

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

Thursday, October 25, 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, & Sandy Goad

I. Preliminary

- A. Call to Order
Director Cantin called the meeting to order at approximately 5:32 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 September 27, 2012.

A motion was made and seconded to approve the Minutes of the Regular Meeting of September 27, 2012. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Director Lucia-Treese commented that the County is still working on the speed bump(s) request from CCMD. She stated that Commissioner Hisey suggested that one speed bump be installed to determine if speed bumps in Colorado Centre would be a viable solution to the speeding concerns. Director Harvey commented that if only one is placed it should be on the street (Chieftan) of the resident who took the time to come to a regular meeting and make the request for a solution to the speeding concerns. The Board agreed with Director Harvey's solution. Director Lucia-Treese will confer with Commissioner Hisey and report back to the Board.

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 October 22, 2012 the District has \$6,630,484.78 in funds. The District's expendable funds are \$6,423,767.03.

Ms. Monroe commented that CCMD's Certificate of Deposit matures on October 29, 2012. Extensive research was completed on current interest rates and the rates are still very low (nothing over 0.35%). Farmers State Bank has agreed to increase the annual percentage yield on the Money Market Account 0938429 from 0.40% to 0.50%.

A motion was made and seconded to approve Resolution 2012-10-25.1 authorizing the investment of \$4,011,745.24 into the Colorado Centre Metropolitan District's Money Market Account 0938429 at the Farmers State Bank located at 7025 Old Meridian Road, Falcon, Colorado. Upon a voice vote, the motion passed unanimously.

Director Lucia-Treese commented that the County has not accepted the roads in Cuchares Ranch yet. Commissioner Hisey relayed that the County Engineer has identified the problems and offered solutions to Cuchares Ranch and these items need to be resolved before the roads can be conveyed to the County.

- 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.

The second payment for the wastewater loan is due on Nov. 1, 2012. A wire authorization was signed in the amount of \$61,335.19 to make that payment. This

payment comes out of 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. Public Hearing for Proposed 2013 Budget for CCMD and its Water and Wastewater Enterprises.

The Public Budget Hearing was opened at 5:55 pm.

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. Administration needs to be added to the Fire Budget. No public was present.

The Public Budget Hearing was closed at 6:30 pm.

H. District Operations

- Water, Sewer and Parks Operations (AI)

Dr. Testa reported that all is going well. We had community service workers that provided significant assistance with cleaning the ditches. The inverts need to be cleaned up and Dr. Testa will determine exactly what needs to be accomplished. Flushing was completed the week of October 15, 2012. We continue to do inspections and meter installs in Cuchares Ranch.

- Water and Sewer Demand and Augmentation Reports (AI)

For the month of September, we produced approximately 9.8 million gallons and sold approximately 9.3 million gallons. The water loss is 5.6%. The augmentation report was given for augmentation period November 2009-October 2010.

- Update on Cuchares Development (Sandy)

To date 70 lots have been sold in Phase II. Dr. Testa commented that agreements with Cuchares are all paid up and all connections have been paid. The build out will be a total of 408 homes.

- Update on VA Cemetery (A1)

The proposed sites are Bradley Heights (near Bradley Road and South Marksheffel Road) and Rolling Hills Ranch (near Bradley Road and South Meridian Road). Dr. Testa commented that he spoke with Widefield representatives and they relayed that if the VA chooses Rolling Hills they will open up a lawsuit. This information indicates that the VA's site decision will be Bradley Heights.

Dr. Testa reported that the Army Reserve Center was disputing paying their water bills because they considered our fees as being "taxes". Their representatives indicated that they would be paying the bills but a check was never received. Their services were then suspended. After several calls between Mr. Anderson, Dr. Testa and Army representatives (even the Pentagon) the dispute was resolved and the fees were paid.

- Update on Alternative Augmentation Station

Dr. Testa has been researching possibilities regarding different strategies for our augmentation water. He has had some conversations with Widefield representatives and they would like to discuss the possibility of partnering in some type of arrangement. A significant partner would definitely help with expenses.

- JCC Channel Improvements – Engineering Proposal

Dr. Testa received a proposal from Kiowa Engineers with a design for the Jimmy Camp Creek Bank Stabilization at a cost of \$28,090. Kiowa has moved ahead, is working on the project and will submit a draft recommendation for approval before finalizing design.

I. Legal Report (Paul Anderson)

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. One item that needs to be clarified is the disconnection/reconnection policies. Mr. Anderson is getting close to having a rough draft to submit.

The oil and gas commission has noticed two Rulemakings on Nov. 14, 2012. The City of Colorado Springs is adopting oil and gas ordinances on November 27, 2012.

The nutrients issue work groups are in hiatus at this time. They will start again at the end of November, 2012. Mr. Anderson commented that CSU has become involved and will be applying for a temporary modification and it is important for that to be approved.

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

Chief Tom Byes reported that in the last month CCMD had an average amount of calls. Eighty percent of these runs were medical. Two child births were included in their calls.

K. Fountain Mutual Irrigation Company

Minutes of the September 20, 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. The State Dam inspector has been critical of our dam. An "inundation map" was completed and the outlet works need to be repaired.

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

Minutes of the, September 13, 2012 Board meeting were included with the Board packets plus the October 11, 2012 Agenda.

- Progress Report

Director Cantin reported that construction of the operations building and lab addition is moving forward. The pipe work has been laid and two new generators were purchased for approximately \$600,000.

Director Cantin met with the Hanna family (the majority of the land purchased for the plant was from the Hanna family) to discuss their concerns about the facility. Ms. Hanna stated that she is not happy about having to look at the buildings and other structures from her home. Director Cantin stated that she can use the excess dirt to build any type of view block but no financial help would be available. Ms. Hanna's brother (Jay Frost) was in attendance and he has concerns about the water flows and erosion problems plus there are two canals to get around (underground piping is indicated). His concerns will be addressed and the costs would definitely have an impact on the Reserve Fund.

The Biosolids Building has been planned. It hasn't been finalized as to who will do the project.

Dr. Testa and Jim Heckman have been meeting and discussing treatment costs and the Operations and Management Agreement.

The project opening date is still set for February 13, 2013.

M. Executive Session (if needed)

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.

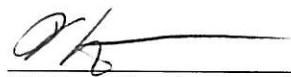
The Board entered into Executive Session at 6:52 pm.

The Board closed the Executive Session at 7:15 p.m. and resumed the Regular Board Meeting.

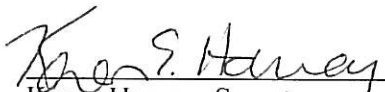
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:16 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President



Karen Harvey, Secretary