

**CASTLE PINES NORTH METROPOLITAN DISTRICT
REGULAR MEETING MINUTES
February 20, 2018 – 6:00 p.m.**

HELD: Tuesday, February 20, 2018 at 6:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Rock, Colorado.

ATTENDEES: Directors Kathy Rosenkrans, Stephen Allen, David Necker, Eric Anderssen and Dave Brennan were present. Also present were District Manager Jim Nikkel, District Administrator Janet Burnham and Parks & Open Space Manager Craig Miller. Also in attendance were finance manager Amanda Castle of Pinnacle Consulting Group, District legal counsel Joan Fritsche, and communications consultants Sara O'Keefe and Bryan Blakely of Turn Corps as well as Jim Harrington of Ehlers. Approximately 15 residents attended and water rights attorney Austin Hamre arrived at 7:30 p.m.

CONFLICTS: None

QUORUM: Present

APPROVAL OF AGENDA: A motion was made by Director Necker to approve the agenda. The motion was seconded by Director Rosenkrans and was approved unanimously.

PUBLIC COMMENT: None

ACTION ITEMS:

A motion was made by Director Brennan to approve the minutes of the regular meeting held January 16, 2018. The motion was seconded by Director Necker and was approved 4-0 with Director Anderssen abstaining since he was not present at that meeting.

A motion was made by Director Brennan to approve the minutes of the study session held February 12, 2018. The motion was seconded by Director Allen and was approved unanimously.

Finance manager Amanda Castle presented the unaudited financial statements through 12/31/17 and noted that Pinnacle has begun working on the 2017 audit work papers. Pursuant to discussion, a motion was made by Director Anderssen to accept the financial report. The motion was seconded by Director Necker and was approved unanimously.

A motion was made by Director Anderssen to approve/ratify the payables in the total amount of \$996,321.84 which includes \$84,775.51 for the General Fund/Debt Service and \$818,468.00 for the Enterprise Fund (check numbers 23331 through 23392) and all electronic payments (totaling \$93,078.33). The motion was seconded by Director Rosenkrans and was approved unanimously.

Manager Nikkel initiated a presentation on the Renewable Water Plan and the options for financing it. Jim provided a review of the history of the Plan. Amanda continued the presentation with the

District's current financial picture as compared to 2016, and slides showing the effects of TABOR and the Gallagher Amendment on the District's property tax revenues. Jim Harrington followed with finance structuring options, updated at the Board's request from the prior week's study session, and the potential impact of interest rates on the Plan financing. In summary, consultants from Ehlers and George K. Baum recommended that the Board consider a proposed May 8, 2018 TABOR election question that would ask for a maximum debt service mill levy of 11.45, although the consultants anticipate that 9.95 mills will be sufficient to repay general obligation debt issued to finance the Plan. The higher mill levy authorization provides a buffer against interest rate increases, market volatility, and/or an economic downturn that adversely affects the pace and pricing of the Lagae development, and tap fee and renewable water fee revenues generated there from. After questions from the Board were addressed, the meeting was opened to public comment on the Plan and financing options presented. Eight residents expressed their questions and concerns with almost all of them speaking in favor of the Plan and asking the Board to approve placing the issue on the May 8th ballot.

At 8:05 p.m. the Board called for a brief break after which the meeting resumed at 8:17 p.m.

The Plan presentation continued with Joan Fritsche explaining the TABOR requirements and an explanation of the sections of the ballot question.

Pursuant to discussion, which included each of the directors explaining why they are supporting debt authorization and a mill levy increase in order to finance the Renewable Water Plan and placement of the issue on the May 8, 2018 ballot, a motion was made by Director Rosenkrans to approve Resolution No. 2018-005:

Resolution of the Board of Directors of Castle Pines North Metropolitan District calling the 2018 regular election within the Castle Pines North Metropolitan District for the purpose of electing two directors to serve for a term of four years and two directors to serve for a term of two years, and authorizing a TABOR election within the Castle Pines North Metropolitan District for the purpose of submitting to the eligible electors of the District a question relating to the issuance of debt for the purpose of financing sustainable and renewable water resources and water infrastructure for the District and the authorization of imposing a levy of taxes not to exceed 11.45 mills each year for partial payment of such indebtedness, and approving other matters in connection therewith.

The motion was seconded by Director Anderssen and a roll call vote was taken with each Director voting in favor, passing the motion unanimously.

A motion was made by Director Brennan to approve a Professional Services Agreement with Kutak Rock to provide TABOR Election and Bond Counsel services in connection with the issuance by the District of General Obligation Limited Tax Bonds. The motion was seconded by Director Necker and was approved unanimously.

Sara O'Keefe of Turn Corps updated the Board regarding public outreach efforts.

Parks & Open Space Manager Craig Miller provided an update regarding ongoing projects.

Manager Nikkel reviewed his monthly report including upgrades to the water treatment plant and updates on the Chatfield Reallocation Project. He also recommended that the Board hold a meeting with City Council to discuss the District's and the City's respective mill levy needs and other community issues.

Legal counsel Joan Fritsche addressed the Board regarding the annual review of Director conflicts of interest forms and completing affidavits of qualification.

DIRECTOR COMMENTS: None

PUBLIC COMMENTS: None

At 9:48 p.m. a motion was made by Director Rosenkrans for the Board to go into executive session with Jim Nikkel, Austin Hamre and Joan Fritsche, pursuant to C.R.S. §24-6-402(4)(b) and (e) for the purpose of receiving legal advice and instructing negotiators concerning the potential purchase of water rights.

The regular meeting was resumed at 10:19 p.m. and, with all other business to come before the Board having been addressed, the meeting was adjourned.

CASTLE PINES NORTH METROPOLITAN DISTRICT

**ATTORNEY'S STATEMENT RE:
MINUTES OF THE EXECUTIVE SESSION
OF THE BOARD OF DIRECTORS**

February 20, 2018

I, Joan M. Fritsche, herewith make the following signed statement in accordance with C.R.S. Section 24-6-402(2)(d.5)(II)(B):

1. I am an attorney serving as general counsel to the local public body of the Castle Pines North Metropolitan District, Douglas County, Colorado (CPNMD).
2. The Board of Directors of CPNMD met with Jim Nikkel, Austin Hamre and me in executive session during its regular board meeting on February 20, 2018 pursuant to C.R.S. §24-6-402(4)(b) and (e) for the purpose of receiving legal advice and instructing negotiators concerning the potential purchase of water rights.
3. The executive session lasted from approximately 9:48 p.m. to 10:19 p.m. The executive session was not recorded based upon my opinion that the discussion constituted privileged attorney-client communication.

Joan M. Fritsche
Attorney for CPNMD

As President of the Board of Directors of CPNMD, I attest that the portion of the executive session that was not recorded was confined to the topic authorized for discussion in an executive session pursuant to C.R.S. subsection (4)(b) of Section 24-6-402.

Kathy Rosenkrans, President