

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

Held: Thursday, June 18, 2020, 6:00 p.m., at 688 W. Happy Canyon Rd., 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 Reutzal, District Counsel, Fairfield and Woods, P.C.; Mark Larson, General Manager, Castle Pines Homes Association; Courtney Kramer, Senter, Goldfarb & Rice, P.C.; Will Koger, PE, Forsgren Associates; Bill Calhoun, Cynthia Cerny, Doug Cooper, Kim Dadlani, CiCi Holbrook, Jeremy Jojola, Joseph, Tom Napolilli, Beth Westberg, Ken Wilczek, members of the public.

Potential Conflict of Interest Disclosures

District Counsel Reutzal stated that no conflicts were identified.

Approval of the Agenda

Director Munday made a motion to approve the agenda, seconded by Director Sundquist. Director Huser recommended that Discussion Item 5B, Progress on Committee Formation, be moved up to 3A, to announce the co-chairs of the Long-Range Water Master Plan Committee. The Board unanimously approved the agenda, as amended.

Guest Introductions / Comments from the Community

Ms. Cynthia Cerny asked questions regarding Welby Gardens in the Cash Requirements Report. Along with purchasing flowers from Welby Gardens for the planters in The Village, the District purchased flowers for the Starbuck sub-association. In the report, it reflects the District will rebill the sub-association for the flowers. Ms. Cerny asked if sales tax was being charged to Starbuck for that reimbursement. Additionally, Ms. Cerny wanted to know if this service was available to other sub-associations, does the District plant the flowers, and where was it advertised so other sub-associations could have the same opportunity. Ms. Mantz explained that three years ago Starbuck made a request to include their flower order along with the District's

order because they liked the quality of the flowers. Ms. Mantz clarified that the District does not plant the flowers at Starbuck, and it has not been advertised. Mr. Tom Napolilli commented that he is a member of Starbuck and he identified four entrances where the flowers are planted. Starbuck intended installing the flowers at the same time as the District. The purchase agreement was arranged for simplicity.

Action Items

Discuss Progress on Committee Formation – Director Sundquist made a motion to appoint Mr. Kim Dadlani and Mr. Tom Napolilli as co-chairs for the Long-Range Water Master Plan Committee, seconded by Director Munday. The Board thanked Mr. Dadlani and Mr. Napolilli for their willingness to serve the District in this very critical area. A vote was called and the motion passed unanimously. Director Munday is the board liaison for the LRWMP Committee. The committee will appoint three other members and draft a charter. Director Walden spoke with a resident, who has Long-Range Water Master Plan experience and will forward his name to Mr. Knight. There are two other resident committees. Director Walden is the board liaison for the Communications Committee and Director Lanam is the board liaison for the Infrastructure Committee.

Approve the Minutes from the May 27, 2020, Regular Board Meeting – Director Sundquist made a motion to approve the minutes from the May 27, 2020, Regular Board Meeting, seconded by Director Lanam. Various revisions to the minutes were proposed and discussed by the Board. Ultimately, agreement was reached on revision to the minutes. Director Munday made a motion to amend the minutes with the agreed revisions, seconded by Director Lanam.

A vote was called and the motion passed unanimously.

Approve the May 2020 Payables – Director Sundquist made a motion to approve the May 2020 payables, seconded by Director Munday. Staff met with Director Lanam to review payables, totaling the amount of \$526,228.11. Ms. Mantz reported that on May 5th, there was a wire transfer for the District's Water and Power Authority Loan. The payment for a 20-year loan occurs twice a year. Ms. Mantz reviewed and answered questions regarding invoices from the following vendors: Aesthetic Alternative Recycling, LLC, All the Way Construction, All Traffic Data Services, LLC, Burns, Figa, & Will, P.C., Cutting Edge Services, Dana Kepner, Data West, Employment Compliance Solutions, Fairfield & Woods, P.C., Jack Henry & Associates, Inc., and Senter, Goldfarb & Rice,

A vote was called and the Board unanimously approved payment for the May 2020 expenses in the following amounts: General Fund \$235,501.91, Enterprise Fund \$254,671.31, and manual checks \$36,054.89.

Ms. Mantz reviewed the Revenue and Expense Report. Ms. Mantz reported that salaries and wages had been recorded disproportionately between the General Fund and the Enterprise Fund because a couple of positions had been incorrectly allocated. In the General Fund, 64% of the salaries had been allocated and it should have been 58%. The Enterprise Fund had been allocated at 36% and it should have 42%. This created a positive variance in the General Fund

of \$101K. In the Enterprise Fund, the District has not filled a position for seven months and we are not going to spend \$45K, this will net a negative variance in the Enterprise Fund of \$56K. Director Walden had questions regarding legal and roadway work. Director Walden stated that before the District spent any money on a security gate or modifications to the Administration building, there were more important projects to complete. Mr. Knight and the Board assured Director Walden that any significant projects in 2020 will come before the board before they are started. Ms. Mantz reported that currently there is a positive variance in the General Fund of \$176.6K over budget and a negative variance in the Enterprise Fund of \$55K.

Consider Approval of Public Comment During Board Meetings Policy – Director Sundquist made a motion, to approve the Public Comment during Board Meetings Policy, seconded by Director Lanam. Director Huser said the board agreed that a formal policy for public comment was necessary. Mr. Reutzler drafted a policy covering this issue, in accordance with state law. Mr. Reutzler outlined the following:

- Nothing in state statute requires public comment.
- The board meeting is time for the board to get their work done.
- The Board will enforce a three (3) minute time limit for any individual speaker, the Chairman has a right to expand this limit.
- During times of general public comment at a Board meeting, comments and questions may deal with any topic related to the operations and/or management of the District.
- Speakers may offer comments regarding District operations and programs as concern them but are encouraged to exercise their speech rights responsibly
- This is an opportunity for citizens to speak, not enter into a dialogue.
- In addition to public comment during board meetings, the Board is committed to engaging citizens on an ongoing basis.

Director Walden said that it is a good policy and it provides structure to the residents; however, he would prefer a short dialogue period with residents after each section of the agenda. Director Lanam said that the Board could run into time issues and there needs to be some controls on public comment. Mr. Reutzler made some minor changes to the document. Director Sundquist accepted the comments Mr. Reutzler submitted, seconded by Director Lanam.

A vote was called and the motion passed 4-1 with Director Walden voting against the motion.

Committee Updates

- Liaison to PCWRA – Director Munday said the PCWRA Board Meeting is scheduled for Tuesday, June 23rd.
- CPHA Update – Mr. Larson reported that there will be a Frisbee golf tournament and food trucks for this weekend's Summer Solstice event. By reservation only, swimming pools are open and operational. There will be a drive-in movie at the Canyon Club on the 3rd of July. On the 4th of July, there will be a drive-through barbecue.

Discussion Items

Confirm Thursday, July 16, 2020 Board Meeting at 6:00 p.m. – The Board confirmed the July 16, 2020, Board Meeting at 6:00 p.m.

Begin Organizational Goal Setting - 2021 – Mr. Knight reported that the District has four primary responsibilities: water treatment and distribution, a sanitary sewer system, a collection system, and roadways. Mr. Knight identified two primary goals for 2021: a collection system master plan and drainage identification throughout The Village.

Discuss LRWMP Update – Mr. Knight attached a report to the packet. Information presented by the project team showed 40 years of reliable groundwater at our current demand. The update also identified that to meet the water source planning horizon of fifty years the District will need to develop other water sources. Other water sources may include further development of Plum Creek water rights and expanding capacity in Chatfield Reservoir. Another significant finding was that the District uses Fixed Capacity, all wells producing, compared to the industry-standard Firm Capacity, production level with the largest well taken out of service. Mr. Knight recommended that the District drill a new Arapahoe Basin Well. The biggest unknown is the location of the well. A Supplemental Appropriation from Reserves would need to be approved by the Board, as the well has not been identified in the budget. The potential cost of the well is estimated between \$1.15M – \$1.79M.

Director Munday, Director Walden, Mr. Dadlani, Mr. Napolilli, Mr. Knight, and Mr. Scott Clark, the District's water rights attorney, will confer with Mr. Jack Vickers regarding his conversation with Director Walden on the water supply in The Village. Mr. Knight will reach out to consultants and report the initial findings at the July Board Meeting.

Discuss Morning Star Drainage Investigation - Mr. Knight reported that Mr. Ken Wilzcek, President of the Morning Star Sub-Association, reached out at the April 8, 2020, Special Board Meeting and asked the Board for assistance with Morning Star drainage issues. The Board directed Mr. Knight to analyze the Morning Star Sub-Association drainage issues and provide an understanding of potential solutions including costs, and an understanding of how many other sub-associations and areas have similar issues. Mr. Knight said time will be allotted at the end of this discussion for receiving citizen comments on this item.

Mr. Knight authorized a Task Order #2 with Forsgren Associates under the Professional Services Agreement. Mr. Will Koger presented a report in the Board packet with possible mitigation strategies for alleviating drainage problems for several residences along Morning Star Drive. The problems have been observed and/or reported along Morning Star Drive between street addresses 4200 and 4218. Several residences have short driveways with small drainage trenches and/or low spots near garage openings. Mr. Koger presented three Components to mitigate these issues. The two Alternative packages included cost for ROW and private property options and ranged from \$165K to \$198K. Mr. Koger, Mr. Knight, and the Board discussed the mitigation options. The District's Service Plan does not allow for District monies to be spent on private property.

While other sub-associations and areas with similar drainage issues were identified, none have the topographical and spacing limitations between pavement and structures present in Morning Star.

Mr. Reutzel discussed the 2005 Roadway Maintenance Agreement with Morning Star. It is a limited agreement and defines roadways, "from the outside edge of the asphalt or cement to the edge of the asphalt or cement, as applicable, or from the back of the curb and gutter to the back of the curb and gutter." Item 6 (d) of the agreement states that the District does not assume the obligation of "maintenance and control of all roadside drainage or erosion control features, including drainage ditches, culverts, inlets and headwalls." Mr. Reutzel explained that at the time the agreement was drafted, the District was obligated to roadway maintenance only. In the District's Service Plan, Article 11 precludes drainage work on private property.

The 2005 Agreement put homeowners and the sub-association on notice that there was not going to be any coverage for drainage issues. Ms. Cerny, a resident of Morning Star, said that a precedent was set with Orofino. Mr. Knight said Morning Star is different from Orofino, as the work was done in the drainage easements. Orofino made a similar presentation and the Board approved the request. Director Walden said that Morning Star is asking for help and the District has helped other areas before.

Director Lanam sympathized with the residents of Morning Star but he said that when the residents signed off they took a calculated risk. He understands their position; however, they read the title and agreed to it. Director Lanam thinks they should solve the issue that they bought into. Mr. Wilzcek, a resident and President of the sub-association, thanked the Board for undertaking the analysis of the drainage issues. He stated that there are 23 units in the sub-association, with an annual operating budget of \$6,500. Morning Star approached the Board because drainage work is out of their area of expertise. Mr. Wilzcek said these are serious problems and something needs to be done and wants to be protective of its homeowners. Mr. Knight said that he will meet with Ms. Cerny and Mr. Wilzcek and discuss a solution allowable by the District's Service Plan. The District will develop a policy moving forward.

Discuss Draft Policies: Meeting Minutes and Code of Conduct – Mr. Reutzel will present these policies at the July Board Meeting.

Staff Reports

District Manager Report - Mr. Knight reported that Chatfield Storage Reallocation Project received its approval for storage.

Safety Report – Mr. LeTellier reported that the team continues to follow social distancing and COVID related practices.

Operation's Report – Mr. LeTellier said his report was provided in the board packet and asked if there were any questions. Director Walden was concerned about how the District plans for the water demands that increased in a very sudden and dramatic manner. Mr. Knight explained that in water planning the District plans for long horizons and long term trends.

Administration Report – Ms. Frainier had nothing to add to her report provided in the board packet.

Ms. Mantz referenced her report in the board packet and asked if there were any questions.

Water Usage Report – Ms. Mantz reported that there was record water usage during the month of May. Director Walden asked if the Homes Association and the Metro District were not in the office during May, why did their water usage spike. Ms. Mantz explained that irrigation was turned on during May.

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

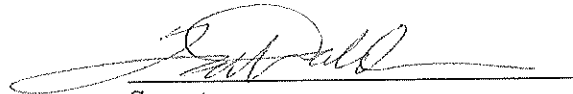
Executive Session

At 9:07 p.m., Director Munday made a motion pursuant to C.R.S. §24-6-402 (4) (b) to confer with counsel for the purpose of receiving legal advice on specific legal questions relating to claims from past employees and investigation of previous District employees relating to Cherokee Ranch, seconded by Director Sundquist and unanimously carried. Ms. Courtney Kramer, 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 recessed the regular meeting at 10:04 p.m.

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


Secretary