

CASTLE PINES NORTH METROPOLITAN DISTRICT

REGULAR MEETING MINUTES

April 21, 2008 – 7:00 PM

HELD: Monday, April 21, 2008 at 7:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Rock, Colorado.

ATTENDEES: Directors Ted Lohr, Carl Lowman, Cortney Brand, Mark Shively and Bruce Thompson were present. Also in attendance were District Manager Jim McGrady, District Finance Manager Dan Schmick, District Parks and Open Space Manager Charlie Fagan, District Administrative Assistant Jan Walker, and District Counsel John Hayes. Communications Specialist Denise Bassett was present as well. Steve Jeffers of Stifel Nicolaus was also present. Approximately 30 residents attended.

CONFLICTS: None

APPROVAL OF AGENDA: Approved

QUORUM: Present

PUBLIC COMMENT:

A resident queried the Board as to why the agenda discussion item regarding the City of Castle Pines North replacing the County as a member of the Parks Authority was not being considered as an action item. The Board concurred that the issue would be addressed as an action item.

ACTION ITEMS:

Director Lowman made a motion to approve the minutes of the regular meeting held March 17, 2008. The motion was seconded by Director Thompson and was approved by all.

A motion was made by Director Shively to approve the March 2008 financial report. Director Thompson seconded the motion and all voted in favor.

Director Shively moved to approve the March 2008 payables in the amount of \$432,761.98. The motion was seconded by Director Thompson and was approved by all. Regarding the invoice from Deere & Ault Consultants for the Plum Creek Reservoir Enlargement Study, Manager McGrady informed the Board that two-thirds of the cost would be reimbursed to the CPN Metro District by the Castle Pines Metro District and the town of Castle Rock.

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A motion was made by Director Shively to approve Resolution No. 2008-004 establishing rates and fees for the Castle Pines North Metro District. Director Lowman seconded the motion and all voted in favor.

Director Thompson moved to approve Resolution No. 2008-005 amending the 2007 budget to reflect additional principal payment in the amount of \$1,300,000 for the 2006C Bonds. The motion was seconded by Director Brand and was approved by all.

Regarding the issuance of bonds by the Castle Pines North Finance Corporation, Steve Jeffers of Stifel Nicolaus informed the Board that the District had been approved by Wells Fargo for a total of \$24,500,000, of which \$9,000,000 would be needed for participation in the Reuter Hess Reservoir. It will take approximately 75 days to prepare the bond documents for Board approval. A motion was made by Director Shively to approve the term sheet from Wells Fargo dated April 16, 2008 for the issuance of \$9,000,000 in bond financing and to authorize staff to begin preparing bond documents for the issuance of bonds by the Castle Pines North Finance Corporation. Director Lowman seconded the motion and all voted in favor.

DISCUSSION ITEMS:

Director Shively, also President of the Douglas County Water Resources Authority, updated the Board on recent and future activities of the DCWRA.

The Board discussed the purchase of an additional 316 acre feet of storage in Chatfield Reservoir as has been made available by Parker Water & Sanitation. General Manager McGrady had earlier been authorized to acquire enough space from Parker to give Castle Pines North 1,000 acre feet of space in the reallocated Chatfield Reservoir. Since this amount was less than what was previously authorized no further Board action was required and manager McGrady was told to proceed.

With regard to the Open Space Improvement Plan, Charlie Fagan informed the Board that two proposals had been received from landscape architects in response to RFP's that had been sent out. Fagan will review the proposals and present them to the Board for consideration at the May meeting. In addition, Fagan would like to form a six-citizen advisory board consisting of one member each from the Metro District, the City of Castle Pines North and the Master Homeowners' Association with each of them appointing a citizen to join them on the advisory board. The District Board concurred that Fagan should proceed with the formation of such an advisory board.

The Board discussed the \$1,000,000 that had been previously earmarked for park construction via the Parks Authority. Director Shively provided a brief history of the District's need for the Authority and the origin of the \$1,000,000 set-aside. Given the current situation with the need for purchasing renewable water, the Board has concerns that the money may be better utilized for that purpose rather than for contributing to the

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construction of a park. The Board would also like to see a plan on how much the Parks Authority needs to construct a new park, whether it be Castle View, a park on the Lagae parcel, or an expansion of Coyote Ridge Park. Several members of the audience expressed their feeling that the money should be used for parks since no new parks have been constructed in the District and expanding the parks in the District would provide a more immediate benefit to current residents than would be realized by using the funds for purchasing water resources. Sandy Colling, President of the Parks Authority, expressed his opinion that, as the money had been promised to the Authority, the District Board should hold off on a decision to withdraw the offer of the funds until more detailed information is obtained as to how much is needed for park construction and/or expansion. The District Board concurred that it would delay making a final decision until a more specific need for either renewable water or a parks project was identified.

Subsequent to discussion, Director Thompson made a motion to approve the replacement of Douglas County with the City of Castle Pines North as a member (and, therefore, a power vote) of the Castle Pines Parks Authority. The motion included approval to expand the Parks Authority Board from five to six so that the County could retain representation on the Board. The motion was seconded by Director Shively and was approved by all.

At the request of the City of Castle Pines North, discussion regarding the City replacing Douglas County as the administrator of the District's service plan was tabled and thereby removed from further consideration by the Metro District Board.

Subsequent to discussion, the Board concurred that the Metro District would take on maintenance and operation of a park on the Lagae parcel only if the park was deeded to the District.

Manager McGrady updated the Board with regard to various District projects as follows:

- conversion of the water treatment plant from gas to liquid chlorine is 75% complete;
- the Interconnect pipeline is on schedule to be completed by late 2009 or early 2010 with the District as a direct beneficiary of the project;
- a quieter pump will be installed at Well A-5 in August 2008;
- the electrical equipment for Well A-3 needs to be relocated. This expense will be accommodated in the 2009 budget;
- preliminary construction plans for Lagae Ranch have been given to Meurer & Associates for review;

Communications Specialist Bassett informed the Board that, as part of the citizens-driven initiative to promote water conservation, Water Awareness Responsibility Program presentations had been made in local schools and a questionnaire will be included with the April water bills mailing in May.

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At 9:51 p.m. Director Shively made a motion for the Board to go into executive session under §24-6-402(4)(e) – potential litigation and negotiations. Director Lowman seconded the motion and all voted in favor.

At 10:30 p.m. the regular meeting was reconvened and, all business to come before the Board having been addressed, the meeting was adjourned.