

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CASTLE PINES METROPOLITAN DISTRICT**

Held: Thursday, January 16, 2020, 7:30 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:

Jeff Battin  
Bill Calhoun  
Rick Huser  
Dick Munday (via teleconference)  
Craig Sundquist

Also present were: Burt Knight, Sue Mantz, Jason LeTellier, Carolyn Frainier, District Staff; Jack Reutzel, District Counsel, Fairfield and Woods, PC; Mark Larson, General Manager, Castle Pines Homes Association (CPHA).

Potential Conflict of Interest Disclosures

District Counsel Reutzel stated that no conflicts were identified.

Approval of the Agenda

Director Sundquist made a motion to approve the agenda, seconded by Director Battin. Director Calhoun requested three additional items for the Agenda: 1) Consider a Resolution for Expansion of the Castle Pines Metropolitan District from five to seven directors, 2) Metro District Committee Initiative Review Group Feedback and Recommendations for Implementation, and 3) Review of Water Wise Budget Questions, Response, and Solicitation of Water Wise Comments or Confirmation of Response Adequacy. Director Battin said Mr. Kim Dadlani and Mr. Tom Sims will report on the Metro District Committee Initiative Meeting. This will be added as a Discussion Item (6B) – Metro District Initiative Committee Report.

Director Huser said that he is not interested in expanding the Board to seven members at this time. The Board has heard some good suggestions for change from the community and is taking steps to implement them. For example, the Board is working on implementation of resident committees. Also, the Board is considering changing the time of its board meetings to the evenings, which will allow residents, who are employed during the day, to participate in the board meetings. It will also increase the pool of available candidates for the board. Additionally, the Board will engage in open community forums, the first one is February 26, 2020. To change the entire dynamics of a five-member board to a seven-member board does not seem necessary at this time. The Department of Local Affairs (DOLA) has confirmed that the vast majority of special district boards consist of five members. Director Calhoun said the real point is how to get the appropriately needed expertise on the Board for appropriate oversight. Director Calhoun said some members of the community want a

seven-member board. Director Calhoun offered an option to change the board dynamics by replacing members of the Board. Director Sundquist would like to move forward with the committees and see what that could provide the Board before more board members are added. Director Battin stated that if the Board cannot get five qualified members, how will having seven board members fix the problem? Director Calhoun pointed out that the Board needs the expertise on the Board that understand the District business to be able to provide appropriate oversight.

Director Calhoun stated that he wanted to add a discussion regarding the Water Wise questions and said the Board has not been responsive for five months. Director Huser disagreed. Director Huser said if the community was not satisfied with the responses, they should submit their further questions to Mr. Knight and he would address the questions with the Water Wise representatives. Director Calhoun made a motion to add three additional agenda items he had requested to the agenda. There was no second. Director Calhoun said that he would like to hear from the Water Wise representatives concerning their questions. Director Battin said no, that it does not work that way. Director Huser agreed and refused to consider the motion. Director Huser said that if the community was not satisfied with the responses, they should submit their further questions to Burt Knight and he would address the questions with the Water Wise representatives.

Director Huser made a motion to approve the amended Agenda adding the Metro District Committee Initiative discussion (6B), seconded by Director Battin.

A vote was called and the motion passed by all directors, except for Director Calhoun, who opposed the motion.

#### Guest Introductions / Comments from the Community

The following guests introduced themselves: Ms. Cynthia Cerny, Mr. Kim Dadlani, Mr. Tom Hadden, Mr. Jerry Schofield, Mr. Tom Sims, Mr. Tad Walden, Mr. Joe Gschwendtner (residents) and Mr. Matt Buster, Director of Land and Site Development with David Evans and Associates.

Mr. Hadden said that Gate 3 is now a dirt road in both directions and there are 100 traffic cones. He asked the Board to send a letter to the developer's corporate office to fast track improvement of the road conditions. Director Battin reported that one side of the road has been paved. Mr. Hadden also asked if the Board had asked Mr. Knight to further justify the budget proposals at the November Special Meeting. Mr. Hadden was concerned that the additional \$800K in the budget for personnel could prohibit mill and overlay on the roads at Gate 3. Mr. Hadden said he was concerned about a possible mill levy increase.

Mr. Tad Walden said that he has not received the information regarding the recall process that Mr. Reutzel promised at the January 7, 2020, Special Meeting. Mr. Reutzel said he would send Mr. Walden the information after the Board Meeting on January 16, 2020.

Ms. Cerny said that the residents have not received the answers to all of the questions presented at the December 11, 2019, Board Meeting. Some questions were overlooked because they were not specific to the 2020 budget. Ms. Cerny requested supporting information for Mr. Gschwendtner's consulting work. Additionally, Ms. Cerny had 11 questions and would like specific answers to all of these questions. Mr. Knight said that the answers to the questions would be available on January 16, 2020, in the afternoon. Ms. Cerny said there are a lot of holes in the answers that have been received, creating more questions. Concerning the bathroom floor

at the Water Treatment Plant: the tile is \$31 a piece. In the bathrooms at the office, the floors are linoleum. Why not install linoleum in the bathroom at the Water Treatment Plant, where there are only two employees? Ms. Cerny inquired about the security gates and questioned whether they would really secure anything. Is the Board considering having a fence around the entire property and how much would that cost? Ms. Cerny asked what the District has in place for tracing security and theft. Ms. Cerny has been told that the District cannot find any roofers to do a spot repair, she had two roofers she could recommend to the Board.

The Board thanked the community for their comments.

### Safety Report

Mr. LeTellier said there are no issues to report. Staff continues Grainger Training. Safety training is practiced every day. Staff has regular safety meetings. Mr. LeTellier is looking into classes that would be beneficial for the field staff. Ms. Frainier reported that there have been no Workers' Compensation claims since the May Board Meeting.

### Action Items

**Approve the Minutes from the November 20, 2019, Regular Board Meeting –** Director Sundquist made a motion to approve the minutes from the November 20, 2019, Regular Board Meeting, seconded by Director Battin. There were a few minor changes. Director Calhoun recommended that the recordings of the meetings and the attachments be posted as well as the written meeting minutes. The other directors wanted to circle back around on posting the Board Meeting recordings as a different item and first vote on accepting the meeting minutes.

A vote was called and the motion passed by all directors, except for Director Calhoun, who abstained as he wanted to know the decision on the posting of the recordings first.

**Approve the Minutes from the December 11, 2019, Regular Board Meeting –** Director Huser made a motion to approve the minutes from the December 11, 2019, Regular Board Meeting, seconded by Director Sundquist. There were a few minor changes.

A vote was called and the motion passed by all directors, except for Director Calhoun, who abstained.

**Ratify the Second Set of November 2019 Payables.** – Director Huser made a motion to ratify the second set of November 2019 payables, seconded by Director Sundquist. Staff met with Director Sundquist to review payables, totaling the amount of \$119,271.80. Ms. Mantz reviewed and answered questions regarding invoices from the following vendors: Cutting Edge Services Corporation, Mountain States Imaging, and Rhinehart Oil Company, LLC.

A vote was called and the Board unanimously ratified payment for the second set of November 2019 expenses in the following amounts: General Fund \$72,229.91, and Enterprise Fund \$47,041.89.

**Approve the December 2019 Payables** – Director Sundquist made a motion to approve the December 2019 payables, seconded by Director Battin. Staff met with Director Sundquist to review payables, totaling the amount of \$305,492.88. Ms. Mantz reviewed and answered

questions regarding invoices from the following vendors: Colorado Barricade Co., Elite Pipe MD, and Singleton Electric, Inc.

A vote was called and the Board unanimously approved payment for the December 2019 expenses in the following amounts: General Fund \$116,838.10, Enterprise Fund \$155,111.50 and manual checks \$33,543.28.

Ms. Mantz presented the preliminary financial statement through December 2019. Ms. Mantz reviewed the Financial Statement and reported that there will be an additional payable check run for December and it will be presented at the February 20 Board Meeting. It is anticipated that there will be an additional \$23K in expense for the General Fund and an additional \$4.6K in expense for the Enterprise Fund. At the end of 2019, the General Fund shows a positive variance of \$1.7M over the budget, due to several capital projects being moved to 2020.

The Enterprise Fund shows a positive variance of \$2.2M over the budget, due to several capital projects being moved to 2020, and \$277K of additional revenue received in 2019.

**Consider Approval of 2020 Engagement Letter with Fairfield & Woods P.C. –**

Director Sundquist made a motion, seconded by Director Battin to approve the 2020 Engagement Letter with Fairfield & Woods, P.C. Director Calhoun said that Mr. Reutzel and his firm do an exceptional job for the District. Director Calhoun stated that last January he provided an analysis for legal work and, at that time, the Board agreed to renew the engagement letter with Fairfield & Woods, P.C. for one year, under the condition that the Board would vet other law firms. Director Calhoun suggested that the Board approve the current engagement letter through March and that someone survey other legal alternatives for the District. Mr. Reutzel expressed that the Board is free to approve or disapprove the engagement letter. Director Calhoun pointed out that we have another attorney providing excellent services, with no complaints about his work and his billing rate is significantly less than what we are paying for Jack Reutzel. Director Calhoun pointed out that there have been multiple deficiencies in the work done for us by Fairfield and Woods and provided a couple of examples. Last year, Mr. Reutzel attended twelve regular Board meetings and eight special Board meetings. Board meetings, Special Board meetings, special resolutions, minor election questions, laws including ADA, PCWRA issues, and other items are included in the monthly retainer. Mr. Reutzel pointed out that the 2020 monthly retainer was reduced from \$4,900 to \$4,000. Fairfield & Woods, P.C. bills the District at a public sector rate. Other District work is performed and billed separately, but not without the District's consent. It was pointed out that the engagement letter indicates that the Board can dismiss Fairfield & Woods, PC of their obligation by giving 60 days' notice. Director Calhoun expressed several times that it is only prudent to vet legal services for the District and wanted to confirm the Board is getting good value for the money. Mr. Knight said that he would survey other law firms in the near future. Director Huser and Director Munday will be involved in the survey. Mr. Knight pointed out that the District does not practice bidding on professional services. Mr. Knight said the survey will be completed before June.

A vote was called and the motion passed by all directors, except for Director Calhoun, who opposed.

**Designate the District's Newspaper of "General Circulation."** – Director Battin made a motion to designate of the District's Newspaper of "General Circulation", seconded by

Director Sundquist. Mr. Reutzel reported that the District's newspaper of general circulation is the Douglas County News Press.

A vote was called and the motion passed unanimously.

**Approve IGA/SIA for Castle Pines Village Filing No. 41** – Director Sundquist made a motion to approve the IGA/SIA for Castle Pines Village Filing No. 41, seconded by Director Calhoun. Mr. Matt Buster reported that there had been a few updates to the filing. The plan and the number of lots remain the same. Since the last meeting concerned neighbors, living north of the development, requested that an emergency vehicle access gate be installed. The developer has agreed to install an emergency vehicle access gate, only accessible to South Metro Fire Department, Castle Pines Homes Association and the District. A turnaround will be installed on each side of the gate. Mr. Buster delivered a new copy of the surety, adding \$117K for the gate and the turnaround. There will be a net increase of \$94K to the surety. There was a last-minute change. Yesterday, Douglas County informed Mr. Buster of the news of two full turnarounds instead of a hammerhead. Mr. Buster asked the Board to give Mr. Knight the authority to execute the IGA. The District, Douglas County and the Board of County Commissioners will adopt the final plat, scheduled for January 28, 2020. Mr. Buster also asked the Board to give Mr. Knight the authority to sign the plat, easements for water, sanitary sewer, and drainage. There will be a three-party easement temporary drainage for the existing drainage facility. The new plan will increase the size of facility. The County will require the District to vacate the old easement. It will be presented to the County with plat. The County and the District will receive a blanket easement. CPHA will own track A and the maintenance will be performed by the new sub-association. There is one last easement, which has a complicated sanitary sewer line, with several fingers. It is very detailed and therefore not included in the plat. Mr. Knight and Mr. Reutzel have reviewed the plat and are comfortable moving forward. Mr. Reutzel advised the Board to move forward with approval.

A vote was called subject to Mr. Reutzel's approval of the easements, the motion passed unanimously.

**Approve the Change of Time to Meetings (move to evening meetings)**

Director Sundquist made a motion to change the time of board meetings, seconded by Director Calhoun. Mr. Knight reported that many municipalities have board meetings in the evening. The Board discussed changing the meeting time to 6:00 p.m. beginning March 19, 2020. Many residents who work full-time, do not attend the board meetings or run for a board seat because of the board meeting time. Meetings will continue to take place on the third Thursday of the month. (The May meeting will take place on Wednesday, May 20, 2020 at 6:00 p.m.) The District will communicate the change via the Transparency Notice on the District's web site, a notice in the Village Reporter, and by publishing an E-Blast.

Director Sundquist amended the motion to change the time of the District's Board meetings to 6:00 p.m. beginning Thursday, March 19, 2020, seconded by Director Battin.

A vote was called and the motion passed unanimously.

**Approve 2020 District Goals** – Director Sundquist made a motion to approve the 2020 District Goals, seconded by Director Battin. Mr. Knight said that he brought these goals to the Board at the November and December Board meetings and he is asking the Board to approve the

goals. Mr. Knight said the three proposed committees may affect detail more than the schedule of the goals. Mr. Knight will provide a schedule for each goal and provide it to the Board.

A vote was called and the motion passed unanimously.

### Committee Updates

- Liaison to PCWRA – Director Huser reported that the PCWRA Board Meeting is scheduled for January 28, 2020. Mr. Knight said the expansion work at PCWRA has been delayed due to coordination and construction issues; however, it will be completed this year. Technologically Enhanced Naturally Occurring Radioactive Material (TENORM) is becoming more of an issue and the District is tracking it as well as the PCWRA. Mr. Wes Martin was retained and his contract renewed for 2020.
- CPHA Liaison – Mr. Larson reported the CPHA Annual Meeting of the members is Monday, March 9, 2020. There will be a social and informational hour from 6:30 p.m. – 7:30 p.m. and the business meeting will begin at 7:30 p.m. The District will have an informational booth at the meeting. The Annual Meeting packages come out in early February, with a proxy in case a member is unable to attend. There are two open Board seats and three candidates: Doug Cooper, Laura Litwinczyk, and Al Notary. There will be an opportunity to meet the candidates on Thursday, February 6, 2020, from 6:30 p.m. to 8:30 p.m. Information on the candidates will be made available in the annual meeting packet. Additionally, articles about the candidates will appear in the February edition of the Village Reporter.
- Beautification & Enhancement Committee – Director Huser had nothing to report.
- Contracts Committee – Director Calhoun briefly spoke about a boiler-plate contract for the Cherokee Ranch water supply and determining what their water needs.
- Water Conservation Committee – Director Sundquist will meet with Mr. Knight and Mr. LeTellier in April.
- Investment Committee – Director Sundquist had nothing to report.

### Discussion Items

**Confirm Thursday, February 20, 2020, Board Meeting at 7:30 a.m.** – The Board confirmed the February 20, 2020, Board Meeting at 7:30 a.m. Beginning on Thursday, March 19, 2020, the Board will meet at 6:00 p.m.

**Metro District Committee Initiative** – At the Special Board Meeting on January 7, 2020, the Board authorized a committee initiative. Mr. Knight, Mr. Sims, Mr. Dadlani, Mr. Walden, Mr. Schofield, and Director Battin were charged with reporting back to the Board regarding the next steps. The group addressed some of the following issues: what committees should be formed and general outlines of the responsibilities of those committees. The group created a template of the charter for committees. The group proposed creating three committees, which are closely aligned with the District's goals: The Water Planning Committee, (Long Range Water Master Plan) The Infrastructure Committee (Long Range Roadway Master Plan), and The Communications Committee. Descriptions of the committees will be posted on the District's website. Mr. Dadlani said the committees would provide expertise, oversight, and financial knowledge. There are a lot of questions regarding the budget, if we implement this

correctly with the right people and skillsets, the focus will shift so actual spending is done correctly. Mr. Dadlani said we are looking for a way forward that arms the Board with a lot of tangible influences from residents and experts. The Board will appoint a chairperson for each of these three committees and the chair will serve at the pleasure of the Board. Committee members will consist of residents, who have appropriate expertise in addition to financial expertise. One non-voting Board member will serve on each committee. The committee would consist of up to five voting members. In every case an odd number of committee members. Director Battin said that the committees will not regard Mr. Knight's staff as the committee's staff, Mr. Knight will oversee staff involvement. The charters will be approved by the Board. Mr. Sims said that we are hopeful the formation of the committees will be approved by the Board. In February, committee chairpersons will be recruited and vetted. In March, the chairperson will recruit committee members and in April the committee chairperson will present their charter to the Board. Once the committees and charters are approved the committees will have their first meeting and orientation will be provided by Mr. Knight and his staff. Director Sundquist said that Ms. Mantz should be included in the financial aspects of these committees. They will identify priorities they want to review and focus on. The committees will meet as frequently as necessary. Mr. Dadlani said that committee members will create a pool for future Board members. Mr. Knight and Mr. Reutzel will speak to Board members regarding their participation in the committees. The information regarding committees will be disseminated through the Village Reporter, an E-Blast, and postings at gates and the Fitness Center.

**Posting Audio Recordings of Board Meetings on the District's Website** - Along with the meeting minutes, Director Calhoun suggested posting the audio recordings of the Board meeting on the website for transparency. Mr. Reutzel said there are no requirements to post the audio recordings and it is completely a Board decision. Most cities and Districts will post an audio or video recording. Mr. Reutzel clarified that the meeting minutes are a summary of the meeting and the action items. Mr. Knight said that staff will look into bringing this issue back as an action item.

### Staff Reports

**District Manager Report** - Mr. Knight reported that citizens were dissatisfied with traffic control on January 8, 2020 at the Brookfield Development at Gate 3. Mr. Knight communicated with the developer at 6:30 p.m. and flaggers were brought out and flagged through the night. The following day the developer modified traffic control to have continuous control through that area. Mr. Knight spoke with the Developer's Site Representative, he also spoke with the Senior Manager for Land Development, and the Vice President for Brookfield. Mr. Knight gained assurances that the issue would be addressed. One lane was paved on January 15th. The main goal is to keep our citizens safe.

The District has installed three temporary traffic calming features along Castle Pines Drive North at Gate 3. A commitment to conduct a speed study was made to the Prato residents, based on traffic speed study. The traffic calming devices will mimic an island that could possibly be installed on the roadways in three locations. The temporary medians will not be installed until the traffic control at Brookfield has been completed. Mr. Knight said the plan is to raise the speed limit to 35 M.P.H. in the flat valley inside Gate 3, past the first median up to the tree tunnel south of Prato to the location of the second median. The third median will be north of

the Prato development. Staff will communicate this information with the citizens via the January 17th E-Blast.

Also appearing in the January 17, 2020, E-Blast is information regarding the addition of "Ice Slicer" to mitigate ice and snow. It has been a difficult winter for snow removal. The dramatically dropping temperatures and snow with the temperatures remaining low have caused several areas to build ice. These areas keep our snow efforts focused on our arterial roads. Historically, Metro has only used sand and salt during snow removal. Our team has made a decision to add another product to our attack. Many communities around us already use "Ice Slicer," a product that melts ice faster and at lower temperatures. We are hopeful that this product will help with the ice build-up on the roads, especially in shady areas. The "Ice Slicer" is stored next to the sand and salt, covered by a tarp. Mr. Knight said we are looking at potential ways to build a cover.

Mr. Knight had no report on the sanitary sewer line with Castle Pines North Metropolitan District

Mr. Knight anticipates that we can have an agreement with Cherokee Ranch in front of the Board in February. The agreement will determine how much water the District will sell and where it would be used.

Mr. Knight, Mr. Reutzel, and Mr. Vickers met regarding lien taps. Mr. Reutzel will write up a report and show the tracking of the lien taps. Potentially, there will be a discussion at the February meeting.

Mr. Knight reported that the District is going full speed ahead on the Long-Term Water Master Plan. Mr. Knight had a robust discussion with the Town of Castle Rock, and included the District's water attorney, water modeler and Black & Veatch consulting. Director Calhoun asked for more details on the meeting.

Director Calhoun asked if the Interceptor Sewer Line was moving forward and Mr. Knight responded affirmatively. Director Calhoun said a large portion of the cost should be borne by Castle Pines North Metropolitan District and Mr. Knight agreed.

**Operation's Report** – Mr. LeTellier reported that the District was engaged in a sewer issue. Staff has been troubleshooting an improperly tapped service line that was discovered. Significant progress has been made working to correct a mistake from years ago.

There was a water leak on Hummingbird and crews responded after hours. The line was much deeper than our excavator could reach and Staff called in Elite Pipe. Together, our staff and Elite Pipe made the necessary repairs.

Staff has been working with CPHA to help them with a few of their projects including, a pickle-ball court, the Summit Field and Summit playground. Mr. Knight said the District has committed to assisting with labor to prepare the sites for the CPHA contractor. The District made the agreement to help with these projects last year, and will honor that agreement. CPHA will have contractors come in and absorb a majority of the responsibilities for construction.

**Administration Report** – Ms. Frainier reported that the District continues to recruit for: a Project Manager, a Water Treatment Supervisor, an Irrigation Maintenance Lead/Supervisor, and two Maintenance Tech 2s. Ms. Frainier met with Ms. Sherry Sickles of Fairfield & Woods, PC to work on the election.



Ms. Mantz shared that credit card processing including E-checks as a form of payment for water bills is up and running. A “News” page has been added at the top of the District’s web site. Current items include District Snow Removal Information, Street Light Outage, Upcoming Metro Community Forum, and Metro Working on Speeding Solution near Prato.

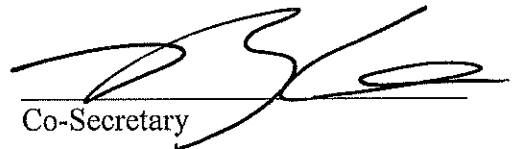
**Water Conservation Water Usage Report** – Ms. Mantz reported year-end water usage for 2019. The District budgeted 298M billed in potable water and the actual usage was 318M.

**Attorney’s Report** – Mr. Reutzel nothing to report.

Adjourn

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the Board recessed the regular meeting at 10:31 a.m.

The Board of Directors approved the foregoing minutes on the 20th of February 2020. The preceding constitutes a true and correct copy of the minutes of the above-referenced meeting.

  
Co-Secretary