

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING STUDY SESSION OF THE BOARD OF DIRECTORS

OF THE

CASTLE PINES NORTH METROPOLITAN DISTRICT

Held: September 21, 2022 at Castle Pines North
Community Center, 7404 Yorkshire Drive, Castle
Pines, Colorado and via Zoom.

Attendance

The special meeting study session of the Board of Directors of the Castle Pines North Metropolitan District was called and held as shown above in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualifications to serve on the Board, were in attendance:

Chuck Lowen, Director
Denise Crew, Director
Tera Radcliff, Director
Jason Blanckaert, Director
Chris Lewis, Director

Absent: None.

Also in attendance were Nathan Travis, District Manager, Castle Pines North Metropolitan District; Kim Seter, Seter & Vander Wall, P.C; and David Anderson, District Parks, Trails & Open Space Manager.

Call to Order

Director Lowen noted that there is a quorum of the Board with four directors in attendance. Thereafter, Director Lowen called the special meeting study session of the Board of Directors of the Castle Pines North Metropolitan District to order.

Discussion of Stormwater IGA with City of Castle Pines

Larry Nemo addressed the Board and informed those present that the IGA is on track. Mr. Nemo indicated that an engineer had been hired to begin doing studies to determine maintenance needs and to guide future capital projects.

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Discussion of Timeline for Transfer of Property to City of Castle Pines

Michael Penny provided updates to the Board regarding the status of this project. Discussed the pros and cons of the arrangement noting that Wright Water Engineers have been retained to begin the study to determine the appropriate fees. CDPHE understands that the District's MS4 will be terminated and there will be other things to be worked out as time goes on. The city is working on determining its fee and getting the customer lists etc. Director Lewis questioned the city's resources to perform the stormwater management. The Board discussed the need to determine the proper amount of money to be collected to operate the system. Mr. Travis noted that the work has been moving forward and Kennedy Jenks has been involved to assure the expenses can be covered.

The proposed timelines for transferring the responsibility were discussed by Michael Penny of the city. He noted that all development has been done by metro districts and much responsibility has been delegated to HOAs. Those now need to go away to bring responsibility into a single entity - the city - to remove the confusion and expenses. Municipalities do stormwater, parks, open space and trails. There are several ballot questions that will have to be addressed including 1. Including with some entity for inclusion of water and sewer; 2. Authority for the city to collect a property tax for parks and trails; and 3. A question for the district to dissolve. If that is the goal, he suggests we extend the Stormwater IGA to allow for ease of conveying easements and assets through deeding ownership to the city first and granting the easements back for just the water and sewer. This will save money on one full set of easements and be more functional. Extending the IGA to allow time to do the parks, recreation and open space IGA would be useful. In terms of collaboration until the votes occur, on the inclusion, the city suggests they take over existing contracts for Stormwater and parks and carry through on all of the contracts. The District Board transfers would transfer funds to the City for the parks, recreation, trails and stormwater and the city will provide updates on any schedule the district board desires until the district dissolves. The ten-acre school parcel east of Monarch could be added by the city creating additional funds for the parks and open space. District staff would become city staff and continue working in the same capacity. The hope would be to free up the district to focus on its efforts knowing the city would responsibly take on the work on the parks and stormwater.

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Director Lowen questioned what the date for the combined conveyance would be. Mr. Penny recommends the attorneys extend the Stormwater IGA but not incorporate it into the park IGA. The extension would allow the conversation to surround the parks IGA and how to complete that process and, especially the easement and ownership issues. The vote would be a property tax vote which they city would not plan to do until the district desires to have the inclusion vote. That way is could be presented to the voters as a single topic. A year's worth of experience would allow the city to determine what the property tax should really be. Director Crew asks about the extension. It is not to stop the progress but to allow the Boards and attorneys to put the process together.

Mr. Seter noted that the IGA he received is very different and will not work for the process Mr. Penny is discussing. It will have to be redrafted.

Director Crew asked about the school site revenue. Mr. Penny noted there would be no revenue but, the city could expand amenities and parks above and beyond those provided by the district. The purchase of the additional site just expands the offerings for the tax payers. Director Radloff questions the extension of the IGA and Mr. Seter notes that an amendment could be done that may be just one page moving the dates in the IGA. Mr. Penny suggests going through at least the end of the year with the Christmas holiday ahead. At the request of Director Radloff Mr. Penny noticed the benefit is greater service levels, saving money on the conveyance and operations, ease for constituents to know who to call and hold responsible. Employees would move over to the city and the change would be seamless. Mr. Travis notes that this creates great benefits for working toward the inclusion as the finances and ownerships are already cleaned up.

Mr. Seter notes that he originally believed the city was not interested in the parks but the proposal from the city is exactly what he was hoping to see. This is a tremendous benefit to the District and will save a lot of money and time in the end.

Budget Discussion

Mr. Travis alerted the Board to relevant dates regarding meetings related to Budget development priorities, planning for the 2022 audit, and staffing changes. Finances are tracking but there is no need for an extra meeting to consider the budget. A

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skeleton budget will be presented in October and we will move forward refining it as we approach the final approval.

Mr. Seter noted that under the circumstances all of the budget deadlines can be met; and, the budget can be amended later if necessary.

Discussions occurred concerning the November meeting and the December meeting. The Board hopes to cancel the December meeting but can decide in November. The November study session could be moved or converted to the regular meeting. The Board will discuss the meeting schedule at the regular September meeting.

Director Lewis requested whether the budget should be discussed in executive session. Mr. Seter noted that budgets should not be done in executive session and the budget is made available to the public on October 15 and thereafter we have to have public hearing on the budget; so, an executive session really doesn't have much meaning for a budget. The plan is to have the public hearing on November 14th if the Board approves it at the September Board meeting.

Other Business

Director Lowen mentioned his appreciation for those who attended meetings with other Districts. The next study session will include discussions of the inclusion partner options and related issues. Director Radloff responded to a question from Director Blanckaert noting that executive session the discussion should be in executive session. She does not believe it is appropriate for executive session and Mr. Seter noted that Director Blanckaert could make a motion to that affect and a 2/3 vote would be required. Director Crew also desires to remain in open session and Mr. Travis notes that there has been nothing discussed that the water and sanitation community isn't already fully aware of. Further discussion was had and the Board determined to simply have a general discussion about how the Board members feel about the various options.

Adjournment

There being no further business to come before the Board, President Lowen adjourned the meeting.

Secretary for the Meeting

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