

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

Thursday, June 28, 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	Treasurer
Michael Terry	Assistant Secretary/Treasurer
Karen Harvey	Secretary

Also Present: Al Testa, Cindy Monroe, Paul Anderson, Pedro Velazquez & 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. Director Harvey was delayed and arrived at 5:45 pm.
- 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 May 24, 2012 and Special Meeting of June 13, 2012

A motion was made and seconded to approve the Minutes of the Regular Meeting of May 24, 2012 and Special Meeting of June 13, 2012. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Director Lucia-Treese and Cindy Monroe attended the SDA Spring Workshop entitled Effective Boardmanship on June 27, 2012. Director Lucia-Treese commented that this was an excellent workshop and encouraged other Board members to attend the next workshop sponsored by the SDA. She supplied the hand-out that they received which included the information covered at the workshop.

Director Lucia-Treese thanked the firefighters for their excellent work and care of her husband, Chuck Treese, who suffered another heart attack in the last month.

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 June, 2012 newsletter. He will write the article for the July, 2012 newsletter. Also, Director Terry would like to reiterate his thanks and appreciation to the staff for such an excellent job they always accomplish with the audit and preparation for the audit.

Mr. Anderson commented that he has yet to finish the nutrients issue update for the website and will have it finished within the next week and send a draft to the Board and District Manager for comments and approval. As soon as it is approved it will be placed on the website and notice that this information is available will be posted in the July newsletter.

Director Cantin commented that he would like the Board to be supplied with business cards. There have been numerous situations when a business card would be useful to hand out. This will be facilitated by the next Board meeting.

C. Changes to the Agenda

None.

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 June 25, 2012 the District has \$5,988,469.63 in funds. The District's expendable funds are \$5,731,057.87.

- Budget Review – Current FY 2012

The budget review was given for the current FY 2012.

- Bank Transfers and Other Banking Activities

A transfer letter was signed to insure that there are sufficient funds for a substantial Lower Fountain payment.

- Approval of Bondholder's Payment due on July 1, 2012

The restricted developer taxes will be disbursed to bondholders on July 1, 2012 per the Bankruptcy plan. Discussions followed regarding the authorization and disbursement to BNY for the Bondholders.

A motion was made and seconded to approve the payment of \$132,475.16 to the Bank of New York for the July 1, 2012 payment of the interest on the Series "A" bonds. 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

- Water, Sewer and Parks Operations (AI)

Pedro Velazquez commented that water production is high (14 million gallons to date) and they are trying to not pump during peak hours to save money. Sometimes this isn't possible because of such a high demand thereby resulting in higher electric bills. Two summer workers started the first week of June. They have been working in the parks and along Horizonview Drive.

- Water and Sewer Demand and Augmentation Reports (AI)

For the month of May, we produced approximately 11.7 million gallons and sold approximately 10.6 million gallons. The water loss is 5.9%. 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 294 acre feet. Dr. Testa has been researching possibilities regarding different strategies for our augmentation water. He met with our water attorney (Porzak) in Boulder and discussed these different strategies with him. Possibilities include expanding the physical supply that is available to the District, replacing on a one to one basis, replenishing the same aquifer we draw water from, etc. Purchasing more shares might be a needed option at a later date. We could possibly have more control and autonomy in terms of our augmentation water. This research is in the beginning stages and the Board conferred that this is worthwhile to continue researching. Dr. Testa will move forward with his research and report back to the Board.

- Update on Cuchares Development (AI)

To date 38 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.

- Update on VA Cemetery

There is no definite timeline established as to when the Cemetery will be built. A decision regarding the location is scheduled to be made in September, 2012.

H. Legal Report (Paul Anderson)

- 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 and the process is effectively completed. A small amount of monies will be left at BNY for any "late comers".

Mr. Anderson reported that the proposed nutrients standards are an ongoing issue. As mentioned earlier, Mr. Anderson will draft an update of the nutrients standards to date to be placed on the website. He will explain that despite strong objections raised by Lower Fountain and several wastewater service entities in the State, the Colorado Water Quality Control Commission adopted final regulations at its June 11, 2012 meeting. The regulations adopted include an amendment to Regulation 31 which adds a section establishing strict "interim values" for nutrients; and a new Regulation 85 which addresses numeric limits for nutrients that apply beginning July 1, 2013 and includes a monitoring requirement. These newly adopted regulations will take effect September 30, 2012, and this could potentially cause higher wastewater rates by as much as 50% or greater to repay new, additional loan funds required for purchasing additional treatment equipment at the Lower Fountain wastewater facility. 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. Director Terry commented that his nutrients outline would be redundant if Mr. Anderson is working on a document for the CCMD website; therefore he will not be submitting another nutrients outline for the newsletter.

Mr. Anderson drafted and mailed an Open Records Act Request to the City of Colorado Springs regarding Ultra Petroleum. The City requested an extension until July 5, 2012.

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

The firefighters are assisting with the Waldo Canyon Fire and have been out of the station. The mutual aid provided is very much appreciated and builds a positive relationship with the City. Colorado Centre is totally protected by the City and our firefighters during this mutual aid situation. The Board expressed a thank you and appreciation to all the firefighters battling this out of control Waldo Canyon fire.

J. Fountain Mutual Irrigation Company – (AI)

Minutes of the May 17, 2012 Regular meeting were included with the board packets. They have been working on expanding Big Johnson Reservoir storage. Dr. Testa has been researching the amount of dredged material required to be taken out of the Reservoir in order to gain approximately 1,000 acre feet. They are still researching the possibility of building their own augmentation station which over time is more cost effective.

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

Minutes of the, May 10, 2012 Board meeting were included with the Board packets plus the June 14, 2012 Agenda.

- Progress Report

Director Cantin reported that the operations building is started with the lab and ops situated on one end of the building. The decision has been made to build the Biosolids Dewatering system at this time. This is the best choice in terms of long term cost savings. There are two type of blowers being installed (turbines and centrifugal force).

- Cost and Financing Issues

Once all the bids come in the Contractor will be comfortable with submitting a “Final Cost” amount and this final cost amount possibly will be available on August 9, 2012.

- Nutrients Issue

This item was discussed previously in the meeting under Legal.


L. Executive Session (if needed)

No Executive Session needed.

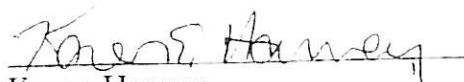
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 8:00 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President



Karen Harvey