

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

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

ATTENDEES: Directors David McEntire, Kathy Rosenkrans, Denise Crew, Robert Merritt and Norman Froman were present. Also present were District Manager Jim Nikkel, District Administrator Janet Burnham and Parks & Open Space Manager Craig Miller. Also in attendance were finance manager Amanda Castle of Pinnacle Consulting Group, District legal counsel Kim Seter and Beth Dauer, and James Mann of Ehlers Inc. Approximately seven residents attended, as well.

CONFLICTS: None

QUORUM: Present

APPROVAL OF AGENDA: Manager Jim Nikkel requested the addition of discussion of the Esperanza HOA proposal as item 5.A. A motion was made by Director Froman to approve the agenda, as amended. The motion was seconded by Director Merritt and was approved unanimously.

PUBLIC COMMENT: None

ACTION ITEMS:

Lisa Kane of the Esperanza HOA provided an update, pursuant to the Board's previous request, regarding the HOA's proposal for landscaping at two entrances to their property. A formalized proposal is needed providing details regarding responsible entities, maintenance, liability, etc. From that, District legal counsel will draft an agreement.

A motion was made by Director Crew to approve the minutes of the regular meeting held August 20, 2018. The motion was seconded by Director Merritt and was approved 4-0 with Director Rosenkrans abstaining since she was not present at that meeting.

Finance Manager Amanda Castle reviewed the financial report including mention of increased water revenue due to increased usage and the upcoming 2019 budget study sessions. Pursuant to discussion, a motion was made by Director Froman to accept the financial report as presented. The motion was seconded by Director Merritt and was approved unanimously.

A motion was made by Director McEntire to ratify/approve the payables in the total amount of \$556,329.91 which includes \$71,407.97 for the General Fund/Debt Service and \$389,557.16 for the Enterprise Fund (check numbers 23803 through 23868) and all electronic payments (totaling \$95,364.78). The motion was seconded by Director Froman and was approved unanimously.

With regard to the change order requested by Pinnacle Consulting and as discussed at the previous meeting, a motion was made by Director Crew to approve the change order. The motion was seconded by Director Froman and was approved 4-0 with Director Rosenkrans abstaining since she was not present at the meeting wherein the change order was presented.

Manager Nikkel addressed the Board regarding the Basin 8 Easement for the District's 30' sanitary sewer serving the existing apartments. Pursuant to discussion, a motion was made by Director Rosenkrans to accept the easement as presented. The motion was seconded by Director Froman and was approved unanimously.

Manager Nikkel addressed the Board regarding the bid from ESCO for the construction of a gravity sewer and decommissioning and removal of Lift Station 8. This was a budgeted item and the bid came in under the budgeted amount. Pursuant to discussion, a motion was made by Director Froman to approve the contract with ESCO. The motion was seconded by Director Merritt and was approved unanimously.

With regard to the agenda item for a public hearing, legal counsel Kim Seter explained that an inclusion request had been received from Taylor Morrison to include an abandoned right-of-way along Lagae Road. All of the other Taylor Morrison property had been included in the District previously. The public hearing was opened at 7:17 p.m. and, with no comments from the public, was forthwith closed. Pursuant to discussion, a motion was made by Director Merritt to approve the Taylor Morrison inclusion. The motion was seconded by Director Froman and was approved unanimously.

Manager Nikkel explained the functional structure of PCWRA and the scope of the proposed PCWRA capacity expansion project and how it would benefit the District. James Mann from Ehlers Inc. addressed the funding for the project via a revenue bond. Mann explained how revenue bonds work and that a majority of repayment would come from new development connection fees. Pursuant to discussion the Board directed the District accountant, Pinnacle Consultants, to work with the District financial consultant, Ehlers Inc., to provide information regarding the sources and uses of the funds proposed to be derived from the issuance of revenue bonds or a bank loan and the anticipated sources of repayment. The Board further directed legal counsel to review the information provided from the District account and financial consultant and provide a recommendation. This information should be provided as quickly as possible, by 8:30 a.m. September 20th, if possible, so that a decision can be made by the Board whether to escrow approximately \$1.9 million under the proposed PCWRA 3 MGD Capacity Expansion Work Package No. 1 Agreement. The information should include two simple exhibits showing examples of revenue bond funding and of borrowing from a bank for comparison.

A motion was made by Director McEntire to have the Board delegate authority to a committee of Directors McEntire and Crew to review the information provided by Pinnacle Consultants, Ehlers Inc., and District legal counsel concerning: 1) the source and replenishment of reserve funds to be paid out under the PCWRA Work Package No. 1 Agreement; and, 2) the sources and uses of funds that would be obtained from a revenue bond or bank loan in the approximate amount of \$5,420,000 for the District's contribution to the PCWRA Treatment Plant Expansion Project and the projected sources of repayment; and, determine whether to approve and authorize payment of a deposit of \$1,903,143.26 under the proposed Work Package No. 1 Construction Escrow Agreement. The motion was seconded

by Director Rosenkrans and was approved unanimously. Direction was given to staff to post a possible special meeting regarding same on September 21, 2018 at 8:30 a.m.

Parks & Open Space Manager Craig Miller reviewed his report of ongoing projects and addressed questions from the Board.

Manager Nikkel reviewed his monthly report including the completion of the replacement of High Service Pump No. 2, an update on the Chatfield project, and Basin 8 improvements as previously discussed.

Legal counsel Kim Seter had no further report.

DIRECTOR COMMENTS: None

PUBLIC COMMENTS: A resident requested the Board fully research the need for the PCWRA expansion. Another attendee suggested that a cash flow analysis be conducted regarding the project.

With all other business to come before the Board having been addressed, the meeting was adjourned at 8:55 p.m.