

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

Held: Thursday, November 19, 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  
Craig Sundquist  
Tad Walden

Also present were: Burt Knight, Sue Mantz, Jason LeTellier, Carolyn Frainier, LeAnna Gonzales, Tracy Adams, District Staff; Jack Reutzel, District Counsel, Fairfield and Woods, P.C.; Mark Larson, General Manager, Castle Pines Homes Association; Matt Buster, PE, David Evans & Associates, Inc.; Will Koger, Forsgren & Associates, Inc.; Andy Elsen, Alexius Solutions, LLC; Kim Dadlani, Co-Chair of the Water Committee, Cassie Vetter, Chair of the Infrastructure Committee, Andrea Cole, Olsson, Inc.; Cynthia Cerny, Don Hansen, CiCi Holbrook, Joseph, Carol Kingsley, Zack Newman, Vic Pluto, Lon Stuebinger, Randall Yaroch, members of the public.

Director Huser requested residents mute their microphones unless they are speaking. During the Public Hearing on the budget, if a citizen has a question or comment, Director Huser asked residents to use the Chat feature. Director Huser reminded the residents of the Board Governance on Public Comment during Board Meetings Policy that was approved by the Board at the June Board Meeting.

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 Munday. The Board unanimously approved the agenda, as presented.

Guest Introductions / Comments from the Community

There were no comments from the community.

## Open the Public Hearing for the Purpose of Receiving Comments about the District's Proposed 2021 Budget

Director Huser opened the Public Hearing for the purpose of receiving comments about the District's proposed 2021 Budget. Mr. Knight introduced the 2021 Budget by saying that the first draft of the budget was presented to the Board on September 17<sup>th</sup>. A supplemental Budget White Paper, which highlighted new budget items, was given to the Board on October 9<sup>th</sup>. The Board conducted two Zoom Work Sessions on October 12<sup>th</sup> and 26<sup>th</sup> that were open to the public. Mr. Knight said the draft of the budget and the White Paper was made public on October 29<sup>th</sup>, and posted on the District's website. Notice of the Public Hearing was published in the Douglas County News Press on October 29<sup>th</sup> and November 5<sup>th</sup>. The notice was also published in The Castle Pines Connection on October 29<sup>th</sup>. The budget notice also appeared in the CPHA's E-Blast on October 30<sup>th</sup>, November 6<sup>th</sup>, and 13<sup>th</sup>. Mr. Knight said the 2021 Budget is focused around the 2021 District Goals.

Ms. Cynthia Cerny said she posted questions on the Chat feature. Director Huser asked Ms. Cerny to gather her questions and submit them to the Board and they would consider them. Ms. Carol Kingsley asked why Metro does not email residents directly and not through the CPHA. Director Walden said one of the goals of the Communications Committee is to compile a list of resident emails for a database. Ms. Kingsley asked if the CPHA could share their email list. Director Walden said the CPHA is not obligated to share their email database, as it would create a privacy issue.

Director Munday said that as a result of input from the community over the past eighteen months, the District has worked to make the budget process more transparent. Director Munday said the Board is looking forward to hearing how to make the budget process even better. Director Huser said the Board will consider any questions submitted in writing. He asked for any additional budget comments and there were none.

Director Huser closed the Public Hearing.

## Action Items

**Approve the Minutes from the October 15, 2020, Regular Board Meeting** – Director Sundquist made a motion to approve the minutes from the October 15, 2020, Regular Board Meeting, seconded by Director Munday. There were no changes to the minutes.

A vote was called and the motion passed unanimously.

**Approve the October 2020 Payables** – Director Sundquist made a motion to approve the October 2020 payables, seconded by Director Lanam. Ms. Gonzales reported that Staff met with Director Lanam to review payables, totaling the amount of \$580,125.13. The payables included salaries, manual checks, and a payment on the Drinking Water Revolving Fund (DWRF) loan. The payment which was made on October 29, via a wire transfer, was obtained for the water transfer line. Ms. Gonzales said there was an invoice from Direct Recruiters. The firm recruited the District's new Water Treatment Supervisor. Ms. Gonzales noted that the invoice from Fairfield & Woods, P.C. included expenses for September and October. Inland Potable Services, Inc. invoiced the District for cleaning both storage tanks. Ms. Gonzales asked for any additional questions and there were none.

A vote was called and the Board unanimously approved payment for the October 2020 expenses in the following amounts: General Fund \$227,814.14, Enterprise Fund \$313,178.97, and manual checks \$39,132.02.

Ms. Mantz reviewed the Financial Statement through October 31. She reported that in both the General Fund and the Enterprise Fund, there is a total positive variance of \$180K in Salaries and Wages. At a prior meeting, she noted that the breakout between the two funds was disproportionate and it has since been corrected. Last year, the Board approved five additional positions. This year, the District filled two of these positions and there are three outstanding positions: Project Manager, Irrigation Maintenance Tech, and Maintenance Tech.

Ms. Mantz reported that in the General Fund, there is a positive variance of \$2,058,850 over budget made up of less revenue received of \$56,880, less expenditures of \$2,068,547, and an audit adjustment of \$47,183. In the Enterprise Fund, there is a positive variance of \$802,743 over budget made up of additional water revenue of \$367,660, less expenditures of \$274,954, and an audit adjustment of \$160,129.

**Consider Approval of Professional Services Agreement with Olsson, Inc.** – Director Munday made a motion to approve the Professional Services Agreement with Olsson, seconded by Director Lanam. Mr. Knight requested that the Board authorize Professional Services Agreements and Task Orders by the District Manager for \$60K. The 2020 Budget has \$10K available and there is \$50K in the 2021 Budget. Olsson is a full-service consulting firm. They have capabilities in water planning and infrastructure, roadway maintenance and infrastructure, preliminary engineering, master planning, stormwater needs assessment, and may fill vacant roles for a client. Olsson could assist Mr. Knight with the Long-Range Water Master Plan (LRWMP) and the Long-Range Roadway Plan (LRRMP). The District will pay as services are required. The Board expressed its support for engagement for Olsson, Inc.

A vote was called and the motion passed unanimously.

**Consider Approval of Partial Security System Upgrade** - Director Sundquist made a motion to approve the partial security system upgrade, seconded by Director Huser.

Mr. LeTellier reported that there are funds allocated in the 2021 draft budget for a security system. This approval is only for security cameras for the office and the shop. The District recommended moving the security upgrade forward to increase security at the office and shop. Director Walden said the quote appeared high and asked where the quote of \$54K came from since the cost seemed excessive to him. Mr. LeTellier said that he met with SMG on-site and went through the entire upgrade and a quote was provided. Director Lanam asked if Staff could put it out for bid. Mr. Knight said it could not be put out to bid and installed this year. It would be unlikely Staff could have a bid before the December 10<sup>th</sup> Board Meeting. Director Lanam indicated he also had extensive experience in security systems. Directors Walden and Lanam offered to review the quote with Staff and the directors will meet with Staff to review specifications and put it out to bid so the project will move forward. Director Munday made a motion to conditionally approve the security upgrade based on the findings of Directors Lanam and Walden and Mr. LeTellier. Director Sundquist seconded the motion.

A vote was called and the motion passed unanimously.

**Consider Approval of Board Meetings and Packet Delivery Dates for 2021** - Director Munday made a motion to approve the board meetings and packet delivery dates for 2021,

seconded by Director Sundquist. Director Walden believed it was a disservice to the community to move the board meeting to the morning, as it is difficult for those who work to attend the board meetings. Director Huser said that he quantified community attendance. In the past year, on average, there have been eight members of the public at the board meetings. As low as one citizen and as high as 14 citizens have attended. The audio recordings of the meetings are posted on the website, and residents can listen to the meeting at their leisure. Director Walden asked if the Board would continue with Zoom meetings after the pandemic.

Director Huser amended the motion to approve not just the board meeting and packet delivery dates but to change the time of the board meeting, Director Sundquist seconded. Director Munday amended the motion to include posting the recording, moving the meeting to the 4<sup>th</sup> Wednesday of the month, and getting the board packets out the Friday before the Wednesday board meeting. The Board directed Staff to bring the following action item to the December Board Meeting. The board meetings will take place at 8:00 a.m. on the 4<sup>th</sup> Wednesday of the month, and a recording of the board meeting will be available to the public on the District's website. The Board did not vote on this Action Item.

**Consider Approval of IGA/SIA for Filing 44** – Director Munday made a motion to approve the IGA/SIA for Filing 44, seconded by Director Huser. The Board welcomed Mr. Matt Buster, the representative for Filing 44. Mr. Buster said the IGA/SIA addressed the proposed subdivision for Filing 44, which is immediately west of the District and west of Filing 41. The plat and the SIA for Filing 41 were approved by the Board in January. The work will piggyback off of the work that will be largely constructed with Filing 41A. The plat includes nine lots, which will be single-family homes, and one super-block lot, which will be developed in the future. Mr. Larson said that the CPHA Board approved Filing 44 at last month's board meeting. Director Munday said the Board needs to be sensitive to residents who have lived in that area for a long time. Mr. Buster reported that two cul-de-sacs will be installed: one at the end of Lindsay Peak Lane and one at the end of Golden Bear Lane and then an emergency vehicle access gate will be installed between those cul-de-sacs. Mr. Buster requested that the Board give Mr. Knight authorization to sign the plat. Director Huser will sign the IGA/SIA. Mr. Buster said the agreement provides \$215K for a surety warranty for the necessary installation of the infrastructure required, with Mr. Knight authorized to sign the plat.

A vote was called and the motion passed unanimously.

#### Committee Updates

**Liaison to PCWRA** – Mr. Knight and Mr. Munday attended the PCWRA Board Meeting last month. Mr. Knight reported that PCWRA continues to track state requirements associated with new regulations. The expansion project has slowed a bit; however, it is still on track for completion by the end of the year and on budget. The PCWRA Board discussed looking into using Castle Rock Sedalia Reservoir as an alternative to improvements associated with the existing effluent reservoir. Any decision associated with that would mean not rehabbing the existing reservoir. Last month, the PCWRA Board also discussed Infiltration and Inflow, which lines up with the District looking at a collection system next year.

**Castle Pines Homes Association Update** – Mr. Larson reported that the CPHA is conducting a resident survey that was mailed out on November 18<sup>th</sup>. Residents can complete the survey on paper form or online. The following questions are on the survey.

1. Why did you choose to live in the Village and have we met the expectations you had when you moved in?
2. What Village amenities and events do you enjoy?
3. What Village communication avenue do you use to get information?

The CPHA Board met on November 19<sup>th</sup> and approved the 2021 budget. Mr. Larson reported that CPHA Board had several community forums to review the budget with residents. The CPHA Board meetings will remain on the fourth Thursday of the month at 8:00 a.m.

### Discussion Items

**Confirm Thursday, December 10, 2020, Combined Meeting with the CPHA Board of Directors at 4:00 p.m. (Zoom) and Confirm, Thursday, December 10, 2020, Regular Board Meeting at 6:00 p.m. (Zoom)** – The Board confirmed the December 10, 2020, Combined Meeting with the CPHA Board of Directors at 4:00 p.m. (Zoom) and the Regular Board Meeting at 6:00 p.m. (Zoom) on that same day.

**Discuss Infrastructure Committee Suggested Board Policy and Findings** – Mr. Knight introduced Ms. Cassie Vetter, Chair of the Infrastructure Committee. Ms. Vetter said that the Board had requested that the committee weigh in on potential drainage impacts on sub-associations. The committee had a twofold approach:

1. Develop a generic policy that would be used by the Board for future decisions.
2. Evaluate what the committee learned about the Morning Star drainage issues, within the proposed policy.

The committee thoroughly reviewed the issue and agreed on the two documents included in the board packet. The Committee recommends that there are no exceptions made for the residents on Morning Star Drive and that the Morning Star at Castle Pines Condominium Association determines its approach to solving its infrastructure issues without reliance on the Metro District to participate financially in that approach. Ms. Vetter said that any work that is outside of the 2005 agreement can be a slippery slope. A small gesture could turn into a financial burden for Metro.

Director Walden said clearly a precedent has been set and asked how the potential cost of \$2.5M was calculated. Director Lanam said the committee looked at the two previous projects and calculated the cost between \$120K to 240K, times the eight sub-associations. Director Lanam said that because the Board made a decision in the past, it does not obligate the current board. Director Lanam said the documents were prepared after a great deal of research and the committee is prepared to stand by its recommendation. Mr. Knight asked if the Board wanted to entertain creating a policy. Director Lanam made a motion to accept the report by the Infrastructure Committee. Mr. Knight pointed out that this was not an action item. Director Lanam moved to make this an Action Item, Director Sundquist seconded. Mr. Reutzel said that it would require unanimous consent from all board members to move it to an Action Item. Director Huser called a vote to make this an action item and Director Walden voted against it.

Director Lanam said the discussion was stalled and the only way to resolve the issue is to move it to next month's agenda. Mr. Knight said the goal of the committee suggested policy was to give direction to the Board. Director Huser requested that the issue be added to the agenda for next month. Director Munday asked what the Board needs to do to ultimately resolve this issue. Mr. Reutzel said he would review the documents and provide thoughts if that is what the Board directs. Director Huser said the District spent \$8K-\$9K helping Morning Star understand the possible solutions to their problems. This has been a topic at four different board sessions and the Board has decided that it cannot spend money on private property. Counsel will develop a written policy and it will be put on the December Agenda. Director Huser said that Board asked the Infrastructure Committee for their opinion and now the Board is asking counsel to develop a proposed policy based on what the committee has recommended. Next month we will vote on the policy.

### **Discuss Committee Progress**

*The Infrastructure Committee* – Ms. Vetter reported that the Infrastructure Committee has met once a week for the past two months. The committee has been educated on the common problems and solutions for the District's roadways. The committee wants to develop a systematic approach rather than a reactive approach. The committee wants to maintain the roadways and find a more cost-effective way of keeping roads in good condition for a long time. Forsgren Engineering has a tool for prioritizing roadway maintenance. Ms. Vetter said that it is important how the community feels about the Infrastructure Committee's priorities. The group is developing a matrix of roadway concerns that will be helpful in the future. The matrix will track what has been completed, and help the committee meet its goals efficiently and effectively.

*The Water Committee* - Mr. Kim Dadlani is the Co-Chair of the Water Committee. The committee began meeting a couple of times a week since the end of July. Mr. Dadlani said the committee has two areas of focus:

1. The sourcing of water - the legal rights the District has in regards to surface water.
2. Demand management – benchmark our current utilization and consumption of water. Based on the analysis develop a short-term, mid-term, and long-term water conservation opportunities.

Mr. Dadlani reported that this year the District will produce 500M gallons of water. Approximately eighty percent of every gallon billed is used for irrigation. Mr. Dadlani said that a conservation program will address the irrigation piece. The committee took a very close look at Parker Water & Sanitation District, Castle Pines North, and the Town of Castle Rock to see what they are doing around conservation. The average Castle Pines citizen uses 2 to 2½ times more water than the average resident in the aforementioned entities. The committee sees this as a huge opportunity to target 30% reduction in irrigation water over five years. Strong communication plan will play a key role in rolling out the new conservation program in spring of 2021. The committee would recommend that the District hire a seasoned conservation program lead to ensure focus and successful launch of the program.

The committee is also looking at a scientific approach to leak detection for unaccounted water. Most municipalities have approximately 10% to 12% of unaccounted water. Mr. Knight

mentioned that our systems are getting older and we need to identify the issues and upgrade our systems.

*Communications Committee* – Mr. Knight provided an update on behalf of the Chair, Pam Kelly. The committee is putting together a first-quarter plan. They are looking at the best ways to communicate with residents. The District’s website will be updated in 2021. Finally, the committee wants to work with the Village Reporter by writing a solid piece on the responsibilities of the Homes Association and the responsibilities of the District. The committee would like to make it less confusing as to which organization does what. The committee will provide a platform to communicate the District’s successes.

Director Huser said the community owes the committees a deep debt of gratitude for all of the excellent work they are doing for the District.

**Discuss 2021 Draft Budget** – Ms. Mantz reported that she received the final Certification of Assessed Valuation of \$165,721,530. She reported that updated items have been highlighted in green, and the remaining open items are highlighted in yellow. She made a few comments about capital expenses. Ms. Mantz will review the payroll budgets submitted by Ms. Frainier. Mr. LeTellier had updated the electricity budget. The District updated the costs associated with the Landscape Agreement and the CPHA. The property tax and the abatement calculations have been updated. The water service fees and capital improvement fee revenues have been updated. T. Charles Wilson is working on a property and liability insurance quote. Ms. Mantz addressed the project contingencies in the General Fund and the Enterprise Fund. Mr. Knight will meet with the Water Committee, and there may be an adjustment to the conservation budget. Director Huser explained that in November 2018, the District had an agreement to sell part of our wastewater capacity to Mr. Jack Vickers. Mr. Vickers paid \$1.5M for 150,000 gallons per day capacity, and he has the right to double the capacity, by paying an additional \$1.5M in 2021. If he does not exercise this option it would leave the budget \$1.5M short. The Board agreed to remove the revenue from the Enterprise Fund. Ms. Mantz asked if the Board had any additional questions and there were none.

**Discuss 2020 and 2021 District Goals** – Mr. Knight gave an overview of the District’s 2020 goals. The 2020 goals were:

1. Communication enhancement with the community
2. The Long-Range Water Master Plan (LRWMP)
3. The Long-Range Roadway Maintenance Plan (LRRMP)
4. Update Employee Manual
5. Update Board Member Manual

Mr. Knight reported that the communications goal was slow to start and will not be completed in 2020. The LRWMP was started in January and will be finished by the end of the first quarter of 2021. The LRRMP was started in February and will be completed by the end of the first quarter of 2021. Mr. Knight will provide schedules and associated timelines. With the first three goals, Mr. Knight said it was prudent to slow down and utilize the efforts of the committees. The Employee Manual update will be presented at the December Board Meeting.

The Board Member Manual update will continue into 2021. The final suggested 2021 goal is to develop a Sanitary Sewer Master Plan. Mr. Knight asked the Board to share any ideas they had for any other 2021 goals.

### Staff Reports

**District Manager Report** - Mr. Knight said the Administration Report covers the District's COVID-19 policy. The State of Colorado and Douglas County have raised the bar and are moving into the red zone. On November 23<sup>rd</sup>, the District will close its facilities and access will not be available for citizens and vendors. Staff will limit interactions with citizens, providing service only for an emergency. Our office staff is split into two shifts and they will split into three shifts on November 23<sup>rd</sup>. The District will conduct meetings via Zoom. Mr. Knight reported that there is \$25K allocated for staff bonuses, and we are looking to spend \$20K this year.

**Safety Report** – Mr. LeTellier reported that there have been no injuries. Staff is integrating the safety aspects of COVID-19 into operations.

**Operation's Report** – Mr. LeTellier reported that Hydro Resources has removed the loaner equipment from Well A-8 and put in the new equipment, Well A-8 started up without any issues and the District will run it through the end of November. Director Huser asked the status of the bids for the rehab of Well A-8 and Well A-12. Mr. LeTellier said the District met with Jehn Water and they are formulating some specs. Mr. Knight said we anticipate that the Projects will be out to bid before November. Director Walden said that unaccountable water jumped to 20% in October. The Water Committee will work with Mr. LeTellier to make the unaccountable water report user friendly.

**Administration Report** – Ms. Frainier referenced her report in the board packet and asked if there were any questions. Ms. Frainier reported that Mr. Matt Padgett started with the District on October 30<sup>th</sup> as the Water Treatment Supervisor. He formerly worked at East Cherry Creek Valley Water and Sanitation District. Mr. LeTellier is very pleased with Mr. Padgett.

Ms. Mantz referenced her report in the board packet and asked if there were any questions. There were none.

**Water Usage Report** – Director Walden mentioned that despite the mandatory water restrictions, the District is still forecasted to be 26% over usage by the end of the year. Mr. Knight said that the District is obligated to irrigate in certain areas of the District. Director Walden pointed out that Village Lake was 192% over budget for October. Ms. Mantz said that there was a large meter added to the system on Copper Blush, which may have contributed to some of the additional usage in October.

**Attorney's Report** – Mr. Reutzel did not have a report.



Executive Session

At 9:22 p.m., Director Huser made a motion to convene into Executive Session pursuant to C.R.S. §24-6-402 (e) (1) for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators relating to District issues in a proposed 5G network agreement being negotiated by the Castle Pines Home Owners Association, seconded by Director Munday, and unanimously carried. Mr. Reutzel, Mr. Knight, Ms. Mantz, Mr. Andy Elson, and the lawyers from Alexius Solutions, Inc. 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 recessed the regular meeting at 10:16 p.m.

The Board of Directors approved the foregoing minutes on the 10<sup>th</sup> of December 2020. The preceding constitutes a true and correct copy of the minutes of the above-referenced meeting.

  
Secretary