

**CASTLE PINES NORTH METROPOLITAN DISTRICT
REGULAR MEETING MINUTES
October 17, 2016 – 6:00 p.m.**

HELD: Monday, October 17, 2016 at 6:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Rock, Colorado.

ATTENDEES: Directors Keith Dodd, Kathy Rosenkrans, Eric Anderssen, and Stephen Allen were present. Director Eric Edwards was absent (excused). Also present were District Manager Jim Nikkel, Parks & Open Space Manager Craig Miller, and District Administrator Janet Burnham. Also in attendance were Finance Manager Amanda Castle of Pinnacle Consulting Group, district legal counsel Joan Fritsche, Fletcher Davis of Bartle Wells, communications consultant Sean Walsh, and Sara O'Keefe and Brian Blakely of IQu Strategies. Nineteen residents also attended.

CONFLICTS: None

QUORUM: Present

APPROVAL OF AGENDA: Manager Jim Nikkel requested that the agenda be amended to accommodate an additional public comment/question period following the draft 2017 budget and draft 2017 rates and fees presentations. A motion was made by Director Dodd to approve the agenda, as amended. The motion was seconded by Director Allen and was approved unanimously.

PUBLIC COMMENT: None at this time

ACTION ITEMS:

A motion was made by Director Allen to approve the minutes of the regular meeting held August 15, 2016. The motion was seconded by Director Dodd and was approved unanimously.

Approval of the September 19, 2016 regular meeting minutes was tabled due to there not being a quorum of Directors present who had attended that meeting.

Finance Manager Amanda Castle presented the financial statements and addressed questions from the Board. Pursuant to discussion, a motion was made by Director Rosenkrans to accept the financial report and items from the Finance Manager. The motion was seconded by Director Dodd and was approved unanimously.

A motion was made by Director Dodd to ratify the payables in the total amount of \$621,046.23 which includes \$202,839.00 for the General Fund/Debt Service and \$361,367.72 for the Enterprise Fund (check numbers 22255 through 22320) and all electronic payments (totaling \$56,839.51). The motion was seconded by Director Allen and was approved unanimously.

Amanda Castle reviewed highlights of the draft 2017 budget noting in particular the lower mill levy resulting from the retirement of the oldest District debt.

Fletcher Davis provided a presentation on the proposed 2017 rates and fees and reviewed the expense factors influencing them. In addition to increases to the water and sewer rates and fees, the study recommended a \$15 monthly renewable water fee which would be discontinued should a successful bond election be accomplished in the next two-three years. Increases to the Water Connect Fee and the developer Renewable Water Fee were also advised.

Pursuant to the presentations, the meeting was opened up to the residents to address the Board with comments and questions. The comments primarily addressed concerns that residents were not provided enough detailed information regarding the bond issue, alternatives to the proposed renewable water plan, and concerns about some of the rates.

At 7:20 p.m. Director Dodd requested a short recess. The meeting was reconvened at 7:30 p.m.

Parks and Open Space Manager Craig Miller reviewed his monthly report updating the Board with regard to ongoing open space management projects.

Brian Blakely of IQu Strategies update the Board on communications efforts.

Manager Nikkel reviewed his monthly report and provided the Board with updates on various issues including the Legacy Village development and the Chatfield Reallocation Project.

Legal counsel Joan Fritsche informed the Board that the last month had been primarily devoted to continued work on the Lagae easements, providing definition on director roles and disclosures and District functions. She also worked on the A & A litigation which she would address in executive session.

At 7:50 p.m. a motion was made by Director Rosenkrans to go into executive session pursuant to §24-6-402(4)(b) and (e), C.R.S. to confer with an attorney for the purpose of receiving legal advice on specific legal questions, and to instruct negotiators concerning the A & A litigation. The motion was seconded by Director Dodd and was approved unanimously.

At 8:45 p.m. the Board came out of executive session and reconvened the regular meeting.

With all other business to come before the Board having been addressed, the meeting was adjourned.

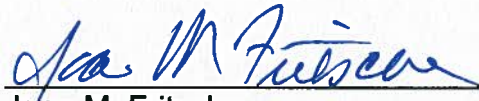
CASTLE PINES NORTH METROPOLITAN DISTRICT

**ATTORNEY'S STATEMENT RE:
MINUTES OF THE EXECUTIVE SESSION
OF THE BOARD OF DIRECTORS**

October 17, 2016

I, Joan M. Fritsche, herewith make the following signed statement in accordance with C.R.S. Section 24-6-402(2)(d.5)(II)(B):

1. I am an attorney serving as general counsel to the local public body of the Castle Pines North Metropolitan District, Douglas County, Colorado (CPNMD).
2. The Board of Directors of CPNMD met with Jim Nikkel and me in executive session during its regular board meeting on October 17, 2016 pursuant to C.R.S. §24-6-402(4)(b) and (e) to confer with an attorney for the purpose receiving legal advice on specific legal questions, and to instruct negotiators concerning advice related to the District being named as a "Counterclaim Defendant" by A and A Investments in a lawsuit filed against A and A by R.I. Tulsa Management, LLC.
3. The executive session lasted from approximately 7:50 p.m. to 8:45 p.m. The executive session was not recorded based upon my opinion that the discussion constituted privileged attorney-client communication.



Joan M. Fritsche
Attorney for CPNMD

As President of the Board of Directors of CPNMD, I attest that the portion of the executive session that was not recorded was confined to the topic authorized for discussion in an executive session pursuant to C.R.S. subsection (4)(b) and (e) of Section 24-6-402.



Keith Dodd, President of Board of Directors
Castle Pines North Metropolitan District