

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

Thursday October 23, 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
Floyd Edwards	Assistant Secretary/Treasurer

Also Present: Dr. Al Testa, Cindy Monroe, Paul Anderson, Tom Byes, Pedro Velazquez and 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 September 25, 2014.

A motion was made and seconded to approve the Minutes of the Regular Meeting of September 25, 2014. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Director Harvey commented that she will be unable to attend the November Regular Board meeting.

- C. Changes to the Agenda

No Changes.

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

Steve Mulliken, Bradley Heights Attorney, was in attendance and commented that he met with CSU on October 8th and things continue to move ahead. They are re-drafting parts of the IGA based on comments received from Dr. Testa and Paul Anderson. Dr. Testa reiterated that every aspect of the IGA must be in agreement by all parties before it is adopted. They are under contract with a potential builder and he feels very positive that things are moving forward. He passed out the Conceptual Development Plans of Bradley Heights to the Board and Staff.

E. Review of District Finances (Cindy)

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of October 21, 2014 the District has \$3,218,269.46 in funds. The District's expendable funds are \$2,986,201.68.

- Budget Review for September, 2014

Ms. Monroe presented the budget review for calendar year 2014, month of September.

- Bank Transfers and Other Financial Activities

A transfer letter was signed authorizing transfer of monies from Farmers State Bank into Wells Fargo for payroll and contractor expenses.

Ms. Monroe commented that Director Cantin was on vacation when we added signers to the Farmers State Bank Accounts. We have received signature cards from Farmers State Bank that need to be signed in order to add Director Cantin as an additional signer for the District's Farmers State Bank MM Account 0938594; Farmers State Bank CD Account 0224743620; and Farmers State Bank CD Account 0224743621.

A motion was made and seconded to approve adding Director Michael Cantin as an additional signer for the District's Farmers State Bank MM Account 0938594; Farmers State Bank CD Account 0224743620; and Farmers State Bank CD Reserve Account 0224743621 Upon a voice vote, the motion passed unanimously.

Ms. Monroe reported that a payment of \$61,335.19 needs to be made on November 1, 2014 to CWRPDA (Colorado Water Resources and Power Development Authority) for the Wastewater Loan.

A motion was made and seconded to approve a payment of \$61,335.19 to be made on October 30, 2014 to CWRPDA for the Wastewater Loan. Upon a voice vote, the motion passed unanimously.

Ms. Monroe commented that it will be necessary to invoice Mr. Case for expenses incurred by Colorado Centre for the Bradley Heights Development. Ms. Monroe supplied the Board with a breakdown of Robinson Ditch expenses and revenue.

- Status on Colorado Labor Department Audit and Challenge

Ms. Brenda Heineke, our Labor Law Attorney, has been compiling the paperwork for settlement of this issue. She has advised us to go ahead and file unemployment insurance for the contractors but continue to issue them 1099's each year. Ms. Monroe is in the process of filling out the correct paperwork for unemployment insurance (for the audit years and for the current year) for the contractors.

F. 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. Hearing on Proposed 2015 Budget

The Public Hearing for the Proposed 2015 Budget was opened at 5:55 pm.

Dr. Testa presented the proposed budget and stated that what was presented last month has not changed. If there are no comments or changes at the November regular board meeting, the Budget may be approved at that time.

Resident Susan Vaughn asked for clarification of the street light fees and the sewer usage fees. Dr. Testa and the Board explained the process and suggested she ask the office personnel for additional clarification of the fees.

The Public Hearing for the Proposed 2015 Budget was closed at 6:15 pm. The Regular Board Meeting continued.

H. District Operations

- Parks, Water and Sewer Systems (Pedro)

Mr. Velazquez reported that water demand is down. All is good with the water and sewer systems. They have spent many hours cutting the grass and common

areas. The bag installed on the tractor has helped with this pickup. Director Cantin commented that there needs to be additional wood chips placed under the jungle gym in Mosko Park. Mr. Velazquez will facilitate this.

The drainage blocks are working along the creek bank. The project is not complete yet. Dr. Testa wants Ms. Monroe to start submission of the insurance claim for the damaged creek bank.

Resident Susan Vaughn mentioned that she has seen many dry areas in the parks and common areas and is wondering if the drip system is not working properly. Mr. Velazquez will check the system.

- Augmentation and Usage Reports (AI)

The District produced 9.4 million gallons of water in August and sold approximately the same amount. There was approximately 4.1 million gallons of wastewater metered to Lower Fountain. There is still double reading at the metering station. Lower Fountain hasn't finished their hook-up at the station.

The augmentation 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.

- Update on Morning Sun IIA Replat

There was information put into the newsletter stating that the District Board believes there is an opportunity to fund drainage improvements within the District through the sale of the Morning Sun IIA property to a residential development company. Resident Susan Vaughn was in attendance and wanted some clarification on the Morning Sun IIA Replat. She had read the information in the newsletter and wanted further explanation. Dr. Testa and the Board explained that they have met with The El Paso County Planning and they are treating our situation as if we were developers and not a public entity attempting to do a project. Dr. Testa and the Board further explained that the purpose of selling the lots is to use the monies to reinforce the creek bank to protect the Colorado Centre community. Since there has been minimal positive feedback from the County the Board is discussing other options (trails, park area, etc.) The Board is having a workshop on November 8, 2014 and they will try to get some County officials to attend for about an hour of this workshop and they can further discuss the Morning Sun IIA Replat situation. It is important to talk to officials that can make a decision. Dr. Testa will contact the officials to see if any can attend (Jim Reid, Executive Director of Public Services; Commissioner Dennis Hisey, County Attorney, County Planner, Max Rothschild, etc.)

- Funding for Jimmy Camp Creek Channel Improvements (AI)

We are still working on ways to finance this project. Dr. Testa had met with Dennis Hisey regarding reimbursement of drainage fees and he has committed to help us work on this. FEMA monies may be available.

- SCADA System Upgrade (AI)

Dr. Testa commented that the SCADA is complete on Colorado Centre's side. We still need to get readings from Lower Fountain on the inflow and outflow meters.

- Water Filtration Plant Design Progress (AI)

Dr. Testa reported that we are moving forward on this. JDS Hydro is completing the plans for the filtration process submitted by Filtronics. T-Bone Construction is waiting for things needed from JDS Hydro before they continue with the project.

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

As Mr. Velazquez reported the metering station is working efficiently. The asset conveyance is still not completed and no payment will be made until this conveyance is complete. Dr. Testa has been working on 1041 permitting to send to the County.

- Update on Cuchares Development (Cindy, Sandy).

No lots were sold in the month of October. The total to date for all the filings is 273 (Build out is 408). These lots are in Filing 5. Filing 6 is in process and Filing 7 is the last filing.

- Bradley Heights Update (AI)

This item was addressed earlier in the meeting.

I. Legal Report (Paul)

Mr. Anderson was unable to attend the LF meeting this month. He stated that in regards to Lower Fountain, the nutrients control Grant project is moving forward and is in the regulatory review process. He has been tracking several issues including the 303d Listing Methodology workgroup, Permit Issues workgroup, Waters of the US Proposed Rule, AFCURE, Temperature Standards and DMR Guidance, Sediment Policy workgroup and pending EPA Rulemakings. Mr. Anderson continues to track storm water issues.

There have been ongoing discussions concerning the implications of Colorado Springs Utilities becoming a member of the LFMSDD and the general process for the Board to consider as part of any inclusion request that CSU might make.

Going back to the Colorado Labor Department audit, Mr. Anderson suggested sending an e-mail or correspondence to the Colorado Labor Board confirming that this is how we perceive the settlement decision.

- PPRWA prelim 2015 Budget

Mr. Anderson submitted a handout of the Pikes Peak Regional Water Authority 2014 preliminary amended budget and 2015 preliminary budget.

J. Fire Department Report (Josh Winter)

Chief Winter was unable to call in because the phone line was dead so Tom Byes was in attendance to give the report. Firefighter Byes commented the CCMD Fire Department had 14 runs in the last month with the majority being medical. They did the annual hose testing which is State required. Firefighter Byes mentioned that Chief Winter has been interviewing two potential firefighters.

Dr. Testa and the Board thanked Firefighter Byes for his years of service to Colorado Centre as the Fire Chief.

- Formally Announce Josh Winter as New Fire and Emergency Services Chief for CCMD

Dr. Testa formally announced that Josh Winter accepted the position of Fire and Emergency Service Chief for CCMD.

- ESA Agreement

The Intergovernmental Agreement for Ground Emergency Ambulance Services was reviewed by Dr. Testa, Chief Winter and Mr. Anderson. This Agreement is by and between the El Paso County Emergency Services Authority (ESA) and the Colorado Centre Metropolitan District. Discussion followed and all were in agreement that this could be signed and accepted.

A motion was made and seconded to approve signing and accepting the Intergovernmental Agreement for Ground Emergency Ambulance Services by and between the El Paso County Emergency Services Authority (ESA) and the Colorado Centre Metropolitan District. Upon a voice vote, the motion passed unanimously.

- Draft Contractor Firefighter Agreement

An Independent Contractor Agreement for Fire and Emergency Services Provided has been drafted by Dr. Testa, Chief Winter, Mr. Anderson and staff. The District will pay into unemployment insurance for the Contractors but issue them a 1099 as an independent contractor.

A motion was made and seconded to approve the Independent Contractor Agreement for Fire and Emergency Services Provider along with the Independent Contractor Agreement Job Requirements. Upon a voice vote, the motion passed unanimously.

K. Fountain Mutual Irrigation Company (AI)

Minutes of the September 23, 2014 Regular Board Meeting were included with the Board packets.

All is going well with FMIC in terms of irrigation and augmentation water. A contractor has been selected to build the outlet structure for the Dam. We have a new field (ditch) manager which is separate from the management of the District.

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

Minutes of the September 11, 2014 Regular Board Meeting were included with the Board packets plus the Agenda for the October 9, 2014 Regular Board Meeting.

- Activity Report

Director Cantin commented that at the meeting last night they approved the McDade Woodcock Company to be the Contract Manager at Risk for the Nitrogen Regeneration project. The project will cost 1.6 million to 1.9 million. 1 million 80 thousand will come from a Grant from the State. The nitrogen standards must be met by June 30, 2015 so it is important to do this project as soon as possible. They continue to address warranty issues. The proposed LFMSDD 2015 Budget was included in the Board packets.

Ms. Hanna finally cashed the \$20,000 check from LFMSDD to satisfy its tree lining cost obligation. Director Cantin stated that there is still a diversion of water issue and the possibility of a diversion is still being monitored.

M. Christmas Party Update (Sandy)

Arrangements were made with the Hotel Elegante in Colorado Springs for the Christmas party. It will be held December 13, 2014 commencing at 6:30 p.m.

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

No Executive Session needed.

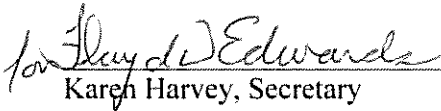
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:30 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, October 23, 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.



