

**CASTLE PINES NORTH METROPOLITAN DISTRICT
REGULAR MEETING MINUTES
May 16, 2016 – 6:00 p.m.**

HELD: Monday, May 16, 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 Director Peggy Dowswell of Pinnacle Consulting Group, district legal counsel Joan Fritsche, and communications consultant Taunia Hottman. Paul Wisor of Ehlers and Alan Matlosz of George K. Baum attended as did one resident.

CONFLICTS: None

QUORUM: Present

APPROVAL OF AGENDA: A motion was made by Director Anderssen to approve the agenda. The motion was seconded by Director Rosenkrans and was approved unanimously.

Pursuant to the regular District election held on May 3, 2016, District Administrator Janet Burnham administered oaths of office to Directors Keith Dodd, Kathy Rosenkrans, and Eric Edwards for four-year terms, and to Stephen Allen for a two-year term.

PUBLIC COMMENT: Resident Barb Saenger addressed the Board regarding the Pine Ridge fire mitigation project that employs a goat herd to get rid of weeds. She mentioned that the District had contributed financially to this project in the past and asked if the Board would consider doing so again.

ACTION ITEMS:

A motion was made by Director Allen to approve the minutes of the regular meeting held April 18, 2016. The motion was seconded by Director Anderssen and was approved unanimously.

Manager Nikkel presented the fully executed Raw Water Agreement between the District and the Ridge Golf Course. The agreement is to begin July 1, 2016. Pursuant to discussion, a motion was made by Director Anderssen to approve the agreement, as presented. The motion was seconded by Director Rosenkrans and was approved unanimously.

Manager Nikkel addressed the Board regarding the easement requested by Saddle Butte Rockies Midstream, LLC allowing their construction of petroleum transmission lines near District property up north. The easement stipulates that Saddle Butte will be responsible to Petrocco Farms for any crop damage and to the District in the event of a leak. Saddle Butte will make a one-time payment of \$2,500 for the easement. Manager Nikkel noted that the District's water rights attorney, Austin

Hamre, is fine with the easement in its current form. After discussion, a motion was made by Director Allen to approve the Saddle Butte Rockies Midstream, LLC Easement. The motion was seconded by Director Dodd and was approved unanimously.

Peggy Dowswell reviewed the financial statements and addressed questions from the Board. She mentioned that this month's financials are in a condensed format due to the Fundware software conversion to Financial Edge. Pursuant to discussion, a motion was made by Director Rosenkrans to accept the financial report and items from the Finance Director. The motion was seconded by Director Anderssen and was approved unanimously.

A motion was made by Director Dodd to approve/ratify the payables in the total amount of \$349,412.79 which includes \$109,082.70 for the General Fund/Debt Service and \$161,037.11 for the Enterprise Fund (check numbers 21843 through 21894) and all electronic payments (totaling \$79,292.98). The motion was seconded by Director Allen and was approved unanimously.

Manager Nikkel addressed the Board regarding the residential water line leak damage at 8104 Briar Ridge Drive. The District's insurance company determined that there was no negligence on the part of the District. With that determination, the District's policy allows for a maximum payout of \$5,000. The total loss to the homeowner was approximately \$11,000. Nikkel asked the Board to consider reimbursing the resident for the difference pursuant to a release drafted by Counsel Joan Fritsche that allows for no further damages to be claimed against the District. A motion was made by Director Anderssen to approve the payment of \$6,078 to the resident. The motion was seconded by Director Dodd and was approved unanimously.

Taunia Hottman of Webb Strategic provided an update on communications noting work on a new newsletter.

Parks and Open Space Manager Craig Miller reviewed his monthly report and addressed questions from the Board.

Manager Nikkel reviewed his monthly report and provided the Board with updates on various issues including the ongoing repairs to Pond 12, the Chatfield Reallocation Project, and the uptick in activity at the Lagae development.

Legal counsel Joan Fritsche presented the Board with a memo addressing the issue of the collapsing fencing along Castle Pines Parkway. The memo re-states the District's position that it has no responsibility for fencing that it did not install or ever agree to maintain. Fencing has become an issue again since HOA 1 has a new board of directors and a new management company that have approached the District about fence maintenance. The Board considered informing the HOA that they would need to make repairs by a specific date or the District would clear its property of the fencing. After discussion, the Board concurred that a first step would be to remind the HOA of what the District's long-stated position is regarding fencing.

At 7:05 p.m. a motion was made by Director Dodd to go in to 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 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, and to instruct negotiators regarding contracts with Ehlers and George K. Baum. The motion was seconded by Director Anderssen and was approved unanimously.

At 9:20 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**

May 16, 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, Paul Wisor, Alan Matlosz, Taunia Hottman and me in executive session during its regular board meeting on May 16, 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, and to instruct negotiators regarding contracts with Ehlers and George K. Baum.
3. The executive session lasted from approximately 7:05 p.m. to 9:20 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