

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

Thursday, September 26, 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, Pedro Velazquez, Tom Byes, Paul Anderson, and Sandy Goad

I. Preliminary

- A. Call to Order
Director Cantin called the meeting to order at approximately 5:33 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 22, 2013.

Director Terry commented that Director Harvey's last name was inadvertently listed as Terry. The correction was made.

A motion was made and seconded to approve the Corrected Minutes of the Regular Meeting of August 22, 2013. Upon a voice vote, the motion passed unanimously.

- B. Board's Time.

Director Eccles commented that he will be unable to attend the regular meeting of October 24, 2013 due to family vacation plans.

- C. Changes to the Agenda

No Changes.

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 September 19, 2013 the District has \$3,521,515.57 in funds. The District's expendable funds are \$3,295,062.79.

- Budget Review (Current budget comp)

Ms. Monroe presented the budget review for calendar year 2013 month of August.

- Financial Transactions

A check was signed to transfer monies into checking for the substantial payment to LFMSDD for the September, 2013 capital contribution for the Wastewater Treatment Plant. Also, a transfer check was signed to transfer monies from the Bradley Heights escrow account into the Farmers State Bank to cover expenses incurred on their behalf.

- Lien Resolutions 20130926.1 and 20130926.2

Discussion followed regarding two delinquent accounts that need to be certified to the County Treasurer to be collected and disbursed to CCMD by the County Treasurer in the same manner as taxes are authorized to be collected and disbursed. A lien has been placed on both properties by the District and these accounts have been in delinquency for more than six months so it is necessary to facilitate the Certification of Liens for Delinquent Accounts to the El Paso County Treasurer.

A motion was made and seconded to approve Resolutions 2013-09-26.1 and 2013-09-26.2 regarding Certification of Liens for Delinquent Accounts 42203 and 50704. Upon a voice vote, the motion passed unanimously.

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. Proposed Rates, Charges, Fees and Penalties for 2014

Discussion followed regarding the proposed rates for 2014. Due to the uncertainty of costs in regards to sewage treatment at the new Lower Fountain plant, the budget for 2014 will probably show an increase in sewer charges (proposed to go up to \$7.50 per thousand gallons treated-2013 is \$5.95 per thousand gallons). The District has also had discussions regarding building a water treatment plant with a business office addition. These issues all relate to the budget and possible rate increases. Dr. Testa commented that the District has not had any rate increases for several years but, as stated previously, because of the uncertainty of future costs it is necessary to consider potential increases. Dr. Testa supplied a comparison to other local utility companies 2014 rates. This comparison will be placed on the coloradocentre.org home page for access by residents who are interested in seeing this data. The Board also requested that Dr. Testa put together an analysis of the actual operational costs of the CCMD/Fire Station building so as to have a better understanding of future potential rate increases.

H. Presentation of Proposed 2014 Budget – Request to Notice

Dr. Testa presented the proposed 2014 Budget. A copy of the proposed budget will be placed on the Colorado Centre website.

The first budget hearing will take place at the October 24, 2013 regular board meeting.

I. District Operations

- Water, Sewer and Parks Operations (AI)

Superintendent Velazquez reported that all systems are running efficiently. Water production is way down due to the summer rainfall. The field personnel have been painting the fire hydrants. Flushing and continued maintenance of the fire hydrants will occur in October. Work in the parks is winding down and the sprinklers systems will be shut down the first week of October.

- Water and Sewer Demand and Augmentation Reports (AI)

For the month of August we produced approximately 8.5 million gallons and sold approximately the same amount. Water use is down because of the large amount of rainfall. The water loss is minimal. We pumped approximately 4 million gallons of wastewater to Widefield. The augmentation report was given for the augmentation period November 2011-October 2012. The Board requested that Dr. Testa confer with the Cherokee Water District regarding their needs for either augmentation water or direct water. He will get in contact with Cherokee Water District and make some inquiries.

- Update on Cuchares Development (Sandy)

Twenty lots have been sold in Filing 5. The total to date for all the filings is 243. Filing 6 is in process. Filing 7 is the last filing.

- Recent Storms (Al)

Dr. Testa checked all areas in and around Colorado Centre and concluded that there was no adverse impact on these areas due to the multitude of recent rain storms.

- Bradley Heights Update (Al)

Dr. Testa commented that there are ongoing discussions with CSU regarding Bradley Heights development and it seems as though CSU has given indications that something can be worked out and he is encouraged about the discussions that are taking place. Bradley Heights developers are now looking at building 1,000 homes. Colorado Centre still needs to be paid for water given to Colorado Springs. Bradley Heights attorney Steve Mulliken was in attendance and he is also encouraged about discussions with CSU and stated that CSU “has turned the corner” and seems to be more willing to negotiate a win/win situation for all entities involved. Mr. Mulliken thanked the Board and Dr. Testa for their cooperation with these negotiations. Discussions will continue in Executive Session.

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

A contractor has been selected for this project and there will be a pre-construction meeting in October. This needs to be completed by the end of this year.

J. Legal Report (Paul Anderson)

Mr. Anderson reported that the Lower Fountain Service Agreement and Amendment has been re-vamped. The Lower Fountain Board of Directors has the re-vamped draft and will review it in October.

With regards to the WQCC and the nutrients issues, Mr. Anderson commented that there is a Discharge Specific Variance hearing on October 7, 2013. He also stated that assignment of a water supply classification proposed by the Division could be adverse to Lower Fountain. Lower Fountain will be discharging to a stream segment of Fountain Creek. The AFCURE group (Lower Fountain is working on this through this group) is examining each segment as they exist in Fountain Creek and will submit a re-segmentation plan to the Water Quality Control Commission at the next triennial basin review hearing. To assist in

supporting re-segmentation, Lower Fountain would have enough time to file a motion after the re-segmentation plan is submitted.

- Maintenance Easements to Cuchares HOA

The Grant of Maintenance Easements to Cuchares HOA has been conveyed and recorded with El Paso County. The HOA is responsible for drainage and the detention pond.

- Tract A Park, Filing 1 Conveyance, Access and HOA Maintenance

This was conveyed and recorded and the tract is now owned by the Colorado Centre Metropolitan District. The Urban Park Grant Agreement can now be submitted to El Paso County for approval.

A motion was made and seconded to approve The Urban Park Grant Agreement application for submittal to El Paso County. Upon a voice vote, the motion passed unanimously.

K. Emergency First Responder Services Report (Tom Byes)

Fire Chief Tom Byes reported that Colorado Centre Fire had an average month as far as alarms go with a total of 14 alarms. As usual the alarms were 70-80% medical with the rest CO and miscellaneous alarms.

Chief Byes was contacted by the Southern Delivery System contractor and he informed him that they will be putting in a pump station near Bradley Road and will need to dig a 40 foot deep hole which will be unstable. Chief Byes contacted the City (heavy rescue team) and they will be meeting and discussing strategies in case of any type of accident that could occur because of this construction.

L. Fountain Mutual Irrigation Company – (AI)

Minutes of the August 15, 2013 Regular Board Meeting was included with the board packets. Dr. Testa commented that they will be renewing the contract with the Colorado Springs Utilities so that there will be no recreational use of Big Johnson. The City pays \$25,000 a year for this contract. It will be renewed for ten years. The head gate of Fountain Mutual needs repair/replacement and CSU wants FMIC to share in the expense but FMIC said no and instructed the managers not to share in any expense. Originally, FM was the only participant and CSU asked to use the ditch for the Las Vegas plant therefore CSU needs to make repairs/replacement at their own expense.

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

Minutes of the August 15, 2013 Regular Board Meeting were included with the Board packets plus the Agenda for the September 12, 2013 Board Meeting.

- Progress Report

Director Cantin commented that the plant will open at the end of November. The final close-out payment will be made in February, 2014. As reported by Mr. Anderson, they are working on the Service Agreement. The final budget will be submitted next month. Dr. Testa has been working with Mr. Heckman regarding the budget. While doing the budget it was discovered that LF has been incorrectly billing Colorado Centre for the Interceptor Phase I Capital Balance and the Operational Funds Balance. The over-paid amounts will be refunded to Colorado Centre. These monies are still ear-marked for the wastewater treatment plant but were not billed in the correct time table for expenses incurred.

M. Executive Session (if needed)

A motion was made and seconded to enter in Executive Session at 7:55 p.m. Upon a voice vote, the motion passed unanimously.

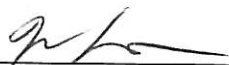
Executive Session was entered into at 7:55 pm and closed at 8:15 pm. The regular meeting continued.

Mr. Anderson explained that Executive Session discussions concerned Bradley Heights development and potential interim service agreements with CCMD and possibly Lower Fountain to serve Bradley Heights. This is still under discussion with CSU. The Board gave direction to Dr. Testa regarding what sort of position to take with CSU regarding any future negotiations.

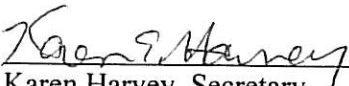
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 8:17 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President



Karen Harvey, Secretary