

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

Thursday, May 28, 2015 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, Paul Anderson, Tom Byes, Pedro Velazquez and Sandy Goad.

**I. Preliminary**

- A. Call to Order  
Director Cantin called the meeting to order at approximately 5:30 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 from tonight's meeting. 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 April 23, 2015.

Director Cantin noted that under the Lower Fountain comments the second paragraph should read that "the Manufacturer was at fault"; not Lower Fountain. This will be corrected.

**A motion was made and seconded to approve the corrected Minutes of the Regular Meeting of April 23, 2015. Upon a voice vote, the motion passed unanimously.**

- B. Board's Time

Director Cantin will be unable to attend Lower Fountain's meeting next month. Director Eccles will attend in his place. Also, Directors Cantin and Eccles will be unable to attend CCMD's Regular Board meeting of June, 25, 2015.

C. Changes to the Agenda

No Changes.

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

No Public Comments.

E. Presentation of 2014 Audit by Hoelting & Company

Mr. Tom Sistare from Hoelting & Company presented a three page summary of what the audit entails including a comparison to 2013. 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. Because of 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, 2015 deadline.

**A motion was made and seconded to accept the audit for FY2014 prepared by Hoelting & Company, Inc. Upon a voice vote, the motion passed unanimously**

F. Review of District Finances (Cindy)

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of May 26, 2015 the District has \$3,061,894.28 in funds. The District's expendable funds are \$2,758,946.72.

- 2014 Closing Statements

Ms. Monroe presented a review of the 2014 Closing Statements.

- April, 2015 Budget Review

Ms. Monroe presented the budget review for calendar year 2015, month of April.

- Approval of the July 1 Series A Bondholders Payment

The restricted developer taxes will be disbursed to bondholders on July 1, 2015 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, 2015 payment of the interest on the Series "A" bonds. Upon a voice vote, the motion passed unanimously.**

- Bank Transfers and Other Financial Activities

A transfer letter was sign to transfer monies from the Case ColoTrust Account to the appropriate Farmers State Bank Account for expenses incurred by Colorado Centre on behalf of Case/Bradley Heights Development.

G. 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 the field personnel have had a very busy month. They have been exercising all the valves and cleaning up the wells. In Cuchares Ranch all the sewer lines are in and passed the air test today. The Filing 7 water lines will be installed next week. On Monday a new field employee will start working for the District. He has excellent mechanic skills which will be an asset to the District.

Director Cantin has concerns about motorized vehicles entering the park areas around the water plant. Dr. Testa will research the best ways to prevent motorized vehicle access to these areas (fencing, blocks, landscaping shrubs, etc.).

- Augmentation and Usage Reports (AI)

The District produced 6.7 million gallons of water in April and sold approximately 6.2 million gallons. There was approximately 3.3 million gallons of wastewater metered to Lower Fountain. Dr. Testa commented that there is still a discrepancy with the meter readings of Lower Fountain and the Markscheffel meter. Dr. Testa and Mr. Heckman are looking into this for a solution. The

augmentation report is for water paid in period November 2014-October 2015 and for Augmentation period November 2012-October 2013. There is some surplus water this month. No buyers for the excess water have come forward.

Dr. Testa submitted the 2016 Drinking Water Eligibility Survey to the Colorado Department of Health & Environment. We could possibly qualify for low interest monies for our water plant and administration building.

- Upgrade at Water Tank – Delayed (AI)

The water tank upgrade is not completed yet and will be delayed a little longer. A decision has been made to use the solar panel and battery backup on the future administration building. For the tank, we will use the existing power and it will be installed on top of the tank.

- Jimmy Camp Creek Extended Bank Improvements (AI)

This project is close to completion.

- Water Filtration Plant Design Progress and Permitting and Update on Ground Breaking on June 3 (AI & Joan).

On Wednesday, June 3, 2015 the Board of Directors have organized a Ground Breaking Ceremony for the Water Treatment Plant. The Water Treatment plant is being built to reduce the manganese and iron in the water. This will eliminate the costly all-clear treatments. The Ground Breaking Ceremony will begin at 1:30 pm at the site - 4307 Anvil Drive (near the intersection of Flagstone and Anvil). The Board of Directors, CCMD Staff, County leaders, and Media representatives will be in attendance. All arrangements have been made for the tent, food and drinks. T-Bone is bringing 10 gold shovels and 10 hard hats, plus an exhibit of the water plant construction.

- Approval of T-Bone's WO #3 and Pay Request for Park Improvements

Dr. Testa reported that T-Bone Construction submitted WO #3 and Pay Request for Park Improvements in the amount of \$7,831.78. He inspected the work and feels that the pay request is reasonable. He recommends that payment be made for the amount requested.

**A motion was made and seconded to approve WO #3 and Pay Request for Park Improvements by T-Bone Construction for the amount of \$7,831.78. Upon a voice vote, the motion passed unanimously.**

- Approval of T-Bones WO #4 for Filtration Plant Construction

Dr. Testa reported that T-Bone Construction submitted WO #4 for Filtration Plant Construction in the amount of \$962,340.00. He recommends that WO #4 for Filtration Plant Construction be approved. Mr. Thibault of T-Bone Construction offered to issue a personal guarantee instead of bonding for the project. After discussion the Board made the decision to do the Bond.

**A motion was made and seconded to approve WO #4 for Filtration Plant Construction with the Bonding option submitted by T-Bone Construction in the amount of \$962,340.00. Upon a voice vote, the motion passed unanimously.**

- Approval of Second Payment to Filtronics Inc. for Plant.

Based on the full contract price, Dr. Testa submitted a schedule of payments to Filtronics which they have agreed to adhere to. The 2<sup>nd</sup> payment of \$124,428.00 for the drawings was authorized by the Board to be paid.

**A motion was made and seconded to approve the Second Payment of \$124,428.00 for the drawings to Filtronics, Inc. for the Water Plant. Upon a voice vote, the motion passed unanimously.**

- Update on Cuchares Development (Cindy, Sandy, Al).

Filing 5 has only one lot left to sell and there have been five more lots sold in Filing 6 in May. The total to date for all the filings is 313 (Build out is 408).

- Bradley Heights Update-Status of IGA with CSU (Al)

Dr. Testa supplied the final Amended and Restated Intergovernmental Agreement for Water Distribution and Wastewater Collection, Treatment, and Disposal between the City of Colorado Springs and Colorado Centre. It has not been signed yet.

#### 1. Legal Report (Paul)

Mr. Anderson reported that The Cuchares Ranch Service Plan Amendment was submitted to the County on March 19, 2015 and we are still waiting to hear back from the County Attorney, Mr. Emmons. He was able to attend the Regional Water Authority meeting in May. Mr. Anderson commented that an item mentioned at the meeting was that there is property for sale on the NW side of Fountain close to the Security-Widefield recharge and transit pit. It is on the west side of the highway and could be a potential reservoir site. It comes with

approximately 300 acre feet of water. Dr. Testa would like to research this further and look at it in more detail.

The general assembly is finished for the year. The storm water bill and historic consumptive use bill both passed.

J. Fire Department Report (Josh Winter)

Chief Winter reported that in the last month there have been 11 alarms. There was an incident involving pit-bulls that Chief Winter wanted to mention. They attacked and bit several residents. The pit-bulls were taken to the County facilities but have since been returned to the owners.

Chief Winter relayed that the City will, as a courtesy, do an inspection on the Harris Building (Harris is in the process of a re-model project). Our personnel will attend the inspections with the City. The Security Fire Department has put two ambulances in service. He is working through the process and researching the possibility of utilizing the ambulances for Colorado Centre. The benefit would be a quicker response time.

Director Cantin mentioned that he would like to have a yearly event for Fire Safety Week (October) and Spring Clean-up. The Fire Safety day would be the 1<sup>st</sup> Saturday in October and the Spring Clean-up would be the 1<sup>st</sup> Saturday in May. If the events are on the calendar every year it could possibly attract more residents to participate.

K. Fountain Mutual Irrigation Company (AI)

The minutes of the March 25, 2015 Regular Board meeting were included with the Board packets. The Field Manager/Superintendent continues to do an excellent job with the water flows and ditch maintenance. The irrigation is finished and the canal is clean. Work continues on the repairs to the Outlet Gates at Big Johnson Reservoir.

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

Minutes of the March 12, 2015 Regular Board Meeting were included with the Board packets plus the Agenda for the April 9, 2015 Regular Board Meeting.

Director Edwards attended the meeting in place of Mike Cantin who was unable to attend. Director Edwards reported that bills were paid and resolutions were passed. The Nitrogen Control Project is pretty much on schedule.

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

**A motion was made and seconded to enter into Executive Session at 7:35 p.m. Upon a voice vote, the motion passed unanimously.**

Upon Motion the Board went into Executive Session at 7:35 p.m. pursuant to C.R.S. Section 24-6-402(3) (a) (II) and closed at 7:56 p.m.

The topic discussed during executive session was a potential long-term investment opportunity for the District.

**A motion was made and seconded to authorize Dr. Testa to pursue this long term investment opportunity. Upon a voice vote, the motion passed unanimously.**

The Regular Board meeting continued at 7:58 p.m. No further discussion needed.

### III. Adjournment

**A motion was made and seconded to adjourn the regular meeting at approximately 7:58 p.m. Upon a voice vote, the motion passed unanimously.**

Respectfully Submitted,



~~Michael Cantin, President~~

JOAN LUCIA-TREESE, TREASURER



Floyd Edwards, Assistant Secretary