

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

Thursday, August 23, 2012 at 5:30 PM
4770 Horizonview Drive
Colorado Springs, CO 80925

Board Members Present:

Michael Cantin
Shawn Eccles
Joan Lucia-Treese
Michael Terry
Karen Harvey

President, Chairman
Vice President, Vice Chairman
Treasurer
Assistant Secretary/Treasurer
Secretary

Also Present: Cindy Monroe, Paul Anderson, 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.
- 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 July 26, 2012.

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

- B. Board's Time

Nothing reported

- C. Changes to the Agenda

None.

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

CCMD resident Jennifer Leibach commented that she has concerns with drivers speeding in the neighborhoods. She even witnessed the postman speeding through the

neighborhoods. She is very concerned about the safety of children, pets and others in the neighborhoods. Director Lucia-Treese reiterated that this is a real problem. She talked with Andre Brakken, the County Engineer, and he explained that any citizen can put in a request for a speed bump. As a Board member of HAC, Director Lucia-Treese is willing to put in the request for speed bumps in Colorado Centre. Areas that were mentioned for speed bumps were both ends of Chieftain Drive and both ends of Hazy Morning Drive. An announcement will be placed in the September newsletter asking for suggestions for a speed bump location and to please call Director Lucia-Treese with an address location. She will take these requests to the County. Additionally, she will talk with Commissioner Hisey about these concerns. Director Cantin suggested to Ms. Leibach to call the post office regarding the postman and also if license plates can be obtained report the speeders to the Sheriff. Ms. Monroe will contact the Sheriff about the possibility of setting up speed control boxes in the neighborhoods.

E. Review of District Finances (Cindy)

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of August 21, 2012 the District has \$5,837,312.16 in funds. The District's expendable funds are \$5,630,944.41.

- Budget Review – Current FY 2012

The budget review was given for the current FY 2012.

- Bank Transfers and Other Banking Activities

A check was signed to transfer the Availability of Service Fees into the Farmers State Bank money market account deemed for that purpose.

Dr. Testa commented that since we are likely to have surpluses in the water, wastewater and general funds, he would like to take steps toward protection of Jimmy Camp Creek. We could take bids for three different designs (sheet piling, rip rap and concrete). There is a chance that some of this work would be funded by the County. After discussion, the Board indicated that this would be a good investment and they would like Dr. Testa to research this. He will meet with the County and get back to the Board.

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 is absent therefore Dr. Testa gave the operations report. The field personnel have been working with Chief Byes on the Fire Hydrants to make them all consistent throughout the District. Lower Fountain will not be up and running until next year, therefore, Widefield will extend our agreement with them for sewer treatment. The cost is \$8,000 a month this year and will be a little higher next year. A new agreement will be entered into in November, 2012.

A letter was received from the El Paso County Sheriff's Office regarding the process of updating the County's Pre Disaster Mitigation Plan. Our District was invited to participate in this process by joining the working group. The working group will collectively gather information and review materials online with the goal of creating a Pre Disaster Mitigation Plan that works for unincorporated El Paso County, its municipalities and its special districts. Director Lucia-Treese will be our representative in the working group.

A motion was made and seconded to appoint Director Joan Lucia-Treese to be the CCMD representative to participate in the working group of the El Paso County Office of Emergency Management with the goal of creating a Pre Disaster Mitigation Plan that works for unincorporated El Paso County, its municipalities and its special districts. Upon a voice vote, the motion passed unanimously.

Director Lucia-Treese mentioned that the City and County are setting up discussion groups for storm water issues. If anyone is interested in participating in any of these discussions go to the City/County websites for more information.

- Water and Sewer Demand and Augmentation Reports (AI)

For the month of July, we produced approximately 15.3 million gallons and sold approximately 13.4 million gallons. The water loss is 6.5%.

The report of the augmentation period November 2009 – October 2010 was presented. The report is a little different this month. The positive numbers on the chart from June, 2010-Oct. 2010 indicates that there isn't enough water to pay back. Dr. Testa notified the State about this and they commented that there is no problem with this because CCMD has historically always overpaid.

- Update on Cuchares Development (Sandy)

To date 53 lots have been sold in Phase II. To date 165 lots have been sold in both phases.

- Update on US Army Reserve Center (AI)

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

- Update on VA Cemetery (Nothing to Report)
- SDA Property and Liability Pool Annual Mtg. – Keystone

Director Lucia-Treese will be attending the Annual Colorado Special Districts Pool Membership Meeting (September 19th – 21st). After discussion the Board conferred that they would like to nominate Director Lucia-Treese to be the CCMD Designated Member Representative for the Colorado Special Districts Property and Liability Pool Board.

A motion was made and seconded to nominate Director Joan Lucia-Treese to be the CCMD Designated Member Representative for the Colorado Special Districts Property and Liability Pool Board. Upon a voice vote, the motion passed unanimously.

The Mail Nomination was filled out will be mailed prior to the September 14, 2012 deadline to the Special District Association of Colorado.

- CSU Request for Permission to Enter Property

Colorado Springs Utilities sent a letter to CCMD regarding obtaining a Right of Entry from CCMD for the Southern Delivery System Project. Colorado Centre has been identified as an owner of property within the project study area and CSU requests permission to access Colorado Centre property for the purpose of performing National Environmental Policy Act studies for the power supply to a future Southern Delivery System pump station. In return for permission to enter Colorado Centre property they will send CCMD a check in the amount of \$100.00. The Right of Entry shall continue in effect from date of signature through July 31, 2013. After discussion the Board conferred that they will grant CSU the Right of Entry. Dr. Testa will sign the ROE and deliver to Colorado Springs Utilities.

A motion was made and seconded to grant permission to Colorado Springs Utilities for A Right of Entry to Colorado Centre property for the purpose of performing National Environmental Policy Act studies for the power supply to a future Southern Delivery System pump station. Upon a voice vote, the motion passed unanimously.

- Alternative Augmentation Station

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. He also conferred with Widefield and Fountain and

they are open to looking at strategies for the augmentation water. Possibilities include expanding the physical supply that is available to the District, replacing on a one to one basis with an alternative line, 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. The best option would be to pre-pay and if this is implemented there would be a two year lag because we are now paying back for the period of November 2009 – October 2010.

- Robinson Ditch – Valuation Effort

Dr. Testa reported that the Norris Family had recently filed a Water Supply Plan and they were not following the rules of the 1989 Colorado Centre decree with limited diversions and consumptive use. The State found that they were wanting to use more than what was granted in the decree so they will limit the diversions to the minimum of what was quantified in 1989 (the right is encumbered by the Colorado Centre Plan). Fountain Mutual has one of the senior rights on the creek. An appraisal has been commissioned for that water right to determine if we want to pursue acquisition of more rights. It is always a good thing to acquire more water. After the numbers are received Dr. Testa will write a report on the findings and a discussion will determine if this will be pursued.

H. Legal Report (Paul Anderson)

Mr. Anderson reported that the nutrients issue is ongoing and work groups are starting to organize to research how nutrients regulations will be handled state wide. The data will be used to put together legislation next year. Director Cantin emphasized it is imperative to get some control on the legislation. 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. Director Cantin commented that he has read that the WQCC is now pursuing arsenic removal. This could potentially be another costly regulation for special districts.

Mr. Anderson drafted and mailed an Open Records Act Request to the City of Colorado Springs regarding Ultra Petroleum. Mr. Anderson will be meeting with the City Attorney regarding additional information regarding Ultra Petroleum's drilling plans and water quality monitoring procedures. This item is on the Colorado Springs City Council agenda next month.

The Cuchares Ranch Metropolitan District amended their budget. The District issued bonds and FMI Cuchares Ranch purchased all of them. The Board composition changed and now includes two residents of Cuchares Ranch.

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

Chief Tom Byes reported that in the last month CCMD had fifteen runs. Overall the alarms are up ten percent from last year. The Colorado Springs Fire Department

delivered our alternate response vehicle (Ford Excursion) this month and our only cost will be for the accessories (equipped with an ESA Grant).

Chief Byes has submitted an invoice through FEMA for our Firefighter's assistance with the Waldo Canyon Fire in the amount of approximately \$9,700. The refund should be received by October, 2012.

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.

Condolences go out to Captain Roddy Bartlett and family due to the loss of their son.

- Use of CCMD water for mutual aid responses

Chief Byes reported that the CCFD had a mutual aid call for a fire further east at Lone Feather and Drennan Road (Ellicott area). He indicated that residents from that area possibly will be attending the next meeting to ask for service in their area (approximately 70-75 residents). After discussion it was agreed that if service is provided it will be an "all or nothing" situation with service and fees that are reasonable for both entities and mutually beneficial. Any service provided must be paid for. They must petition for a mutual aid agreement that will be negotiated. The Board also conferred that any CCFD water utilized in a mutual aid situation must be paid for.

J. Fountain Mutual Irrigation Company

Minutes of the July 17, 2012 Regular meeting were included with the board packets. Dr. Testa reported that ongoing items include the No. 4 and No. 17 water rights owned by the City of Fountain, the Gray Family trust appraisal of No. 10 and No. 17 water rights, Robinson Ditch, Big Johnson Reservoir, etc. These items are all included in the regular meeting minutes of July 17, 2012. The Mesa Ridge pipeline is almost completed.

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

Minutes of the, July 12, 2012 Board meeting were included with the Board packets plus the August 7, 2012 Agenda.

- Progress Report

Director Cantin reported that the Headwaters building is essentially complete. The footings were poured for the operations building lab addition.

- Cost and Financing Issues

The "Final Cost" amount submitted was \$21,732,507 (does not include costs for the Biosolids Building). The project opening date is February 13, 2013.

Dr. Testa and Jim Heckman have been discussing management options for Lower Fountain. Dr. Testa believes that the Lower Fountain entity needs a staff of its own.

Director Cantin commented that Fountain assured him that the interceptor will be completed by February. The budget process has started which will be a little more complicated because of the LF plant construction and operations.

- Nutrients Issue

This item was discussed previously in the meeting under Legal. Director Cantin stated that the nutrients coalition made some progress but can't proceed much further because of funding issues.

L. Executive Session (if needed)

No Executive Session needed.

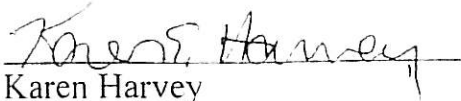
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 8:05 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President



Karen Harvey