

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

Thursday February 27, 2014, 2014 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: Cindy Monroe, Tom Byes, Paul Anderson, Frankie Diaz, and Sandy Goad

I. Preliminary

A. Call to Order

Director Cantin called the meeting to order at approximately 5:36 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 January 14, 2014

Director Cantin commented that on the last page of the minutes it should read... "the \$20,000 allotted for trees will be offered to Ms. Hanna for her to plant trees at her own discretion. The sentence read that it will be "given" to Ms. Hanna which was incorrect.

A motion was made and seconded to approve the Corrected Minutes of the Regular Meeting of January 14, 2014. Upon a voice vote, the motion passed unanimously.

B. Board's Time.

Director Lucia-Treese reported that she has been conferring with Mr. Reid (head of County Public Services) during her HAC meetings. They discussed the road repair situation in Colorado Centre and Mr. Reid will be sending one of his engineers to take photos and assess the needs in the area. There are no roads scheduled for repairs in Colorado Centre this year. The County Budget greatly inhibits what they can do.

Director Terry commented that he contacted resident Susan Vaughn (she came to the last meeting with concerns about the tumbleweed infestation) and gave her a point of contact for advisement and County mitigation ideas for dealing with the

tumbleweeds. Director Terry also commented that he will not be continuing as a Board member after his term is up in May, 2014. There will be two seats available in May, 2014 and the only self-nomination received was from Director Lucia-Treese. This will leave a situation in which a Board Member will need to be appointed.

C. Changes to the Agenda

Director Cantin commented that there are two changes to the agenda:

#1. Resolution 2014-2-27.1 Appointing a Designated Election Official and Authorizing Designated Election Official to Cancel Election.

Pursuant to State statutes, the Board of Directors of the Colorado Centre Metropolitan District is authorized to designate an election official to exercise authority of the Board in conducting a Special District election. Also the Board can authorize the Designated Election Official to cancel the election upon certain conditions. The Board named Sandy Goad as the Designated Election Official (DEO) for the Special District election scheduled for the 6th of May, 2014 and the Board authorized the DEO to cancel the election and declare the candidate(s) elected if at the close of business on the sixty-third day before the election there were not more candidates for director than offices to be filled.

A motion was made and seconded to adopt Resolution 2014-02-27.1, Appointing a Designated Election Official and Authorizing Designated Election Official to Cancel Election. Upon a voice vote, the motion passed unanimously.

#2. A Public Hearing was opened at 5:45 pm regarding a proposed increase in the system improvement fees. The following Notice was mailed to all owners/residents in Colorado Centre Metropolitan District. The Notice was mailed 30 days before the February 27, 2014 Board Meeting.

"PURSUANT TO C.R.S Section 32-1-1001(2), the District is notifying you of a proposed increase in the system improvement fees that will be considered at the February 27, 2014 Regular Board Meeting. The proposed increases are as follows:*

<u>WATER:</u>		
Proposed Fee	Current Fee	
\$ 8,500	\$ 6,500	Per 3/4 inch tap
\$ 17,000	\$ 13,000	Per 1 inch tap
\$ 34,000	\$ 26,000	Per 1 ½ inch tap
\$ 59,500	\$ 45,500	Per 2 inch tap
\$136,000	\$104,000	Per 3 inch tap
\$238,000	\$182,000	Per 4 inch tap
\$544,000	\$416,000	Per 6 inch tap

WASTEWATER:

Proposed Fee	Current Fee	
\$ 8,500	\$ 6,500	Per 3/4 inch tap
\$ 17,000	\$ 13,000	Per 1 inch tap
\$ 34,000	\$ 26,000	Per 1 ½ inch tap
\$ 59,500	\$ 45,500	Per 2 inch tap
\$136,000	\$104,000	Per 3 inch tap
\$238,000	\$182,000	Per 4 inch tap
\$544,000	\$416,000	Per 6 inch tap

These proposed rates do not affect anyone that is already connected to the system. They are only relevant to future connections.

Mr. Ron Waldthausen asked to speak to the Board at this time. Mr. Waldthausen is a developer in the Colorado Springs area and has concerns about the 30.77% rate increase which he feels is extremely high. Director Cantin and the Board explained that this increase is to bring our system up to parity and the charges reflect the current value of our system. The developers and builders with the Bradley Heights parcel are not CCMD's customers, but they are customers of the City of Colorado Springs. Any service to this area will be interim. All negotiations with the City are contingent on decisions being made by the City of Colorado Springs in response to what Colorado Centre has proposed to CSU and the City. Mr. Waldthausen declined to reveal who he is representing but the area he is interested in is in the City of Colorado Springs also. Director Eccles has concerns that the proposed fee increases are too low. Dr. Testa submitted an extensive report at the December, 2013 meeting which justifies the proposed fees based on the value of the CCMD total water/wastewater systems and the Board conferred that these proposed fee increases are sufficient at this time.

A motion was made and seconded to approve the proposed increases in the System Improvement fees. Upon a voice vote, the motion passed unanimously.

The Public Hearing was closed at 5:52 pm and the Regular Meeting convened.

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

Mr. Steve Mulliken from Bradley Heights spoke to the Board about the Bradley Heights proposed development. He gave the Board a map of the proposed development area for reference. He commented that they have been talking with Widefield about interim water service (Widefield has proposed a lower rate per unit than Colorado Centre-\$7,000 lower). This makes negotiations with Colorado Centre more politically complicated. They are proposing that the sewer flow to Lower Fountain be a permanent situation. Director Cantin reiterated that Colorado Springs needs to step up and make a decision and that there will be no deals if both water and sewer, interim and/or permanent, do not come to CCMD, and the fees proposed are accepted as presented. CCMD's proposal is on the

table and we are finished negotiating until the City makes a counter offer or accepts our proposal.

Mr. Mulliken thanked the Board for their time and hopes to be back to the Board next month with a “done” deal.

E. Review of District Finances (Cindy)

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of February 13, 2014 the District has \$2,716,985.06 in funds. The District’s expendable funds are \$2,483,167.28.

- Budget Review for December 2013

Ms. Monroe presented the budget review for calendar year 2013, Month of December.

- Budget Review for January 2014

Ms. Monroe presented the budget review for calendar year 2014, Month of January.

- Bank Transfers and Other Banking Activities

None.

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

- Manager’s Report in Absentia

Dr. Testa submitted a Manager’s Report in Absentia. He touched on the Water and Sewer System Improvement Fee, the sewer interceptor, the water plant and administration buildings, Dereck Guba’s resignation, the augmentation report, Bradley Heights, and Cuchares Ranch.

The Board read this report and no questions were put forward.

- Parks, Water and Sewer Systems (Frankie)

Mr. Frankie Diaz reported on parks, water and sewer systems. They have been extremely busy cleaning up the park and common areas (tumbleweeds). All water and sewer operations are working efficiently with no problems.

Director Cantin commented that with the unplanned money source from Robinson Ditch, he would like to have a planning session to determine the best way to use these monies. He feels that the park areas are underfunded and in need of improvement. The augmentation water revenue would also help fund needed park improvements. A work/planning session will be planned at a later date. The Board asked Mr. Anderson to research what is allowable under the Bankruptcy Plan and to make sure we can set up a park fund with the unplanned revenue sources before we do it.

- Update on Cuchares Development (Cindy, Sandy)

There were four lots sold in February, 2014 (two to Premier Homes and two to Challenger Homes). The total to date for all the filings is 254 (Build out is 408). Filing 6 is in process. Filing 7 is the last filing.

Director Cantin commented that Cuchares Ranch wants a two-year extension at the end of this year (2014) on the previously purchased but unused water and sewer connections. This will be addressed at a later date because a decision isn't needed until December, 2014.

H. Legal Report (Paul Anderson)

Mr. Anderson reported that he continues to track items concerning the Environmental Protection Agency rulemaking activities and nutrient issues; the Water Quality Improvement Fund for grants to small communities; the Clean Water Act requirements and the Administration Action Hearing by the WQCC for adoption of standards for sediment discharges. The State draft bill regarding setting up a Firefighter's Safety and Disease Prevention Fund in the form of a Grant program will probably be approved.

Ms. Hanna complained that her cattle are getting sick from drinking discharge water from Lower Fountain. The Department of Health tested the water and determined it was clean. Mr. Anderson feels that this must be treated as a legitimate threat of litigation and Ms. Hanna must be appeased.

I. Fire Department Report

Chief Byes reported that there were eighteen calls in February with half being medical and the rest traffic accidents and carbon monoxide alerts. The County signed a contract for ambulance service which covers the Colorado Centre Fire Department.

J. Fountain Mutual Irrigation Company (AI)

Minutes of the January 14, 2014 Regular Board Meeting were included with the Board packets.

The dredging of Big Johnson is a continuing discussion issue.

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

Minutes of the January 9, 2014 Regular Board Meetings were included with the Board packets plus the Agenda for the February 13, 2014 Board Meeting.

- Progress Report .

Director Cantin reported that the cold weather has been causing some issues. The State reports that we have "good water". We will be closing the contract with Weaver in March, 2014. The 1.2 million dollar nutrients grant received will go towards the nutrients issues (Roger Sams has a "game plan" in place). Another compliance issue will come up in 2018-19. AFCURE water monitoring is still in progress. As reported earlier Ms. Hanna continues to cause issues with the LF District.

L. Executive Session, if needed. Used for legal, contract and personnel matters only.

A motion was made and seconded to enter in Executive Session at 7:05 p.m. Upon a voice vote, the motion passed unanimously.


Upon Motion the Board went into Executive Session at 7:05 pm pursuant to C.R.S. Section 24-6-402(3)(a)(II) and closed at 7:15. The regular meeting continued.

The subjects discussed in Executive Session included the supply of interim water and wastewater service to the Bradley Heights property and the terms and conditions for any interim service agreement.

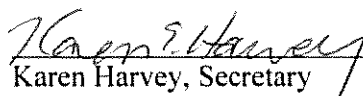
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:17 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President



Karen Harvey, Secretary

ACKNOWLEDGMENT, NOTICE AND CONSENT TO
REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
COLORADO CENTRE METROPOLITAN DISTRICT

WE, THE UNDERSIGNED members of the Board of Directors of the Colorado Centre Metropolitan District, do hereby acknowledge receipt of adequate notice of the regular meeting of the Board held **Thursday, February 27, 2014** informing us of the date, time and place of the meeting and the purpose for which it was called. We do hereby waive any and all irregularities, if any, in such notice and in the manner of service upon us, and consent and agree to the holding of such meeting at the time and place specified in said notice, and to the transaction of any and all business which may come before such meeting.



