

**CASTLE PINES NORTH METROPOLITAN DISTRICT
REGULAR MEETING MINUTES
December 17, 2018 – 6:00 p.m.**

HELD: Monday, December 17, 2018 at 6:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Pines, Colorado.

ATTENDEES: Directors David McEntire, Denise Crew, and Robert Merritt were present. Director Norman Froman was absent (excused). Also present was Interim District Manager, Jim Worley; legal counsel Kim J. Seter, Esq. and Elizabeth A. Dauer, Esq.; District Accountant, Eric Harris; Open Space Manager, Craig Miller; James Mann and Melissa Buck. Approximately five members of the public also attended.

CONFLICTS: None.

QUORUM: Present

APPROVAL OF AGENDA: Director McEntire determined to place agenda item 9.A as 9.N and noted that the meeting was properly noticed regarding the consideration of debt issuance.

APPROVE MINUTES OF REGULAR MEETING OF NOVEMBER 19, 2018: A motion was made by Director Crew to approve the minutes as presented. The motion was seconded by Director Merritt and was approved 3-0.

PUBLIC COMMENT: None.

OPEN SPACE MANAGER'S REPORT: District Open Space Manager, Craig Miller, reported that he had found a contractor for tree chipping. He also discussed the dog-tough grass located in the District. The Board requested that Mr. Miller research and report the current status of maintenance and irrigation responsibilities of various HOA entries.

LEGAL COUNSEL'S REPORT: Legal Counsel presented the legal status report and introduced and explained all legal action items on the agenda.

DISTRICT MANAGER'S REPORT: The District Manager reported that the District certified the mill levy for 2019. He reported that CRS is providing excellent service, helping to provide on-schedule utility billing and effective payroll upon the departure of Janet Burnham.

ACTION ITEMS:

Pursuant to discussion amongst the Board, a motion was made by Director Merritt to approve the District Manager Employment Contract and authorized execution of same. The motion was seconded by Director Crew and was approved 3-0.

Pursuant to presentation by Mr. Harris and Mr. Worley and discussion amongst the Board, a motion was made by Director Crew to approve the proposal and engagement of Rubin Brown for the 2018 audit. The motion was seconded by Director Merritt and was approved 3-0.

Mr. Worley presented the 2019 meeting schedule and holiday closures, noting that the January meeting would be moved to Tuesday, January 22nd in observance of Martin Luther King Day. Pursuant to discussion amongst the Board, a motion was made by Director McEntire to approve the 2019 meeting schedule and holiday closures. The motion was seconded by Director Merritt and was approved 3-0.

Legal Counsel presented the Memorandum of Agreement to Convey Real Property to the City of Castle Pines. Counsel noted that the City of Castle Pines is conducting roadway improvements and requires a small portion of a curb owned by the District. The City has offered \$1900 as compensation for the condemnation. Pursuant to discussion amongst the Board, a motion was made by Director McEntire to approve the Memorandum of Agreement to Convey Real Property to the City of Castle Pines. The motion was seconded by Director Merritt and was approved 3-0.

Legal Counsel presented the License Agreement with PSCO for use of the District's exclusive easement and requested Board ratification of same. Pursuant to discussion amongst the Board, a motion was made by Director Merritt to ratify the License Agreement. The motion was seconded by Director Crew and was approved 3-0.

Director McEntire presented a review of the proposed 2019 fee and rate structure, noting that additional studies are being conducted. He noted a 3% increase to the cost of water and a 4% increase to the cost of wastewater. He also indicated that the market study revealed the District may need to increase its renewable water fee. Director McEntire alerted staff of the need to review the effects of an increase to the renewable water fee for new construction.

Legal Counsel presented the 3.0 Capacity Expansion Agreement with PCWRA. Pursuant to discussion amongst the Board, a motion was made by Director McEntire to approve the 3.0 Capacity Expansion Agreement. The motion was seconded by Director Merritt and was approved 3-0.

James Mann with Ehlers presented the responses to the request for proposals for financing a three-million-gallons per day wastewater treatment plant expansion at the Plum Creek Water Reclamation Authority. Pursuant to discussion amongst the Board, a motion was made by Director McEntire to approve the proposal of J.P. Morgan Chase, dated December 17, 2018 and contingent upon approval for the issuance of the parity

bonds by the Colorado Water Conservation Board. The motion was seconded by Director Merritt and was approved 3-0.

Legal Counsel presented the engagement letter of Kutak Rock LLP to serve as bond counsel for the PCWRA revenue bonds. He noted that Kutak Rock LLP has served the District as bond counsel in prior transactions. Pursuant to discussion amongst the Board, a motion was made by Director Merritt to approve the engagement of Kutak Rock LLP as bond counsel. The motion was seconded by Director Crew and was approved 3-0.

Legal Counsel presented a resolution declaring the District's official intent to reimburse itself with proceeds of a future tax-exempt borrowing for certain capital expenditures in connection with the wastewater plant expansion project to be undertaken by the District; identifying the nature of such capital expenditures and the fund to be used for such payment; and providing certain other matters in connection therewith. Pursuant to discussion amongst the Board, a motion was made by Director McEntire to approve the reimbursement resolution, pending any modification required to close the financing transaction. The motion was seconded by Director Merritt and was approved 3-0.

Mr. Harris presented checks numbered 24013-24047 for approval/ratification. Pursuant to discussion amongst the Board, a motion was made by Director McEntire to approve/ratify the current payables for the month of November 2018 as presented. The motion was seconded by Director Merritt and was approved 3-0.

Legal Counsel presented the resolution of the Castle Pines North Metropolitan District Wastewater Activity Enterprise authorizing the wastewater activity enterprise to incur the indebtedness of a special limited revenue loan in the approximate principal amount of \$4,250,000. Pursuant to discussion amongst the Board in its capacity as the governing board of the Wastewater Activity Enterprise, a motion was made by Director McEntire to approve the authorizing resolution and nominate Director McEntire as the designee. The motion was seconded by Director Merritt and was approved 3-0. The Board nominated the District financial consultant as the responsible person for post-closing compliance matters.

Legal Counsel presented the resolution of the Castle Pines North Metropolitan District Water Activity Enterprise authorizing the water activity enterprise to enter into a revenue pledge agreement with the Wastewater Activity Enterprise pursuant to which the Water Activity Enterprise will pledge its system revenues to secure the wastewater activity loan. Pursuant to discussion amongst the Board in its capacity as the governing board of the Water Activity Enterprise, a motion was made by Director McEntire to approve the authorizing resolution, subject to receipt of appropriate approval from the Colorado Water Conservation Board. The motion was seconded by Director Crew and was approved 3-0.

Director McEntire addressed the vacancy on the Board of Directors resulting from the resignation of Director Rosenkrans. Upon discussion, a motion was made by Director Merritt to approve Chuck Lowen as the new director, subject to confirmation of qualification by legal counsel. The motion was seconded by Director Crew and was

approved 3-0. Director McEntire made a motion to appoint Director Crew to fulfill the position of secretary/treasurer on the Board. The motion was seconded by Director Merritt and was approved 3-0. Director McEntire then administered the oath of office to Director Lowen.

DIRECTOR'S MATTERS: None.

PUBLIC COMMENTS: None.

ADJOURN: With all other business to come before the Board having been addressed, Director McEntire moved that the meeting be adjourned at 8:02 p.m. The motion was seconded by Director Merritt and was approved 3-0.