

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CASTLE PINES METROPOLITAN DISTRICT  
ALL MEMBERS OF THE PUBLIC PARTICIPATED VIA ZOOM TELECONFERENCE**

Held: Tuesday, August 31, 2021, 9:30 a.m., at 5880 Country Club Dr., Castle Rock, Colorado

A regular meeting of the Board of Directors of the Castle Pines Metropolitan District, Douglas County, Colorado, was called and held as shown above and in accordance with the applicable statutes of the state of Colorado, with the following Directors, constituting a quorum, present, and acting:

Rick Huser  
Mike Lanam  
Dick Munday  
Craig Sundquist  
Tad Walden

Also present were: Burt Knight, Sue Mantz, Jason LeTellier, LeAnna Gonzales, Kerry Knackstedt, District Staff; Aaron Miller, Mixed-Up Audio; Tom George, Spencer Fane, LLP; Mark Larson, General Manager, Castle Pines Homes Association; Josh Shackelford, Daniel Feller, Olsson; Will Koger, Forsgren & Associates; Cassie Vetter, Infrastructure Committee Chairperson; Matt Beerbower, Laura Leonardi, RubinBrown; Cici Holbrook, Bill Calhoun, Doreen Sanford, Vic Pluto, Persis Schlosser, Robert Schwartz, Mike Vernon, members of the public.

Potential Conflict of Interest Disclosures

It was noted that disclosure statements have been filed on behalf of the members of the Board with the Office of the Colorado Secretary of State. District Counsel Mr. George stated that no additional potential conflicts of interest were identified specific to today's agenda.

Approval of the Agenda

Director Huser made a motion to approve the agenda, seconded by Director Sundquist.

The Board unanimously approved the agenda.

Guest Introductions / Comments from the Community

Rob Schwartz lives in Prato, he has concerns regarding the new potential curb and gutter project and traffic safety along Castle Pines Drive North.

## Action Items

**Accept the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2020 and Review ViewPoints (Report to Governance)** – Director Huser made a motion to accept the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2020, seconded by Director Sundquist. Director Huser introduced Mr. Matt Beerbower, Partner, and Ms. Laura Leonardi, Manager, from RubinBrown who were attending the meeting to present the CAFR. Mr. Beerbower said this is a final draft of the 2020 Financial Statement and it will be complete once they receive the required legal counsel letters. If there are any changes due to those letters, the Board will be advised. The audit report represents an unmodified opinion on the District's financial statements as presented and in accordance with generally accepted accounting principles. Mr. Beerbower highlighted the independent auditor's report and the Statement of Net Position, which comprises the District's assets and liabilities as of December 31, 2020. He walked through the Statement of Activities showing the change in net position year over year. He answered questions from the Board regarding the CAFR. Director Huser asked about the extensive CAFR and asked if this in-depth report is necessary and why we go this route. Mr. Beerbower responded that the report has grown in length due to disclosures on the Pension Plan and OPEB (Other Post-Employment Benefits). Also, to apply for and receive the Government Financial Officers Association Certification each year, statistical tables are required, which are inserted in the back of the report. Some entities go through this process for various reasons, including anticipating bond financing and for transparency. Director Lanam asked if there were any liability issues if we don't submit for the GFOA Certificate and does it still offer the same transparency? Mr. Beerbower stated that the same level of transparency would be in the report, but the stat tables would be removed.

Mr. Beerbower also reviewed the ViewPoints – Report to Governance, which presents information regarding the scope of the audit and summarizes the results of the audit engagement. Mr. Beerbower reviewed the data analytics. He reported that the audit went smoothly and there were no difficulties in the audit process. Mr. Beerbower answered questions from the Board.

A vote was called and the motion passed unanimously.

**Approve Minutes from July 27, 2021, Regular Board Meeting** – Director Huser made a motion to approve the minutes of July 27, 2021, Regular Board Meeting, seconded by Director Sundquist.

A vote was called and the motion passed unanimously.

**Approve Minutes from August 16, 2021, Special Board Meeting** – Director Huser made a motion to approve the minutes of August 16, 2021, Special Board Meeting, seconded by Director Munday.

A vote was called and the motion passed unanimously.

**Approve the June 2021 Payables** – Director Huser made a motion to approve the July 2021 Payables of \$882,243.95, seconded by Director Lanam. Ms. Gonzales reported that staff met with Director Lanam to review payables, payroll expenses, and manual checks totaling \$882,243.95. Ms. Gonzales reviewed and answered questions regarding invoices from the following vendors: Cummins Sales and Service, Dana Kepner, DRC Construction Services, Inc., ET Irrigation Management Specialist, LLC, High Country Hydrology, Inc., Jehn Water Consultants, Inc., Metro Pavers, Inc., Quantum Pump & Controls, Schmidt Construction Co., TimberLine Electric Corp., and Douglas County Public Works.

A vote was called and the Board unanimously approved payment of the July 2021 expenses in the following amounts: General Fund \$470,357.70, Enterprise Fund \$373,872.01, and Manual Checks \$38,014.24.

Ms. Mantz reviewed the Revenue and Expense Report for July 2021. In the general fund, she has made some adjustments to the full-year forecast for 2021. Revenue has a positive variance over budget, as well as Total Personnel at \$147,000 and Contract Services at \$45,000 both a positive variance over budget. Total General overhead has a negative variance due to the overrun of the community event. Ms. Mantz noted that we did have a tent destroyed by a microburst that blew the tent over and dismantled it, and we had to rent a tent for the event. Total public works has a negative variance of \$1.4M due to additional roadwork that was added. On the new curb and gutter, we have a request for a new curb and gutter project, that, if approved we would have an adjustment on total public works. Total expenditures are -\$1.2M and that would be what we're looking at for a supplemental appropriation if we were to do one today. The ending fund balance is a negative \$1.2M. The enterprise fund revenue has a negative variance over budget of \$123K due to less water usage YTD. There is a positive variance of \$125K on Total Personnel, positive variance on contract services. The ending fund balance has a positive variance over budget of \$387K. Ms. Mantz answered questions from the Board.

Staff is getting ready to present a first draft of the 2022 budget next month.

**Consider Approval of a Partial Reduction of Surety for The Summit (Water Only), Filing 41** – Director Sundquist made a motion to approve a Partial Reduction of Surety for The Summit (Water Only), Filing 41, seconded by Director Munday. Mr. LeTellier said this is for Filing 41 - Phase 1, water, and we have already done a reduction after the Phase 1 sewer was complete. The developer has met all the requirements and inspections by the District. Mr. Knight noted that the warranty period will not start until we accept the final phase of the work. Director Walden asked for clarification of the \$500,000. Mr. Knight said the total surety is for completion of all the work, and a letter of credit that the developer will complete the work. We negotiated that we would do a partial reduction of the surety so they can reduce their letter of credit by components. Director Walden asked what the checklist for the inspection is, Mr. Knight said there are several items such as the right material, the trench excavated as to not create a risk to the pipeline, bedding, specific depth, and volumes around the pipe, and backfill around the pipe. There are also valves, bends, and pipes in the system that we have inspected. The County does not own or operate any of those utilities, but they would play a role in the acceptance of drainage. Director Huser reviewed the exhibit of the IGA that referenced the

drawdown in the agreement. Mr. Knight said this will be an asset that will be shown in our financials, after the two-year warranty is in place, and the District accepts the infrastructure for ownership.

A vote was called and the motion passed unanimously.

**Consider Approval of Bid for 2021 Concrete Improvement Project** – Director Sundquist made a motion for Approval of Bid for 2021 Concrete Improvement Project, seconded by Director Huser. Mr. LeTellier said we are trying to install a curb and gutter along Castle Pines Drive South through Lost Elk Loop. The project was posted on Bidnet and we had 2 bidders that responded. The lowest bidder is Silva Construction, Inc, which came within 3% of the engineer's estimate. The District's consultant, Olsson, did thorough reference checks on Silva Construction and staff recommends awarding the project to Silva Construction, Inc. for \$381,965.00. The goal is to get this work done before MPI comes in to do their scheduled overlay on this section of the roadway. Mr. Knight and Mr. LeTellier answered questions from the Board. Director Huser gave Mr. Schwartz, Prato HOA President, an opportunity to comment on the project. He suggests the project consider potential traffic calming/speed mitigation in this area before a \$400K investment. Mr. Knight indicated he did not believe any traffic calming/speed mitigation improvements would be recommended by a proposed traffic/speed study within the limits of this work. Director Lanam requested that the Infrastructure Committee with assistance from a Traffic/Speed Consultant review this concern and come back with a recommendation. Mr. Knight said if we do that, we will not have time to get the work completed this year. After Board discussion, Director Huser withdrew his motion, moving to table the request and direct staff to modify the mill and overlay work for this section of road, seconded by Director Sundquist.

A vote was called and the motion to table passed unanimously.

#### Committee Updates

**Liaison to PCWRA** – Mr. Knight said they are still working on warranty items with the expansion. They implemented the 1<sup>st</sup> quarterly operations meeting, and the Town of Castle Rock, Parker, CPNMD, and CPMD were invited. Mr. LeTellier and Mr. Matt Padgett, WTP ORC, attended and found it beneficial, understanding what the surrounding entities have going on, their challenges, and networking. Director Walden asked why the increase in the BOD, Director Munday said we do not have a breakdown of those flows. Director Sundquist noted that CODs are still up and Mr. Knight said there is a flat spot in the sanitary sewer line under Hwy 85 and that is becoming a bigger issue, as we create our Sanitary Sewer Line Master Plan that line should be addressed.

**CPHA Liaison** – Mr. Larson said the resident directory has gone out, and it was completed by an outside third-party contractor.

The HA is getting ready for the Fitness Center remodel, which starts next Tuesday, and the fitness center closes the evening of the 7<sup>th</sup>. Temporary memberships have been set up with Planet Fitness in Castle Rock.

Director Walden asked what is the HA's position on the Daniel's Park proposed new development? Mr. Larson said the HA is a referral agency for that and it was on the Board of Director's agenda last Thursday. They have formulated a response that talks about additional traffic and congestion, impact on views, and the HA is opposing the development. Referrals are due in September.

**Infrastructure Committee Update** – Ms. Vetter said the committee has been working with Forsgren to finalize LRRMP and the Road Maintenance Policy. The committee is also working on snow removal in the Village to see if it is feasible to increase our level of service.

**Traffic/Study Proposed RFP Request** – Ms. Vetter referenced the RFP in the packet. The committee worked on this with Mr. Larson from CPHA, so they can work together towards the same goals. The goal of the study is to have a process that would be used to maintain consistency in our approach to traffic. Mr. Knight said this is a District staff project and if this RFP is approved it will be part of the contingency projects identified in the 2021 Budget and will have to be approved by the Board to establish it as a 2021 project.

**Water Committee Update** – Mr. Shackelford referenced the Irrigation Efficiency Scorecard and reported that the District has saved 27.2M gallons of water year to date. He noted that May had more precipitation than average (last 3 years) with less water usage and July was drier than average and the water usage was less than average, showing that the Efficiency Program is working. As of last Friday, there have been 64 irrigation analysis sign-ups, 59 have been completed, 35 reports have been delivered, and 25 of those reports have recommended system improvements.

M.E. Simpson, the contractor hired for the unaccounted water analysis, has been out here the last couple of weeks doing fieldwork and they did find a couple of areas with leaks. M.E. Simpson will submit a report in the next week or two that flags all the items they found. M.E. Simpson also tested all the well meters calibrations for accuracy and they all came back within the range of accuracy. Director Walden asked if we would have their report by September, and Mr. Knight responded that we should have the full report by October. The Rate Tier Analysis is still ongoing. Mr. Shackelford answered questions from the Board.

#### Discussion Items

**Confirm Tuesday, September 7, 2021, Special Board Meeting at 1:30 p.m., Board Room (Zoom) (Verbal)** - The Board confirmed Tuesday, September 7, 2021, Special Board Meeting at 1:30 p.m.

**Confirm, if necessary, Monday, September 27, 2021, Special Board Meeting at 9:30 a.m., Board Room (Zoom) (Verbal)** - The Board confirmed, if necessary, Tuesday, September 7, 2021, Special Board Meeting at 9:30 a.m. (Zoom) (Verbal)

**Confirm Tuesday, September 28, 2021, Regular Board Meeting at 9:30 a.m., Board Room (Zoom) (Verbal)** – The Board confirmed the Tuesday, September 28, 2021, Regular Board Meeting at 9:30 a.m., Board Room (Zoom) (Verbal).

### Staff Reports

#### **District Manager Report –**

- CPMD 2021 Goals – Mr. Knight referenced the Status Update, and there were no questions.
- Mr. Knight handed out a memo regarding the Olsson professional agreement. He said we originally had Work Orders 1, 2, and 3 with them. He asked Olsson to look at what projects we have going on and provide work orders associated with those projects. These would be WO#4 for general services, WO#5 for assistance with Unaccounted Water Study, WO#6 for assistance with the Rate-Tier Analysis, and WO#7 is for assistance with the Irrigation Efficiency Analysis. These additional Work Orders total \$186,480. Mr. Knight also noted that these services are in place of 2 full-time positions that have not been filled.

**Safety & Operations Report** – Mr. LeTellier reported that Filing 41 is on to Phase 2, and the District Inspector continues to monitor the work daily. We are asking Schmidt to come out in September to finish the crack sealing work that was started in the spring. MPI is finishing their patching and then they will move on to overlay and micro surfacing certain roadways. Mr. Knight said we have had Mr. Feller with Olsson in the field and we have a couple of areas where we have so many repairs to do that, we may consider doing an overlay next year.

Mr. LeTellier reported on the office power outage, the conduit failed and the wires had fused together. Staff is looking at a backup generator for the office and the shop for the 2022 budget.

We have completed all the infrastructure for the fire flow expansion project for the Country Club. The data showed that we exceeded the fire flow requirements.

Mr. LeTellier met with Jehn Water yesterday on the new wells project, and the GESC plans have been approved by Douglas County and Layne is working out all the fees, bonding, and BMP's (erosion control). We are anticipating the erosion control going into place next week. There will be a pre-con meeting with Douglas County so they review the erosion control and then the construction can begin, which will be the installation of the sound walls and the drilling of the surface casing. Mr. Walden asked how far behind is this project and when do you anticipate its completion? Mr. LeTellier said it is months behind due to the permitting process. In terms of drilling, we anticipated it completed by the end of the summer, we are now trying to

have it completed by the end of the year. The goal is to have these wells in operation by summertime next year. Mr. Knight said these wells will allow us to meet firm capacity.

WTP1 maintenance repair project work has been completed.

Cartegraph software training will begin the week of September the 13<sup>th</sup> and going live looks like early November.

**Administration Report** – Ms. Mantz said communication with residents has increased. We sent out our own E-blast on Monday. Our communications have included topics on water efficiency, weeds, grasses, roadwork, and brush clean-up. Staff is meeting with the PR group weekly, next scheduled items are the quarterly newsletter, Metro Eblast, and a billing insert.

- 2022 Budget Schedule – included is the budget schedule for the 2022 budget. Staff will be working on projected actuals for 2021 and preliminary budget numbers for 2022. The Board will receive a draft budget in October and November. The Board discussed having the Budget work session on October 28, 2021, 9:30 a.m. - 12:00 p.m., and the November Board Meeting on November 30, 2021, at 9:30 a.m.
- Website Analytics - Ms. Gonzales presented website analytics and answered questions from the Board.

**Water Usage Report**– Ms. Gonzales reported we are -5.9M gallons under budget year to date. The staff has also included a supplemental report showing usage year over year, by month for sub-associations and other users.

**Attorneys Report** – Nothing to report.

#### Executive Session

At 1:25 p.m., Director Huser made a motion to enter into an executive session pursuant to C.R.S. § 24-6-402(4)(b) and (e) for purposes of conferencing with legal counsel on specific legal questions and to discuss matters subject to negotiations and to instruct negotiators on matters relating to District water supply and ongoing legal proceedings, staffing, and consulting engagement, and related matters, seconded by Director Sundquist, and the motion was unanimously carried.

The Board left the executive session and the regular session resumed at 2:10 p.m.

#### Adjourn

There being no further business to come before the Board, and upon motion duly made, seconded, and unanimously carried, the Board adjourned the regular meeting at 2:10 p.m.

The Board of Directors approved the foregoing minutes on the 28<sup>th</sup> of September 2021. The preceding constitutes a true and correct copy of the minutes of the above-referenced meeting.

  
Secretary