

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

August 8, 2019

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 8, 2019 at 7:00 a.m. Business to be conducted at the meeting will include:

	<u>Page</u>
1. Public Comment	
2. Approval of the Minutes – May 9, 2019	1
3. Granite Inliner Pay Estimate Approval	3
4. Engineer's Report	
5. Memo regarding Sump Pump Inspections (Not for public distribution)	4
6. Financial Reports July 31, 2019	8
7. Accounts Payable- August 8, 2019	12
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9. Old Business	
10. New Business	
11. Adjournment	

Next tentatively scheduled meetings:

September 12, 2019

October 10, 2019

November 13, 2019

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 7:00 a.m. on the 9th day of May 2019.

Present: Harold Roberts, President
Dan Conway, Vice President
Keith Bierman, Secretary
Darcy Beard, CPA
Adam Cassidy, Purrington Civil, LLC
Colin Mielke, Seter & Vander Wall, P.C.

Absence excused: Marcus McAskin, Director
Geoff Landry, Treasurer

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 March 28, 2019 were reviewed. Director Roberts made a motion to approve the minutes. The motion was seconded by Director Bierman upon vote, the minutes were approved.

FINANCIAL REPORT

Ms. Beard distributed the compilation report for the four months ending April 30, 2019. 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 \$21,723.87. After review, Director Conway, made a motion to approve the cash disbursements. The motion was seconded by Director Roberts, upon vote unanimously approved.

SETER & VANDER WALL P.C. ENGAGEMENT LETTER

Mr. Mielke presented an engagement letter. After review, Director Roberts made a motion to approve the engagement letter. The motion was seconded by Director Bierman and upon vote, unanimously approved.

INSPECTIONS FOR ILLEGALLY CONNECTED SUMP PUMP

The Directors reviewed the correspondence regarding conducting inspections for illegally connected sump pumps and conferred with Mr. Mielke regarding drafting of rules and regulations for the District.

ENGINEER'S REPORT

Mr. Cassidy reviewed the bid summary for the proposed 2019 CIP project. After discussion, Director Bierman made a motion to accept the bid from Granite Inliner (formerly Layne Inliner) in the amount of \$46,611. The motion was seconded by Director Roberts and upon vote, unanimously approved. Mr. Cassidy presented letters addressed to homeowners with where roots were observed in service lines during the 2019 sewer video process. Ms. Beard will mail the letters to the homeowners.

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 7:50 a.m.

MINUTES APPROVED:

Harold Roberts

Daniel Conway

Geoff Landry

Marcus McAskin

Keith Bierman

PAYMENT ESTIMATE - CONTRACT PERFORMANCE									
DATE: July 31, 2019					PAGE 1 OF 1				
OWNER: Cherry Hills North Metropolitan District ADDRESS: PO Box 3110 Parker, CO 80134 303.841.3474					CONTRACTOR: Granite Inliner, LLC (formerly Layne Inliner, LLC) CONTACT: Reid Sutherland ADDRESS: PO Box 743609 Los Angeles, CA 90074-3609				
PROJECT: 2019 Capital Improvements Project - CIPP JOB #: 19-015					PERIOD COVERED BY THIS ESTIMATE FROM: 7/1/2019 TO: 7/31/2019			ESTIMATE NUMBER 1	
ITEM NUMBER	DESCRIPTION	CONTRACT				TOTAL THIS PERIOD		TOTAL TO DATE	
		UNIT PRICE	UNIT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT
1	8" CIPP - Nassau Cir. W.; MH 6 to MH 5 (+/- 151 LF)	\$4,228.00	EA	1	\$4,228.00	1.00	\$4,228.00	1.00	\$4,228.00
2	8" CIPP - Sanford Cir. W.; MH 3.8 to MH 3.7 (+/- 102 LF)	\$2,856.00	EA	1	\$2,856.00	1.00	\$2,856.00	1.00	\$2,856.00
3	8" CIPP - Nassau Cir. E.; MH 14 to MH 13 (+/- 400 LF)	\$11,200.00	EA	1	\$11,200.00	1.00	\$11,200.00	1.00	\$11,200.00
4	8" CIPP - Nassau Cir. E.; MH 3.3.11 to MH 3.3.10 (+/- 294 LF)	\$8,232.00	EA	1	\$8,232.00	1.00	\$8,232.00	1.00	\$8,232.00
5	8" CIPP - Nassau Cir. E.; MH 3.3.7 to MH 3.3.6 (+/- 104 LF)	\$2,912.00	EA	1	\$2,912.00	1.00	\$2,912.00	1.00	\$2,912.00
6	8" CIPP - Nassau Cir. E.; MH 3.3.6 to MH 3.3.5 (+/- 231 LF)	\$6,468.00	EA	1	\$6,468.00	1.00	\$6,468.00	1.00	\$6,468.00
7	Traffic Control	\$665.00	EA	1	\$665.00	1.00	\$665.00	1.00	\$665.00
8	Bypass Pumping	\$350.00	EA	1	\$350.00	1.00	\$350.00	1.00	\$350.00
9	Pro-Construction Video	\$4,000.00	EA	1	\$4,000.00	1.00	\$4,000.00	1.00	\$4,000.00
10	Mobilization / Permits	\$5,700.00	EA	1	\$5,700.00	1.00	\$5,700.00	1.00	\$5,700.00
SUBTOTAL PAGE 1					\$46,611.00		\$46,611.00		\$46,611.00
SUBTOTAL PAGE 2					\$0.00		\$0.00		\$0.00
TOTAL					\$46,611.00		\$46,611.00		\$46,611.00
CONTRACTOR'S CERTIFICATION: I CERTIFY THAT THE WORK COVERED BY THIS ESTIMATE HAS BEEN COMPLETED IN ACCORDANCE WITH THE CONTRACT TERMS.					CONTRACT TOTAL \$46,611.00		TOTAL THIS PERIOD \$46,611.00		TOTAL TO DATE \$46,611.00
SIGNATURE: _____ TITLE: _____ DATE: _____					A. PREVIOUS RETAINED EARNINGS \$0.00		B. PREVIOUS PAYMENTS \$0.00		
PURRINGTON CIVIL, LLC ENGINEER'S STATEMENT I HAVE CHECKED THE QUANTITIES COVERED BY THIS ESTIMATE AND, TO THE BEST OF MY KNOWLEDGE, THE WORK WAS ACTUALLY PERFORMED, THE QUANTITIES ARE CORRECT, AND THE AMOUNTS ARE CONSISTENT WITH THE REQUIREMENTS OF THE CONTRACT.					C. PREVIOUS EARNINGS (A+B)				\$0.00
SIGNATURE: _____ TITLE: _____ DATE: _____					D. EARNINGS THIS PERIOD (TOTAL TO DATE MINUS C)				\$46,611.00
SIGNATURE: _____ TITLE: _____ DATE: _____					E. LESS RETAINED EARNINGS - (NO RETAINAGE)				\$0.00
OWNER'S ACCEPTANCE: SIGNATURE: _____ TITLE: _____ DATE: _____					F. AMOUNT DUE CONTRACTOR				\$46,611.00
					RECAPITULATION TOTAL RETAINED EARNINGS (A+E) \$0.00		TOTAL PAID (B+F)		\$46,611.00
Release of Retainage Date:									

ATTORNEY-CLIENT PRIVILEGED MEMORANDUM

TO: Board of Directors, Cherry Hills North Metropolitan District

FROM: Seter & Vander Wall, P.C.

DATE: August 6, 2019

RE: Analysis of Sump Pump Inspection Requirements

This memo discusses whether Cherry Hills North Metropolitan District (“Cherry Hills North”) must inspect homes in its service area for unauthorized sump pump connections.

Overview of Wastewater Service from Hillcrest

Hillcrest Water & Sanitation District (“Hillcrest”) owns an outfall sewer line (“Outfall Line”) that collects wastewater and delivers it to Metro Wastewater Reclamation District (“Metro Wastewater”). Since 1962, various special districts have connected to Hillcrest’s Outfall Line to deliver wastewater to Metro Wastewater.

Cherry Hills North has been connected to the Outfall Line through agreements with Hillcrest since 1985, all of which have been superseded by the Second Amended and Restated Intergovernmental Agreement (“IGA”) between Cherry Hills North, Hillcrest, Mansfield Heights Water & Sanitation District (“Mansfield Heights”), and Devonshire Heights Water & Sanitation District (“Devonshire”) (collectively, the “Districts”), effective January 1, 2011.¹ (IGA, p. 6).

In 2015, about seven homes on the Outfall Line experienced wastewater backups. Hillcrest and Devonshire believe unauthorized sump pump connections exacerbated the backups by introducing stormwater to the Outfall Line. Hillcrest and Devonshire purportedly inspected homes on their individual collection systems to identify and remove unauthorized sump pump connections.² Hillcrest has demanded that the other Districts conduct inspections.

Analysis of IGA’s Requirements

The Districts entered into the IGA for six specific purposes: (1) to amend and restate all of the pre-existing agreements between the Districts; (2) to identify the Outfall Line Maintenance Hillcrest is required to perform; (3) to identify the Maintenance Costs to be jointly funded; (4) to

¹ Cherry Hills Village Sanitation District is listed as a party in the IGA, but did not execute the IGA and still operates pursuant to its Connector’s Agreement dated August 1, 1997.

² Mr. Fullerton (a Hillcrest board member) confirmed that some Hillcrest homeowners objected to an inspection and Hillcrest accepted affidavits from them in lieu of an inspection. (Email to Mr. Roberts dated 11/10/2018). {00408077 2}

establish the initial allocation of the Maintenance Costs; (5) to establish the process for funding the Maintenance Costs; and (6) to resolve certain disputes between Devonshire and Hillcrest. (IGA, pp. 4-5). The purposes do not mention sump pumps.

Hillcrest is responsible for all Outfall Line Maintenance, and the other Districts are responsible for funding that maintenance. (IGA, p. 5). Hillcrest's Outfall Line Maintenance responsibilities include routine operation and maintenance and "inspection and other investigations as deemed necessary to determine the condition of the Outfall Line and identify specific deficiencies that should be addressed" (IGA, p. 20).

Sump pumps are prohibited from discharging water into the sanitary sewer systems that are connected to the Outfall Line. (IGA, p. 12). In addition, the Districts agree to continually evaluate their individual collection systems and taps to prevent underground water infiltration into their systems from residential sump pumps and other sources. (IGA, p. 12). However, the IGA does not specify how such evaluations must be completed, and the Districts arguably retain discretion regarding how to evaluate discharges into their collection systems.

Each District is required to adopt rules and regulations regarding extraneous waters entering the collection systems. (IGA, p. 13). However, the IGA again does not dictate specific rules or regulations, and the Districts arguably retain discretion concerning their particular rules. Cherry Hills North's records do not contain any rules, and Cherry Hills North will need to adopt a new set of rules to comply with the IGA.

Each District agrees to take "appropriate action" if an evaluation of the Outfall Line determines that such District is discharging extraneous waters into the Outfall Line. (IGA, p. 13). The IGA does not define "appropriate action."

Analysis of Demand by Hillcrest

Hillcrest has pressured Cherry Hills North and the other Districts to physically inspect homes for unauthorized sump pump connections.

Under the IGA, Hillcrest is responsible for evaluation and investigation of the Outfall Line. The other Districts are required to take appropriate action if Hillcrest performs an evaluation that shows such Districts are discharging extraneous waters into the Outfall Line. (IGA, pp. 5 and 20).

Hillcrest has not performed any evaluations that show Cherry Hills North has discharged any extraneous waters into the Outfall Line. Mr. William Klingensmith III, a Mansfield Heights board member, authored a case study regarding the Outfall Line's 2015 sewer system overflow. However, that case study does not contain an evaluation or inspection identifying Cherry Hills North as a contributor of extraneous waters to the Outfall Line. As such, the conditions precedent to Cherry Hills North taking "appropriate action" have not occurred. Cherry Hills North is not required to take "appropriate action" until Hillcrest performs a sufficient evaluation or inspection of the Outfall Line to determine whether Cherry Hills North is emitting extraneous waters to the Outfall Line. In addition, the results of any such evaluation will determine whether

inspection of homes for unauthorized sump pump connections would even constitute an “appropriate action.”

In the event Hillcrest does perform an evaluation or inspection of the Outfall Line and determines that Cherry Hills North is discharging extraneous waters into the Outfall Line, Colorado law places certain restrictions on the actions Cherry Hills North can take to remedy the discharges. Currently, the absence of rules and regulations and an existing fee structure make it untenable for Cherry Hills North to demand inspections of homes for unauthorized sump pump connections, or to penalize residents for refusing such inspections.

Cherry Hills North Lacks Authority to Demand Inspection of Homes

Metropolitan districts are limited purpose governments. They have only those powers granted to them by the Colorado legislature, and such powers necessary, incidental, or implied from the specific powers granted by the legislature. § 32-1-1001(1)(n), C.R.S.

Metropolitan districts have the authority to adopt rules and regulations governing their operations, so long as they don’t conflict with the constitution or state law. § 32-1-1001(1)(m), C.R.S. However, Colorado law does not grant metropolitan districts the authority to demand entry into private homes, even for potential violations of a district’s rules and regulations. Furthermore, demanding such entry is not a necessary, incidental, or implied power possessed by a metropolitan district. This is consistent with the Colorado constitution’s prohibition on unreasonable searches and seizures. Colo. Const. Art. II, § 7.

As such, Cherry Hills North cannot demand entry into homes within its service area, and cannot enact rules and regulations requiring customers to allow entry into their homes.

Risks Surrounding the Imposition of Penalties

Metropolitan districts are authorized to impose fees and penalties. § 32-1-1001(1), C.R.S. However, districts that provide water or sanitation services directly to residents must first hold a public meeting and provide 30-days’ prior notice of the proposed adoption of fees and penalties. § 32-1-1001(2)(a), C.R.S. Any fees and penalties must be rationally related to a legitimate government purpose. *See Krupp v. Breckenridge Sanitation Dist.*, 19 P.3d 687, 693–94 (Colo. 2001).

While Cherry Hills North cannot demand authorization to inspect private homes, it could adopt rules that establish penalties for homes that refuse sump pump inspections. To do this, it would need to publish proper notice and discuss the proposal at a public meeting. However, this option poses certain risks.

First, there is no evidence that such sump pump inspections would have prevented the 2015 Outfall Line backups or that any unauthorized connections exist today. Indeed, there are various other manners in which extraneous water could enter the Outfall Line, which a sump pump inspection will not identify. Imposing penalties for refusing to allow such inspections creates a small risk that a property owner sues the District for imposing a penalty that is not

rationally related to a legitimate government purpose. While the District likely would have good defenses against such a challenge, the costs to defend a challenge can be extensive.

Second, imposing financial penalties may not result in compliance from all homes.³ Enforcing such penalties must be done on a consistent basis, or it will raise issues under the Equal Protection Clause. The Equal Protection Clause guarantees citizens equal protection under the law. If Cherry Hills North enacts rules and penalties related to sump pump inspections, it must also enforce those rules and penalties in a consistent manner to ensure property owners receive equal protection under the law. Failure to do so could result in a lawsuit against the District.

Consistent enforcement can be difficult. For example, Hillcrest imposed penalties on some property owners that refused to allow an inspection, and accepted affidavits from other property owners who were more recalcitrant with their refusal to allow inspections. It is unclear whether the penalties were uniformly imposed, and whether all property owners were granted the same opportunity to execute an affidavit in lieu of inspection. Failing to impose the same penalties or apply the rules consistently creates a risk of a lawsuit and damages under the Equal Protection Clause.

Therefore, prior to adopting any rules or penalties, the District must determine how it would apply those rules, and how it would consistently enforce the rules in the event a property owner does not comply with them.

Conclusion

The District will need to adopt rules and regulations regarding extraneous waters pursuant to the IGA. However, adopting rules and penalties concerning mandatory inspection of private homes for unauthorized sump pump connections is premature because Hillcrest has not performed an evaluation or inspection of its Outfall Line that shows Cherry Hills North is discharging extraneous waters into the Outfall Line. Furthermore, the authority to demand inspection of homes and impose penalties for refusal is tenuous, and Cherry Hills North would increase its risk of litigation if it adopted and enforced such rules and penalties.

³ As stated above, Hillcrest was unable to achieve 100% compliance despite making demands and imposing penalties.

**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, 2019. 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 6, 2019**

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

January 1, 2019 through July 31, 2019

<u>REVENUES</u>	ACTUAL <u>2019</u>	BUDGET <u>2019</u>	BUDGET <u>REMAINING</u>
Property Taxes	\$ 97,453.53	\$ 97,462	\$ 8
Ownership Taxes	4,305.59	6,200	1,894
Investment Income	<u>4,965.02</u>	<u>7,100</u>	<u>2,135</u>
TOTAL REVENUES	\$ 106,724.14	\$ 110,762	\$ 4,038
<u>EXPENDITURES</u>			
Accounting/Management Expense	\$ 2,812.50	\$ 10,000	\$ 7,188
Audit Expense	430.00	1,000	570
Capital Outlay	53,012.46	86,250	33,238
County Fees	1,462.50	1,462	(1)
Dues	374.88	450	75
Engineering Expense	3,351.36	18,000	14,649
Entrance Maintenance	90.50	11,000	10,910
Hillcrest Outfall Line Expense	-	34,396	34,396
Insurance & Directors Bonds	1,879.66	2,450	570
Legal Fees	-	1,000	1,000
Line Maintenance & Repair	5,886.30	7,000	1,114
Miscellaneous Expense	20.00	350	330
Office Expense	186.60	200	13
Sewer Treatment Charge	30,798.75	41,065	10,266
Utilities	707.98	1,500	792
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 101,013.49</u>	<u>\$ 216,123</u>	<u>\$ 115,110</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
STATEMENT OF NET ASSETS
JULY 31, 2019**

ASSETS

First Bank Checking	\$ 11,233.96
First Bank Savings	15,919.90
ColoTrust Plus	382,280.98
Outfall Line Reserve	975.00
Cash with County Treasurer	-
Property Tax Receivable	7.37
Prepaid Insurance	-
Capital Assets - Net	<u>137,755.23</u>
TOTAL ASSETS	<u>\$ 548,172.44</u>

LIABILITIES & NET ASSETS

Accounts Payable	\$ 50,527.37
Deferred Property Tax	<u>7.37</u>
Total Current Liabilities	\$ 50,534.74

NET ASSETS

Net Assets - Unrestricted	438,914.59
Change in Net Assets	<u>58,723.11</u>
Total Net Assets	<u>497,637.70</u>

TOTAL LIABILITIES & NET ASSETS	<u>\$ 548,172.44</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, 2019**

REVENUES

Property Taxes	\$ 97,453.53
Ownership Taxes	4,305.59
Investment Income	<u>4,965.02</u>
TOTAL REVENUES	\$ 106,724.14

EXPENDITURES

Accounting/Management Expense	\$ 2,812.50
Audit Expense	430.00
County Fees	1,462.50
Depreciation Expense	-
Dues	374.88
Engineering Expense	3,351.36
Entrance Maintenance	90.50
Hillcrest Outfall Line Expense	-
Insurance & Directors Bonds	1,879.66
Legal Fees	-
Line Maintenance & Repair	5,886.30
Office Expense	206.60
Sewer Treatment Charge	30,798.75
Utilities	<u>707.98</u>
TOTAL EXPENDITURES	<u>\$ 48,001.03</u>

Change in Net Assets	\$ 58,723.11
Net Assets - Beginning of Year	<u>\$ 438,914.59</u>
Net Assets - End of Month	<u><u>\$ 497,637.70</u></u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
CASH DISBURSEMENTS
AUGUST 8, 2019**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHECK NUMBER</u>	<u>TOTAL</u>
Darcy Beard CPA	Acctg/Mgmt	2530	2,218.75
	Office Supplies		138.85
Granite Inliner LLC	Capital Improvements	2531	46,611.00
Hillcrest Water & Sanitation	Sewer Treatment - Qtr 4	2532	10,266.25
Purrington Civil LLC	Engineering	2533	459.36
	Capital Improvements		3,176.46
Xcel Energy	Utilities	2534	344.55
			-
TOTAL CASH DISBURSEMENTS			<u><u>\$ 63,215.22</u></u>

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
2020 PROPOSED BUDGET**

	2018 ACTUAL	2019 ADOPTED BUDGET	2019 FORECAST OPERATION	PROPOSED 2020 BUDGET
<u>RECEIPTS</u>				
TAXES - PROPERTY	\$ 96,440	\$ 97,462	\$ 97,462	\$ 97,462
TAXES - OWNERSHIP	7,008	6,200	6,800	6,500
INVESTMENT INCOME	6,384	7,100	7,415	7,050
TOTAL RECEIPTS	<u>\$ 109,832</u>	<u>\$ 110,762</u>	<u>\$ 111,677</u>	<u>\$ 111,012</u>
BALANCE JANUARY 1	311,822	343,754	354,172	323,071
TOTAL RECEIPTS & BEG BALANCE	<u>\$ 421,654</u>	<u>\$ 454,516</u>	<u>\$ 465,849</u>	<u>\$ 434,083</u>
<u>EXPENDITURES</u>				
ACCOUNTING	\$ 10,961	\$ 10,000	\$ 10,000	\$ 11,500
AUDIT EXPENSE	415	1,000	430	1,000
CAPITAL OUTLAY	-	86,250	53,012	86,250
COUNTY FEES	1,447	1,462	1,462	1,462
DUES	362	450	375	450
ELECTION EXPENSE	-	-	-	2,500
ENGINEERING EXPENSE	5,691	18,000	4,000	5,000
ENTRANCE MAINTENANCE	647	11,000	11,000	11,000
HILLCREST OUTFALL LINE EXPENSES	7,748	34,396	8,817	34,887
INSURANCE	1,927	2,450	1,880	2,100
LEGAL EXPENSE	-	1,000	2,500	2,500
LINE MAINTENANCE & REPAIR	5,699	7,000	5,887	7,000
MISCELLANEOUS	352	350	350	450
OFFICE EXPENSE	191	200	600	750
SEWER TREATMENT CHARGE	30,691	41,065	41,065	39,434
UTILITIES	1,351	1,500	1,400	1,550
TOTAL EXPENDITURES	<u>\$ 67,482</u>	<u>\$ 216,123</u>	<u>\$ 142,778</u>	<u>\$ 207,833</u>
ENDING BALANCE	354,172	238,393	323,071	226,250
TOTAL EXPENDITURES & ENDING BALANCE	<u>\$ 421,654</u>	<u>\$ 454,516</u>	<u>\$ 465,849</u>	<u>\$ 434,083</u>

I, **Darcy Beard** certify the attached is a true and accurate copy of the adopted 2020 budget of the Cherry Hills North Metropolitan District.

By: _____
Budget Officer

CHERRY HILLS NORTH METROPOLITAN DISTRICT
BUDGET DETAIL

	<u>PROJECTED</u> <u>2019</u>	<u>PROPOSED</u> <u>2020</u>
<u>TAXES - OPERATION</u>		
2019 - 11,769,322 @ 8.281 MILLS	\$ 97,462	
2020 - 11,769,322 @ 8.281 MILLS ESTIMATED		\$ 97,462
<u>TAXES - OWNERSHIP</u>		
	\$ 6,800	\$ 6,500
<u>INVESTMENT INCOME</u>		
FIRST BANK	\$ 50	\$ 50
COLOTRUST	7,365	7,000
TOTAL INVESTMENT INCOME	\$ 7,415	\$ 7,050
<u>ACCOUNTING</u>		
	\$ 10,000	\$ 11,500
<u>AUDIT EXPENSE</u>		
LAST AUDIT 2015	\$ 430	\$ 1,000
<u>CAPITAL OUTLAY</u>		
CURED IN PLACE LINING	\$ 46,611	\$ 75,000
CONTINGENCY/ENGINEERING (15%)	6,401	11,250
TOTAL CAPITAL OUTLAY	\$ 53,012	\$ 86,250
<u>COUNTY FEES</u>		
	\$ 1,462	\$ 1,462
<u>DUES</u>		
SDA DUES	\$ 375	\$ 450
<u>ELECTION EXPENSE</u>		
	\$ -	\$ 2,500
<u>ENGINEERING</u>		
	\$ 4,000	\$ 5,000
<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	\$ 4,000	\$ 4,000
JET CLEANING	-	1,500 **
OUTFALL LINE LOAN (TOTAL OF 40 PMTS)	2,817	2,817
OUTFALL LINE METERING	-	11,000 **
MANHOLE REPAIRS	-	12,000 **
ADDITIONAL JET CLEANING	-	1,570 **
OUTFALL LINE CONTINGENCY	2,000	2,000
OUTFALL LINE EXPENSE	\$ 8,817	\$ 34,887
 ** MAY BE DEFERRED TO 2020		
<u>INSURANCE</u>		
	\$ 1,880	\$ 2,100

CHERRY HILLS NORTH METROPOLITAN DISTRICT
BUDGET DETAIL

<u>LEGAL</u>	2,500	2,500
<u>LINE MAINTENANCE & REPAIR</u>		
VIDEO	\$ 3,618	\$ 2,800
JET CLEAN	2,079	3,000
ROOT CUTTING	<u>190</u>	<u>1,200</u>
TOTAL VIDEO & JET CLEAN	\$ 5,887	\$ 7,000
<u>MISCELLANEOUS</u>		
BANK CHARGES	50	50
WEBSITE EXPENSES	150	150
LEGAL PUBLICATIONS	<u>150</u>	<u>250</u>
TOTAL MISC	\$ 350	\$ 450
OFFICE SUPPLIES/STORAGE	\$ 600	\$ 750
<u>SEWER TREATMENT CHARGE</u>		
HILLCREST CHARGE	\$ 41,065	\$ 39,434
<u>UTILITIES</u>		
XCEL ENERGY	\$ 1,400	\$ 1,550