

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

Thursday November 19, 2015 at 5:30 PM
4770 Horizonview Drive
Colorado Springs, CO 80925

Board Members Present:

Michael Cantin	President, Chairman
Joan Lucia-Treese	Treasurer
Karen Harvey	Secretary
Floyd Edwards	Assistant Secretary/Treasurer

Also Present: Al Testa, Cindy Monroe, Paul Anderson, Josh Winter, Sandy Goad

I. Preliminary

- A. Call to Order
Director Cantin called the meeting to order at approximately 5:38 pm.
- B. Roll Call - Determination of a Quorum. A Quorum was present. Director Eccles was absent.
- 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 October 22, 2015.

Mr. Anderson commented that on page 3 the first line "2015" should be 2016"; and on page 4 the first two sentences should read that Mr. Anderson and Al received a draft revision..... And the second sentence should read Mr. Anderson drafted a Quit Claim Deed for an easement previously conveyed to Lower Fountain by Hanna Ranches, Inc.; and in the third paragraph the date should be November 4th. Corrections will be made.

A motion was made and seconded to approve the Corrected Minutes of the Regular Meeting of October 22, 2015. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

No Comments to report.

- C. Changes to the Agenda

No Changes.

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

Mr. Steve Milliken, Bradley Heights Attorney, was in attendance and approached the Board. He commented that their startup date has been delayed because the process of requesting inclusion into Lower Fountain is not complete. He anticipates that the project will have a Spring, 2016 beginning.

E. Review of District Finances (Cindy)

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of November 18, 2015 the District has \$2,574,895.96 in funds. The District's expendable funds are \$2,302,353.18.

- October 2015 Budget Review

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

- Bank Transfers and Other Financial Activities

A Transfer letter was signed for T-Bone Construction and Filtronic's invoices.

- Approval of Payment to Bondholders

The Bondholders payment was discussed and approved.

A motion was made and seconded to approve the January 1, 2016 payment of \$132,475.16 to the Series "A" interest only bondholders. Upon a voice vote, the motion passed unanimously.

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. Public Hearing and Approval of Resolution 20151119.1 Supplemental Budget and Appropriation to amend the 2015 Budget

The Public Hearing and Approval of Resolution 20151119.1 Supplemental Budget and Appropriation to amend the 2015 Budget was opened at 5:55.

The Board of Directors finds it necessary to amend its 2015 Budget to reflect changes in income and to appropriate the additional revenue to satisfy expenditures.

The Public Hearing and Approval of Resolution 20151119.1 Supplemental Budget and Appropriation to amend the 2015 Budget was closed at 6:05.

A motion was made and seconded to approve Resolution 20151119.1 Supplemental Budget and Appropriation to amend the 2015 Budget. Upon a voice vote, the motion passed unanimously.

H. Public Hearing for the Proposed 2016 Budget (Al & Cindy)

The Public Hearing for the Proposed 2016 Budget was opened at 6:06 pm.

There was no public in attendance. The Public Hearing for the Proposed 2016 Budget was closed at 6:07 pm. The Regular Board Meeting continued.

I. Approval of all 2016 Budget Related Resolutions as follows:

- 20151119.2 Rates and Charges – General
- 20151119.3 Rates and Charges – Enterprise
- 20151119.4 General District Budgets
- 20151119.5 Enterprise Budgets
- 20151119.6 Mills – Governmental Funds
- 20151119.7 Appropriation – Governmental Funds
- 20151119.8 Appropriation – Enterprise Funds

Dr. Testa commented that the final Mill Levy Review from the County has not been received but the Budget Related Resolutions can be approved and signed at the December 4, 2015 regular Board Meeting.

A motion was made and seconded to approve the following Resolutions which will be signed (after receiving the final Mill Levy Review from El Paso County) at the December 4, 2015 regular Board Meeting:

- 20151119.2 Rates and Charges – General**
- 20151119.3 Rates and Charges – Enterprise**
- 20151119.4 General District Budgets**
- 20151119.5 Enterprise Budgets**
- 20151119.6 Mills – Governmental Funds**
- 20151119.7 Appropriation – Governmental Funds**
- 20151119.8 Appropriation – Enterprise Funds**

Upon a voice vote, the motion passed unanimously.

J. Resolution 20151119.9 to Offer an Alternative to extend the Cuchares Ranch IGA.

A Resolution of the Board of Directors of the Colorado Centre Metropolitan District regarding Addendum to Inclusion Petition Agreement Extension in RE FMI Cuchares Ranch, LLC. was submitted and discussed. The extension was approved with conditions and if no proof of the sale of the remaining lots is provided to the District on or before December 31, 2015 the Resolution will be void and the terms of the Addendum will apply.

A motion was made and seconded to approve Resolution 20151119.9 to Offer an Alternative to extend the Cuchares Ranch IGA. Upon a voice vote, the motion passed unanimously.

Dr. Testa commented that he did raise the water/wastewater connection fees and informed all the builders/developers of this raise in fees.

K. District Operations

- Parks, Water and Sewer Systems (Pedro)

Dr. Testa reported for Mr. Velazquez who was unable to attend. The Field personnel are working on exercising valves in Parkview which is part of the Valve Maintenance Program. They continue to inspect water and sewer lines at Cuchares Ranch. Other areas they are attending to are parks maintenance, mowing, trash removal, jack hammering out covered valves, vehicle maintenance, and cleaning up pine needles and branches along Horizonview Drive. They are also checking the progress of the water treatment plant daily.

The District produced approximately 7.1 million gallons of water and sold approximately the same amount. The loss is very minimal. 4.3 million gallons of wastewater was metered to Lower Fountain.

- Augmentation and Usage Reports (Al)

The Augmentation plan was included in the Board packets. The entire year has been sent to the State. It has been a good year ending with 626 acre feet of excess water.

- Water Filtration Plant Design Progress, Permitting, Fabrication and Construction Progress (Al)

Dr. Testa reported that work at the Plant is slowly progressing. There was a problem with the pipes because they didn't pass the pressure test. Evidently the piping contractor received a bad batch of pipes. It took 2 ½ weeks for new piping to be brought in. The tanks will be installed before the building is constructed.

- Approval of Progress Payment #6 to T-Bone Construction for Filtration Plant Work. (AI)

Dr. Testa reported that T-Bone Construction submitted a Pay Request No. 6 (\$63,772.13).

A motion was made and seconded to approve Pay Request No. 6 (\$63,772.13). Upon a voice vote, the motion passed unanimously.

- Approval of T-Bone's Change Order No. 1 for Work Order No. 4 – Filtration Plant Construction in the Amount of \$138,745.64.

A motion was made and seconded to approve Change Order No. 1 for Work Order No. 4 – Filtration Plant Construction in the Amount of \$138,745.64. Upon a voice vote, the motion passed unanimously.

- Approval of Progress Payment No. 3 on Filtronics Contract Due on shipping (\$124,428).

A motion was made and seconded to approve Progress Payment No. 3 on Filtronics Contract Due on shipping (\$124,428). Upon a voice vote, the motion passed unanimously.

- Bradley Heights Update – Status of IGA with CSU (AI)

This item was reported on earlier in the meeting.

- Acceptance of the Conveyance of the Water and Sewer Systems in Cuchares Filing 7 and start of the 2-year warranty (AI)

Dr. Testa reported that FMI Cuchares Ranch would like to convey Filing 7 Water and Sewer Systems to the Public Water system of Colorado Centre Metropolitan District. If accepted Dr. Testa will notify FMI Cuchares Ranch, LLC that the two year warranty begins today.

A motion was made and seconded to approve the Acceptance of Filing 7 FMI Cuchares Ranch, LLC Water and Sewer Systems. Upon a voice vote, the motion passed unanimously.

K. Legal Report (Paul)

Mr. Anderson reported that in regard to the Rain water bill, this can be done as long as the water is augmented.

The Regional Water Authority is updating the computer program for the Transit Loss Model.

The Cuchares Ranch Service Plan amendment was formally approved.

Mr. Anderson stated that he formally resigned from Lower Fountain.

L. Fire Department Report (Josh Winter)

Fire Chief Josh Winter reported that to date there have been 23 alarms with most of them being medical. This has been a very busy month for the firefighters.

As of this month we now have an agreement with Security Fire Department to have one of their ambulances respond into our district when they are closer to our area. SFD and AMR have agreed to make sure that they send the closest ambulance to decrease response time for CCMD. This should cut the ambulance arrival time in half.

Chief Winter has set up a meeting with the City on November 30, 2015 for discussions regarding a future contract after 2019 with the City of Colorado Springs. The Board would like him to look at a 15-20 year contract with the City.

Chief Winter has been researching the possibility of purchasing a brush truck and has put in two requests for bids. A bid came back from one company for \$89,000. He will research selling the Suburban.

The Board would like Chief Winter to write up an article for the newsletter and website explaining all the important changes that have been implemented which have greatly improved our District.

M. Fountain Mutual Irrigation Company (Al)

Minutes of the October 8, 2015 meeting regular board meeting were included with the board packets. Dr. Testa commented that there is not much new to report. There are still issues with administration but will be resolved in the near future in terms of administrative restructuring. Repairing the Headworks of Big Johnson is on-going and the design of the repairs to the outlet structures is on-going.

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

Minutes of the October 15, 2015 Regular Board Meeting were included with the Board packets plus the Agenda for the November, 2015 Regular Board Meeting.

Director Cantin reported that Lower Fountain continues to work on their 2016 Budget. Dr. Testa is also attending the LF budget meetings. One issue is whether costs are capital

or operational/maintenance. Dr. Testa suggested retaining a mediator to give the Board choices/numbers on this issue so an educated decision can be made for future budgets.

As discussed earlier, Director Cantin has issues with the WQCC and their proposal to do away with Regulation 85 thereby lowering the required level of phosphorous. Representative Klingenschmitt met with Jim Heckman and the LF attorney regarding this issue. Representative Klingenschmitt suggested that a Resolution would be a more effective path regarding Regulation 85 and keeping the limits in place. To meet Regulation 85 standards will cost Colorado Centre \$1.5 (25% of the total cost). This needs to be in place by June 30, 2018.

Million

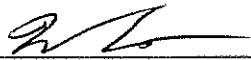
O. Executive Session, if needed. Used for legal, contract and personnel matters only.

No Executive Session needed.

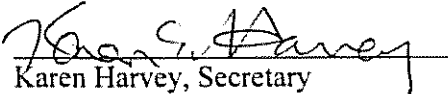
III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 7:10 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



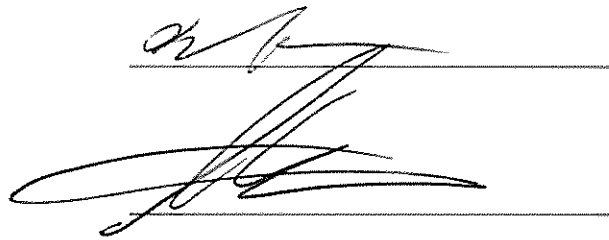
Michael Cantin, President



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, November 19, 2015** 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.

Two handwritten signatures are written on horizontal lines. The first signature is a cursive 'M' followed by a horizontal stroke. The second signature is a more complex cursive signature with a large loop at the end, also followed by a horizontal stroke.

Joe Louis Grease

Karen A. Arney

Floyd J. Edwards