

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

Thursday June 26, 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
Floyd Edwards	Assistant Secretary/Treasurer

Also Present: Dr. Al Testa, Cindy Monroe, Tom Byes, Josh Winter, Pedro Velazquez and Sandy Goad. Paul Anderson participated via telephone.

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. Director Harvey was unable to attend tonight's meeting.

A motion was made and seconded to excuse Director Harvey's absence. Upon a voice vote, the motion passed unanimously.

- 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 May 22, 2014.

A motion was made and seconded to approve the Minutes of the Regular Meeting of May 22, 2014. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Director Lucia-Treese commented that El Paso County bought a piece of used equipment and modified it into a "Tumbleweed Eater" to help with the tumbleweed problems. Also, there will be a workshop on wheels in September to pinpoint County road issues. Colorado Centre is at the top of the tour list for evaluation of needed repairs.

C. Changes to the Agenda

No Changes.

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

Public Comment was heard after the 2013 Audit Presentation.

E. 2013 Audit Presentation by Hoelting & Company

Mr. Tom Sistare from Hoelting & Company presented a three page summary of what the audit entails including a comparison to 2012. He reported on the General Fund, Enterprise Funds, Water and Wastewater Fund-Cash Flow, Fund Balance, Fund presentation versus Government-Wide presentation, Long-term Liabilities and Internal Controls. All present were supplied with a copy of the draft audit. Mr. Sistare commented that they spent quite a bit of time testing internal controls and found that internal controls are very strong and there are no negative internal control comments. Because of this strong internal control, Mr. Sistare stated that an un-modified, clean opinion was received which is the highest level of opinion that can be received. Mr. Sistare was very complimentary and said that the CCMD audit is one of the cleanest and strongest in internal controls that his firm does.

Copies of the audit are available at the CCMD offices and on the CCMD website. The audit will be submitted to the State by the July 31, 2014 deadline.

A motion was made and seconded to accept the audit for FY2013 prepared by Hoelting & Company, Inc. Upon a voice vote, the motion passed unanimously.

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

Resident Susan Vaughn was in attendance and commented that along with the tumbleweed problems she is experiencing rat and mouse problems. She is also experiencing more flooding and is concerned about the water carrying diseases from the rat, mouse and snake problems. Her other concerns involve the stray cat situation in the area. Director Cantin reiterated that her issues are all County issues and Colorado Centre has no authority over enforcement of any solutions to these problems. Contacting the commissioners, humane society, and other County entities will possibly get her the feedback she is seeking.

Steve Mulliken, Bradley Heights Attorney, was in attendance and commented that to date there is no draft IGA from the City of Colorado Springs. This issue is on the City's Agenda for next month.

F. Review of District Finances (Cindy)

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of June 23, 2014 the District has \$3,264,713.53 in funds. The District's expendable funds are \$2,982,034.72. Ms. Monroe reported on the budget comp. for year end of 2013.

- Budget Review for May, 2014

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

- Bank Transfers and Other Financial Activities

Ms. Monroe commented that new Board member Floyd Edwards needs to be added to the financial accounts as a signer and Michael Terry needs to be removed.

A motion was made and seconded to approve removing Michael Terry from the financial accounts as a signer and adding Director Floyd Edwards as a signer to the District's Accounts at Wells Fargo, Farmers State Bank, and Colotrust. Upon a voice vote, the motion passed unanimously.

- Approval of July 1 payment of Series A Bondholders' Interest

The restricted developer taxes will be disbursed to bondholders on July 1, 2014 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, 2014 payment of the interest on the Series "A" bonds. Upon a voice vote, the motion passed unanimously.

I. Legal Report-via telephone (Paul)

Mr. Anderson reported at this time. He stated that he has been tracking several issues including the 303d Listing Methodology workgroup, AFCURE, Permit Issues workgroup, Waters of the US Proposed Rule, Water Quality Forum workgroup, Sediment Policy workgroup and pending EPA Rulemakings.

- Status on Colorado Labor Department Audit and Challenge

The findings resulting from the audit states that the Contract Fire Fighters should be treated as employees and CCMD needs to pay into unemployment insurance for these Fire Fighter Contractors. The Board reiterated that they want to move

forward with the appeal process. The Board also suggested that Dr. Testa check with the Special District Association to see if they would possibly have any information regarding this situation with other Special Districts. Ms. Brenda Heineke, a Labor Law Attorney has been engaged to facilitate the appeal process.

G. 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.

H. District Operations

- Parks, Water and Sewer Systems (Pedro)

Mr. Velazquez reported that water demand is high. The sewer system is running very efficiently. Mr. Velazquez collected \$300.00 for pieces of scrap copper taken out of the lift station.

The Board has concerns about motorized vehicles accessing the new parcel acquired by Colorado Centre (along Jimmy Camp Creek and Anvil Drive between Sleepy Creek Drive and Breaking Dawn Street). The Board would like Dr. Testa to research fencing off this new parcel and adding a gate. He will look into alternative ways of fencing also (boulders, etc). It is important to limit access to pedestrians only.

A motion was made and seconded to approve Dr. Testa researching the fencing of the new parcel of land acquired by Colorado Centre. Upon a voice vote, the motion passed unanimously.

Director Eccles commented that a “drive-thru the area” meeting would be beneficial to prioritize what needs to be improved, added to, etc. in the Colorado Centre common areas.

- Augmentation and Usage Reports (Al)

This report is for water paid in period November 2013-October 2014 and for Augmentation period November 2011-October 2012. All the data from Lower Fountain gets transferred electronically. All excess waters will be sold to CWPDA.

It is very important that the wastewater numbers are accurate and the meters need to be calibrated as accurately as possible.

- Sale of Service Trucks and Purchase of Replacements (AI)

Dr. Testa commented that the District is in need of purchasing two new service trucks. The two old trucks will be sold to Fountain Mutual Irrigation Company for a combined cost of \$10,000.

A motion was made and seconded to approve the purchase of two new service trucks for the field personnel and to sell the two Ford F250s to Fountain Mutual Irrigation Company for \$10,000 total. Upon a voice vote, the motion passed unanimously.

- SCADA System Upgrade (AI)

Work is still in process for the SCADA system. The SCADA will be operational within the next two months. Dr. Testa is very pleased with the progress of this upgrade.

- Water Filtration Plant Design Progress (AI)

The Design process with Filtronics is in the preliminary design stage. All plans include future expansion possibilities. Dr. Testa commented that we will be out of design and in construction by August, 2014. The grading can begin with T-Bone Construction. Dr. Testa is researching the piping of water, the ball fields, fencing, etc. He is working on a reply to the County regarding the 1041 process requirement and the reasons that Colorado Centre should not have to adhere to this 1041 process.

- Meter Station to Lower Fountain and Asset conveyance updates (AI)

Dr. Testa reported that GMS has not finished the repairs to all the items that need to be conveyed. Also, we need to get transferred to Colorado Centre as a physical asset the capacity for the line shared with Fountain Sanitation and Colorado Centre all the way to Ohio. Colorado Centre will convey to Lower Fountain the easement but will retain rights on the easement. We also need to sort out the split at the new metering station. He will report back on the final decisions.

- Update on Cuchares Development (Cindy, Sandy).

To date there has been one new lot sold in May and two in June. The total to date for all the filings is 262 (Build out is 408). Filing 6 is in process. Filing 7 is the last filing. There has been a slow down probably because of the military transitions. The majority of the homeowners are military.

- Bradley Heights Update (AI)

This was reported on earlier in the meeting.

I. Legal Report-via telephone (Paul)

This item was reported on earlier in the meeting.

J. Fire Department Report (Tom Byes and/or Josh Winter)

Assistant Chief Winter reported that the department had 17 alarms last month with the majority being medical assists. We have a new physician advisor out of Penrose Hospital (Dr. Hackener). CCFD had an audit on our medical reports last month and received an excellent rating. This will be an ongoing audit (probably every six months).

Assistant Chief Winter has the form put together for charging insurance companies for traffic accidents (non-resident). He will e-mail the form to Paul Anderson.

Captain Throgmorton put together a notice for the newsletter reiterating the definition of illegal fireworks. Basically, illegal fireworks are anything that flies, explodes or has flaming parts. Fire pits are legal in the County. They must be 20 feet from any structure.

Chief Byes reported that on Wednesday, July 16, 2014, Flight for Life will be coming to the CCFD for a demonstration/training.

K. Fountain Mutual Irrigation Company (AI)

Minutes of the May 15, 2014 Regular Board Meeting were included with the Board packets.

Dr. Testa reported that FMIC has hired a new individual to run the field operations. All is going well with FMIC in terms of irrigation and augmentation water.

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

Minutes of the May 15, 2014 Regular Board Meeting were included with the Board packets plus the Agenda for the June 12, 2014 Regular Board Meeting.

- Activity Report.

Director Cantin commented that all is going well with Lower Fountain. Lower Fountain reached an agreement with a different testing company for observation and testing of the potable water system at the treatment plant.

He reported that one of our neighbors to the South is plugging up the culvert and diverting water. Any diverted water will compromise the augmentation numbers and these numbers need complete accuracy. Dr. Testa has recommended that the pipeline directly to the creek needs to be installed as soon as possible.


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

No Executive Session needed.

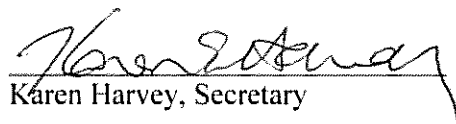
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:35 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President



Karen Harvey, Secretary