

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

Thursday, May 23, 2013 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
Karen Harvey	Secretary
Michael Terry	Assistant Secretary/Treasurer

Also Present: Al Testa, Cindy Monroe, Tom Byes and Paul Anderson

**I. Preliminary**

- A. Call to Order  
Director Cantin called the meeting to order at approximately 5:34 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 April 25, 2013.

**A motion was made and seconded to approve the Minutes of the Regular Meeting of April 25, 2013. Upon a voice vote, the motion passed unanimously.**

- B. Board's Time

No Discussion.

- C. Changes to the Agenda

None.

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

No Public Comment.

E. Financial Review (Cindy)

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of May 16, 2013 the District has \$4,093,056.16 in funds. The District's expendable funds are \$3,819,964.86.

- Budget Review

Ms. Monroe presented the budget review for April, 2013.

- Approval of Semi-annual Series A I/O Bondholder Payment

The restricted developer taxes will be disbursed to bondholders on July 1, 2013 per the Bankruptcy plan. Discussions followed regarding the authorization and disbursement to BNY for the Bondholders.

**A motion was made and seconded to approve the payment of \$132,475.16 to the Bank of New York for the July 1, 2013 payment of the interest on the Series "A" bonds. Upon a voice vote, the motion passed unanimously.**

- Financial Transactions

A check was signed to transfer monies into checking for the substantial payment to LFMSDD for the May, 2013 capital contribution for the Wastewater Treatment Plant, payroll and first of the month insurance payments.

- Update on 2012 Audit Process

Dr. Testa and Ms. Monroe will be meeting with the auditors to review the draft audit and Dr. Testa will complete the Management Report. The audit will be presented at the July 25, 2013 Regular Board Meeting and will be submitted to the State Auditor's Office by July 31, 2013.

F. Review and 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 (A1)

Superintendent Velazquez was in attendance and reported that water demand has increased so pumping has increased. Regular maintenance continues with no major problems. The Cuchares Filing 5 water system is in place and all inspections have been completed. The Cuchares Filing 5 sewer lines are installed and testing is being completed.

Park maintenance has started and the sprinkler systems are all turned on. The skate board equipment is in place with just a few pieces needing to be installed. The skate board area has been a huge success and many young people have been using it. One of the park benches was broken and will need to be replaced or repaired. The Directors would like something put in the newsletter regarding the vandalism and the cost to replace the bench and seat. It also needs to be mentioned that anyone reporting any vandalism with the outcome of a conviction would be eligible for a reward.

- Water and Sewer Demand and Augmentation Reports (A1)

For the month of April we produced approximately 5.7 million gallons and sold approximately the same amount. The water loss is minimal. We pumped approximately 4 million gallons of wastewater to Widefield (approximately a 7 percent return).

The augmentation report was given for the augmentation period November 2011-October 2012. CWPDA is leasing the excess CCMD credits (\$325.00 per acre feet). This is a very beneficial situation for Colorado Centre to be in. The Consumer Confidence Report for calendar year 2012 was included with the Board packets and will be distributed to the residents with the June billing.

- Update on Cuchares Development (Sandy)

Ms. Monroe reported that the current filing has sold 107 lots. Two Lots have been sold in Filing 5. The total to date for all the phases is 221.

- Acceptance of Warranty Deeds for Parcels C and D, Filing 5 of Cuchares Ranch.

Dr. Testa reported that FMI Cuchares Ranch would like to convey Parcels C and D, Filing 5 Water and Sewer Systems to the Public Water system of Colorado Centre Metropolitan District. Mr. Anderson will facilitate getting the documents recorded.

**A motion was made and seconded to approve the Acceptance of Parcels C and D, Filing 5 FMI Cuchares Ranch, LLC Water and Sewer Systems. Upon a voice vote, the motion passed unanimously.**

Mr. Anderson commented that he and Dr. Testa will be meeting with the Cuchares Ranch attorney and hopefully the Cuchares HOA attorney to attempt to work through getting a grant of easement conveyed to the HOA so that the HOA can carry out its maintenance responsibilities. The maintenance responsibilities need to be clarified in relation to the HOA and Colorado Centre Metropolitan District. No more construction plans will be signed until this issue is clarified.

- JCC Channel Improvements Design by Kiowa (AI)

The JCC Channel Improvements Design is completed. It was sent to the City for approval and they relayed that they don't feel they are part of the approval process. Dr. Testa commented that Kiowa should move forward with the improvements to the Colorado Centre side of the channel. Ultra will be contacted regarding completing the trade.

- Bradley Heights Update (AI)

Dr. Testa commented that we are working on an IGA with the City to facilitate Bradley Heights building up to 1,000 homes. As part of the annexation agreement years ago, the early developer of Colorado Centre gave the City CCMD's junior water rights that should have never been conveyed to the City. The City will never use the water. The Board conferred that the best scenario would be to get the asset back. If not possible then a substantial monetary transaction needs to take place. This water right situation needs to be resolved before any IGA can be completed regarding interim service (water and wastewater) within Bradley Heights.

- Robinson Water Rights Carriage Agreement (AI)

A Water Rights Carriage Agreement by and between Fountain Mutual Irrigation Company and Colorado Centre Metropolitan District was completed. FMIC is a mutual irrigation company which owns and operates its headgate, ditch, storage and related facilities on Fountain Creek known as the Fountain Mutual Ditch, a portion of which lies in a suitable location to be used to divert and measure the water physically available and in-priority to CCMD's Robinson Ditch Water Right.

This Agreement established the terms and conditions under which CCMD shall be entitled to non-exclusive use of the Ditch Facilities for the benefit of CCMD's Robinson Ditch Water Rights. The charge consists of a flat charge of \$2,500 plus \$28.57 per annual acre-foot of consumptive use water to be put through the

augmentation stations (one-time buy-in charge of \$12,813.77). There will be an annual maintenance fee assessed in FMIC's yearly budget. There is a minor change needed on the second paragraph which will be corrected.

**A motion was made and seconded to approve the Water Carriage Agreement by and between Fountain Mutual Irrigation Company and Colorado Centre Metropolitan District with the stipulation that the minor change on the second paragraph will be corrected. Upon a voice vote, the motion passed unanimously.**

- Relocation of CCMD's Sewer Effluent from FSD to LFMSDD

Dr. Testa reported that the papers have been filed at the State level. He met with the State and we will be paying 100% as soon as the transition is completed. Bidding for the interceptor was started last week. Flowing to Lower Fountain will probably not be until September or October.

#### H. Adoption of Rules and Regulations Update-Delay Until July Meeting

The adoption of the Rules and Regulations will take place at the July, 2013 meeting. Director Terry volunteered to create the Table of Contents for the Rules and Regulations.

#### I. Legal Report (Paul Anderson)

Mr. Anderson reported that the administrative hearing for the Discharger Specific Variance Workgroup will take place in October 2013 and the Regulation 32 and 36 Arkansas River Triennial Review is scheduled for June 10, 2013 in Alamosa. Director Cantin will be attending this session to testify.

Mr. Anderson also discussed the removal of the use protected designation on the Fountain Creek Segment 4 to which the Lower Fountain will discharge.

Mr. Anderson commented on the Board's inquiries regarding providing library services. As a Special District, CCMD does not fit the definition of a governmental unit under the Library law. The District could possibly contract with a library district for services. The Board would like to organize a work session to discuss the direction they would like to go in terms of trails, parks, a ball field, community center, library access, water treatment plant, etc. This will be planned to take place later in the summer or fall.

#### J. Emergency First Responder Services Report (Tom Byes)

Chief Byes reported that there were sixteen runs last month. Director Cantin inquired about AMR services and if they are still available to us since they no

longer have a contract with the City. Chief Byes said that this situation would not have a great effect on Colorado Centre.

K. Fountain Mutual Irrigation Company – (AI)

Minutes of the April 18, 2013 regular meeting were included with the board packets. The Carriage Agreement was discussed earlier in the meeting.

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

Minutes of the April 11, 2013 Regular Board meeting were included with the Board packets plus the May 9, 2013 agenda.

- Progress Report

Construction of the Biosolids building and the Culvert that will be built underneath old Pueblo Road has added \$66,000 to CCMD's cost. The Water Quality Control Division and nutrient standards is continuing to be a problem to deal with.

Dr. Testa suggested looking into getting a line of credit given the fact that the LFMSDD costs have been changing with the added costs of the Biosolids building and the unsure outcome of the nutrients issues. A line of credit may never have to be utilized but it would make a good safety net for any unforeseen costs. The Board conferred that he should pursue setting up a line of credit.


A Grand Opening is being planned possibly to take place as early as July, 2013.

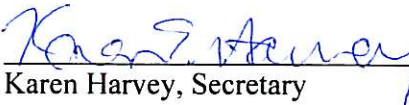
M. Executive Session (if needed)

### III. Adjournment

**A motion was made and seconded to adjourn the regular meeting at approximately 7:50 p.m. Upon a voice vote, the motion passed unanimously.**

Respectfully Submitted,

  
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Michael Cantin, President

  
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Karen Harvey, Secretary