

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CASTLE PINES METROPOLITAN DISTRICT  
AVAILABLE VIA ZOOM TELECONFERENCE**

Held: Thursday, October 15, 2020, 6:00 p.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 (via Zoom teleconference)  
Craig Sundquist  
Tad Walden

Also present were: Burt Knight, Sue Mantz, Jason LeTellier, Carolyn Frainier, LeAnna Gonzales, District Staff; Jack Reutzler, District Counsel, Fairfield and Woods, P.C.

The following people attended the meeting via Zoom teleconference: Mark Larson, General Manager, Castle Pines Homes Association (CPHA); Cynthia Cerny, Pam Kelly, CiCi Holbrook, Kevin Vaughan, Bill Calhoun, Joseph, Carl Pendleton, members of the public.

Potential Conflict of Interest Disclosures

District Counsel Reutzler stated that no conflicts were identified.

Approval of the Agenda

Director Sundquist made a motion to approve the agenda, seconded by Director Walden. The Board unanimously approved the agenda, as presented.

Guest Introductions / Comments from the Community

Ms. Cici Holbrook asked if there was a copy of the anonymous letter which will be discussed in the Executive Session. Director Huser said that the letter was not available to the public.

Action Items

**Approve the Minutes from the August 20, 2020, Regular Board Meeting –**  
Director Sundquist made a motion to approve the minutes from the August 20, 2020, Regular Board Meeting, seconded by Director Huser. Director Walden suggested some minor changes to

the minutes. Director Sundquist amended the motion to include Director Walden's changes, seconded by Director Huser.

A vote was called and the motion passed unanimously.

**Approve the Minutes from the September 17, 2020, Regular Board Meeting –**

Director Sundquist made a motion to approve the minutes from the September 17, 2020, Regular Board Meeting, seconded by Director Lanam. Director Walden suggested some minor changes to the minutes. Director Huser amended the motion to include Director Walden's changes, seconded by Director Sundquist.

A vote was called and the motion passed unanimously.

**Approve the September 2020 Payables and Revenue and Expense Report –**

Director Sundquist made a motion to approve the September 2020 payables, seconded by Director Huser. Ms. Gonzales reported that Staff met with Director Lanam to review the payables, totaling the amount of \$747,826.17. Ms. Gonzales reviewed and answered a question regarding an invoice from Sedalia Landfill.

A vote was called and the Board unanimously approved payment for the September 2020 expenses in the following amounts: General Fund \$194,982.17, Enterprise Fund \$515,389.37, and manual checks \$37,454.63.

Ms. Mantz asked for any questions regarding the financial statement through the end of September. In the General Fund, there is a positive variance of \$1,690,186 over budget made up of less revenue received of \$63,535, less expenditures of \$1,706,538, and an audit adjustment of \$47,183. In the Enterprise Fund, there is a positive variance of \$768,580 over budget made up of additional water revenue of \$323,528, less expenditures of \$284,923, and an audit adjustment of \$160,129.

**Consider Approval of 2021 Employee Benefits and Payroll Budget -**

Director Sundquist made a motion, to approve the 2021 employee benefits and payroll budget, seconded by Director Huser. The Compensation Committee, consisting of Director Sundquist, Director Huser, Mr. Knight, Ms. Mantz, and Ms. Frainier, had met and discussed the 2021 employee benefits and the payroll budget. Ms. Frainier reported that the cost of medical benefits increased by 5.5%. Also, Staff recommended moving from Vision Plan A to Vision Plan B, which is an enhanced vision benefit for employees. The change will result in an annual increase to the District of \$1,154. Director Huser said that Ms. Frainier conducted a salary survey of surrounding special districts and found their budgeted payroll increases were in line with the Staff's recommendation of a 3.3% merit pool. Director Sundquist and Director Huser both approved the 2021 employee benefits and payroll budget.

A vote was called and the motion passed unanimously.

**Consider Approval of the Communications Committee Charter –**

Director Huser made a motion to approve the Communications Committee Charter, seconded by Director Sundquist. Ms. Kelly, Chair of the Communications Committee, was at the meeting. The committee is guided by the Committee Charter. Ms. Kelly said that all communications will be approved and directed by the Board, and she distributed the committee's goals to the Board. Ms. Kelly said the committee's main focuses were communicating on: water, roads, educating the public, and District projects. The committee will communicate once a month via E-Blast and

water bill statement inserts. They will create a quarterly newsletter, update the District's website, and interactively communicate with the residents. The committee is comprised of the following residents: Mr. Mike Vernon, Mr. Dave Wood, and Ms. Cynthia Cerny. Director Walden is the board liaison for the committee. District Staff also attends the meetings. In November, the statement insert and E-Blast will focus on the Public Hearing of the budget. In December, the focus will be roads and snow removal, and in January the committee will garner email addresses from the community. Ms. Tina Hanson has been retained as a consultant for the committee. Director Sundquist said the HOA also has a Communications Committee, which has strict guidelines for communicating with the residents. Mr. Larson mentioned that Metro has dedicated space in the Village Reporter and that the cost of the newsletter is shared between CPHA and the Metro District. He said that the Village Reporter could be expanded or each entity could have separate publications. Ms. Kelly said the committee would like to continue publishing in the Village Reporter. The committee would like to have the autonomy to communicate the distinctions between the Metro District and the HOA. Director Walden asked the Infrastructure Committee and the Water Committee to assign a liaison from their committee in order to share pertinent information with the Communications Committee. This will make it possible for the Communications Committee to share relevant information with the community.

A vote was called and the motion passed unanimously.

**Consider Approval of the Infrastructure Committee Charter** - Director Huser made a motion to approve the Infrastructure Committee Charter, seconded by Director Sundquist. Director Lanam said the group is addressing roadways, as well as the effects of water on the roadways. Director Huser suggested proposing some language in the charter that would include roadways, as well as other infrastructure needs. In the Responsibilities section of the Infrastructure Committee Charter, after "future maintenance on each of the District's roadways," Director Walden suggested adding "and other infrastructure needs." Director Huser amended his motion to include "and other infrastructure needs" to the end of that sentence, seconded by Director Sundquist.

A vote was called and the motion passed unanimously.

**Consider Approval of the Water Committee Charter** – Director Huser made a motion to approve the Water Committee Charter, seconded by Director Sundquist. Mr. Kim Dadlani and Mr. Tom Napolilli are the Co-Chairs for the Water Committee. Director Munday is the board liaison to the committee. Director Munday said the committee's top priority is the completion of the Long Range Water Master Plan Update. The committee would like to create and roll-out a Water Conservation Program by the spring of 2021. Director Walden said that "oversight" in the charter is a far-reaching term for a committee, and suggested the word be changed to "recommendations." Director Walden said only the board has "oversight" responsibilities. Director Huser moved to amend the proposed charter to remove the word "oversight" and replace it with the word "recommendations," seconded by Director Sundquist.

A vote was called and the motion passed unanimously.

Director Lanam said that he was thoroughly impressed with all of the committees and the quality of residents who have volunteered to serve the community. He expressed his gratitude to all of the committee members for their help and diligence.

Mr. Knight noted that all three of the charters have the word “oversight.” Director Huser made a motion to amend each of the three charters by removing the word “oversight” and replacing it with the word “recommendations,” seconded by Director Lanam.

A vote was called and the motion passed unanimously.

**Consider Approval of Contract for Patching and Crack Sealing** – Director Sundquist made a motion to approve the contract for patching and crack sealing, seconded by Director Lanam. Mr. LeTellier proposed an agreement with Schmidt Construction to perform crack sealing and to repair potholes. At the July Board meeting, Staff had addressed roadway priorities and additional maintenance including crack sealing and asphalt repair. The District put together a project, based on quantities, and went out to bid on BidNet. There were three bidders, two companies bid on the entire scope of the project, and one company bid on crack sealing only. The District recommended using one company to perform the entire scope of the project. Mr. LeTellier recommended the lowest bidder, Schmidt Construction at the cost of \$417,482. Director Walden asked why all of the bids were not included in the report. Mr. LeTellier said the District did not present the third bidder, Coatings Inc., who is also a subcontractor for Schmidt Construction, because they did not bid on the entire scope of the project. Coatings, Inc. was given the option of not bidding on the entire scope of the project and their bid was considerable. Staff believes a single contractor will reduce confusion and will have the least impact to our citizens. Director Walden said that Schmidt Construction had previously contracted with Castle Pines North and the Town of Castle Rock, and wanted to know if Mr. LeTellier had spoken with these entities. Mr. LeTellier said that he had not; however, the District reviewed a list of numerous projects over consecutive years that Schmidt had completed. Director Lanam said that even though Schmidt is well known, in the future, he suggested checking references.

A vote was called and the motion passed unanimously.

#### Committee Updates

- Liaison to PCWRA – Director Munday reported that PCWRA’s project is on schedule and on budget.
- CPHA Update – Mr. Larson reported that there will be a Virtual Coffee with the Manager video conference on October 19<sup>th</sup> at 6:30 p.m. The primary topic will be CPHA’s 2021 budget. The Annual Halloween Pancake Breakfast is on October 31<sup>st</sup> beginning at 8:00 a.m. and ending at noon.

#### Discussion Items

**Confirm Thursday, November 19, 2020 Board Meeting at 6:00 p.m. and Confirm Thursday, December 10, 2020, Board Meeting at 6:00 p.m.** – The Board confirmed the November 19, 2020, Board Meeting at 6:00 p.m. The Board also confirmed the Thursday, December 10, 2020, Board Meeting at 6:00 p.m. Mr. Reutzel will not be able to attend the December 10<sup>th</sup> meeting; however, a representative from Fairfield & Woods will attend in his place.

**Discuss Combined Meeting with Castle Pines Homes Association Board of Directors** – Mr. Knight said that he talked to Mr. Larson and they suggest having a combined meeting in December. Mr. Knight and Mr. Larson will prepare an agenda for the combined meeting. There

was some discussion and the Board decided to have a Zoom Meeting on December 10<sup>th</sup> from 4:00 p.m. to 5:30 p.m. Mr. Larson will check to see if the date and time work for the CPHA board.

**Discuss Committee Progress** – Mr. Knight reported on behalf of Mr. Dadlani and Mr. Napolilli of the Water Committee. The team has started drafting a conservation program for consideration. The committee has a lot of good ideas regarding aquifers analysis, maintenance plans, and mitigation strategies, around unaccounted water.

**Receive 2<sup>nd</sup> Draft of the 2021 Budget** – Ms. Mantz provided the Board with the 2<sup>nd</sup> draft of the 2021 budget. She mentioned that \$50K was also added for water conservation efforts (60-5232), which is not listed in the cover memo. Ms. Mantz said that she will post the draft of the 2021 Budget and the White Paper on the District’s website by October 29, 2020. The Public Hearing Notice will appear in the Douglas County News Press on October 29<sup>th</sup> and November 5<sup>th</sup>. The Board will hear public comment on the budget at the November 19, 2020, regular board meeting. The Board scheduled another Budget Work Session on Monday, October 26<sup>th</sup> from 8 a.m. to 10:00 a.m. Director Munday said he spoke to former board member, Mr. Bob Tomz, and he said he would be more than happy to explain how the District’s budgeting process was originally put in place. The Board agreed that it would be a great idea to have Mr. Tomz participate in the Budget Work Session. Ms. Mantz answered a few questions regarding the draft of the 2021 budget.

### Staff Reports

**District Manager Report** - Mr. Knight had nothing further to report.

**Safety Report** – Director Huser said that he saw that there were no Workers’ Compensation claims since the last board meeting. Mr. LeTellier reported that in 2021, the field crew will get certified in OSHA 30.

**Operation’s Report** – The Board complimented Staff on a successful Fall Brush Cleanup. Mr. LeTellier said at the last board meeting he promised an analysis of the accuracy of the iPERL meters. Mr. LeTellier has that information and he and Mr. Knight would be sharing it with the Water Committee. The difference between a ¾-inch and a 1-inch meter is eight-hundredths of a gallon per minute. The reason this number is so small is that we are using electro-magnetic (Mag) meters. In the past, mechanical meters were susceptible to proper sizing of the meter; however, Mag meters do not have that limitation.

Director Walden asked a question regarding year-to-date water operations. Mr. LeTellier explained that if you compare our year-to-date annual production at the end of September 2020, to the annual year-to-date production from 2019, we have surpassed that number. Director Walden asked if the District used 3M gallons less than in 2019. Ms. Mantz said that for billed water we were almost 6M gallons under budget from this time last year for the month of September. Director Walden said that conservation seems to be working.

**Administration Report** – Ms. Frainier and Ms. Mantz referenced their report in the board packet and asked if there were any questions. There were none.

**Water Usage Report** – Ms. Mantz said the District is under budget for September usage, as well as under budget for the prior year actual.

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

Executive Session

At 7:35 p.m., Director Huser made a motion pursuant to C.R.S. §24-6-402 (4) (b) for the purpose of receiving specific legal advice on questions relating to investigations concerning separate anonymous allegations of employee misconduct involving district inventory and contractor selection, seconded by Director Sundquist, and unanimously carried. Mr. Reutzel, Mr. Knight, and Ms. Mantz were invited to remain.

Adjourn

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the Board exited executive session and recessed the regular meeting at 8:20 p.m.

The Board of Directors approved the foregoing minutes on the 19th of November 2020. The preceding constitutes a true and correct copy of the minutes of the above-referenced meeting.

---

Secretary