

CASTLE PINES NORTH METROPOLITAN DISTRICT

REGULAR MEETING MINUTES

July 21, 2008 – 7:00 PM

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

ATTENDEES: Directors Ted Lohr, Bruce Thompson, Mark Carlson, Andy Rhodes and Bill Santos were present. Also in attendance were District Manager Jim McGrady, District Finance Manager Dan Schmick, District Parks and Open Space Manager Charlie Fagan, District Administrator Janet Burnham, and District Counsel John Hayes. Communications Specialist Denise Bassett was present as were three representatives from CH2M Hill. Approximately 30 residents and guests attended.

CONFLICTS: None

APPROVAL OF AGENDA: Approved

QUORUM: Present

PUBLIC COMMENT:

Ron Clark provided the Board with an update on his Weathermatic ET system.

Jennifer Havercroft asked about the status of the plan to move the Well A3 equipment. Manager McGrady responded that the project was at least temporarily on hold.

ACTION ITEMS:

Director Santos made a motion to elect a slate of Board officers as follows: President – Bill Santos, Vice President – Andy Rhodes, Treasurer – Mark Carlson, Secretary to the Board – Janet Burnham. The motion was seconded by Director Carlson and was approved by all.

A motion was made by Director Rhodes to approve, as amended, the minutes from the regular meeting of 6/16/2008. Director Carlson seconded the motion and all voted in favor.

Director Lohr moved to approve the June 2008 financial report. The motion was seconded by Director Thompson and was approved by all. Staff was directed to provide an additional report in the financial packet listing any exceptional expenses. Manager

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McGrady informed the Board that the bond trustee had been instructed to make a debt pre-payment effective 8/1/08.

Director Thompson moved to approve the June 2008 payables in the amount of \$544,083.96. The motion was seconded by Director Lohr and was approved by all.

A motion was made by Director Rhodes to set two special meetings – one for the Metro Board and one for the CPN Finance Corporation – on Monday, August 4, 2008 beginning at 6:00 p.m. Director Carlson seconded the motion and all voted in favor.

In order to provide CPN Board representation with the Douglas County Water Resources Authority, Director Rhodes moved to appoint Mark Carlson as the District's representative to replace former CPN Board member Mark Shively. The motion was seconded by Director Carlson and was approved by all.

DISCUSSION ITEMS:

Manager Jim McGrady provided a re-cap of the finance meeting held between representatives of the District, the City of Castle Pines North, and CH2M Hill. At this point, CH2M Hill needs to refine their calculations and, therefore, no conclusions have been reached.

Discussion and approval of the purchase of certificates of participation for Rueter-Hess will take place at the special meeting scheduled for August 4th.

Parks & Open Space Manager Charlie Fagan presented the Board with three bids that he received for the Coyote Ridge Park Trail Project Option #1 as discussed at the previous meeting. A motion was made by Director Rhodes to award the bid for initial design to Norris Design in the amount of \$7,900. Director Carlson seconded the motion and all voted in favor.

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

- Interconnect Project – Centennial is finalizing their comments and estimated costs. There will be two agreements – one will be with Centennial and the other will be a cost-sharing agreement between the CPN Metro District and Castle Rock;
- Water levels update – the IWRP included water level figures through the end of 2005. CDM has compiled new data through the pre-irrigation season of 2008. One of the major conclusions points to overall declines in well levels at a faster rate than originally anticipated in the IWRP, thereby reinforcing the need for the District to secure renewable water resources.

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Manager McGrady updated the Board with regard to the South Metro Water Authority and the draft agreement to participate in the ECCV pipeline which has been forwarded to Austin Hamre for review.

Don Howell, Wally McKinnon and David Mortensen of CH2M Hill provided an overview of the financial feasibility study they completed regarding consolidation of District services and revenues with the City of Castle Pines North. They explained options in which the District would reduce its 19 mill levy currently earmarked for operations and maintenance by either 12 or 17 mills so that the City could levy an equal amount for its operations.

Following the presentation, the meeting was opened for public comment:

-Dan Schatz pointed out the IWRP conclusion that the cost to acquire renewable water resources was expected to be around \$60,000,000 and any reduction in the District's mill levy might compromise the District's ability to obtain those resources;

-Jeff Huff posed the question of how a transfer of mills from the District to the City would affect the operations of the District;

-Linda Nuzum pointed out that CPN does not have the highest mill levy in Douglas County and urged the District Board and the City Council to consider what is best for the community.

Director Santos asked the CH2M Hill representatives what would be the operational implications by a consolidation and how do the scenarios provide for acquisition of renewal water resources? In addition, if the City needs 19 mills to fully function, how will it make up the shortfall in services and capital improvements?

It was the consensus of the Board that Manager McGrady and Finance Manager Schmick meet with CH2M Hill to go over the scenarios in greater detail so that some of the concerns could be addressed.

Director Rhodes informed the Board that the landscape master plan committee had held its second meeting and identified its primary focus as being the main entrances to the community.

At 9:20 p.m. Director Thompson moved to go into executive session under §24-6-402(4)(b) – legal consultation. The motion was seconded by Director Carlson and was approved by all.

At 11:7 p.m. the regular meeting was re-convened and, all business to come before the Board having been addressed, was forthwith adjourned.