

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

Thursday, May 25, 2017 at 5:30 PM
4770 Horizonview Drive
Colorado Springs, CO 80925

Board Members Present:

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

Also Present: Cindy Monroe, Dr. Al Testa, Paul Anderson, Josh Winter, Frankie Diaz 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.
- 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 20, 2017.

A motion was made and seconded to approve the Minutes of the Regular Meeting of April 20, 2017. Upon a voice vote, the motion passed unanimously.

- B. Board's Time

Director Lucia-Treese commented that on Wednesday, May 31, 2017, there will be a ribbon cutting ceremony for the completion of Marksheffel Road. The event will take place 10:00 am until 12:30 pm at the intersection of Space Village and Marksheffel. Director Lucia-Treese would like to have the Board members or Staff try to attend. This will give Colorado Centre more presence in the Community. Name tags will be made for all the Board. Director Lucia-Treese also announced that she has been appointed to the El Paso County Planning Commission. Congratulations to Director Lucia-Treese!

C. Changes to the Agenda

No Changes

D. Presentation of the 2016 Financial Audit of the District by Hoelting & Co.

Mr. Tom Sistare and Ms. Jesse Seibert from Hoelting & Company were in attendance and Ms. Seibert 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 final audit. Mr. Sistare commented that Ms. Seibert has been a critical part of his audit team for approximately eight years and it is important that she presents audit findings as part of her career building. Because of strong internal control, they stated that an un-modified, clean opinion was received which is the highest level of opinion that can be received. They are 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, 2017 deadline.

A motion was made and seconded to accept the audit for FY2016 prepared by Hoelting & Company, Inc. Upon a voice vote, the motion passed unanimously.

Ms. Monroe commented that Hoelting & Company, Inc. has submitted their contract for the FY 2017 audit. There is a 3% increase of approximately \$600.

A motion was made and seconded to accept the Hoelting & Company contract for FY2017 with the approximate 3% increase of \$600. Upon a voice vote, the motion passed unanimously.

E. Presentation about "Communities That Care" by Taryn Bailey

This item was presented later in the meeting.

F. Hearing for Jolly Plumbing & Heating Regarding Tampering with District's Water System

This item was presented later in the meeting.

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

None.

H. Review of District Finances (Cindy)

- Bank Balances

Ms. Monroe gave the report on bank balances at this time. As of May 22, 2017 the District has \$2,063,134.58 in funds. The District's expendable funds are \$1,734,467.66.

- Approve Payment to Bondholders of the District

The restricted developer taxes will be disbursed to bondholders on July 1, 2017 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, 2017 payment of the interest on the Series "A" bonds. Upon a voice vote, the motion passed unanimously.

- 2016 Final Budget Closings

Ms. Monroe reported on the 2016 Final Budget Closings

- April 2017 Budget Review

Ms. Monroe reported on the April 2017 Budget Review.

- Bank Transfers and Other Financial Activities

None.

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. District Operations

This item was discussed later in the meeting.

E. Presentation about "Communities That Care" by Taryn Bailey

Ms. Taryn Bailey, the Communities that Care Facilitator, was introduced and gave a short presentation about the "Communities That Care" program and how the community can become involved. The El Paso County Health Department was awarded a 5-year grant from CDPHE to implement this program. The "Communities That Care" program is a public health model that guides

communities, increases resiliency in youth, and helps prevent substance abuse problems before they develop.

F. Hearing for Jolly Plumbing & Heating Regarding Tampering with District's Water System

Mr. Steven Rocks, Service Manager of Jolly Plumbing & Heating, was in attendance and is appealing the minimum \$1,000 penalty assessed to Jolly Plumbing and Heating for the illegal installation of a meter jumper at 4580 Bramble Lane on March 28, 2017. Mr. Rocks stated that Jolly Plumbing has been in business for over 60 years and this is the first time they have been fined by any water district. He stated that they needed to fix the leak immediately to prevent the water from damaging the home. He stated that they are all master plumbers and the plumber decided not to reattach the leaking water meter and instead replaced the meter with a meter jumper.

The Board commented that as a professional company they should have inquired about the water district and called the district to request that the water be disconnected so that the repairs could be made. They made the choice to install an illegal meter jumper and not to call the district. This illegal meter jumper was installed during business hours so the field personnel were available to disconnect the water so they could make the necessary repairs. Regardless of the reason why the jumper was installed, it is illegal for licensed plumbers to install a meter jumper during a repair in an existing home. Meter jumpers accommodate water usage without the quantification or billing of the usage.

After discussion it was determined that Jolly Plumbing be assessed the \$1,000 penalty for the illegal installation.

A motion was made and seconded that Jolly Plumbing & Heating be charged a fine of \$1,000 as per the information provided to Jolly Plumbing & Heating by the CCMD District Manager Cindy Monroe and that the amount be paid within seven business days with certified funds. Upon a voice vote, the motion passed unanimously.

J. District Operations

- Parks, Water and Sewer Systems (Pedro)

Mr. Diaz reported for Mr. Velazquez who was unable to attend tonight's meeting. All systems are running efficiently (water and wastewater). Water usage is down because of significant rainfall in the last month. The swing set was installed in Parkview Park and it is getting a large amount of usage.

There has been a tremendous amount of graffiti in the parks, the culverts, on well head covers and fences. An article will be placed in the newsletter mentioning the vandalism and that if an individual reports and provides evidence that leads to a conviction of a person or entity that breaks, damages, steals, defaces and generally acts against District assets and property there is a reward of up to \$1,000.

Mr. Diaz mentioned that he has submitted an article for the June newsletter containing "Water Tips and Concerns". The article gives information about meters, water softeners, sprinkler systems, etc. The article also reiterates that "No plumber or individual can remove a water meter. It is illegal and subject to a \$1,000 fine" (Per the CCMD Rules and Regulations).

- Augmentation and Usage Reports (AI)

Dr. Testa reported that for the month of April we produced approximately seven million gallons of water and sold approximately 7.1 million gallons (some came out of storage). There is a slight water loss which is being tracked.

The augmentation report for water paid in period November, 2016-October, 2017 for augmentation period November, 2014-October, 2015 was included in the board packets and reported on by Dr. Testa.

- Confirmation of the Previous Approval of the FMIC Water Lease

The fully executed Water Lease Agreement between CCMD and FMIC was included with the Board packets. Confirmation of the previous Approval of the FMIC Water Lease was discussed and Dr. Testa noted that there were some minor corrections that didn't significantly change the necessary content of the agreement but because of these changes it is prudent to approve the FMIC modified water lease agreement dated April 1, 2017.

A motion was made and seconded to approve the FMIC modified water lease agreement dated April 1, 2017. Upon a voice vote, the motion passed unanimously.

- Approval of CWPDA Water Lease (AI)

The Water Lease Agreement between CCMD and the Colorado Water Protective and Development Association (CWPDA) was included with the Board packets. The Colorado Centre Metropolitan District augments its water supply with water available from shares it owns in the Fountain Mutual Irrigation Company, which in turn owns water rights on Fountain Creek, the Robinson Ditch water right and return flows to Fountain Creek from the Harold D. Thompson Water Reclamation Facility. CWPDA is a non-profit organization that provides augmentation water

to its members to replace depletions caused by the member's water well use. CWPDA desires to lease the excess augmentation water from CCMD (the District anticipates it will have excess augmentation water available for 2017) to provide augmentation water to participants in CWPDA's Rule 14 plan.

A motion was made and seconded to approve the Water Lease Agreement between Colorado Centre Metropolitan District and Colorado Water Protective and Development Association. Upon a voice vote, the motion passed unanimously.

- Bradley Heights Update (AI)

Nothing new to report.

- Request for Approval to Proceed Development Process for CCMD's lands next to FTZ and Bradley. (AI)

Dr. Testa has compiled development concepts (included in the Board packet) for CCMD's 26 and 5 acre parcels. He would like approval from the Board to pursue various possibilities for development of these parcels by CCMD. After discussion the Board concurred that they would like Dr. Testa to do further research and pursue any and all development possibilities for the lands next to Foreign Trade Zone and Bradley Road (owned by Colorado Centre Metropolitan District).

K. Legal Report (Paul)

Mr. Anderson commented that he received an e-mail from a representative from the Emergency Telephone Service Authority requesting signatures on the agreement. Chief Winter reiterated that he sees no benefit in signing up with the Emergency Telephone Service Authority. Mr. Anderson also reported on the ongoing legislation. Bills that would pertain to our District include one regarding compensation of Board members and one concerning structured data access. He will keep the Board apprised of any action taken on these Bills.

The Meridian application was approved. Meridian developed a replacement plan.

Attorney Cole Emmons has not contacted him regarding the service amendment. Craig Dossey of the County is also working on a solution. No conclusion has been reached.

The WQCC Hearing regarding Regulation 85 and Regulation 31 will take place in October, 2017.

L. Fire Department Report (Josh Winter)

Chief Winter reported that there have been 12 alarms to date this month including medical, minor fire calls and traffic accidents. A boom lift was leased and the contract firemen have been working on washing and caulking the upper bay windows. The contract firefighters were able to repair Engine 3410 internally at a much lower cost. The Brush Truck repair is delayed waiting for parts from Fouts. The Colorado Springs Fire Department lease/purchase is still in process and no final decisions have been made. We are still actively involved in the process and nothing is off the table.

Director McClintock had questions for Chief Winter regarding the amount and kind of medical procedures they are capable of and are authorized to perform. He explained the procedures they implement and encouraged any resident to please come in and speak with him and the contract firefighters regarding any concerns they may have. He would be glad to talk with any resident that has questions/concerns.

M. Fountain Mutual Irrigation Company (AI)

Dr. Testa reported on the operations of the by-pass pipeline, Big Johnson Reservoir, and the outfall structure below the Reservoir. The new pipeline is functioning very efficiently. He met with FMIC today and there was a conflict of interest issue which was discussed and a workable resolution was implemented.

N. Lower Fountain Metropolitan Sewage Disposal District

The minutes of the April 13, 2017 Regular Board meeting minutes and the May 11, 2017 Agenda were included with the Board packets.

Director Edwards suggested that an article in the current SDA magazine has excellent information regarding the disabilities act (Page 11) that Rob Monroe should consider for web page information.

Director Edwards reported that there are concerns that the deadline of a June completion will not be reached for the Phosphorous Plant completion and feels that there is "no sense of urgency" to get this project underway. Dr. Testa will write an e-mail to Lower Fountain regarding the progress of this project to alleviate any concerns we have about this project and "make sure we are covered". There is a substantial amount of monies that CCMD would be responsible for paying and it is prudent to make sure the project is on track. It is necessary that the District keep on top of Regulation 85 and Regulation 31. Dr. Testa and Mr. Anderson will do some research on this issue.

There will be an audit in June for Lower Fountain. Colorado Springs is not on the Board yet. The Department of Local Affairs needs to issue permission.

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

Upon Motion the Board went into Executive Session at 8:04 p.m. pursuant to C.R.S. Section 24-6-402(3) (a) (II) and closed at 8:50 p.m.

The topics discussed during executive session were legal services for Colorado Centre Metropolitan District and the Service Plan Amendment.

No further discussion was needed.


III. Adjournment

A motion was made and seconded to adjourn the regular meeting at approximately 8:51 p.m. Upon a voice vote, the motion passed unanimously.

Respectfully Submitted,



Michael Cantin, President


Floyd Edwards, Secretary