

**CASTLE PINES NORTH METROPOLITAN DISTRICT
REGULAR MEETING MINUTES
JANUARY 20, 2015 – 6:00 p.m.**

HELD: Monday, January 20, 2015 at 6:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Rock, Colorado.

ATTENDEES: Directors Kathy Rosenkrans, Eric Anderssen, Keith Dodd, and Stephen Allen were present. Director Steve Labossiere 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 Director Peggy Dowswell of Pinnacle Consulting Group, and District legal counsel Joan Fritsche. Paul Wisor of Ehlers Inc. attended, as well, as did Jason Mumm, Fletcher Davis, and Chip Paulson of MWH, and Alan Matlosz and Michael Persichitte of George K. Baum.

CONFLICTS: None

QUORUM: Present

Due to the absence of Board President, Steve Labossiere, a motion was made by Director Allen to have Vice President, Keith Dodd, preside over the meeting. The motion was seconded by Director Anderssen and was approved unanimously.

APPROVAL OF AGENDA: A motion was made by Director Allen to approve the agenda with the corrections to the financial information that were made prior to the meeting. The motion was seconded by Director Rosenkrans and was approved unanimously.

PUBLIC COMMENT: None

ACTION ITEMS:

A motion was made by Director Allen to approve the minutes of the regular meeting of December 15, 2014. The motion was seconded by Director Anderssen and was approved unanimously.

Peggy Dowswell reviewed the financial statements and addressed questions from the Board. She further informed the Board that the 2015 budget would be submitted to the state by the January 31, 2015 deadline and that the District's 1099's are also in process. A motion was made by Director Allen to accept the financial report and items from the Finance Director. The motion was seconded by Director Rosenkrans and was approved unanimously.

A motion was made by Director Allen to approve/ratify the payables in the total amount of \$396,131.81 which includes \$78,627.98 for the General Fund/Debt Service and \$221,903.70 for the Enterprise Fund (check numbers 20737 through 2020818 totaling \$300,531.68) and all electronic payments (totaling \$95,600.13). The motion was seconded by Director Anderssen and was approved unanimously.

Peggy Dowswell informed the Board that she had received three responses to the request for a proposal for the 2014 audit. Pursuant to discussion, a motion was made by Director Anderssen to approve the engagement of Simmons & Wheeler, P.C. to perform the 2014 audit. The motion was seconded by Director Allen and was approved unanimously.

At 6:30 p.m. a motion was made by Director Rosenkrans to recess the regular meeting of the Castle Pines North Metro District and convene a meeting of the Castle Pines North Finance Corporation. The motion was seconded by Director Anderssen and was approved unanimously.

Castle Pines North Finance Corporation:

The Board discussed the Finance Corporation and concurred that, since the Corporation would no longer be needed after refunding the 2008 and 2009 Certificates of Participation and transferring the Finance Corporation's assets to the District, the Board should consider dissolving the Corporation. A motion was made by Director Rosenkrans to approve Finance Corporation Resolution No. 2015-001 authorizing: 1) the Notice to Trustee of Issuer's Intent to Redeem Certificates of Participation and Direction to Send Notice Thereof to Certificate Holders for Series 2008, in the principal amount of \$8,575,000; and 2) the Notice to Trustee of Issuer's Intent to Redeem Certificates of Participation and Direction to Send Notice Thereof to Certificate Holders for Series 2009, in the principal amount of \$16,075,000. The motion was seconded by Director Allen and was approved unanimously.

At 6:50 p.m. a motion was made by Director Anderssen to close the meeting of the Finance Corporation and reconvene the regular meeting of the Castle Pines North Metro District. The motion was seconded by Director Allen and was approved unanimously.

Legal counsel Joan Fritsche presented three Enterprise Resolutions associated with the District's enterprise services. With regard to the Storm Drainage Enterprise, she explained that part of the cost of repairs needed as a result of the extreme storms of 2013 and 2014 would come from a transfer from the General Fund and may disqualify the Storm Drainage Enterprise from maintaining enterprise status in calendar 2015, and in particular, under a TABOR enterprise analysis. Pursuant to discussion, a motion was made by Director Anderssen to approve Resolutions No. 2015-002 Affirming Water Activity Enterprise, No. 2015-003 Affirming Sanitary Sewer Activity Enterprise, and No. 2015-004 Affirming Storm Drainage Activity Enterprise for calendar year 2015. The motion was seconded by Director Rosenkrans and was approved unanimously.

Joan Fritsche reviewed the annual administrative resolution and addressed questions from the Board. In discussing the resolution, Director Allen nominated the following slate of officers for 2015: Director Keith Dodd as President and Chairman of the Board, Director Kathy Rosenkrans as Vice President, and Director Eric Anderssen as Treasurer. The Board concurred with the proposed slate of 2015 Officers. It was further noted that District Administrator Janet Burnham would remain Secretary to the Board.

Pursuant to discussion, a motion was made by Director Allen to approve Resolution No. 2015-001 Annual Administrative Resolution, with the changes discussed. The motion was seconded by Director Anderssen and was approved unanimously.

The Board discussed the proposed 2015 professional service agreements. Pursuant to discussion, a motion was made by Director Allen to approve the contracts for Kennedy/Jenks, Jehn Water Consultants, Pinnacle Consulting Group, and Hamre, Rodriguez, Ostrander & Dingess. The motion was seconded by Director Dodd and was approved unanimously. Parks and Open Space Manager Craig Miller reviewed his monthly report.

Manager Jim Nikkel addressed the Board regarding his report, adding that, for the refunding of the COPs, there will be additional work and charges from Kutak Rock for transferring the assets and dissolving the Finance Corporation, cleaning up the 2009 COPs, and working with Wells Fargo on terminating the Letters of Credit associated with the 2008 and 2009 COPs. Paul Wisor of Ehlers told the Board that he expects these extra costs will fall somewhere between the \$75,000 Kutak originally proposed for the scope of services and the \$50,000 fee the District agreed upon with Kutak. Director Allen requested specific documentation as to how the work is valued to facilitate the Board's understanding of the process and the charges.

Joan Fritsche handed out the annual conflict of interest declaration forms and the affidavits of director qualifications for each Director to complete.

At 7:55 p.m. a motion was made by Director Dodd to go into executive session pursuant to C.R.S. §24-6-402(4)(e) for the purpose of developing strategies for negotiations concerning the use and development of District facilities. The motion was seconded by Director Rosenkrans and was approved unanimously.

At 9:42 p.m. the Board came out of executive session and reconvened the regular meeting. Direction was given to Manager Nikkel to instruct MWH to proceed with an analysis of Alternatives 6, 7, and 9 pertaining to the Strategic Renewable Water Implementation Program. With all other business to come before the Board having been addressed, the meeting was adjourned at 9:46 p.m.

CASTLE PINES NORTH METROPOLITAN DISTRICT

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

January 20, 2015

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, Jason Mumm, Fletcher Davis, Chip Paulson and me in executive session during its regular board meeting on January 20, 2015 pursuant to C.R.S. §24-6-402(4)(e) to confer with an attorney for the purpose of developing strategies for negotiations concerning the use and development of District facilities.
3. The executive session lasted from approximately 7:55 p.m. to 8:42 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)(e) of Section 24-6-402.

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