

CASTLE PINES NORTH METROPOLITAN DISTRICT

SPECIAL MEETING MINUTES

December 21, 2009 – 6:00 p.m.

HELD: Monday, December 21, 2009 at 6:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Rock, Colorado.

ATTENDEES: Directors Bill Santos, Bruce Thompson, Mark Carlson, Dwight Zemp, and Andy Rhodes were present. Also in attendance were District Manager Jim McGrady, Assistant District Manager Dan Schmick, District Parks and Open Space Manager Charlie Fagan, District Administrator Janet Burnham and District Counsel John Hayes. Mary Hammond of Carlson, Hammond & Paddock attended as did Bill Warmack of Applegate Group and Kevin Meder of Black & Veatch. Five residents/guests also attended.

CONFLICTS: None

QUORUM: Present

AGENDA: Approved

ACTION ITEMS:

A motion was made by Director Thompson to approve the November 2009 financial statements. Director Rhodes seconded the motion and all voted in favor.

Director Rhodes made a motion to approve the November 2009 payables in the amount of \$180,089.74. The motion was seconded by Director Thompson and was approved by all.

Bill Warmack of the Applegate Group provided the Board with a river operations model and a review of the District's renewable water plan. He explained how the various South Platte River supplies that the District owns work together and with Chatfield, the Interconnect Project, and Rueter-Hess Reservoir.

Mary Hammond of Carlson, Hammond & Paddock reviewed the purpose behind Resolution No. 2009-016 authorizing District Staff, water attorneys, and engineers to file an application for exchange and conversion of previously acquired water rights from agricultural use to municipal use. The resolution also contained authorization to appropriate new storage rights on the Lower South Platte River. Pursuant to the review, a motion was made by Director Rhodes to approve the resolution subject to changes in

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wording in paragraphs 2 and 4 that Ms. Hammond will make. The motion was seconded by Director Thompson and was approved by all.

Manager McGrady provided an overview of the proposed Purchase and Sale Agreement between the District and Henderson Aggregates, Inc. for the acquisition of the Stage Coach gravel pit reservoir, subject to favorable due diligence findings. The Board gave direction to negotiate a Letter of Intent for the purchase of the Stage Coach Reservoir before proceeding to a Purchase and Sale Agreement.

Manager McGrady provided an update on the current status of the Interconnect Project agreement with the Centennial Water and Sanitation District. He discussed means by which the existing agreement guarantees the Castle Pines North Metro District a minimum delivery. Pursuant to discussion, a motion was made by Director Santos stating that the Board approves the agreement subject to negotiations on a few specific points in the agreement. Director Thompson seconded the motion and all voted in favor.

Kevin Meador of Black & Veatch explained to the Board that, with regard to the Interconnect Project, two permits are needed from Douglas County. The County is prepared to approve the permits pending completion of an agreement between CPNMD and Centennial Water and Sanitation. In order to facilitate the project's timelines, Director Rhodes moved to approve geotechnical services expenses up to January 19, 2010 not to exceed \$10,000. The motion was seconded by Director Zemp and was approved by all.

At the call for public comment, resident and former District Director Cortney Brand expressed his support for the Board to pursue and complete the Interconnect Project.

All business to come before the Board having been addressed, the meeting was adjourned at 8:17 p.m.