

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

Thursday, July 26, 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: Cindy Monroe, Paul Anderson, Pedro Velazquez, Tom Byes & Sandy Goad

I. Preliminary

- A. Call to Order
Director Cantin called the meeting to order at approximately 5:35 pm.
- B. Roll Call - Determination of a Quorum.
A Quorum was present. Director Eccles was delayed and arrived at 5:40 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 June 28, 2012.

A motion was made and seconded to approve the Minutes of the Regular Meeting of June 28, 2012. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Director Terry commented that he had an inquiry e-mail from City councilwoman Angela Duggan regarding the status of the proposed nutrients standards. He replied that if the nutrients standards are implemented this September the rates will go up. Also, he directed her to the CCMD website for additional information.

Director Lucia-Treese reported that the County has fixed several potholes in Colorado Centre and if anyone has any other road repair concerns please give them to her and she will take the information to the next HAC 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 July 17, 2012 the District has \$5,684,600.86 in funds. The District's expendable funds are \$5,481,433.11.

- 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 transfer the Availability of Service Fees into the Farmers State Bank money market account deemed for that purpose.

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 (Pedro)

Pedro Velazquez commented that water production is high 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. Cuchares Ranch residents have been consuming a substantial amount of water. We are also doing water and sewer inspections in Cuchares Ranch. There are still 15 homes in the original CCMD area that need the new AMR meters. Most of these homes are vacant. Two summer workers that started in June are no longer working for the District. We did have an applicant for a third field position and CCMD made an offer but he declined to take the position.

- Water and Sewer Demand and Augmentation Reports (AI)

For the month of June, we produced approximately 14.8 million gallons and sold approximately 14.5 million gallons. The water loss is 3.0%.

The report of the augmentation period November 2009 – October 2010 was not presented because of Dr. Testa's absence.

- Update on Cuchares Development (AI)

To date 43 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

Director Cantin received an e-mail that the location is between Rolling Hills and Bradley Heights (in close proximity to Colorado Centre).

H. Legal Report (Paul Anderson)

Mr. Anderson recommended that an Executive Session be entered into regarding legal advice on specific legal questions which are confidential and protected by attorney-client privilege; therefore the Executive Session discussion will not be recorded.

A motion was made and seconded to enter into Executive Session pursuant to The Colorado Rules of Professional Conduct and C.R.S. (§24-6-402 Paragraph 3a) to address specific legal advice on specific legal questions which are confidential and protected by attorney-client privilege. Upon a voice vote, the motion passed unanimously.

The recorder was turned off and Executive session was entered into at 6:00 pm.

Executive Session ended at 6:20 and the Regular Meeting continued at this time.

State Representative Mike Coffman wrote a letter of proposal of the adoption of nutrient regulations by the Colorado Department of Public Health and Environment. A reply was received from the EPA and discussed at this time. The reply was a little ambiguous but essentially their reply indicated that the EPA doesn't require adoption of the regulations and this is something that is not mandated by Federal Law. They indicated that this is a State based water quality issue. The Board is not convinced that some parts of this issue are not driven by the EPA's involvement. The State Water Quality 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. After discussion, the Board was in agreement that they are better off pursuing legislative options and would not support filing a lawsuit unless there was participation from a considerable amount of entities all over the State.

Mr. Anderson drafted and mailed an Open Records Act Request to the City of Colorado Springs regarding Ultra Petroleum. Mr. Anderson is comfortable with the fact that the City is “standing their ground” on County and City drilling regulations and they are making sure that Ultra Petroleum is following all regulations and doing “everything right.” They didn’t have any information about the location(s) of any drilling and he has made another request for that location information. There is no new information on the annexation issue.

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

Chief Tom Byes reported that in the last month CCMD had fifteen runs. Six of those runs were in Colorado Springs while our firefighters were assisting with the Waldo Canyon fire. Chief Byes has submitted an invoice through FEMA for our Firefighter’s assistance with that fire.

Chief Byes has been communicating with the Insurance Services Office (ISO) to determine what else is needed for our area to attain a better ISO rating. He has determined what hydrants need repairing and Pedro and Frankie will be making any repairs needed. Until the hydrants are all up and running ISO won’t even talk to us. A better ISO rating could potentially save the residents \$400 a year for homeowner’s insurance.

Chief Byes commented that the CCMDFD received an “Atta Boy” from our physician consultant Dr. Ross. Dr. Ross commented that the CCMDFD has submitted the best reports in the County. Captain Throgmorton oversees the reports and has done an outstanding job.

J. Fountain Mutual Irrigation Company

Minutes of the June 12, 2012 Regular meeting were included with the board packets.

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

Minutes of the, June 14 2012 Board meeting were included with the Board packets plus the July 12, 2012 Agenda.

- Progress Report

Director Cantin reported that the piping is near completion and the Headworks building interior is being painted. The sewer interceptor had to be relocated because of difficulties with the landowner. The project opening date is February, 2013.

- 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 will be available on August 7, 2012 (minus costs for the Biosolids Building).

- Nutrients Issue

This item was discussed previously in the meeting under Legal.


- L. Executive Session (if needed)

Executive Session was entered into at 6:00 pm and closed at 6:40 pm.

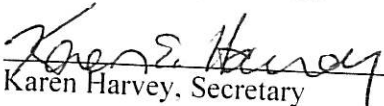
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:55 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President



Karen Harvey, Secretary