed unanimously.**

Dr. Testa commented that Hoelting's proposal for the 2012 audit will need to be discussed and approved. The audit will begin in April 2013 (fee will be \$17,920).

**A motion was made and seconded to accept the 2012 audit proposal prepared by Hoelting & Company, Inc. Upon a voice vote, the motion passed unanimously.**

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

No Public Comments.

H. Review of District Finances (Cindy)

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of May 21, 2012 the District has \$5,906,072.86 in funds. The District's expendable funds are \$5,656,725.10.

- Budget Review - Closing of 2011 and Current FY 2012

The budget review was given for the closing of 2011 and the current FY 2012.

- Bank Transfers and Other Banking Activities

Ms. Monroe would like the Board to authorize the investment of \$4,000,000 of CCMD's treasury into a five month term certificate of deposit with an annual percentage yield of 0.70%. This will be at the Farmers State Bank in Falcon, Colorado.

**A motion was made and seconded to approve Resolution 2012-05-24.1 authorizing the investment of \$4,000,000 of Colorado Centre Metropolitan District's Treasury in a five month term certificate of deposit with an annual percentage yield of 0.70% at the Famers State Bank in Falcon, Colorado. Upon a voice vote, the motion passed unanimously.**

A transfer letter was signed to facilitate the transfer of the Availability of Service Fees for April, 2012 to the separate Farmers State Bank account.

I. 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.**

J. District Operations

- Water, Sewer and Parks Operations (AI)

This item reported on earlier in the meeting by Superintendent Velazquez.

- Water and Sewer Demand and Augmentation Reports (AI)

For the month of April, we produced approximately 8.8 million gallons and sold approximately 8.7 million gallons. The water loss is 6%. We pumped approximately 3.7 million gallons of wastewater.

The report of the augmentation period November 2009 – October 2010 was presented. There is an excess of 266 acre feet.

- Update on Cuchares Development (AI)

Phase II has been officially divided into 3 sections, filings 2 through 4. To date 28 lots have been sold in Phase II.

- Update on US Army Reserve Center (AI)

There has been no new information received about the progress of the Center.

- CCMD to LFMSDD Interceptor Sewer Project – Completed (A1)

The project is now completed.

- Update on Ultra's help with Prairie Dog Population

This item was discussed previously in the meeting.

- Update on VA Cemetery

There is no definite timeline established as to when the Cemetery will be built and nothing new has occurred in regards to the location other than the completion of an EA highlighting that the CCMD site is one of four that has been considered and has no problems if the facility were to built there.

K. Legal Report (Paul Anderson)

Pikes Peak Community Foundation would like to renew their water lease agreement with Colorado Centre. There are some changes which include an upfront administrative fee of \$500.00. Also if there is no use, the lease will not be approved next year. The water lease agreement was approved and signed by the appropriate board members.

**A motion was made and seconded to approve the Water Lease Agreement with Pikes Peak Community Foundation. Upon a voice vote, the motion passed unanimously.**

- Series B Bond Buy Back by Water Enterprise

Letters were mailed on April 2, 2012 to the accepting bondholders with instructions to notify the Bank of New York for payment and conveyance. BNY has officially completed the transactions. The DTC bonds were paid on May 9, 2012 and the physical bonds were paid on May 15, 2012.

Mr. Anderson reported that the proposed nutrients standards are an ongoing issue. Hopefully, the end results will result in avoiding unnecessary regulations and minimizing the fiscal impact to state agencies and local governments. Lower Fountain is researching whether it would be prudent to sue the State of Colorado regarding the proposed nutrients standards. Other entities around the State are considering this option also. He will keep us apprised of this situation.

Mr. Anderson commented that there is a public meeting tonight at the City Administration Building regarding oil and gas drilling. They will be sorting out how far the City and County can go regarding oil and gas drilling regulations. Regarding Ultra Petroleum's plans for oil and gas development on the former Banning Lewis Ranch

property, and Ultra's efforts to void or vacate the Annexation Agreement with Banning Lewis Ranch, the Board would like Mr. Anderson to write a letter to the City of Colorado Springs regarding an Open Records Act Request. This letter will request an opportunity to review and copy all non-privileged correspondence and all data, information and records concerning the City's communications with Ultra Resources.

**A motion was made and seconded to request that Mr. Anderson draft an Open Records Act Request to the City of Colorado Springs regarding Ultra Petroleum. Upon a voice vote, the motion passed unanimously.**

L. Emergency First Responder Services, Operations and Budget Report (Chief Tom Byes)

Chief Tom Byes reports that in the month of May, 2012 the CCFD had an average amount of calls consisting of medicals, traffic accidents with injuries and service calls. No word on when we will receive our alternative response vehicle from the City.

M. Fountain Mutual Irrigation Company – (AI)

Minutes of the April 19, 2012 Regular meeting were included with the board packets. The Lorson litigation payments are being received and the money is being set aside from the general fund in a money market account for use when repairs need to be done.

They are still researching the possibility of building their own augmentation station. Doing this would eventually be more cost effective.

Mesa Ridge's pipeline installation project is almost completed.

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

Minutes of the, April 12, 2012 Board meeting were included with the Board packets plus the May 10, 2012 Agenda.

- Progress Report

Director Cantin reported that most of the duct work in the headworks building is completed. The operations building is started with the lab and ops situated on one end of the building. Building the Biosolids Dewatering system at this time would be the best choice in terms of long term cost savings (another \$500,000 added to CCMD's costs).

- Cost and Financing Issues

Once all the bids come in the Contractor will be comfortable with submitting a "Final Cost" amount. Hopefully this final cost will be within the next 2 to 3 months.

- Nutrients Issue

This item was discussed previously in the meeting under Legal.

Ms. Monroe commented that she had found a phone system on Craig's list for \$200. The Board would like Ms. Monroe to go ahead and purchase a speaker phone system which would not exceed a cost of \$500.00.

- L. Executive Session (if needed)

No Executive Session needed.

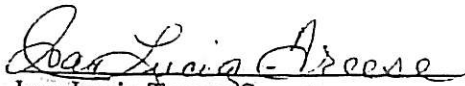
### III. Adjournment

**A motion was made and seconded to adjourn the regular meeting at approximately 7:40 p.m. Upon a voice vote, the motion passed unanimously.**

Respectfully Submitted,



Michael Cantin, President



Joan Lucia-Treese, Secretary