

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

Thursday, September 27, 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, Tom Byes, Pedro Velazquez & 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 August 23, 2012.

Director Lucia-Treese noted that in the public comments section the County Engineer's name was misspelled. It should be Brackin not Brakken. This will be corrected.

A motion was made and seconded to approve the corrected Minutes of the Regular Meeting of August 23, 2012. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Director Lucia-Treese attended the Annual Colorado Special Districts Pool Membership Meeting (September 19th – 21st) which was held in Keystone, Colorado. Director Lucia-Treese was nominated at the August regular meeting by the CCMD Board to be the CCMD Designated Member Representative for the Colorado Special Districts Property and Liability Pool Board. After consideration of this nomination she declined the nomination and instructed Sandy Goad not to mail the nomination to the Special District Association.

Director Lucia-Treese commented that the SDA Keystone meeting was very informative and she encouraged the other Board members to try and attend next year's meeting which will also be held in Keystone, Colorado. She furnished a copy of a power point demonstration regarding the nutrients issues to the Board and also a copy of Special District Election information to Sandy Goad.

Director Lucia-Treese announced that a Town Hall meeting has been planned to take place on Tuesday, October 9, 2012 at 6:30 pm at the Colorado Centre Fire Station. County Sheriff Terry Maketa and County Commissioner Dennis Hisey will be in attendance. Sheriff Maketa will present information regarding the Sheriff's Department Tax Proposal which would sunset after eight years and El Paso County Commissioner Dennis Hisey will address any questions or concerns regarding El Paso County.

Director Cantin commented that he and Director Lucia-Treese along with Commissioner Dennis Hisey attended a Colorado Oil & Gas Association panel presentation this week. Representatives from Ultra Petroleum were in attendance. They explained the operations and procedures for "spills" water protection, etc. It was a very informative presentation but they were surprised that there was such poor attendance given the seemingly great concerns about oil & gas drilling in El Paso County.

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 September 25, 2012 the District has \$5,908,148.62 in funds. The District's expendable funds are \$5,702,080.87.

- 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. Also, a check was signed to transfer monies into Wells Fargo checking for the substantial Lower Fountain expense this month.

Ms. Monroe commented on the fact that our credit card payments are becoming very substantial and the Merchant Service fees are continuing to rise because of more and more customers using this type of payment option. She has been in contact with Continental Utility Solutions Incorporated (CUSI) that can furnish the Continental Billing System and a Website Interface for our customers to pay online. The customers would be charged a convenience fee (3%) to pay by credit card. They could also have their bill paid out of their checking account or by ACH withdrawals. The initial cost of this service would be paid for in a year or less by substantial savings of our rising Merchant Service monthly fees. It would also alleviate a continually growing amount of time and expense for the office to process these credit card payments. After discussion the Board felt that this would be an excellent service to invest in.

A motion was made and seconded to approve an agreement to purchase the Continental Billing System and Website Interface program which will allow customer credit card, checking and ACH bank payments with CUSI. 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. Presentation of the Draft 2013 Budget for CCMD and its Water and Wastewater Enterprises.

Dr. Testa presented a draft 2013 Budget to the Board. The draft indicates that the rates are essentially holding as is. The only potential change would be a small increase in the sewer side due to the uncertainty of Lower Fountain costs. The public hearings will be posted to take place at the October and November regular board meetings.

H. District Operations

• Water, Sewer and Parks Operations (A1)

Superintendent Pedro Velazquez reported that all is going well. Water use is down so we are able to use less chemicals. The water meter in the water plant was replaced and the State will be coming to inspect and calibrate it. We will be flushing next month so notice will be placed in the October newsletter.

Park maintenance has slowed down and all the water has been shut off. There will be one more cutting in the parks and fields.

- Water and Sewer Demand and Augmentation Reports (AI)

For the month of August, we produced approximately 12.7 million gallons and sold approximately 11.7 million gallons. The water loss is 5.5%. The augmentation numbers were not received from the State therefore no report is available.

Dr. Testa stated that we need to continue selling water to Lower Fountain per their request because of their continuing need of water for the wastewater plant construction.

A motion was made and seconded to approve the continuation of selling water to Lower Fountain. Upon a voice vote, the motion passed unanimously.

- Update on Cuchares Development (Sandy)

To date 62 lots have been sold in Phase II. To date 174 lots have been sold in both phases.

- Update on VA Cemetery (Nothing to Report)

Mr. Fred Schroeder, a resident of Colorado Centre, was in attendance and shared a newspaper clipping that stated the new Veterans cemetery will be at 1 of 2 sites. The two sites are Bradley Heights (near Bradley Road and South Marksheffel Road) and Rolling Hills Ranch (near Bradley Road and South Meridian Road). Hopefully a decision will be made in the next couple of months.

- Alternative Augmentation Station

Dr. Testa has been researching possibilities regarding different strategies for our augmentation water. An augmentation station from Big Johnson to Colorado Centre and our own water plant would potentially cost 4-5 million dollars. Dr. Testa met with Jerry Forte from Colorado Springs Utilities and mentioned that he has ideas he needs to explore with the City. He stated that any association between the City and Colorado Centre would ensure that CCMD "exists forever". His idea is that we could obtain water from CSU. We would not be a part of the City; we would just purchase water from them. His discussion with Jerry Forte included the possibility of borrowing water from CSU via the Las Vegas plant and we would trade our consumptive use. Mr. Forte was very receptive and discussions will continue regarding the possibility of this agreement with the City and Colorado Springs Utilities. Dr. Testa will do further analysis and research and report back to the Board.

- JCC Channel Improvements – Engineering Proposal

Dr. Testa has conferred with Cuchares Ranch representatives and they are not interested in committing to a JCC channel improvements project. Dr. Testa received a proposal from Kiowa Engineers with a design for the Jimmy Camp Creek Bank Stabilization at a

cost of \$28,090. The Board conferred that this would be a good investment to move forward on.

A motion was made and seconded to approve the Kiowa Engineering proposal for the Jimmy Camp Creek Bank Stabilization at a cost of \$28,090. Upon a voice vote, the motion passed unanimously.

I. 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.

Mr. Anderson commented that the State has proposed revisions to the oil and gas regulations. These revisions include a water monitoring system and setbacks.

Since we haven't updated the CCMD Rules and Regulations since 2007, it is necessary to update at this time. Several Resolutions have been adopted which affect the Rules and Regulations and these need to be physically incorporated into the document. Mr. Anderson will have a rough draft at the next regular board meeting.

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

- Use of Reimbursed Costs by Waldo Canyon Fire for Fire Department Purposes not Previously Budgeted or Credit Customer's Accounts.

Chief Tom Byes reported that in the last month CCMD had thirteen runs. Ninety percent of these runs were medical.

Chief Byes commented that there was an article in the Gazette regarding the mutual aid call for a fire at Lone Feather and Drennan Road. The Gazette article made some negative, false comments regarding CCMDFD's response to this fire. Residents of that area indicated that they would be in attendance at tonight's meeting to discuss the possibility of fire protection for their area. They were a "no show".

Chief Byes had submitted an invoice through FEMA for our Firefighter's assistance with the Waldo Canyon Fire in the amount of approximately \$9,700. This reimbursement was received and Chief Byes requests that these monies be added to the Fire Department's 2012 fire budget. He would like to purchase head sets and air bags for the department. After discussion the Board conferred that the monies should be credited to the CCMD Fire Department budget. A budget amendment will be necessary.

A motion was made and seconded to approve crediting the reimbursement monies (\$9,700.26) received from FEMA for our Firefighter's assistance with the Waldo

Canyon Fire to the Colorado Centre Fire Department 2012 budget. Upon a voice vote, the motion passed unanimously.

K. Fountain Mutual Irrigation Company

Minutes of the August 16, 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, Lorson Ranch litigation, etc. These items are all included in the FMIC regular meeting minutes of August 16, 2012.

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

Minutes of the, August 7, 2012 Board meeting were included with the Board packets plus the September 13, 2012 Agenda.

- Progress Report

Director Cantin reported that construction of the operations building and lab addition have started. Director Cantin will be meeting with the Hannah family (the majority of the land purchased for the plant was from the Hannah family) to discuss their concerns about the facility.

- Cost and Financing Issues

The "Final Cost" amount will be \$28,258,137.71 (includes costs for the Biosolids Building). The project opening date is still set for February 13, 2013.

Mr. Schroeder inquired about the status of getting speed bumps installed in Colorado Centre. Director Lucia-Treese has had discussions with the County and Commissioner Hisey and hopefully the speed bumps are forthcoming. She will report back to the Board when a decision is made.

M. Executive Session

- Robinson Ditch Water Rights

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 Board entered into Executive Session at 7:45 pm.

The Board closed the Executive Session at 8:20 pm and resumed the Regular Board Meeting.

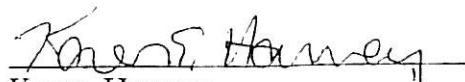
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 8:21 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President



Karen Harvey