

**NOTICE OF MEETING
OF THE BOARD OF DIRECTORS OF THE
CHERRY HILLS NORTH METROPOLITAN DISTRICT**

November 6, 2017

Please take notice the meeting of the Board of Directors of the Cherry Hills North Metropolitan District will be held at Duffey's Patio Café, located at 4994 E Hampden Avenue, Denver, Colorado on Thursday, November 9, 2017 at 7:30 a.m. Business to be conducted at the meeting will include:

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1. Public Comment	
2. Approval of the Minutes August 10, 2017	1
3. Financial Reports October 31, 2017	3
4. Accounts Payable November 9, 2017	7
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7. CIP Project update	
8. Monument Lighting	18
9. Old Business	
10. New Business	
11. Adjournment	

Next tentatively scheduled meetings:

January 11, 2018

February 8, 2018

March 8, 2018

RECORD OF PROCEEDINGS
THE BOARD OF DIRECTORS
CHERRY HILLS NORTH METROPOLITAN DISTRICT

A meeting of the Board of Directors of Cherry Hills North Metropolitan District was held at Duffey's Bakery Patio Cafe, 4994 E. Hampden Avenue, Denver, Colorado 80110 at the hour of 7:30 a.m. on the 10th day of August 2017.

Present were: Dan Conway, Vice President
 Geoff Landry, Treasurer
 Keith Bierman, Secretary
 Marcus McAskin, Director
 Darcy Beard, CPA
 Chris Purrington, Purrington Civil

Guests: None

Director Conway noted that a quorum of the Board was present and therefore called the meeting of the Board of Directors of the Cherry Hills North Metropolitan District to order.

APPROVAL OF MINUTES

The minutes of the meeting held June 15, 2017 were reviewed. Director Bierman made a motion to approve the minutes. The motion was seconded by Director McAskin upon vote, the minutes were approved.

FINANCIAL REPORT

Ms. Beard distributed the compilation report for the seven months ending July 31, 2017. Director Conway made a motion to accept the compilation reports. The motion was seconded by Director McAskin, upon vote, unanimously passed.

CASH DISBURSEMENTS

Ms. Beard presented the Schedule of Cash Disbursements totaling \$7,362.83. After review, Director McAskin, made a motion to approve the cash disbursements. The motion was seconded by Director Bierman, upon vote unanimously approved.

CIP PROJECT UPDATE

Mr. Purrington reviewed the bids for the 2017 CIPP project and recommended acceptance of the lowest bid received from Insituform in the amount of \$54,100. Mr. Purrington explained Insituform excluded the line between Holly & Nassau Circle East due to access issues. The board discussed options to access the line and directed Mr. Purrington to ask Insituform for a bid on the excluded line. Director Landry made a motion to approve the Insituform bid. The motion was seconded by Director Conway and upon vote, unanimously approved.

ENGINEERS REPORT

Mr. Purrington reported approximately one third of the District lines have been lined. Director Landry asked Mr. Purrington to prepare a 5-year projection of anticipated CIP projects for budget purposes. Mr. Purrington will send a map of the known line defects.

ENTRANCE MAINTENANCE

Director McAskin reported one of the monument lights has a defective ballast. He will ask Scot Kelly, Colorado Lighting Inc, to updated pricing on converting the additional monuments to LED lighting and the ballast replacement.

2018 PROPOSED BUDGET

Ms. Beard presented the proposed 2018 budget. The board reviewed the budget and set the budget hearing for November 9, 2017.

Director Conway made a motion to appoint Ms. Beard as the Budget Officer. The motion was seconded by Director Bierman and upon vote, unanimously approved.

SEPTEMBER AND OCTOBER MEETINGS

The Board cancelled the September and October meetings. The next meeting will be held on November 9, 2017.

ADJOURNMENT

There being no further business to come before the Board, and upon motion duly made, second and unanimously carried, the meeting was adjourned at 8:30 a.m.

MINUTES APPROVED:

Harold Roberts

Daniel Conway

Geoff Landry

Marcus McAskin

Keith Bierman

**DARCY BEARD
CERTIFIED PUBLIC ACCOUNTANT
20363 E. TOP-T RANCH PLACE
PARKER, COLORADO 80134
Mobile 303-594-5488**

Accountant's Compilation Report

**Board of Directors
Cherry Hills North Metropolitan District**

I have compiled the accompanying Treasurer's Report of Cherry Hills North Metropolitan District and the related Statement of Net Assets and Statement of Revenues and Expenditures for the ten months ending October 31, 2017. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with the Statements for Accounting and Review Services issued by the American Institute for Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenue and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Cherry Hills North Metropolitan District.

**Darcy Beard
Certified Public Accountant
November 6, 2017**

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
TREASURER'S REPORT**

January 1, 2017 through October 31, 2017

<u>REVENUES</u>	ACTUAL <u>2017</u>	BUDGET <u>2017</u>	BUDGET <u>REMAINING</u>
Property Taxes	\$ 89,333.76	\$ 89,334	\$ 0
Ownership Taxes	6,322.26	6,800	478
Investment Income	2,807.66	1,710	(1,098)
Miscellaneous Income	-	-	-
TOTAL REVENUES	<u>\$ 98,463.68</u>	<u>\$ 97,844</u>	<u>\$ (620)</u>
<u>EXPENDITURES</u>			
Audit Expense	\$ 300.00	\$ 1,000	\$ 700
Accounting/Management Expense	6,752.50	12,000	5,248
County Fees	1,341.10	1,340	(1)
Dues	366.80	350	(17)
Insurance & Directors Bonds	2,009.75	2,260	250
Legal Fees	-	1,000	1,000
Engineering Expense	8,098.15	10,000	1,902
Miscellaneous	244.48	400	156
Utilities	1,172.44	1,650	478
Jet Flush, Video, Root Sawing	5,357.10	7,350	1,993
Repairs & Maintenance	-	5,000	5,000
Entrance Maintenance	3,583.82	11,000	7,416
Sewer Service Charge	36,453.00	36,453	-
Capital Outlay	7,836.19	63,250	55,414
Outfall Line Expense	673.01	31,447	30,774
TOTAL EXPENDITURES	<u>\$ 74,188.34</u>	<u>\$ 184,500</u>	<u>\$ 110,312</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
STATEMENT OF NET ASSETS
OCTOBER 31, 2017**

ASSETS

First Bank Checking	\$ 8,828.56
First Bank Savings	81,084.82
ColoTrust Plus	306,698.65
Outfall Line Reserve	975.00
Accrued Interest Receivable	-
Property Tax Receivable	0.24
Prepaid Insurance	-
Capital Assets - Net	<u>22,500.00</u>
TOTAL ASSETS	<u>\$ 420,087.27</u>

LIABILITIES & NET ASSETS

Accounts Payable	\$ 16,708.42
Deferred Property Tax	<u>0.24</u>
Total Current Liabilities	\$ 16,708.66

NET ASSETS

Net Assets - Unrestricted	379,103.27
Change in Net Assets	<u>24,275.34</u>
Total Net Assets	<u>403,378.61</u>

TOTAL LIABILITIES & NET ASSETS	<u>\$ 420,087.27</u>
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SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
STATEMENT OF REVENUES & EXPENDITURES
FOR THE TEN MONTHS ENDING OCTOBER 31, 2017**

REVENUES

Property Taxes	\$ 89,333.76
Ownership Taxes	6,322.26
Investment Income	2,807.66
Miscellaneous Income	-
TOTAL REVENUES	<u>\$ 98,463.68</u>

EXPENDITURES

Audit Expense	\$ 300.00
Accounting/ManagementExpense	6,752.50
Business Meetings	-
County Fees	1,341.10
Dues	366.80
Insurance & Directors Bonds	2,009.75
Legal Fees	-
Engineering	8,098.15
Miscellaneous	244.48
Utilities	1,172.44
Jet Flush	5,357.10
Repairs & Maintenance	3,583.82
Sewer Service Charge	36,453.00
Capital Improvements	8,509.20
Outfall Committee	-
TOTAL EXPENDITURES	<u>\$ 74,188.34</u>
Change in Net Assets	<u>\$ 24,275.34</u>
Net Assets - Beginning of Year	<u>\$ 379,103.27</u>
Net Assets - End of Month	<u><u>\$ 403,378.61</u></u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
CASH DISBURSEMENTS
NOVEMBER 9, 2017**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHECK NUMBER</u>	<u>TOTAL</u>
Colorado Lighting Inc	Sign Maintenance	2474	\$ 3,183.82
Darcy Beard CPA	Acctg/Mgmt	2475	\$ 1,897.50
	Office Supplies		21.96
	Legal Publication		45.00
	Hillcrest Water & Sanitation District	Sewer Treatment	2476
Purrington Civil LLC	Engineering	2477	2,597.47
	2017 CIP		4,638.72
Xcel Energy	Utilities	2478	358.98
			-
TOTAL CASH DISBURSEMENTS			<u><u>\$ 21,856.70</u></u>

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
2018 PROPOSED BUDGET**

	<u>2016 ACTUAL</u>	<u>2017 ADOPTED BUDGET</u>	<u>2017 FORECAST OPERATION</u>	<u>PROPOSED 2018 BUDGET</u>
<u>RECEIPTS</u>				
TAXES - PROPERTY	\$ 89,326	\$ 89,334	\$ 89,334	\$ 96,440
TAXES - OWNERSHIP	6,848	6,800	7,200	7,200
INVESTMENT INCOME	<u>1,321</u>	<u>1,710</u>	<u>3,475</u>	<u>3,675</u>
TOTAL RECEIPTS	\$ 97,495	\$ 97,844	\$ 100,009	\$ 107,315
BALANCE JANUARY 1	<u>312,211</u>	<u>353,867</u>	<u>355,269</u>	<u>309,050</u>
TOTAL RECEIPTS & BEG BALANCE	\$ 409,706	\$ 451,711	\$ 455,278	\$ 416,365
<u>EXPENDITURES</u>				
AUDIT EXPENSE	\$ 2,400	\$ 1,000	\$ 300	\$ 750
ACCOUNTING	11,165	12,000	9,000	12,000
COUNTY FEES	1,340	1,340	1,340	1,447
DUES	328	350	367	400
ELECTION EXPENSE	107	-	-	1,000
INSURANCE & BONDING	2,088	2,260	2,010	2,200
LEGAL EXPENSE	43	1,000	-	1,000
ENGINEERING EXPENSE	3,798	10,000	10,000	10,000
MISCELLANEOUS	192	400	426	650
UTILITIES	1,570	1,650	1,400	1,500
JET FLUSH	6,156	7,350	5,357	7,000
REPAIRS & MAINTENANCE	-	5,000	-	5,000
ENTRANCE MAINTENANCE	5,495	11,000	4,582	11,000
SEWER SERVICE CHARGE	10,878	36,453	36,453	30,691
CAPITAL OUTLAY	-	63,250	71,176	86,250
OUTFALL LINE EXPENSES	<u>8,877</u>	<u>31,447</u>	<u>3,817</u>	<u>31,647</u>
TOTAL EXPENDITURES	\$ 54,437	\$ 184,500	\$ 146,228	\$ 202,535
ENDING BALANCE	<u>355,269</u>	<u>267,211</u>	<u>309,050</u>	<u>213,830</u>
TOTAL EXPENDITURES & ENDING BALANCE	<u>\$ 409,706</u>	<u>\$ 451,711</u>	<u>\$ 455,278</u>	<u>\$ 416,365</u>

I, **Darcy Beard** certify the attached is a true and accurate copy of the adopted 2018 budget of the Cherry Hills North Metropolitan District.

By: _____
Budget Officer

CHERRY HILLS NORTH METROPOLITAN DISTRICT
BUDGET DETAIL

	<u>PROJECTED</u> <u>2017</u>	<u>PROPOSED</u> <u>2018</u>
<u>TAXES - OPERATION</u>		
2017 - 10,787,789 @ 8.281 MILLS	\$ 89,334	
2017 - 11,645,926 @ 8.281 MILLS		\$ 96,440
<u>TAXES - OWNERSHIP</u>		
	\$ 7,200	\$ 7,200
<u>INVESTMENT INCOME</u>		
FIRST BANK	\$ 400	\$ 400
COLOTRUST (1.18%)	3,000	3,200
ARAPAHOE COUNTY	75	75
TOTAL INVESTMENT INCOME	<u>\$ 3,475</u>	<u>\$ 3,675</u>
<u>AUDIT EXPENSE</u>		
LAST AUDIT 2015	\$ 300	\$ 750
<u>ACCOUNTING</u>		
	\$ 9,000	\$ 12,000
<u>COUNTY FEES</u>		
	\$ 1,340	\$ 1,447
<u>ELECTION EXPENSE</u>		
	\$ -	\$ 1,000
<u>DUES</u>		
SDA DUES	\$ 367	\$ 400
<u>INSURANCE & BONDING</u>		
	\$ 2,010	\$ 2,200
<u>LEGAL/ PROFESSIONAL FEES</u>		
ENGINEERING	\$ 10,000	\$ 10,000
LEGAL	-	1,000
TOTAL PROFESSIONAL FEES	<u>\$ 10,000</u>	<u>\$ 11,000</u>
<u>MISCELLANEOUS</u>		
OFFICE SUPPLIES	\$ 250	\$ 200
BANK CHARGES	-	100
WEBSITE EXPENSES	131	150
LEGAL PUBLICATIONS	45	200
TOTAL MISC	<u>\$ 426</u>	<u>\$ 650</u>
<u>UTILITIES</u>		
XCEL ENERGY	\$ 1,400	\$ 1,500
	-	
<u>VIDEO, JET CLEAN & ROOT SAW</u>		
VIDEO	\$ 2,714	\$ 2,800
JET CLEAN	2,079	3,000
ROOT CUTTING	564	1,200
TOTAL VIDEO & JET CLEAN	<u>\$ 5,357</u>	<u>\$ 7,000</u>

CHERRY HILLS NORTH METROPOLITAN DISTRICT
BUDGET DETAIL

	PROJECTED 2017	PROPOSED 2018
<u>REPAIRS & MAINTENANCE</u>		
REPAIR & MAINT	\$ -	\$ 5,000
<u>SIGN/ENTRANCE MAINTENANCE</u>		
SIGN MAINTENANCE	\$ 1,000	\$ 2,500
ENTRANCE MAINTENANCE	400	2,500
ENTRANCE LIGHTING	<u>3,182</u>	<u>6,000</u>
TOTAL SIGN/ENTRANCE MAINTENANCE	\$ 4,582	\$ 11,000
<u>SEWER SERVICE CHARGE</u>		
HILLCREST CHARGE	\$ 36,453	\$ 30,691
<u>CAPITAL OUTLAY</u>		
CURED IN PLACE LINING	\$ 61,876	\$ 75,000
CONTINGENCY/ENGINEERING (15%)	<u>9,300</u>	<u>11,250</u>
	\$ 71,176	\$ 86,250
<u>OUTFALL LINE EXPENSE</u>		
OUTFALL LINE OPERATION & MAINTENANCE O&M	\$ 1,000	\$ - 585
JET CLEANING		1,463
OUTFALL LINE LOAN (TOTAL OF 40 PMTS)	2,817	2,817
OUTFALL LINE METERING	-	11,212 **
MANHOLE REPAIRS	-	12,000 **
ADDITIONAL JET CLEANING	-	1,570 **
OUTFALL LINE CONTINGENCY	<u>-</u>	<u>2,000</u>
OUTFALL LINE EXPENSE	\$ 3,817	\$ 31,647



Marc Scott

Assessor

August 25, 2017

OFFICE OF THE ASSESSOR
5334 S. Prince Street
Littleton, CO 80120-1136
Phone: 303-795-4650
TDD: Relay-711
Fax: 303-738-7863
www.arapahoegov.com/assessor
arapahoep@arapahoegov.com

AUTH 4172 CHERRY HILLS NO METRO
DARCY BEARD
PO BOX 3110
PARKER CO 80134

Code # 4172

CERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2017 of:

\$11,645,926

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

Marc Scott
Arapahoe County Assessor

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CERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity YES NO

Date: August 25, 2017

NAME OF TAX ENTITY: CHERRY HILLS NO METRO

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2017:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$		10,787,789
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$		11,645,926
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$		0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$		11,645,926
5. NEW CONSTRUCTION: *	5.	\$		178,907
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$		0
7. ANNEXATIONS/INCLUSIONS:	7.	\$		0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$		0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$		0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$		0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$		0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2017:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$		160,707,472
ADDITIONS TO TAXABLE REAL PROPERTY				
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$		2,484,805
3. ANNEXATIONS/INCLUSIONS:	3.	\$		0
4. INCREASED MINING PRODUCTION: §	4.	\$		0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$		0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$		0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$		0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$		0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$		0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$		0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$		0
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NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

HILLCREST WATER & SANITATION DISTRICT

7995 E. Prentice Avenue, Suite 103E
Greenwood Village, Colorado 80111
(303) 381-4960
(303) 381-4961 (FAX)

October 5, 2017

Boards of Directors

Mansfield Heights Water & Sanitation District
Cherry Hills North Metropolitan District
Cherry Hills Village Sanitation District
Devonshire Heights Water & Sanitation District

RE: Hillcrest Water & Sanitation District
2017 Annual Report

Dear Board Members:

Pursuant to the provisions of the Second Amended and Restated IGA, please find attached Hillcrest's Annual Report relating to the Outfall Line. The Annual Report has been updated to include 2017 Outfall Line expenditures, including an estimate of expenses remaining with respect to 2017. Also, the proposed 2018 budget is included in this letter for your review and comment.

Annual Highlights

State Revolving Fund Loan: The debt service schedule is fully consistent with that sent to you one year ago. The Outfall Line participating districts, including Hillcrest, are responsible for 43% of the debt service payment. The other 57% relates to work done by Hillcrest within its service area.

Treatment Fees: The 2018 treatment fees from Metro Wastewater are decreasing from the 2017 fees. The 2017 treatment fees were \$186,936, which included significant prior year adjustments, and the 2018 invoice is for \$157,388 – a decrease of \$29,548. After outsized adjustments for 2015 & 2016 led to unprecedented high charges from Metro Wastewater for 2017, their planned charges for 2018 appear to be settling back into more normally increasing levels. Table 1 outlines the recent history of these treatment fees, showing the outsized impact of adjustments on both 2016 (very favorable) and 2017 (dramatically above annual estimate). Included with this is the 2018 calculation provided by Metro.

Table 1 Summary of Metro Wastewater Treatment Fees

District	2016 Fees	2017 Fees	2018 Fees
Hillcrest	\$ 21,868	\$ 73,279	\$ 61,696
Mansfield	\$ 12,328	\$ 41,313	\$ 34,783
Devonshire Heights	\$ 2,901	\$ 9,721	\$ 8,184
Cherry Hills North	\$ 10,878	\$ 36,453	\$ 30,691
Cherry Hills Village	\$ 7,810	\$ 26,171	\$ 22,034
Total Metro Wastewater Fees	\$ 55,785	\$ 186,936	\$ 157,388

Flooding Update: As you know, during the week of June 9, 2015, we experienced excessive rain in a very concentrated period, which resulted in sewage flooding of several homes within the Outfall Line service area. This added volume was also materially responsible for our high 2017 Metro Wastewater treatment fees. Since that time, Hillcrest and Mansfield have requested meetings with all five outfall line participating districts to discuss infiltration and inflow into the Outfall Line.

In 2016, the Mansfield Board approved and completed projects to inspect for illegal pump sumps connected to the sewer service, as well as paid for the video-taping and cleaning of residential service lines. Mansfield found 8 illegal sump pumps (this constitutes 5% of the Mansfield homes) connected to the sewer system. The homeowners were required to disconnect or daylight the connections. All homeowners have complied.

During 2017, the Hillcrest Board approved and substantially completed a project to inspect for illegal sump pumps connected to the sewer service. Hillcrest found 12 illegal sump pumps (this constitutes 4% of the Hillcrest homes) connected to the sewer system. The homeowners were required to disconnect or daylight the connections. To date, Hillcrest has had approximately 97% compliance by its homeowners.

Flood Discussion: Based on the results of Mansfield’s and Hillcrest’s inspections, for illegally connected sump pumps, both Boards believe that those illegal connections were responsible, in substantial part, for the 2015 flooding. **Both Mansfield and Hillcrest feel strongly that each of Cherry Hills North, Devonshire and Cherry Hills Sanitation should also inspect each of their served homes for sump pumps connected to the sewer system.** Hillcrest expects to impose such inspections in 2019 if they are not conducted by the end of 2018.

In addition, Hillcrest’s Board is continuing to consider a metering program to better understand flows into the Outfall Line from each of our Districts. This annual expense could be in excess of \$50,000 and since it pertains to the Outfall operations, would be allocated entirely to the five Outfall partners.

2017 & 2018 Budgets: The following four tables can be used in the preparation of your 2018 budget. In addition to Treatment Fees covered above, the two principal components of the Outfall budget are annual Operating and Maintenance and the Outfall’s share of the State Loan associated with the 2013 capital projects. Table 2 shows what Operations and Maintenance costs are expected to be in 2017 vs. what was budgeted to be spent in 2017. These figures include the SRF Loan repayment allowable to the Outfall Line which remain the same annually.

Table 2 Summary of Estimated 2017 Operation, Maintenance & Loan Service Costs vs. Budget

District	Estimate	Budget
Hillcrest	\$ 6,755	\$ 6,643
Mansfield	3,808	3,745
Devonshire Heights	896	881
Cherry Hills North	3,360	3,305
Cherry Hills Village	2,413	2,373
Total estimated 2017	\$ 17,233	\$ 16,947

As reflected in Table 3 and 4 below, in addition to the Outfall Line member’s share of the SRF loan payment of \$14,447, there is \$3,000 budgeted to cover general engineering and administration of the

Outfall Line in 2018. As noted above, the Hillcrest Board is still evaluating a metering program that could dramatically change those numbers in future years. It should also be noted that (1) the 2016 video review indicated that 19 manholes within the Outfall Line are in some level of need for repair; and (2) because of higher than previously observed levels of sludge buildup (possibly due to the 2015 flood), we expect to jet clean the Outfall Line every other year instead of every fourth year. The costs of rehabbing the deteriorated manholes have been estimated at \$59,570. Due to the large 2017 increase in service treatment fees from Metro, the Hillcrest Board determined to defer that maintenance until after 2017. The jet cleaning cost, estimated at \$7,500, is expected to impact the 2018 budget as detailed below. Also, during the 2016 video review, 30 service lines, located in Devonshire, were identified as having some level of need for repair. Those homeowners received a letter from Hillcrest regarding potential issues with their service lines.

Table 3 Outfall Line 2018 Budget Charges to Districts

District	O&M	Jet Cleaning	SRF	Total
Hillcrest	\$ 1,176	\$ 2,940	\$ 5,663	\$ 9,779
Mansfield	663	1,658	3,193	5,514
Devonshire Heights	156	390	751	1,297
Cherry Hills North	585	1,463	2,817	4,865
Cherry Hills Village	420	1,050	2,023	3,493
Outfall total budget charges	<u>\$ 3,000</u>	<u>\$ 7,500</u>	<u>\$ 14,447</u>	<u>\$ 24,947</u>

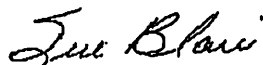
Table 4 Summary of 2018 Budget Expenditures for the Outfall Line

Administration	\$ 3,000
Jet Cleaning	7,500
SRF- Debt service	14,447
Outfall total budget expenditures	<u>\$ 24,947</u>

Pursuant to the terms of the IGA, please respond to me, in writing, with any questions or concerns you may have, no later than November 1, 2017. My email address is: sblair@crsofcolorado.com.

Very truly yours,

HILLCREST WATER & SANITATION DISTRICT



Sue Blair
District Manager

Attachments: 2017 Annual Report
Outfall Line Reserve Account Statement as of August 2017

Hillcrest Water & Sanitation District
 Outfall Line Expenses Shared by All Districts

2017 ANNUAL REPORT

Billed to Districts for 2017

Invoice Date	Invoice Number	Check Number	Date	Service Provider	Outfall Invoice Amount	Hillcrest 39.2%	Mansfield 22.1%	Devonshire 5.2%	CH North 19.5%	CH Village 14.0%	Total 100.0%
2/7, 3/2	8945, 7008	1764	3/21/2017	CRS	\$ 476.60	186.83	105.33	24.78	92.94	66.72	476.60
2/2	108887	1767	3/21/2017	Kennedy/Jenks Consultants	96.82	37.95	21.40	5.03	18.88	13.55	96.82
3/7	583444	1769	3/21/2017	Spencer Fane	150.00	58.80	33.15	7.80	29.25	21.00	150.00
4/10	7091	1778	6/20/2017	CRS	1,147.05	449.64	253.50	59.65	223.67	160.59	1,147.05
		Wire	4/27/2017	State - Loan payment	7,224.00	2,831.81	1,596.50	375.65	1,408.68	1,011.36	7,224.00
				Subtotal	\$ 9,094.47	3,565.03	2,009.88	472.91	1,773.42	1,273.23	9,094.47

Estimated Amounts Remaining to be Billed for 2017

		Hillcrest 39.2%	Mansfield 22.1%	Devonshire 5.2%	CH North 19.5%	CH Village 14.0%	Total 100.0%
Administrative Expenses	\$ 915.00	358.68	202.22	47.58	178.43	128.10	915.00
Maintenance Expense	-	-	-	-	-	-	-
Engineering Expenses	-	-	-	-	-	-	-
State - Loan payment	7,224.00	2,831.81	1,596.50	375.65	1,408.68	1,011.36	7,224.00
Subtotal	\$ 8,139.00	3,190.49	1,798.72	423.23	1,587.11	1,139.46	8,139.00

TOTAL ESTIMATED CHARGES TO BE BILLED IN 2017

6,755.52	3,808.60	896.14	3,360.53	2,412.69	17,233.47
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Account Statement

August 2017

Hillcrest Outfall Line Committee

7995 E Prentice Ave Ste 103E
Greenwood Village, CO 80111
U.S.A.

COLOTRUST PLUS+ CO-01-0915-8001

Summary

Average Monthly Yield: 1.20%

		Beginning Balance	Contributions	Withdrawals	Income Earned	Average Daily Balance	Month End Balance
CO-01-0915-8001	RESERVE FUND	5,174.91	0.00	0.00	5.26	5,177.69	5,180.17

Transactions

Transaction Date	Transaction Description	Contributions & Income Earned	Withdrawals	Balance	Transaction Number
08/01/2017	Beginning Balance			5,174.91	
08/31/2017	Income Earned For The Period	5.26			
08/31/2017	Ending Balance			5,180.17	

Darcy Beard

From: Board <board-bounces@chnorthmetro.us> on behalf of Marcus McAskin <marcus@mcm-legal.com>
Sent: 11/07/2017 10:12 AM
To: District Board of Directors+District Manager
Subject: Re: [Board] Cherry Hills North Proposed Agenda Nov 9 and Draft Minutes Aug 10
Attachments: Untitled attachment 00363.txt

Darcy:
Unfortunately I have a conflict and cannot attend Thurs.

As an update, Colorado Lighting (Scot Kelley's company) has completed all work in the neighborhood on the entryway monuments, including the following:

- (1) Replacement of all twelve (12) linear HO lamps and magnetic ballasts with new GE Tetra PowerStrip LEDs; and
- (2) Replacement of all five (5) remaining 39-watt ceramic metal halides in the monuments with new 27-watt RAB LED floodlights.

Regards,

Marcus A. McAskin
Michow Cox & McAskin LLP
6530 S. Yosemite St., Suite 200
Greenwood Village, CO 80111
marcus@mcm-legal.com
direct: 303-459-4621
main: 303-459-2725
cell: 303-517-5293



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From: Board [mailto:board-bounces@chnorthmetro.us] **On Behalf Of** Geoff
Sent: Monday, November 06, 2017 6:12 PM
To: District Board of Directors+District Manager <board@chnorthmetro.us>
Subject: Re: [Board] Cherry Hills North Proposed Agenda Nov 9 and Draft Minutes Aug 10