

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

Held: Thursday, February 20, 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  
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); Courtney Kramer, Senter, Goldfarb & Rice, P.C. (for Executive Session), James Holmes, Executive Director, Cherokee Ranch

Potential Conflict of Interest Disclosures

District Counsel Reutzel stated that Mr. Battin has a continuing conflict regarding any discussions related to Cherokee Ranch. Mr. Battin serves on the Board of Directors at Cherokee Ranch.

Approval of the Agenda

Director Sundquist made a motion to approve the agenda, seconded by Director Huser. Mr. Knight asked to move Agenda Item 4E, Consider Approval of Cherokee Ranch Contract, until after the Executive Session. Director Calhoun said he had previously requested adding an Action Item to Post Board Meeting Recordings and Board Packet Information on the District's Web site. This item was added as Action Item 4K. The Board unanimously approved the agenda, as amended.

Guest Introductions / Comments from the Community

The following residents introduced themselves: Mr. Kim Dadlani and Mr. Tom Sims from Chateau Ridge, Mr. Bob Tomz from Starbuck, and Mr. Chris McCloskey from Peregrine Ridge. Director Munday asked for comments from the community and there were none.

Safety Report

Mr. LeTellier reported that there have been no Workers' Compensation claims since May 2019. The staff has had additional training and was reminded to slow down in the plow

trucks. Due to icy road conditions, one of the dump trucks slid off the side of the road into a tree. Mr. LeTellier explained that the dump trucks are equipped with auto chains, which can be engaged in the cab. The field crew is impressed with the ice slicer product. Director Munday said there was a noticeable difference on the roads. Director Battin said plowing the paths seems to take a little longer and asked what the District can do to speed up the process. Mr. LeTellier explained that the field crew plows the collector roads and cul-de-sacs first and then they focus on the trails. By law, crew shifts can remove snow for a maximum of 12 hours and then the next crew takes over. Mr. LeTellier said that the District may consider adding money to future budgets for more effective equipment to clear the trails. Mr. Knight said the District will review the snow removal system and staffing when it revisits the Long-Range Roadway Maintenance Master Plan Update. Mr. LeTellier reported that the District is working on installing devices on trucks so the District can track the progress in the snow removal process.

### Action Items

**Approve the Minutes from the January 7, 2020, Special Board Meeting** – Director Sundquist made a motion to approve the minutes from the January 7, 2020, Special Board Meeting, seconded by Director Battin. There were several suggested changes by both Director Calhoun and Director Huser. Director Battin made a motion to table the approval of the minutes, seconded by Director Huser. The Board will discuss the January 7, 2020, Special Board Meeting minutes later in the meeting.

A vote was called and the motion was unanimously tabled.

**Approve the Minutes from the January 16, 2020, Regular Board Meeting** – Director Sundquist made a motion to approve the minutes from the January 16, 2020, Regular Board Meeting, seconded by Director Battin. A few changes were noted.

A vote was called and the motion passed unanimously.

**Ratify the Second Set of December 2019 Payables** – Director Sundquist made a motion to ratify the second set of December 2019 payables, seconded by Director Battin. Staff met with Director Sundquist to review the additional payables, totaling the amount of \$36,281.05. Ms. Mantz reviewed and answered questions regarding invoices from the following vendors: L.A.W.S and Universal Tractor. There was a question about whether the District had an approved vendor list. Ms. Mantz said she reviews new vendors to see if they have been in the accounting system before and adds them to the list; however, the District does not have a formally approved vendor list.

A vote was called and the Board unanimously approved payment for the second set of December 2019 expenses in the following amounts: General Fund \$28,948.52, and Enterprise Fund \$7,332.53.

**Approve the January 2020 Payables** – Director Sundquist made a motion to approve the January 2020 payables, seconded by Director Munday. Staff met with Director Sundquist to review payables and manual checks, totaling the amount of \$491,172.93. Ms. Mantz reviewed and answered questions regarding invoices from the following vendors: Backflow Tech, Inc., Dana Kepner Company, Data West, a division of Harris Systems USA., Inc., DPC Industries, Inc., Majestic Plumbing, LLC, and Singleton Electric. Various annual membership fees were also paid in January. Ms. Mantz reported that the manual checks were high, largely due to the issuance of

the annual Workers' Compensation and Property and Liability insurance premiums. The District receives a 5% discount for early payment. The financial statement for the month of January was included in the packet for Board review.

A vote was called and the Board unanimously approved payment for the January 2020 expenses in the following amounts: General Fund \$116,774.19, Enterprise Fund \$185,905.97 and manual checks \$188,492.77.

**Ratify the Master Agreement for Professional Services with Forsgren Associates., Inc. and Allow the District Manager to Authorize Task Orders up to \$75K**— Director Huser made a motion to ratify the Master Agreement for Professional Services with Forsgren Associates, Inc., and allow the District Manager to authorize Task Orders up to \$75K, seconded by Director Sundquist. In December 2019, Mr. Knight presented a general agreement for services and reported there are a couple of items to finalize. Director Calhoun has approved the agreement and Mr. Knight executed it. Director Munday asked if the Board would ratify task orders at some point. Mr. Knight said the Board did not ratify task orders; however, he would keep the Board well informed of any task orders, as well as present the District's budget associated with expenses.

A vote was called and the motion passed unanimously.

**Consider Approval of Committee Chairs, Consider Approval of Committee Charters and Consider Approval of Board Member Committee Assignments** – These Action Items were not voted by on the Board as they were not ready for approval. The Board discussed the Metro District Committee Initiative. Mr. Knight said Director Battin received six or seven emails from citizens who were interested in volunteering for the committees. Director Battin spoke to two people directly and has other calls to make. Director Battin expects to identify Committee Chairs by February 26, 2020. Director Battin noted that Director Sundquist volunteered to represent the Board on the Communications Committee and, Director Battin volunteered to represent the Board on the Infrastructure Committee. Director Battin said Director Calhoun was not considered because he will not be on the Board beyond May. Director Battin talked to two citizens regarding the Water Planning Committee. Mr. Dadlani said the charters for the committees will be created after the committees are formed. Director Calhoun said that he is the Board Member who knows more than anyone about the infrastructure and water requirements history and needs and should be working with the committees in setting up and to answer questions etc. Director Calhoun said that in May, there may be two new Board members who may know about water and infrastructure. Director Battin said the Board will talk and see what it looks like in May. Director Battin reported that appointing committee chairs and approving committee charters are works in progress. The Board will report on the progress of the committees at the Community Forum on February 26<sup>th</sup>.

**Consider Approval of Election Judge Compensation** - Director Munday made a motion to approve election judge compensation, seconded by Director Huser. Mr. Reutzel said the statute requires the Board to approve a compensation rate for election judges. Ms. Frainier recommended the Board approve \$15/hour, which the same amount was paid in the 2018 election. The election judges will participate in one hour of training and approximately 18 hours of ballot counting.

A vote was called and the motion passed unanimously.

**Consider Approval of Posting Board Meeting Recordings and Non-Privileged Board Packet Information on the District's Web Site** – Director Battin made a motion to approve the

posting of Board meeting recordings and non-privileged board packet information on the District's web site, seconded by Director Sundquist. Mr. Reutzel informed the Board that minutes are a summary of the meeting and are required even if the meeting is recorded. The recording is useful if the Board has additional questions on items that may not have been reflected in the draft of the minutes. Director Munday said that the District needs to upgrade its ability to record meetings. Before a Board member speaks, it will be necessary to identify themselves. Director Munday sees a benefit for the foreseeable future if the recordings are done correctly. Director Sundquist said that posting the recordings on the web site requires a lot of execution; and, he does not think it will be completed before 90 days. Director Huser said he has been trying to review the board meeting recordings on the recorder and it is almost impossible because the quality is poor. Mr. Larson said that the Homes Association is considering installing a video conferencing system in their board room. He said the whole system, including video, will cost approximately \$12K. The CPHA Board will vote on the installation of a video conferencing system at their meeting on February 27, 2020. The system will be installed within 30 days after approval. Director Munday instructed staff to work on more usable recordings and report back at the March 19, 2020, Board meeting. Director Munday made a motion to post the non-privileged board packet materials on the web site, seconded by Director Calhoun.

A vote was called and the motion passed unanimously.

#### Committee Updates

- Liaison to PCWRA – Director Huser reported that the PCWRA Board of Directors ratified the agreement with the pizza place in Castle Rock. Director Munday reported that PCWRA hired a new Industrial Pretreatment Coordinator, Mr. Patou Griggs. Director Huser said the expansion is scheduled for completion before the end of 2020. Director Munday said that the District's COD (Chemical Oxygen Demand) and total suspended solids have crept back up. It is not possible the Village's concentration could be more than the Town of Castle Rock's (TOC). Director Munday said that the pipe along Sante Fe may need to be cleaned. The influent BOD (Biochemical Oxygen Demand) spikes between October and December every year and needs to be monitored.
- CPHA Liaison – Mr. Larson reported that there was a Sub-Association Meeting at the Homes Association. Representatives from all sub-associations were invited to attend. The meeting was attended by all but three sub-associations. Director Sundquist, Director Munday, and Mr. Knight attended the meeting. Mr. Larson agreed to host a sub-association meeting twice a year. According to the state statute, the Homes Association has no authority over sub-associations. Each sub-association has governing documents. The CPHA Annual Meeting is Monday, March 9<sup>th</sup>. There will be an informational hour from 6:30 p.m. to 7:30 p.m. followed by the business meeting. All of the residents should have received annual meeting packages in the mail. Mr. Larson asked the Board to submit a proxy vote if they are unable to attend the Annual Meeting. There are two Board of Directors' positions open and three candidates.
- Beautification & Enhancement Committee – Director Huser, Mr. Knight, and Ms. Mantz attended the January 21<sup>st</sup> committee meeting. The construction inside of Gate 3 was discussed. Mr. Knight said that he will discuss the road repairs with the developer. Director Munday said that there were unsafe traffic conditions inside Gate 3 and Mr. Knight responded immediately. Mr. Knight said that as the District works on the Long-Range Roadway Master Plan, safety will be the top concern.

- Contracts Committee – Director Calhoun said that the contract with Forsgren & Associates, Inc., is a good contract and the District may want to use it as a template for other agreements. Director Calhoun said his comments regarding Cherokee Ranch will be reserved until later in the meeting.
- Water Conservation Committee – Director Sundquist deferred this discussion until May.
- Investment Committee – Director Sundquist reported that there has been no changes to the District’s investment strategies.

**Approve the Minutes from the January 7, 2020, Special Board Meeting** – The Board reviewed Director Huser and Director Calhoun’s proposed additions to the minutes. The Board directed Mr. Reutzel to review the recordings to ensure that the minutes reflect what was actually said. Director Munday suggested tabling the approval of the meeting minutes until Mr. Reutzel has the opportunity to review the recording. Director Battin made a motion to table the approval of the minutes from the January 7, 2020, Special Board Meeting, seconded by Director Munday.

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

Discussion Items

**Confirm Thursday, March 19, 2020, Board Meeting at 6:00 p.m. and Set Date for Combined Work Session with CPHA Board of Directors** – There was some discussion about rescheduling or possibly canceling the March Board Meeting due to three board members being out-of-town on that date. Mr. Dadlani expressed to the Board that it had been communicated to the community that the first evening meeting would take place on March 19<sup>th</sup>. He believed it would send the wrong perception to the community if was canceled. The Board agreed and kept the meeting on March 19<sup>th</sup> at 6:00 p.m. Directors Munday and Huser will call in for the meeting. Director Sundquist may not be able to call in for the meeting.

The Board agreed to postpone the Combined Work Session with the CPHA Board of Directors until after the District’s Board of Directors Election is held on May 5, 2020.

**Confirm Wednesday, February 26, 2020, Metro Forum (Special Meeting) at 6:30 p.m. in the Wildcat Room at the CPHA Building** – The Board confirmed the February 26<sup>th</sup> Metro Forum at 6:30 p.m. There will be a meeting on February 25<sup>th</sup> to prepare for the Forum. The purpose of the Forum is to hear from the community and talk about what has transpired since the Water Symposium in August. The chairs of the committees will be ratified at the March board meeting. The names of the chairs will be announced at the Forum.

Director Calhoun said that he would like to have the opportunity to talk to the chairs for the Water Planning Committee and the Infrastructure Committee. Director Battin said that he would provide those names to Director Calhoun after he has spoken with the interested parties. Director Calhoun said he would like to speak to the prospective chairs before the Forum. Mr. Knight is preparing a brief PowerPoint and will provide it to the Board by noon on February 21<sup>st</sup>. Mr. Tom Napolilli has the right experience for the Water Planning Committee; and, he is in Mexico through March. Director Huser has been working with Mr. Knight on the Forum and expressed that he hopes the Forum will be positive and forward-looking. Mr. Knight will reach out to the Special District Association in regards to engage a moderator for the Forum. Director Munday asked Mr. Larson if he would be willing to moderate the discussion and he graciously accepted.

**Accept Proposed Mail Ballot Plan for May 5, 2020, Regular Election** – Mr. Reutzel reported that the Designated Election Official is required to create a Mail Ballot Plan. The exercise is required by statute. The Board accepted the Mail Ballot Plan for the May 5, 2020, Board of Directors Election.

**SCADA (Supervisory Control and Data Acquisition) System Presentation**

Mr. LeTellier presented detailed information on the District's SCADA system. The Board asked questions and Mr. Knight and Mr. LeTellier answered their questions. There was a healthy discussion on the availability of water to the Village at Castle Pines as well as on general water system operations.

Staff Reports

**District Manager Report** – Mr. Knight referenced his report in the board packet and asked if there were questions. Mr. Knight also reported that the District is ordering pedestrian-activated crossing signals at Lost Elk and Castle Pines Drive North. There will be placards illustrating proper cross-walk awareness. The District will not stripe until temperatures allow. A speed awareness sign will be posted on Castle Pines Drive North near Wildcat Bend. It will cost an additional \$2,500 for a system that will track speed counts and volumes. If the system is a success, we may discuss installing multiple systems around the Village that do speed count and volumes. The system will identify habitual speeders. Instead of wood posts, black posts will be installed.

**Operation's Report** – Mr. LeTellier reported speed mitigation is the primary concern in the Prato development. The first sewer inspection was conducted at Brookfield. Mr. LeTellier is working on a check valve replacement project on the Booster Pump Stations. Mr. LeTellier reported that a new resident was concerned about his water bill; however, nothing was out of the ordinary in terms of water use data. Director Munday expressed his concerns regarding unaccountable water. Mr. LeTellier said that it is a priority for the District. The District's new Sensus Analytics Software will be a valuable tool to help identify and address the situation. Staff removed the temporary medians inside Gate 3 periodically due to large snow events and the associated snow removal operations.

**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 a Maintenance Tech 2. Mr. Dennis Walford began employment with the District on February 17, 2020, as a Maintenance Tech 2. Ms. Mantz had nothing to add to the Administration Report in the board packet.

**Water Conservation Water Usage Report** – Ms. Mantz reported that water usage was typical for January.

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

## Executive Session

At 10:03 a.m., Director Sundquist made a motion for the purposes of conferring with legal counsel relating to the status of an independent investigation of Mr. Hunt's claims and potential investigation of District participation in Cherokee Ranch emergency water line construction; and to instruct negotiators regarding the Cherokee Ranch Agreement and further to instruct negotiators regarding lien assessment taps, seconded by Director Calhoun and unanimously carried. Mr. Reutzel, Mr. Knight, and Ms. Mantz were invited to remain.

The recording was paused at 10:05 a.m. for Attorney-Client privilege. The recording resumed at 12:12 p.m.

The Executive Session concluded at 1:00 p.m.

## Action Item

**Consider Approval of Cherokee Ranch Agreement** – Mr. Reutzel said that Mr. Knight and Mr. James Holmes are negotiating a contract. There is an existing "Emergency Connection and Reimbursement Agreement". Director Calhoun requested the following items be included in the Agreement:

1. The District will be compensated by Cherokee Ranch for all costs incurred by the District for supplying piping, including the rerouting and installation in progress or recently completed.
2. Cherokee Ranch will be responsible for demonstrating that all required permits and easements, and rights-of-way were secured, including costs.
3. Cherokee Ranch will compensate the District for all past unrecovered costs incurred by the District, including equipment, materials, and the labor on the existing water system. The District does not have evidence that it was compensated for that work.

Mr. Reutzel said that an option could be that the Board, if they so choose, could approve the contract subject to final review by the District's Contracts Committee, Director Calhoun. Mr. Reutzel said if Director Calhoun is comfortable with the contract, the Board could approve the contract, subject to final modifications by the Contracts Committee and authorize Mr. Knight to execute the agreement. Mr. Holmes said that some of this is new information. Mr. Reutzel said another option could be that the District could work on the contract and revisit approval at the March Board Meeting. Mr. Holmes acknowledged that the District was helping Cherokee Ranch tremendously and expressed that he appreciated what has been done. He said some of this has some vagueness to it, and he needed to put some costs to the project. Mr. Reutzel suggested continuing with the existing Emergency Agreement for one month and then bring the contract back to the Board in March. Director Munday said that Director Calhoun has made some good points that need to be clarified so that both sides can understand the agreement because the agreement will last awhile. Director Munday would like to be more comfortable with the final document prior to approval.

Director Calhoun said there are still questions regarding Board Policy 4.2 and the conveyance of water rights from Cherokee Ranch to the District. Mr. Reutzel said the Board negotiators can work on the water rights issue.

Mr. Holmes said that he was of the opinion that there were no water rights that could be conveyed to the District. The status is that water rights were sold to United water District and was

subsequently conveyed to the Town of Castle Rock that conveyed them to Dominion Water and Sanitation District. Mr. Holmes said that the Ranch had retained some water rights from the sale made to United Water in the early 2000s. The Ranch retained 130 acre-feet of water from those rights; 30 acre-feet are used for augmentation purposes; and, the other 100 acre-feet were used for the Ranch along Highway 85. No well from these water rights has been drilled. Mr. Reutzel asked how the livestock was watered. Mr. Holmes said the Ranch has active wells on the Highway 85 side of the property which water the cattle and along Daniels Park Road the cattle also drink out of the detention pond. Director Calhoun asked about the well near the gate. Mr. Holmes said the storage tank has a dry well and the Ranch still has those rights. Director Calhoun asked if the Ranch has other water rights that might be conveyed. Mr. Holmes said that he will work with the Ranch's water rights attorney to get the details. Mr. Reutzel said when we provide extraterritorial service, we request non-tributary water rights in exchange for service. Director Munday said that the policy has recently been revised. Director Calhoun asked if the County put the waterline in and if they had their own permit. Mr. Holmes said the County did the boring project and they arranged for the permit. Mr. Holmes asked the Board provide a list of questions, he will obtain the answers and get the facts to the Board. Mr. Reutzel said the Board could provide a list of questions.


Director Calhoun asked if Mr. Holmes knew why approximately 50K gallons of water is lost from the waterline. Mr. Holmes said that the Ranch has been trying to come up with ideas as to why the water leak is occurring. There has been discussions about adding a couple of meters to the line. Mr. Holmes said that a Ranch employee has walked that waterline more than once since we have experienced the water loss. The Ranch does not irrigate this time of year at all, it is a mystery that they need to solve. Mr. Holmes said the water line is old. It is in the Ranch's best interest, as well as in the District's, to figure out the cause of the water loss. Mr. Holmes said the Ranch is installing a new water line on an access road to the Cherokee Ranch Castle and it is two thirds complete. At some point, it would make sense to cross the road and connect to the line the pump station. Director Munday said these are big issues for the District because of the visibility of selling water outside of the District. Mr. Holmes said that finding the cause of the leak is a high priority. Director Calhoun said he would like resolution on the permitting and reimbursement issues to make the District whole. Director Huser made a motion to table the approval of the Cherokee Ranch Contract, seconded by Director Munday.

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

### 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 1:25 p.m.

The Board of Directors approved the foregoing minutes on the 16<sup>th</sup> of April 2020. The preceding constitutes a true and correct copy of the minutes of the above-referenced meeting.



Co-Secretary