

CASTLE PINES NORTH METROPOLITAN DISTRICT

SPECIAL MEETING MINUTES

August 4, 2008

HELD: Monday, August 4, 2008 at 6:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Rock, Colorado.

ATTENDEES: Directors Bruce Thompson, Ted Lohr, Bill Santos, and Andy Rhodes were present. Also in attendance were District Manager Jim McGrady, District Finance Manager Dan Schmick, and District Administrator Janet Burnham. Attorney Joan Fritsche of Foster, Graham, Milstein, and Calisher LLP attended as did Steve Jeffers of Stifel Nicolaus, Ken Gukenberger of Kutak Rock, consultant Gene Andrist, and water attorney Austin Hamre. Two residents were also present. Director Mark Carlson was absent (excused).

CONFLICTS: None

QUORUM: Present

PUBLIC COMMENT: Resident Ron Clark commended the Board on its successes in accomplishing the sale of the Certificates of Participation (COP's) to acquire storage in the Rueter-Hess reservoir.

ACTION ITEMS:

Director Rhodes made a motion to approve the intergovernmental agreement (IGA) between the District and the Parker Water & Sanitation District concerning water storage space in the Rueter-Hess reservoir. Attorney Austin Hamre answered questions presented by the Board to clarify the content of the (IGA). The motion was seconded by Director Lohr and was approved by all.

Attorney Joan Fritsche addressed the Board regarding the Assignment of Rights under the IGA with Parker Water & Sanitation. Fritsche explained that the document (not available for Board review at the time of the meeting) outlines and defines the obligations to be assumed by the District versus the Finance Corporation with regard to the IGA. The IGA is with the District, the Party of Interest, which will be the party controlling the variable interest rate. Director Rhodes moved to approve the Assignment of Rights subject to final review by the Board. Director Lohr seconded the motion and all voted in favor.

Attorney Ken Guckenberger provided the Board with an overview of other documents pertaining to the COP's that cover general agreements between the District and the

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Finance Corporation, culminating in a Board Resolution approving all of the related transactions and documents. A motion was made by Director Thompson to approve the Resolution. The motion was seconded by Director Rhodes and was approved by all.

At 6:55 p.m. Director Rhodes moved to convene a meeting of the Finance Corporation and continue the District special meeting at its conclusion. The motion was seconded by Director Thompson and all voted in favor.

The District special meeting was reconvened at 7:30 p.m.

DISCUSSION ITEMS

Director Thompson led discussion concerning the impact of the Lagae development and any future inclusions on the District's ability to provide water service. He expressed concern that future inclusion agreements include specific wording as to the renewable water expected to be provided by developers. The Board concurred that, while the City might opt to include an area within the City limits, such an action would not obligate the District to include it in its service area. The Board will discuss the issue further.

The Board discussed the Castle Pines North Homeowners' Association No. 1 irrigation meter situation and concurred that any potential obligation to the HOA had been satisfied with the action taken by staff to make an adjustment on their water bills.

All business to come before the Board having been addressed, the meeting was adjourned at 8:20 p.m.