

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

August 9, 2018

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, August 9, 2018 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 May 10, 2018	1
3. Financial Reports July 31, 2018	3
4. Accounts Payable August 9, 2018	7
5. Joint District Meeting consideration	8
6. 2019 Draft Budget & Budget Hearing Date	10
7. Old Business	
8. New Business	
9. Adjournment	

Next tentatively scheduled meetings:

September 13, 2018

October 11, 2018

November 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 18th day of January 2018.

Present were: Harold Roberts, President
 Dan Conway, Vice President
 Keith Bierman, Secretary
 Marcus McAskin, Director
 Darcy Beard, CPA

Absent: Geoff Landry, Treasurer – absence excused

Guests: None

Director Roberts 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 November 9, 2017 were reviewed. Director Roberts made a motion to approve the minutes. The motion was seconded by Director Conway upon vote, the minutes were approved.

2018 BUDGET RESOLUTIONS

Ms. Beard presented Resolution 2017-03 and 2017-04 for signature. The resolutions which were approved at the November 9, 2017 meeting, formalized approval of the 2018 budget and the 2017 mill levy certification.

RESOLUTION 2018-01, A RESOLUTION OF THE BOARD OF DIRECTORS TO APPROPRIATE SUMS OF MONEY

Ms. Beard presented Resolution 2018-01 for consideration. After review of Resolution 2018-01, Director McAskin made a motion to approve the resolution. The motion was seconded by Director Roberts and upon vote, unanimously approved.

RESOLUTION 2018-02, A RESOLUTION OF THE BOARD OF DIRECTORS ESTABLISHING THE DATE, TIME AND PLACE FOR THE REGULAR MEETINGS FOR 2018

The Directors reviewed Resolution 2018-02. After discussion, Director Conway made a motion to approve Resolution 2018-02. The motion was seconded by Director Roberts and upon vote, unanimously approved.

RESOLUTION 2018-03, A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE MAY 8, 2018 ELECTION

The Directors reviewed Resolution 2018-03 establishing the parameters of the May 8, 2018 election. After discussion, Director Conway made a motion to approve Resolution 2018-03. The motion was seconded by Director Bierman and upon vote, unanimously approved.

FINANCIAL REPORT

Ms. Beard distributed the compilation report for the year ending December 31, 2017. Director Conway made a motion to accept the compilation report. The motion was seconded by Director Roberts, upon vote, unanimously passed.

CASH DISBURSEMENTS

Ms. Beard presented the Schedule of Cash Disbursements totaling \$77,589.67. Ms. Beard noted check 2482 in the amount of \$61,876 payable to Insituform Technologies is for the 2017 capital improvement project. After review, Director Conway, made a motion to approve the cash disbursements. The motion was seconded by Director Roberts, upon vote unanimously approved.

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 8:15 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 seven months ending July 31, 2018. 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
August 7, 2018**

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

January 1, 2018 through July 31, 2018

<u>REVENUES</u>	ACTUAL <u>2018</u>	BUDGET <u>2018</u>	BUDGET <u>REMAINING</u>
Property Taxes	\$ 94,952.29	\$ 96,440	\$ 1,488
Ownership Taxes	3,592.97	7,200	3,607
Investment Income	<u>3,390.11</u>	<u>3,675</u>	<u>285</u>
TOTAL REVENUES	\$ 101,935.37	\$ 107,315	\$ 5,380
<u>EXPENDITURES</u>			
Accounting/Management Expense	\$ 4,751.25	\$ 12,000.00	\$ 7,249
Audit Expense	415.00	750.00	335
Capital Outlay	-	86,250	86,250
County Fees	1,424.67	1,447	22
Dues	362.14	400	38
Election Expense	92.90	1,000	907
Engineering Expense	3,731.25	10,000	6,269
Entrance Maintenance	-	11,000	11,000
Hillcrest Outfall Line Expense	5,078.07	31,647	26,569
Insurance & Directors Bonds	1,927.09	2,200	273
Legal Fees	-	1,000	1,000
Line Maintenance & Repair	5,699.40	12,000	6,301
Office Expense	77.49	650	573
Sewer Treatment Charge	15,345.50	30,691	15,346
Utilities	787.85	1,500	712
	-	-	-
TOTAL EXPENDITURES	<u>\$ 39,692.61</u>	<u>\$ 202,535</u>	<u>\$ 162,842</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
STATEMENT OF NET ASSETS
JULY 31, 2018**

ASSETS

First Bank Checking	\$	4,212.72
First Bank Savings		19,138.63
ColoTrust Plus		344,166.81
Outfall Line Reserve		975.00
Accrued Interest Receivable		-
Property Tax Receivable		1,487.71
Prepaid Insurance		-
Capital Assets - Net		<u>89,589.60</u>
TOTAL ASSETS	\$	<u><u>459,570.47</u></u>

LIABILITIES & NET ASSETS

Accounts Payable	\$	(5,573.03)
Deferred Property Tax		<u>1,487.71</u>
Total Current Liabilities	\$	(4,085.32)

NET ASSETS

Net Assets - Unrestricted		401,413.03
Change in Net Assets		<u>62,242.76</u>
Total Net Assets		<u>463,655.79</u>

TOTAL LIABILITIES & NET ASSETS	\$	<u><u>459,570.47</u></u>
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SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
STATEMENT OF REVENUES & EXPENDITURES
FOR THE SEVEN MONTHS ENDING JULY 31, 2018**

REVENUES

Property Taxes	\$ 94,952.29
Ownership Taxes	3,592.97
Investment Income	<u>3,390.11</u>
TOTAL REVENUES	\$ 101,935.37

EXPENDITURES

Accounting/Management Expense	\$ 4,751.25
Audit Expense	415.00
Capital Outlay	-
County Fees	1,424.67
Dues	362.14
Election Expense	92.90
Engineering Expense	3,731.25
Entrance Maintenance	-
Hillcrest Outfall Line Expense	5,078.07
Insurance & Directors Bonds	1,927.09
Legal Fees	-
Line Maintenance & Repair	5,699.40
Office Expense	77.49
Sewer Treatment Charge	15,345.50
Utilities	<u>787.85</u>
TOTAL EXPENDITURES	\$ <u>39,692.61</u>

Change in Net Assets	\$ 62,242.76
Net Assets - Beginning of Year	<u>\$ 401,413.03</u>
Net Assets - End of Month	<u>\$ 463,655.79</u>

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
CASH DISBURSEMENTS
AUGUST 9, 2018**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHECK NUMBER</u>	<u>TOTAL</u>
Darcy Beard CPA	Acctg/Mgmt	2501	\$ 1,890.00
	Office Supplies		24.50
Hillcrest Water & Sanitation District	Sewer Treatment	2502	7,672.75
Hillcrest Water & Sanitation District	Outfall Line	2503	1,757.55
Xcel Energy	Utilities	2504	342.17
			-
TOTAL CASH DISBURSEMENTS			<u>\$ 11,686.97</u>

HILLCREST WATER & SANITATION DISTRICT
7995 E PRENTICE AVE, SUITE 103E
GREENWOOD VILLAGE, CO 80111
(303) 381-4960
(303) 381-4961 (FAX)

July 18, 2018

Cherry Hills North Metropolitan District
c/o Darcy Beard
P.O. Box 3110
Parker, CO 80134

RE: Joint District Meeting

Dear District Manager and Board of Directors:

The Outfall Line used by the participating sanitation districts was sized to accommodate sewage flows. Any additional flow, besides true wastewater, can create the flooding experienced in July 2015. These additional flows can be from sump pumps connected to the sewer system, breakages in lines causing infiltration, pools being drained into the sewer system, etc.

Over the past couple years, the Hillcrest Water & Sanitation Board has been working to determine a possible cause to the flooding experienced in July 2015. The District has also been working to mitigate possible causes found. Hillcrest is charged with maintaining the Outfall Line and has also undertaken efforts to limit extraneous inflow so that the Outfall Line is not over capacity in times of flooding.

Previous communications have been sent from both the Hillcrest and Mansfield Boards asking that your district complete sump pump inspections, in an attempt to mitigate additional flows from sump pumps being connected to the sewer system. This is one example of the District working to mitigate the causes that could possibly contribute to the basement sewage back-ups.

Through this investigation process, it has become apparent that the Intergovernmental Agreement (IGA) shared among the surrounding districts has some gaps. Specifically, in relation to the Outfall Line and the authority that Hillcrest Water & Sanitation has regarding enforcement related to the wastewater line used by the participating districts.

With that being said, the Hillcrest Water & Sanitation Board of Directors would like to schedule a meeting in which at least one (1) representative from all five (5) districts participate. Currently, the Hillcrest Water & Sanitation Board has developed three (3) strategies to help solve the shortfall in the IGA.

1. Renegotiate the existing IGA to include enforcement power of the Hillcrest Outfall Line to ensure that all flow in the lines follows the guidelines set by Metro Wastewater. For example, pools are not allowed to drain into the sewer system. If pools are draining into the sewer system, the flow is increased to push the maximum capacity of the line and could be a factor resulting in flooding and backups. In addition, the increased flow causes excessive treatment charges from Metro Wastewater.
2. Create a Rules and Regulations document that all five (5) districts approve that allows the Hillcrest Board the authority to require repairs be made or changes be made to

ensure only wastewater is entering the system. For example, broken lateral lines are a contributor of additional flow due to infiltration. This can add to the flow capacity in the line and possibly contribute to the back-ups experienced previously.

3. Form an Authority in which all five (5) districts will have seats on the Board and this Authority will be the enforcing body for all districts. This will allow a Board of representatives from all districts to discuss and approach solutions for all districts together.

This meeting is proposed for the 4th quarter of 2018. If you are interested in participating in such a discussion, please contact Angie Kelly prior to EOB on September 14th. You can reach Angie Kelly via phone (303-381-4980), email (akelly@crsofcolorado.com), or mail at 7995 E Prentice Ave, Suite 103E, Greenwood Village, CO 80111.

We thank you for your consideration in this matter and look forward to hearing from you all.

Regards,



Angie Kelly
District Manager

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
2019 DRAFT BUDGET**

	<u>2017 ACTUAL</u>	<u>2018 ADOPTED BUDGET</u>	<u>2018 FORECAST OPERATION</u>	<u>DRAFT 2019 BUDGET</u>
<u>RECEIPTS</u>				
TAXES - PROPERTY	\$ 89,334	\$ 96,440	\$ 96,440	\$ 96,440
TAXES - OWNERSHIP	7,650	7,200	7,200	7,200
INVESTMENT INCOME	<u>3,492</u>	<u>3,675</u>	<u>7,025</u>	<u>7,475</u>
TOTAL RECEIPTS	\$ 100,476	\$ 107,315	\$ 110,665	\$ 111,115
BALANCE JANUARY 1	<u>355,627</u>	<u>309,050</u>	<u>310,848</u>	<u>320,065</u>
TOTAL RECEIPTS & BEG BALANCE	\$ 456,103	\$ 416,365	\$ 421,513	\$ 431,180
<u>EXPENDITURES</u>				
ACCOUNTING	\$ 8,650	\$ 12,000	\$ 10,000	\$ 12,000
AUDIT EXPENSE	300	750	415	750
CAPITAL OUTLAY	78,817	86,250	-	86,250
COUNTY FEES	1,341	1,447	1,447	1,447
DUES	367	400	362	400
ELECTION EXPENSE	-	1,000	-	-
ENGINEERING EXPENSE	9,047	10,000	6,000	10,000
ENTRANCE MAINTENANCE	-	11,000	11,000	11,000
HILLCREST OUTFALL LINE EXPENSES	793	31,647	33,056	33,830
INSURANCE	2,010	2,200	1,927	2,025
LEGAL EXPENSE	-	1,000	-	1,000
LINE MAINTENANCE & REPAIR	5,757	12,000	5,700	12,000
MISCELLANEOUS	176	650	200	400
OFFICE SUPPLIES	135	-	250	250
SEWER TREATMENT CHARGE	36,453	30,691	29,491	33,895
UTILITIES	<u>1,409</u>	<u>1,500</u>	<u>1,600</u>	<u>1,750</u>
TOTAL EXPENDITURES	\$ 145,255	\$ 202,535	\$ 101,448	\$ 206,997
ENDING BALANCE	<u>310,848</u>	<u>213,830</u>	<u>320,065</u>	<u>224,183</u>
TOTAL EXPENDITURES & ENDING BALANCE	<u>\$ 456,103</u>	<u>\$ 416,365</u>	<u>\$ 421,513</u>	<u>\$ 431,180</u>

I, **Darcy Beard** certify the attached is a true and accurate copy of the adopted 2019 budget of the Cherry Hills North Metropolitan District.

By: _____
Budget Officer

CHERRY HILLS NORTH METROPOLITAN DISTRICT
BUDGET DETAIL

	<u>PROJECTED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>
<u>TAXES - OPERATION</u>		
2018 - 11,645,926 @ 8.281 MILLS	\$ 96,440	
2018 - 11,645,926 @ 8.281 MILLS ESTIMATED		\$ 96,440
<u>TAXES - OWNERSHIP</u>		
	\$ 7,200	\$ 7,200
<u>INVESTMENT INCOME</u>		
FIRST BANK	\$ 400	\$ 400
COLOTRUST (2.25%)	6,550	7,000
ARAPAHOE COUNTY	75	75
TOTAL INVESTMENT INCOME	\$ 7,025	\$ 7,475
<u>ACCOUNTING</u>		
	\$ 10,000	\$ 12,000
<u>AUDIT EXPENSE</u>		
LAST AUDIT 2015	\$ 415	\$ 750
<u>CAPITAL OUTLAY</u>		
CURED IN PLACE LINING	\$ -	\$ 75,000
CONTINGENCY/ENGINEERING (15%)	-	11,250
TOTAL CAPITAL OUTLAY	\$ -	\$ 86,250
<u>COUNTY FEES</u>		
	\$ 1,447	\$ 1,447
<u>DUES</u>		
SDA DUES	\$ 362	\$ 400
<u>ELECTION EXPENSE</u>		
	\$ -	\$ -
<u>ENGINEERING</u>		
	\$ 6,000	\$ 10,000
<u>ENTRANCE MAINTENANCE</u>		
SIGN MAINTENANCE	\$ 2,500	\$ 2,500
ENTRANCE MAINTENANCE	2,500	2,500
ENTRANCE LIGHTING	6,000	6,000
TOTAL SIGN/ENTRANCE MAINTENANCE	\$ 11,000	\$ 11,000
<u>HILLCREST OUTFALL LINE EXPENSE</u>		
O&M	\$ 585	\$ 585
JET CLEANING	1,463	1,463
OUTFALL LINE LOAN (TOTAL OF 40 PMTS)	4,226	5,000
OUTFALL LINE METERING	11,212	11,212 **
MANHOLE REPAIRS	12,000	12,000 **
ADDITIONAL JET CLEANING	1,570	1,570 **
OUTFALL LINE CONTINGENCY	2,000	2,000
OUTFALL LINE EXPENSE	\$ 33,056	\$ 33,830

** MAY BE DEFERRED TO 2019

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
BUDGET DETAIL**

<u>INSURANCE</u>	\$	1,927	\$	2,025
<u>LEGAL</u>		-		1,000
<u>LINE MAINTENANCE & REPAIR</u>				
VIDEO	\$	2,592	\$	2,800
JET CLEAN		2,717		3,000
ROOT CUTTING		391		1,200
REPAIR & MAINT MISCELLANEOUS		-		5,000
TOTAL VIDEO & JET CLEAN	\$	5,700	\$	12,000
<u>MISCELLANEOUS</u>				
BANK CHARGES		-		50
WEBSITE EXPENSES		-		150
LEGAL PUBLICATIONS		200		200
TOTAL MISC	\$	200	\$	400
OFFICE SUPPLIES	\$	250	\$	250
<u>SEWER TREATMENT CHARGE</u>				
HILLCREST CHARGE	\$	29,491	\$	33,895
<u>UTILITIES</u>				
XCEL ENERGY	\$	1,600	\$	1,750
		-		