

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

Thursday, November 29, at 5:30 PM
4770 Horizonview Drive
Colorado Springs, CO 80925

Board Members Present:

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

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

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 5:35 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 October 25, 2012.

A motion was made and seconded to approve the Minutes of the Regular Meeting of October 25, 2012. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Director Lucia-Treese reported that she finally heard from County Engineer Andre Brackin that Colorado Centre will be getting a temporary speed bump on Chieftan Drive. She is not sure when it will be installed but will report back to the Board as soon as she gets an installation date.

- C. Changes to the Agenda

Due to personal commitments, Chief Byes requested that he be able to give his report early in the meeting. His request was honored.

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

Chief Byes reported that since the last meeting the Fire Department has had twelve runs with the majority being medical. There has been a 23 percent increase in calls this year. The CCMDFD assisted with a multiple car traffic accident at Marksheffel and Fontaine. There was a total of nine patients so their assistance was invaluable and greatly needed. The Fire Department participated in an Airport drill with Security, Colorado Springs, Fountain, Cimmaron Hills and Falcon Fire Departments. The training was excellent and a lot of valuable information was presented by the City of Colorado Springs.

D. Progress Presentation of Jimmy Camp Creek Channel Improvements
Design by Kiowa Engineering – (Rich Wray)

Dr. Testa introduced Mr. Rich Wray from Kiowa Engineering who made a progress presentation of Jimmy Camp Creek Channel Improvements. Mr. Wray thanked the Board for giving his company the opportunity to do this project for CCMD. He passed out several hand-outs to the Board which outlined the work in progress. The Kiowa project team has targeted a submittal to the US Army Corp of Engineers in January, 2013. The scope of the work includes background data collection and base mapping, field investigation and verification, hydrology, hydraulic and floodplain analysis, preliminary design analysis, final design plan preparation, channel design concept, floodplain preservation and permitting.

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

Ms. Christina Shipp, a Colorado Centre resident, was present and requested that the Board approve a Santa and picture taking event at Colorado Centre on December 14, 2012. The regular Board meeting is on that day, so the Board requested that they arrive at the Fire Station at 7:00 pm. The meeting should be concluded by that time.

A motion was made and seconded to authorize the Santa and picture taking event to take place at the CCMDFD on Friday, December 14, 2012 commencing at 7:00 pm. Upon a voice vote, the motion passed unanimously.

F. Review of District Finances (Cindy)

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of November 26, 2012 the District has \$6,036,298.82 in funds. The District's expendable funds are \$5,828,881.07.

Dr. Testa commented that we have created a surplus in the water and wastewater funds making it possible to eliminate revenue for Tier 1 water usage and revenue for the wastewater usage charge for the month of November, 2012. There may be more savings in December, 2012.

A motion was made and seconded to approve the District changing the rates by not charging its customers any Tier 1 (usage of up to 10,000 gallons) water usage fee and no wastewater usage fee during the month of November as presented by Dr. Testa. Upon a voice vote, the motion passed unanimously.

- Budget Review

Ms. Monroe presented the budget review through October, 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.

- Approval of the January 1, 2013 Payment to Series A Interest Only Bondholders

The Bondholders payment was discussed and approved.

A motion was made and seconded to approve the January 1, 2013 payment of \$132,475.16 to the Series "A" interest only bondholders. Upon a voice vote, the motion passed unanimously.

- G. 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.

- H. Public Hearing for the 2013 Budget

The Public Hearing for the 2013 Budget was opened at 6:35 pm.

Dr. Testa presented the 2013 Budget. The Budget will be filed with the County and State by December 15, 2012.

The water and wastewater administration fees remain the same per month; the trash fee is increased to \$13.00 (2012-\$12.75) and the First Responder Fees are lowered to \$23.49 (2012-\$24.94) for residential and \$140.89 (2012-\$149.61) for commercial. The water and sewer minimum fees for capital improvements will remain the same. The higher water tiers have a minimal increase (Tier 2 \$3.00 up from \$2.65; Tier 3 \$4.00 up from \$3.20 and Tier 4 \$6.00 up from \$5.30). The wastewater per One Thousand Gallons Use Charge will be increased to \$5.95 (2012-\$5.39).

There was no public comment; no questions and all Board members have reviewed the 2013 Budget.

The Public Hearing on the 2013 Budget was closed at 7:00 pm.

- I. Approval of the 2013 Budget for CCMD and its Enterprises (AI)
 - Resolution 2012-11-29.1 - General Tax Levies, Fees, Charges and Penalties for Fiscal Year 2013.

A motion was made and seconded to adopt Resolution 2012-11.29.1 “General Tax Levies, Fees, Charges and Penalties for Fiscal Year 2013”. Upon a voice vote, the motion passed unanimously.

- Resolution 2012-11-29.2 – Enterprise Rates, Fees, Charges and Penalties for Fiscal Year 2013.

A motion was made and seconded to adopt Resolution 2012-11-29.2, “Enterprise Rates, Fees, Charges and Penalties for Fiscal Year 2013”. Upon a voice vote, the motion passed unanimously.

- Resolution 2012-11-29.3 – Summarizing Expenditures and Revenues for Each Fund and Adopting a Budget for the Colorado Centre Metropolitan District (District), Colorado, for the Calendar Year Beginning on the First Day of January, 2013 and Ending on the Last Day of December, 2013.

A motion was made and seconded to adopt Resolution 2012-11-29.3, “Summarizing Expenditures and Revenues for Each Fund and Adopting a Budget for the Colorado Centre Metropolitan District (District), Colorado, for the Calendar Year Beginning on the First Day of January, 2013 and Ending on the Last Day of December, 2013.” Upon a voice vote, the motion passed unanimously.

- Resolution 2012-11-29.4 – Summarizing Expenditures and Revenues for Each Enterprise Fund and Adopting a Budget for the Water And Wastewater Enterprises of the Colorado Centre Metropolitan District

(District), Colorado, for the Calendar Year Beginning on the First Day of January, 2013 and Ending on the Last Day of December, 2013.

A motion was made and seconded to adopt Resolution 2012-11-29.4, “Summarizing Expenditures and Revenues for Each Enterprise Fund and Adopting a Budget for the Water And Wastewater Enterprises of the Colorado Centre Metropolitan District (District), Colorado, for the Calendar Year Beginning on the First Day of January, 2013 and Ending on the Last Day of December, 2013.” Upon a voice vote, the motion passed unanimously.

- Resolution 2012-11-29.5 Levying General and Special Property Taxes to be Collected in Year 2013 According to the Provisions of the Colorado Centre Metropolitan District’s Plan of Reorganization, Case No. 89 B 16410 J, to Allow for the Optimum Recovery of Bondholder’s Investment in the District After Specific Allowances for Operational Expenses are Satisfied for the 2013 Budget Year.

A motion was made and seconded to adopt Resolution 2012-11-29.5, “Levying General and Special Property Taxes to be Collected in Year 2013 According to the Provisions of the Colorado Centre Metropolitan District’s Plan of Reorganization, Case No. 89 B 16410 J, to Allow for the Optimum Recovery of Bondholder’s Investment in the District After Specific Allowances for Operational Expenses are Satisfied for the 2013 Budget Year”. Upon a voice vote, the motion passed unanimously.

- Resolution 2012-11-29.6 Appropriating Sums of Money to the Various Funds and Agencies in the Amounts and for the Purpose as Set Forth Below for the Colorado Centre Metropolitan District, Colorado, for the Budget Year 2013.

A motion was made and seconded to adopt Resolution 2012-11-29.6, “Appropriating Sums of Money to the Various Funds and Agencies in the Amounts and for the Purpose as Set Forth Below for the Colorado Centre Metropolitan District, Colorado, for the Budget Year 2013”. Upon a voice vote, the motion passed unanimously.

- Resolution 2012-11-29.7 Appropriating Sums of Money to the Various Funds of the Water and Wastewater Enterprises of the Various Funds of the Water and Wastewater Enterprises of the Colorado Centre Metropolitan District in the Amounts and for the Purposes As Set Forth in the Budget of the Colorado Centre Metropolitan District, Colorado, for the Budget Year 2013.

A motion was made and seconded to adopt Resolution 2012-11-29.7, “Appropriating Sums of Money to the Various Funds of the Water and

Wastewater Enterprises of the Various Funds of the Water and Wastewater Enterprises of the Colorado Centre Metropolitan District in the Amounts and for the Purposes As Set Forth in the Budget of the Colorado Centre Metropolitan District, Colorado, for the Budget Year 2013". Upon a voice vote, the motion passed unanimously.

Dr. Testa explained that the District uses the Modified Accrual Budgetary Basis of Accounting for its governmental and proprietary funds.

The District intends to provide the following services during fiscal year 2013: potable water, wastewater collection, trash collection, fire protection, park and landscaping maintenance, and general government liaison. Certain surplus revenues of the District at the end of each fiscal year are pledged to repay the non-G.O. bonds resulting from the CCMD US Bankruptcy Case No. 89 B 16410 J.

J. Review Draft Resolution for 2012 Supplementary Budget and Appropriation.

The revenue of the 2012 General may increase by an amount not to exceed \$50,000 over the original amount budgeted and appropriated due mostly to growth in three service accounts of the District: Street Lights, Refuse Disposal and First Responder Services. The 2012 budget and appropriation for the General Fund needs to be increased from \$801,628 up to \$851,628 for the purposes of defraying costs of the General Fund related to these and other services of the Fund at the end of the fiscal year.

A motion was made and seconded to approve publishing a Notice of Budget Amendment for calendar year 2012 and to hold a public hearing on the budget amendment during the CCMD regular meeting on Friday, December 14, 2012 at 5:30 pm. Upon a voice vote, the motion passed unanimously.

K. Review and Approval of Robinson Ditch Water Acquisition Offer and Interceptor Easement Acceptance.

Dr. Testa discovered that a water ditch was included in our water plan which was never purchased. No other entity can use this but CCMD. Dr. Testa had an appraisal done on the ditch and the appraisal was 2.8 million dollars. Dr. Testa negotiated to purchase this water right from Robert C. Norris and was able to come to a sale price agreement of 1.125 million dollars which includes a sanitary sewer easement. The purchase is for 354 acre feet of water. We secured this option with a \$10,000 earnest money payment and will close after due diligence.

A motion was made and seconded to approve the Water Right Purchase And Sale Agreement between Robert C. Norris and the Colorado Centre

Metropolitan District after due diligence is completed by Colorado Centre Metropolitan District. Upon a voice vote, the motion passed unanimously.

The Sanitary Sewer Easement Grant, which is a part of the Water Right Purchase And Sale Agreement, will be conveyed to Lower Fountain for completion of the Interceptor project.

A motion was made and seconded to convey the Grant of the Sanitary Sewer Easement to Lower Fountain contingent on the entire transaction being closed and completed. Upon a voice vote, the motion passed unanimously.

The Warranty Deed will be signed at closing.

L. District Operations

- Water, Sewer and Parks Operations (Pedro, Al)

Dr. Testa gave the water, sewer and operations report because Mr. Velazquez was unable to attend. They are continuing with general maintenance around the District and everything is operating very well. Director Cantin mentioned that some trees were dumped in the park along the fence by Hazy Morning. Ms. Monroe will let Pedro and Frankie know on Monday.

- Water and Sewer Demand and Augmentation Reports (Al)

The report of the augmentation period November 2009 – October 2010 was presented. We completed another augmentation year.

Dr. Testa found a manufacturer on the east coast that makes skateboard ramps, rails, picnic tables, etc. out of steel. He furnished pictures of these items. They all need to be anchored down. For approximately \$16,000 Dr. Testa feels that we can get all these items delivered for placement in our park. Appropriate signage needs to be installed at the same time because of liability issues.

A motion was made and seconded to approve the purchase of the steel skateboard items at a cost of approximately \$16,000. Upon a voice vote, the motion passed unanimously.

- Update on Cuchares Development (Cindy, Sandy)

To date 78 lots have been sold and the project is steadily moving ahead.

Approval of Phase 3 is in the beginning stages.

- VA Cemetery (AI)

No decision has been made yet as to the final location.

- CCMD to LFMSDD Interceptor Sewer Project – Progress of Work (AI)

If and when the Sanitary Sewer Easement is conveyed to Lower Fountain the project can be completed.

A motion was made and seconded to approve conveyance of the Sanitary Sewer Easement to Lower Fountain after the closing of the Robinson Ditch water right purchase and grant of easement which is contingent upon all legal documents being approved. Upon a voice vote, the motion passed unanimously.

- M. Legal Report (Paul Anderson)

Mr. Anderson reported that the stringent nutrient standards/regulations proposed by the Water Quality Control Division issues have come to a standstill and the 303D State process has been placed on hold. This buys time for Lower Fountain so is a positive development. State resources have been directed to work on water supply storage. Also CSU is working on a temporary modification. In the meantime Lower Fountain will be permitted which is favorable for Lower Fountain.

The City of Colorado Springs is coming up with draft rules for oil and gas development. The use of “fracking” for extraction is a real concern and the County wants to research this method before establishing the rules for oil and gas development. The City has placed a six month moratorium on any oil and gas drilling. Water rights and access are a substantial component of any oil and gas drilling. The City seems to be on top of these issues and is closely watching what is happening on the State level.

Mr. Anderson has researched the District Rules and Regulations and has turned over his comments and research to Dr. Testa for his review.

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

Chief Tom Byes presented his report earlier in the meeting.

- O. Fountain Mutual Irrigation Company – (AI)

Minutes of the October 25, 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, and dredging of Big Johnson Reservoir.

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

Minutes of the October 11, 2012 Board meeting were included with the Board packets plus the November 15, 2012 agenda.

- Progress Report

Mr. Cantin reported that yard pipe is being laid and plumbing installed in the buildings. Weaver had to bring in 15 more personnel because a lot is happening at once. The February 13, 2013 opening date has been postponed because of supply issues created by severe storms back east.

- Cost and Financing Issues

Mr. Heckman met with Dr. Testa to review the budget and after this meeting Mr. Heckman came back with more detailed and accurate budget numbers.

Dr. Testa presented a draft of an Intergovernmental Agreement concerning allocation of Management Fees. Under the terms of the Operations Agreement dated March 11, 2010 Lower Fountain (LF) is to pay sums to Fountain Sanitation District (FSD) to compensate for administrative cost incurred by FSD in regard to the LF. LF, FSD, and Colorado Centre Metropolitan District (CCMD) acknowledge and agree that CCMD likewise incurs administrative expenses related to the LF. Essentially the parties (LF, FSD and CCMD) agree that the Management Fee shall be paid by LF directly to CCMD and FSD in proportion to the quantity of wastewater delivered to the HDTRWRF by FSD and CCMD.

A motion was made and seconded to approve the Intergovernmental Agreement Concerning Allocation of Management Fees by and between Lower Fountain Metropolitan Sewage Disposal District, the Fountain Sanitation District and the Colorado Centre Metropolitan District. Upon a voice vote, the motion passed unanimously.

- Nutrients Issue

Reported on under legal by Mr. Anderson.

Q. 2013 Board Meeting Schedule

Notice will be given that the Board of Directors of the Colorado Centre Metropolitan District of the County of El Paso, State of Colorado, will hold a

regular meeting at 5:30 p.m. on the dates listed below at the Colorado Centre Offices, 4770 Horizonview Drive, Colorado Springs, Colorado 80925, for the purpose of any business that may come before the Board.

Thursday, January 17, 2013
Thursday, February 28, 2013
Thursday, March 28, 2013
Thursday, April 25, 2013
Thursday, May 23, 2013
Thursday, June 27, 2013

Thursday, July 25, 2013
Thursday, August 22, 2013
Thursday, September 26, 2013
Thursday, October 24, 2013
Thursday, November 21, 2013
Friday, December 13, 2013

These meetings are open to the public. If any of the posted dates and/or the time and/or the place of the meetings change, a new announcement will be posted.

A motion was made to approve the 2013 regular board meeting schedule. Upon a voice vote, the motion passed unanimously.

R. Christmas Party – Last minute issues (Sandy)

Sandy Goad reported that the event will take place at Crowne Plaza on Saturday December 15, 2012 from 6:00 pm until 10:00 pm. The Rampart room is the location in the hotel.


Q. Executive Session (if needed)

No Executive Session needed.

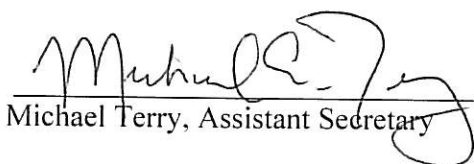
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 8:04 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President



Michael Terry, Assistant Secretary