

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

Thursday, May 19, 2016 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	Secretary
Jackie McClintock	Assistant Secretary/Treasurer

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

**I. Preliminary**

- A. Call to Order  
Director Lucia-Treese called the meeting to order at approximately 5:30 pm.
- B. Election Results and Oath of Office for Elected Directors

The following individuals were elected to the District Board of Directors at the May 3, 2016 Special District Election. The new Directors were sworn in by Notary Sandra A. Goad and all signed their Oath of Office.

Jackie McClintock for a Four-Year Term  
Michael Cantin for a Four-Year Term  
Shawn Eccles for a Four-Year Term  
Floyd Edwards for a Two-Year Term

- C. Roll Call - Determination of a Quorum. A Quorum was present.
- D. 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 21, 2016.

Director Cantin noted that under the Lower Fountain section the first sentence of the second paragraph should read "that now that SDS is completed, Fountain may (instead of will) stop using their wells as a water source". This was corrected. Also the signature line needs to be corrected to be signed by Director Floyd Edwards and not Karen Harvey

who is no longer a Director. This was corrected.

**A motion was made and seconded to approve the corrected Minutes of the Regular Meeting of April 21, 2016. Upon a voice vote, the motion passed unanimously.**

B. Election of Officers

At this time the Board voted for the new officer positions. Dr. Testa and Ms. Goad tallied the votes and the following are the new slate of officers.

Michael Cantin – President  
Shawn Eccles – Vice-President  
Joan Lucia-Treese – Treasurer  
Floyd Edwards – Secretary  
Jackie McClintock – Assistant Secretary/Treasurer

C. Recognition of Outgoing Director Karen Harvey

At this time Director Cantin praised and thanked Karen Harvey for her years of outstanding support and service in the capacity of Director with Colorado Centre Metropolitan District. She was presented with a plaque to commemorate her service. The meeting was suspended at 5:46 pm so that all in attendance could enjoy a dinner in honor of Karen's service to the District. The meeting reconvened at 5:52 pm.

D. Resolution No. 2016-05-19.1 Regarding a Nomination to the Special District Association for the Recognition of District Manager Alvaro J. Testa since June 23, 1988.

The Board of Directors of the District would like to formally nominate Dr. Testa to the Colorado Special District Association for the Distinguished Manager Award for 2016.

**A motion was made and seconded to approve Resolution No. 2016-05-19.1 Regarding a Nomination to the Special District Association for the Recognition of District Manager Alvaro J. Testa since June 23, 1988. Upon a voice vote, the motion passed unanimously.**

E. Board's Time

Director Lucia-Treese commented that Andre Brackin retired as County Engineer. Jennifer Irvine will take his place as the new County Engineer. She will be the first woman to be El Paso County Engineer.

Director Lucia-Treese further commented that she has talked to Dennis Hisey about the ongoing problems with the roads in Colorado Centre. She will also talk with the new Commissioner. Also, District 2 Commissioner Amy Lathen resigned from her

position before her term was completed. She took a position as Colorado Springs Forward Executive Director.

F. Changes to the Agenda

No Changes

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

No Public Comments

H. Review of District Finances (Cindy)

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of April 19, 2016 the District has \$2,054,355.74 in funds. The District's expendable funds are \$1,733,939.96.

- March and April Budget Review

Ms. Monroe presented the budget review for calendar year 2016, months of March and April.

- Approval of July 1 Payment to Bondholders (\$132,475.16).

The restricted developer taxes will be disbursed to bondholders on July 1, 2016 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, 2016 payment of the interest on the Series "A" bonds. Upon a voice vote, the motion passed unanimously.**

- 2015 Audit Status

Ms. Monroe reported that the auditors did their field work here at Colorado Centre on April 11-13. They are still working on our audit and will have it completed for presentation at the June 16, 2016 regular board meeting.

Dr. Testa stated that he will be unable to attend the June 16, 2016 regular board meeting. The Board and Staff concurred that the meeting should be changed to take place on June 23, 2016.

**A motion was made and seconded to approve changing the June 16, 2016 Board Meeting date to June 23, 2016. Upon a voice vote, the motion passed unanimously.**

- Update on Insurance Claims Due to Water Discoloring Event of 03/15/16

The Renneman claim for damages has been paid by their insurance USAA and USAA intends to subrogate their claim against Colorado Centre Metropolitan District. CCMD can file this claim under our No Fault insurance (\$500 deductible).

**A motion was made and seconded to approve facilitating our No Fault insurance for filing of this claim. Upon a voice vote, the motion passed unanimously.**

- Bank Transfers and Other Financial Activities

Ms. Monroe said it is necessary to transfer \$90,000 from Farmers State Bank into Wells Fargo for the Filtronics payment and T-Bone Construction's progress and change order payments.

I. Approval of Payables (Board)

**A motion was made and seconded to approve the current list of payables. Upon a voice vote, the motion passed unanimously.**

J. Review of and Public Hearing for Draft Resolution 20160616.1 Late Payment Penalty

The public Hearing was opened at 6:15 pm.

The Board and staff discussed amending the District's Rules and Regulations to mandate an automatic assessment of \$25 in the event any charge due and payable to the District by a property owner and/or customer is not received by the 15<sup>th</sup> day of the month for which the charge is invoiced. After discussion all concurred that the \$25 late payment be assessed on the 20<sup>th</sup> day of the month and if not paid disconnection will occur the last day of the month. This information will be placed in the newsletter. Adjustments will be made to Resolution 20160616.1 and the Resolution will be presented for approval at the June 23, 2016 Regular Board Meeting.

The Public Hearing was closed at 6:35.

K. District Operations

- Parks, Water and Sewer Systems (Pedro)

Mr. Velazquez reported that all parks, water and sewer systems are operating efficiently. The water demand has been extremely high this month. The sprinkler system is in operation and some minor repairs were needed.

- Augmentation and Usage Reports (Info Only)

The District produced 8.2 million gallons of water in April and sold 8.1 million gallons. Approximately 2 million gallons of construction water was sold (part of the total). There was 4.2 million gallons of wastewater metered to Lower Fountain. Dr. Testa discussed the augmentation report. The State didn't give us credit for the Transit Loss Model. This will be corrected.

Dr. Testa discussed FMIC in regards to repairs to the Outlet gates at Big Johnson Reservoir. There is a possibility that CCMD can lease water to Fountain Mutual for utilization during this repair project. (Substitute Water Plan). Also, Fountain Mutual has been meeting with CSU regarding possible water right exchanges between the two entities to be utilized during this project.

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

The new water filtration plant is working very efficiently. The testing for manganese indicates that the levels have dropped significantly. The final inspection will occur next week. A surveillance system will be installed this month.

- Approval of Filtronics' Final Payment. (Plant Certification and O&M manuals Received) - \$62,214.00.

Dr. Testa recommends approval of the final payment to Filtronics' in the amount of \$62,214.00. The two year warranty will begin May 1, 2016.

**A motion was made and seconded to approve Filtronics' Final Payment of \$62,214.00. Upon a voice vote, the motion passed unanimously.**

- Grand Opening and Naming of Water Plant

After discussion the Grand Opening/Dedication ceremony will take place on June 25, 2016 beginning at 10:00 am. Director Lucia-Treese will coordinate the planning for the event. The name decided on will be "Michael H. Cantin Water Complex". A bronze plaque will be designed by Dr. Testa to be placed on the building. Included on the plaque will be the Board of Directors plus past Director Karen Harvey, District Manager Al Testa, T-Bone Construction and Filtronics etc. Dr. Testa will be sending a sample to all Directors for approval.

- Approval of Progress Payment No. 11 to T-Bone Construction for Filtration Plant Work - \$72,018.95 (AI)

Dr. Testa recommends approval of Payment No. 11 to T-Bone Construction.

**A motion was made and seconded to approve Progress Payment No. 11 to T-Bone Construction for Filtration Plant Work (\$72,018.95). Upon a voice vote, the motion passed unanimously.**

- Approval of Change Order No. 5 to Work Order No. 4

Dr. Testa recommends approval of Change Order No. 5 to Work Order No. 4.

**A motion was made and seconded to approve Change Order No. 5 to Work Order No. 4. Upon a voice vote, the motion passed unanimously**

- Bradley Heights Update – (Nothing New)
- Update on Cuchares Ranch Filing 7 (Sandy)

To date there are 13 lots left in Cuchares Ranch. Premier Homes owns these lots and they have been paying the differential in the connection fees. They indicated that they will be paying all the fees for the rest of the lots.

At this time Dr. Testa stated that in April a resident experienced a major break in their service line. Residents are responsible for any repairs to their service line and the repairs amounted to \$5,315.00 which the resident is responsible for paying. Dr. Testa conferred with our insurance agent, Tammie Beaudette, and she sent him information on a program to address repairs of private lateral lines. This may be a way to provide customers with an affordable way to cover against costly repairs of their private lines. The cost would be approximately \$5.00 per month for the customer. After discussion, the Board will implement some type of survey to establish if there is any interest in an insurance program of this type. Dr. Testa will research the possibilities of this being an individual commitment instead of a District obligation.

L. Legal Report (Paul)

Mr. Anderson commented that he attended the Regional Water Authority meeting on May 4, 2016. An item discussed at the Water Authority Meeting was the PFC contamination. The EPA issued a water quality advisory regarding the PFC contamination. (70 parts per trillion indicates action needs to be taken to treat the water).

The IBCC meeting will take place in Salida on May 24, 2016. The Interbasin Compact Committee was established by Colorado Water for the 21<sup>st</sup> Century Act to facilitate conversations among Colorado's river basins and to address statewide water issues.

Mr. Anderson suggested that it is time to amend the CCMD Rules and Regulations. A workshop for this purpose will be scheduled for October.

Other items reported on were the Rain Barrel Bill (passed), AMR Certification (sent to Governor for certification), and a Legislative Senate bill regarding unemployment insurance for contractors, a State Water Plan and a containment fee, etc.

M. Fire Department Report (Josh Winter)

Fire Chief Josh Winter reported that there have been 10 alarms to date for the month. The Fire Danger signs have been placed in the neighborhoods. The CSFD sends the fire danger list every morning so that the signs can be updated. The firefighters have been moving into the office that was vacated by the field personnel. The Brush Truck will probably be finished in September, 2016. It will be here for Fire Safety Day that takes place in October.

Director McClintock inquired about the ISO rating issues with our Fire Station and the implications for Home Owner's Insurance. Josh explained to her about the issues involving the ISO rating and indicated that he will field any calls about this issue. Also there is a Fire Protection Information sheet on the website that contains additional information. Chief Winter suggested that there could be information available at Fire Safety Day if anyone is interested.

N. Fountain Mutual Irrigation Company (Info Only)

The minutes of the April 21, 2016 Board Meeting were included with the Board packets.

This was reported on earlier in the meeting during discussion of the augmentation report.

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

The minutes of the April 14, 2016 Regular Board meeting minutes were included with the Board packets.

New officers were appointed at the Board meeting because Mr. Phillips stepped down as President. Dr. Durbin is President, Mike Cantin is Vice-President and Larry is Secretary.

Lower Fountain is still out of compliance with the copper. The numbers are lower but it will take a few months of lower numbers to achieve compliance. It is necessary to find the source of the copper contamination and determine what action needs to be taken to obtain compliance standards.

The Nutrient Resolution with Representative Coram and Landgraf failed to make it to the floor of the State Legislature.

The audit for Lower Fountain will be briefed in June.

There are concerns with some work already completed by the County to the District's manholes which were needing repair because of the Marksheffel Road expansion. The County has stated that Lower Fountains needs to do the repairs and Lower Fountain will be reimbursed by the County. The estimate to do the repairs is \$225,000. Lower Fountain will not start the work until it is certain they will be reimbursed.

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

**A motion was made and seconded to enter into Executive Session at 7:47 p.m. Upon a voice vote, the motion passed unanimously.**

Upon Motion the Board went into Executive Session at 7:47 p.m. pursuant to C.R.S. Section 24-6-402(3) (a) (II) and closed at 7:59 p.m.

The topics discussed during executive session were personnel issues.

The Regular Board meeting continued at 7:59 p.m. No further discussion needed.

### III. Adjournment

**A motion was made and seconded to adjourn the regular meeting at approximately 7:59 p.m. Upon a voice vote, the motion passed unanimously.**

Respectfully Submitted,

  
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Michael Cantin, President

  
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Floyd Edwards, Secretary