

CASTLE PINES NORTH METROPOLITAN DISTRICT

SPECIAL MEETING MINUTES

October 5, 2009 – 4:00 p.m.

HELD: Monday, October 5, 2009 at 4:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Rock, Colorado.

ATTENDEES: Directors Bill Santos, Bruce Thompson and Andy Rhodes were present. Also in attendance were District Manager Jim McGrady, Assistant District Manager Dan Schmick, District Administrator Janet Burnham and District Counsel John Hayes. Two residents/guests also attended. Directors Carlson and Zemp were absent (excused).

CONFLICTS: None

QUORUM: Present

AGENDA: The Board concurred that the agenda should include a public comment section, an action item to consider the Hock Hocking Purchase & Sale (PSA) agreement, approval of Resolution 2009-008, and an executive session pursuant to §24-6-402(4)(f), C.R.S. – personnel.

PUBLIC COMMENT:

Dan Schatz – Due to the failure of the City of Castle Pines North to file an audit for 2008 and to accomplish some integration of the City with the District, Schatz recommended to the Board that all accounting functions of the City be transferred to the District. A copy of his proposal is attached.

ACTION ITEMS:

The Board discussed Resolution No. 2009-008 Manager Signature Authority Amendment and concurred that it needed further clarification and, possibly, limitation. Counsel Hayes will work with the Board in that regard and consideration of the resolution was tabled pending further discussion in executive session.

Director Thompson reviewed the elements of the Hock Hocking PSA and its payment structure totaling \$7,011,000. The Board expects to close the deal on October 12th. Director Thompson made a motion to allow Manager McGrady to sign the PSA with the caveat that Thompson review and accept any proposed changes. Director Rhodes seconded the motion. Pursuant to discussion, Thompson amended the motion such that any changes to the PSA be sent to all Board members via email for approval. The approval would be ratified at the next meeting of the Board. Assistant District Manager Schmick informed the Board that, without the approval from Wells Fargo to expend

MINUTES OF SPECIAL MEETING
BOARD OF DIRECTORS
CASTLE PINES NORTH METRO DISTRICT
August 28, 2009

funds from the recently issued certificates of participation (CoP's), funding of the Hock Hocking water rights would significantly deplete the General Fund reserves.

Prior to a vote on the motion, resident Chip Coppola expressed concerns about the price of the water rights given the potential risks. The Board responded that the rights are very valuable and worth the price given that they are for a non-tributary water source. Coppola also expressed concern about the possible need to deplete the General Fund in order to fund the acquisition. The Board responded that they believed Wells Fargo would relent and allow use of the CoP's and authorized Manager McGrady to press Wells Fargo in that regard.

The vote was called and the motion passed unanimously.

At 5:05 p.m. Director Rhodes moved to go into executive session under §24-6-402(4)(f), C.R.S. – personnel. Director Thompson seconded the motion and all voted in favor.

At 5:55 p.m. the open session was reconvened and forthwith adjourned.