

CASTLE PINES NORTH METROPOLITAN DISTRICT

REGULAR MEETING MINUTES

February 19, 2008 – 7:00 PM

HELD: Monday, February 19, 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, and Mark Shively were present. Also in attendance were District Manager Jim McGrady, District Administrator Janet Burnham, District Finance Manager Dan Schmick, and District Parks and Open Space Manager Charlie Fagan. Attorney Hilary Graham was present, sitting in for District Counsel John Hayes. Communications Specialist Denise Bassett was present as well. Jason Carroll and Dawn Jones of Clifton Gunderson and Steve Jeffers of Stifel Nicolaus were also in attendance. Approximately 10 residents attended. Director Thompson was absent (excused).

CONFLICTS: None

APPROVAL OF AGENDA: Approved

QUORUM: Present

Jason Carroll and Dawn Jones of Clifton Gunderson made a presentation regarding financing options for obtaining renewable water sources (copy attached). Ms. Jones presented a financial model that was prepared for the District showing how approximately \$50,000,000 in bond financing could be paid using a combination of excess revenue from the 19 mills, revenue generated from the Capital Improvement Fee, profit from the sale of water, and tap fees from various developments.

Steve Jeffers of Stifel Nicolaus provided the Board with an update on the proposals for letters of credit that had been obtained from two providers and discussed in a prior meeting. Due to the current national credit situation, one of the providers had placed a moratorium on new loans and the other provider's fees had increased to a point where their proposal was no longer attractive. Jeffers informed the Board that he was procuring two new proposals for letters of credit that would allow for \$50,000,000 to be obtained in two different increments.

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ACTION ITEMS:

Director Shively made a motion to approve the minutes of the regular meeting held January 16, 2008. The motion was seconded by Director Lowman and was approved by all.

Director Lowman moved to approve the January 2008 financial report. The motion was seconded by Director Shively and was approved by all.

Director Brand moved to approve the January 2008 payables in the amount of \$404,015.42. The motion was seconded by Director Shively and was approved by all.

By consensus, the Board agreed to table approval of Resolution No. 2008-004 establishing rates and fees for the Castle Pines North Metropolitan District and move it to a Discussion item. This was done to allow further review and to provide residents with an opportunity to comment on the proposed rates.

DISCUSSION ITEMS:

The Board discussed the proposed multi-year rate and fee schedule. The schedule would change the tap fees to being paid in full prior to any construction and would implement a wastewater connection fee. The Board requested that the schedule be posted on the District's website so that public input could be obtained prior to its approval.

Discussion was held regarding the two irrigation meters owned by CPN Homeowners' Association No. 1 that had either stopped functioning or had been taken out of service several years ago and were no longer in the District's billing system. The meters had been repaired and reconnected without notification being given to the District to add them back into the billing system. The matter has been addressed via a letter to the HOA which requested that the HOA work with the District to determine if and how back charges should be assessed. It was thought that the HOA would be discussing the issue at their next meeting.

Parks and Open Space Manager Fagan informed the Board that the new restrooms for the parks should get installed later in the week. He also advised the Board that bid requests for the landscape master plan had gone out and bids are due back by March 21st.

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

- bids for the water treatment plant conversion have gone out and he hopes to award the project soon with a completion date of April 15th .;
- Rueter-Hess Reservoir – waiting on the Record of Decision, working on finalizing the Purchase and Sale Agreement;

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- Lagae parcel – offsite improvements and lift station requirements are being studied by an outside engineering firm;
- Well A-5 is scheduled to go into production on February 22nd.

Communications Specialist Bassett informed the Board that the email blast announcing the first management-level water conservation workshop would be going out the next day. In addition, enhancements to the website were ongoing.

All business to come before the Board having been addressed, the meeting was adjourned at 8:35 p.m.