

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE
CASTLE PINES METROPOLITAN DISTRICT
MEMBERS OF THE PUBLIC ATTENDED VIA ZOOM; BOARD AND STAFF WERE
IN PERSON**

Held: Tuesday, July 27, 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
Tad Walden

Craig Sundquist – Absent and excused.

Also present were: Burt Knight, Sue Mantz, Jason LeTellier, LeAnna Gonzales, Tracy Adams, District Staff; Tom George, Spencer Fane, LLP; Mark Larson, General Manager, Castle Pines Homes Association; Josh Shackelford, Courtney Husted, Daniel Feller, Olsson; Norm Steinke, Infrastructure Committee; Sarah Villalobos, Eric Dronen, Tim Chommala, Charles Schwab; Will Koger, Forsgren & Assoc.; David Samuel, Audio Tech; Robert Schwartz, Cici Holbrook, 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 Munday.

The Board unanimously approved the agenda.

Guest Introductions / Comments from the Community

There were no comments from the community.

Action Items

Approve Minutes from June 22, 2021, Regular Board Meeting – Director Huser made

a motion to approve the minutes of the June 22, 2021, Regular Board Meeting, seconded by Director Munday.

A vote was called and the motion passed unanimously.

Approve Minutes from June 28, 2021, Special Board Meeting – Director Huser made a motion to approve the minutes of the June 28, 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 June 2021 Payables of \$605,296.72, seconded by Director Munday. Ms. Gonzales reported that staff met with Director Lanam to review payables, payroll expenses, and manual checks. Ms. Gonzales reviewed and answered questions regarding invoices from the following vendors: Apex Pavement Solutions, LLC, C Lazy Tree Spraying Service, LLC, Clean Cut Limited, DPC Industries, Inc., Singleton Electric, Inc., and Spencer Fane, LLP.

A vote was called and the Board unanimously approved payment of the June 2021 expenses in the following amounts: General Fund \$202,783.70, Enterprise Fund \$366,009.05, and Manual Checks \$36,503.97.

Ms. Mantz reviewed the Revenue and Expense Report for June 2021. Ms. Mantz noted a few adjustments to total personnel expenditures. In the general fund, there is a positive variance of \$102,000 and \$83,000 in the enterprise fund. This is due to 6 full-time positions that have not been filled to date. Legal expenses are running under budget, YTD. Director Walden asked if the road crack seal is part of what has been approved, Ms. Mantz affirmed. Director Walden asked what the gate sign budget line was for and Ms. Mantz responded that the District agreed to contribute to a new sign with the Homes Association, when their gate sign was removed during the roundabout construction on Happy Canyon. The general fund has an ending fund balance variance of -\$1.3M, due to additional approved roadway work. In the enterprise fund revenue, the District has received payment for Groundwater Rights Sale for \$100K as the final payment from the 2019 Country Club Agreement and the final payment for the Extraterritorial Wastewater Treatment for \$1.5M. These payments were received in July. Director Walden asked if the revenue is tracking with the water usage that is under budget. Ms. Mantz affirmed. She also noted that IREA will have a rate increase of 2.25% starting 9/1/21. The enterprise fund balance has a positive variance of \$440K. Ms. Mantz answered additional questions from the Board.

Consider Approval of the revised Investment Policy – Director Huser made a motion to approve the revised Investment Policy, seconded by Director Munday. Director Lanam reported that when the Investment Committee looked at revising the policy, they looked at other surrounding entities' policies and revised the District's policy based on Douglas County's policy. Mr. George said this policy falls within the parameters of state statute and is slightly more conservative than state statute allows. Director Walden requested that the policy be posted to the website.

A vote was called and the motion passed unanimously.

Consider Approval of the proposal from Charles Schwab for the District's Investment Portfolio – Director Huser made a motion to approve the proposal from Charles Schwab for the District's Investment Portfolio, seconded by Director Lanam. Director Lanam said Wells Fargo and Charles Schwab were both interviewed and Charles Schwab provided more depth of understanding for our portfolio. Director Munday asked if we had a service like this before, Ms. Mantz said the District had previously invested with Wells Fargo Securities. Ms. Villalobos with Charles Schwab was introduced and shared that they have resources for reporting, providing market updates, an overview of cash management, and quarterly cash management reports. Their goal is that our maturities are managed. Mr. Dronen and Mr. Chommala will also be available for assistance. Ms. Villalobos said the proposal they provided was a real-time investment for us and that the proposal was issued based on the real period, as an example of what they could do in a specific time-period.

A vote was called and the motion passed unanimously.

Committee Updates

Liaison to PCWRA – Mr. Knight reported that PCWRA is still working on warranty items with the expansion. PCWRA staff will be establishing an operator's quarterly meeting, which would include some of our staff and surrounding district's staff to communicate regulatory information and changes. Mr. Knight said that the polymer issue has not worsened, and although still not readily available, they have been able to receive some polymer. They met with CDPHE and Shawn McGraff, the new Director of Environmental and Health Protection, and the CDPHE's focus is on climate change and reduction in emissions, as well as environmental justice, the economic standards of the people affected by permits issued. Director Munday shared that there will be a Tenorm permit that will be required for our WTP's which will be required in July of 2022.

CPHA Liaison – Mr. Larson said their summer events have been well attended. The Fitness Center work will start after Labor Day, and they are working with Planet Fitness while the Fitness Center is closed. Trail maintenance starts today, with Foothills Paving doing the work.

Infrastructure Committee Update –

- **Roadway Maintenance and Restoration Policies** - The Committee is recommending that the District goal should be to maintain a minimum PCI of 70 for each roadway, with an overall average rating of 85 PCI. Roadways that are less than 5 years old should not be cut into, they should be bored and patched roads should be T-patched. Mr. Knight said the committee would like to adopt these items as we approve our road maintenance plan. Director Munday suggested that we are clear that our overall average minimum goal is 85 PCI.

- **Request to create a Speed Mitigation Plan** - The committee suggested to look at speed mitigation not only for speed but also for safety. They are requesting permission to develop a speed mitigation plan. The goal would be to develop a data-driven guide to determine when and where mitigation is necessary, and what methods are acceptable. The committee would like to work with the Homes Association, a qualified consultant, and the District in this process. Mr. Knight said the 2021 Budget has a contingency fund that we could use should the Board see that they would like that work to be done. Director Lanam recommended moving forward with using the contingency for this work. Director Lanam said the request is speed mitigation but he heard traffic vehicle policy. Director Walden said that this is yet another consultant we would bring in, but he has no data on how many residents are calling in about speed issues. Director Lanam suggested that the engineering study be done and we go to the community with the study. Mr. Knight would anticipate this be data collection, how bad is it, look at toolbox for possible remedy. Director Huser asked the committee to prepare an RFP and the board can take a look at it and approve or not approve it. Mr. Larson shared that they do visible monitoring and have issued over 400 citations this year.

Water Committee – Director Huser noted that Village Lake and Chateau Ridge have used less water and that these are good improvements. Director Walden asked what is the starting point of the plan for a reduction of 100M gallons? Mr. Knight said it would be based on the Water Master Plan usage numbers. Director Walden asked for a scorecard to be developed to track program success.

Discussion Items

Confirm Friday, August 13, 2021, Special Board Meeting at 9:30 a.m. – 12:30 p.m. - The Board confirmed the Friday, August 13, 2021, Special Board Meeting at 9:30 a.m. – 12:30 p.m.

Confirm Tuesday, August 31, 2021, Regular Board Meeting at 9:30 a.m. – The Board confirmed the Tuesday, August 31, 2021, Regular Board Meeting at 9:30 a.m.

Staff Reports

District Manager Report – Mr. Knight reported that we will have the Long-Range Water Master Plan to the Board at the September meeting. The Employee Manual will also be in front of the Board in September. The District Board Manual is with Spencer Fane. Sanitary Sewer Plan will be out the door in August. We completed the EPA Risk and Resiliency Assessment and met the July requirement. Director Walden requested there be an item on the goals chart for completed tasks.

Safety Report – No safety issues to report.

Operation's Report – Mr. LeTellier reported that phase 2 of Filing 41 will start next week, starting with the water lines. Colorado Pump has installed a new motor in Well De8 and

they were able to eliminate everything for the reduction of production. The pumps for the BPS1 fire flow project have been upgraded, and the only remaining part of the project is to upgrade controls and we are waiting on parts. We met with County Planning Commission and received approval on our GESC permit for the construction of the new wells. We have been working on a water main line replacement near the Country Club. During their construction, it was discovered that the line was at the end of life and we have replaced that section of the water main.

Administration Report – Ms. Mantz shared a handout of the social media presentation by Novitas, and they have suggested that we use some social media outlets to share information with the community. They recommend that we begin with Facebook and Nextdoor and comments in those media would be turned off. Ms. Mantz has received a draft of the 2020 Comprehensive Annual Financial Report and the final will be presented to the board in August. Extensions have been filed with GFOA and the State. The Metro picnic currently has 426 reservations and the closing date for RSVPs is August 11th.

Water Conservation Report Water Usage Report – Ms. Mantz reported the District is 3M gallons over budget for the month of June. Director Walden requested year-over-year data to track conservation. Mr. Knight will talk to the committee about creating that data.

Attorneys Report – Mr. George had nothing to report. Director Walden asked Mr. George to look into upcoming election requirements by the County. Mr. George will reach out to the County for updates to the IGA for Elections.

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 11:29 a.m.

The Board of Directors approved the foregoing minutes on the 31st day of August 2021. The preceding constitutes a true and correct copy of the minutes of the above-referenced meeting.


Secretary