

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

Held: Thursday, July 16, 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.; Bill Calhoun, Cynthia Cerny, Kim Dadlani, CiCi Holbrook, Nancy, Hillary Jean, Joseph, David King, Carol Kingsley, Aaron Miller, Thomas Napolilli, Carl Pendleton, Fred Pisciotta, Ken Wilzcek, Randall Yaroch, members of the public.

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

Director Huser asked for comments from the community. Ms. Cynthia Cerny had three questions regarding the Cash Requirements Report, and staff responded.

Action Items

**Accept the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2019. Review ViewPoints (Report to Governance) -** Director Sundquist made a motion to accept the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2019, seconded by Director Lanam. Ms. Mantz introduced Mr. Matt Beerbower from RubinBrown, who was at the meeting to present the CAFR. The audit report represents an unmodified opinion on the District's financial statements as presented and in accordance with generally accepted accounting

principles. Mr. Beerbower highlighted the independent auditor's report and the Statement of Net Position, which comprises the District's assets and liabilities as of December 31, 2019. He walked through the Statement of Activities showing the change in net position year over year. He answered questions from the Board regarding the CAFR.

Mr. Beerbower reviewed the ViewPoints – Report to Governance, which presents information regarding the scope of the audit summarizes the results of the audit engagement. Mr. Beerbower highlighted GASB Statement 95, which allows district and local governments to postpone the effective dates of certain authoritative guidance. Mr. Beerbower reported the statement on grant recovery funds in the event the District obtains any government monies. Mr. Beerbower touched on data analytics. He reported that the audit went smoothly and there were no difficulties in the audit process. The majority of engagement was at the end of March and he commended management on their responsiveness and ability to adapt in light of COVID-19.

Director Lanam pointed out a few of the auditor's comments noting "no transactions entered into during the year for which there was a lack of authoritative guidance or consensus." The auditors also commented that "There were no uncorrected misstatements for the year ended December 31, 2019" and "There were no matters of significant discussion that affected our retention as the District's auditors." Director Lanam remarked that these comments speak well of the auditors and staff. Mr. Beerbower thanked Ms. Mantz and her team.

A vote was called and the Board unanimously approved the CAFR for Fiscal Year 2019.

**Approve the Minutes from the June 18, 2020, Regular Board Meeting** – Director Munday made a motion to approve the minutes from the June 18, 2020, Regular Board Meeting, seconded by Director Sundquist. There were no changes to the minutes.

A vote was called and the motion passed unanimously.

**Approve the June 2020 Payables** – Director Sundquist made a motion to approve the June 2020 payables, seconded by Director Lanam. Staff met with Director Lanam to review payables, totaling the amount of \$574,607.09. Director Walden asked a few questions regarding the payables report.

A vote was called and the Board unanimously approved payment for the June 2020 expenses in the following amounts: General Fund \$236,023.09, Enterprise Fund \$297,837.34, and manual checks \$40,746.66.

Mr. Knight reported that the following 2020 projects have been put on hold until 2021 because the Long-Range Water Master Plan and the Long-Range Roadway Master Plan must first be completed.

- Crestone curb and gutter project - \$375K
- Cape seal \$215K
- High-Density Mineral Bond (HA5) - \$100K
- Speed mitigation along Country Club Parkway - \$59K

These items have been put on hold:

- Security gates at the Metro entrance - \$75K
- Entry space at the office - \$50K of \$100K

- Final Sand Storage Facility – put on hold. 2020 funds will be used to construct a temporary cover to protect ice slicer - \$70K of \$100K

Mr. Knight said that taking these steps will create a positive variance for 2020.

Mr. Knight pointed out that there is \$225K in the budget for crack sealing and patching. Longitudinal cracking on the roadways also needs to be addressed. Mr. Knight asked the Board for an additional \$142K to complete roadway work on the longitudinal cracks this year. The District does have warranty work for 35K square feet of HA5 roadway treatment that will be completed in 2021. The District budgeted \$100K for entry space design. Mr. Knight suggested spending \$50K for the design only and bringing the construction component back in 2021 after the final design and Douglas County approval. Mr. Knight also made a pitch for \$75K to hire a traffic engineer and work with the Homes Association to begin work on a comprehensive plan to mitigate speeding in the Village.

Ms. Mantz reported on the Long-Range Master Roadway Plan with Forsgren and Associates. The District budgeted \$150K for the Roadway Professional Services Agreement. Of this amount, a contract with Forsgren for \$59,350 has been signed for the Roadway Plan. The District has also expended \$8,487 on Morning Star drainage issues, and the remaining variance for the Roadway Professional Services Agreement in 2020 is \$82,163.

Mr. Knight went on to address items in the Enterprise Fund budget. The District has a contract for four sanitary sewer flow meters to better understand the flows that are split between the District and Castle Pines North Metro District. The Interceptor Sewer Pipeline will be deferred as the sanitary sewer flow study must be completed first. Mr. Knight reported the following items will be deferred to 2021.

- Cyber and SCADA security - \$15K
- WTP 1 PLC - \$80K
- Well DE-1 – \$300K
- Well back up power plan - \$25K
- Interceptor Sewer Line - \$100K
- Updating security fencing at Well Site 8 - \$50K

This item has been removed from the budget:

- Well DE-1 – 300K

The positive variance would make it possible to spend \$439K on a new Arapahoe well without an additional appropriation in 2020.

**Consider Approval of the Water Treatment Plant #2 Roof Replacement** – Director Sundquist made a motion, to approve the bid for the Water Treatment Plant #2 Roof Replacement, seconded by Director Munday. Mr. LeTellier reported that back in May, the staff brought a bid tabulation on the cost to replace the roof of the water treatment plant. The Board specifically requested that the project be re-bid on BidNet. The District received a strong response on BidNet. Staff recommends using All Angles Covered, as they were the most responsible, responsive, and qualified bidder. Mr. Walden said that he spoke to 3G Construction

and Roofing, the lowest bidder, after the bids were opened and considered. Mr. LeTellier explained that the company was disqualified from the bid because they did not provide warranty information. Mr. Walden said that 3G Construction and Roofing said they did not realize there was a warranty request and stated that they have a 30-year replacement warranty. Director Walden asked Mr. LeTellier for a copy of the RFP.

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

**Ratify Changes to Authorized Signers on District Accounts** – Director Munday made a motion to ratify the changes to authorized signers on District accounts, seconded by Director Sundquist. The changes outlined in the memorandum to the board were discussed.

A vote was called and the motion passed unanimously.

**Consider Approval of Final Acceptance for Filing 40, Prato** – Director Sundquist made a motion to approve the Final Acceptance for Filing 40, Prato, seconded by Director Lanam. Mr. LeTellier reported that he has regularly met with Prato over the last few months. A walkthrough was done and the District is recommending final acceptance. Mr. Reutzel said that Prato has performed according to the contract and there is no reason not to release the escrow. This acceptance does not include the Castle Pines Village Filing 40, Lift Station, which remain in the preliminary acceptance state.

A vote was called and the motion passed unanimously.

**Consider Approval of Preliminary Acceptance of Filing 43, Brookfield** – Director Sundquist made a motion to approve the Preliminary Acceptance of Filing 43, Brookfield, seconded by Director Huser. Mr. LeTellier reported that the infrastructure has been installed and the District has overseen water, sanitary sewer lines, and road installation. Mr. Knight said that he has a letter from Brookfield, which states that if any roadway damage can be attributed to Brookfield, they will fix the road. Director Munday said if the Board is going to approve Preliminary Acceptance, they need to see the documents. Mr. Knight said that he could provide the information at the next board meeting. Director Huser made a motion to table the approval, seconded by Director Lanam.

A vote was called and the motion passed unanimously.

**Appoint Mr. Knight as Board Co-Secretary** – Director Munday made a motion to appoint Mr. Knight as Board Co-Secretary, seconded by Director Huser. Director Huser said that traditionally the Board has appointed the District Manager as the Co-Secretary. In the past, the District Manager, acting as Co-Secretary, would sign the minutes that had been approved by the Board. Director Walden, the current board Secretary, asked if Mr. Knight would only sign the minutes if he was unavailable. Director Walden said that if he did not agree with the official minutes then he had the option to not sign them. The response from the other board members and legal counsel was that this is not correct. If the Board approves the minutes, as Secretary of the Board, Director Walden is required to sign the minutes.

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

## Committee Updates

- Liaison to PCWRA – Mr. Knight said that the expansion project is on schedule to be completed this year.
- Castle Pines Homes Association (CPHA) Liaison – Director Sundquist had nothing to report.

## Discussion Items

**Confirm Thursday, August 20, 2020 Board Meeting at 6:00 p.m.** – The Board confirmed the August 20, 2020, Board Meeting at 6:00 p.m.

**Discuss Proposal of Morning Star Drainage Improvements by the District –** Mr. Knight reported that Morning Star Sub-association requested that Metro review drainage issues in their community. The District contracted with Forsgren Associates. Mr. Reutzel reviewed the 2005 Roadway Agreement with Morning Star and determined the drainage issues were not the District's responsibility. The Board asked Mr. Knight to further examine the drainage issues. Mr. Knight determined that there are no other sub-associations in the Village with as severe drainage issues. Forsgren Associates identified a couple of approaches to address the issues. One was a trench drain and the other required additional work within private property. According to the District's Service Plan, the District is not allowed to work outside of the public property. Mr. Knight had Mr. Reutzel draft modifications to the roadway agreement. Installing a trench train would cost \$115K and would only handle 75% of the flow. Mr. Knight shared this information with Mr. Ken Wilzcek, President of Morning Star Sub-Association, and three other residents. Mr. Reutzel said that the homeowners would need to mitigate the remaining 25% of the flow, as the improvements were on private property. The modified agreement states that the trench drain will not fully resolve the drainage issues. The agreement also states that this work will only be done one time, and releases Metro from any further obligations in connection with the issue.

Mr. Wilzcek thanked Mr. Knight for his help with the Morning Star drainage issues. Mr. Wilzcek said that the community is aware of the proposed solution of installing a trench drain. Ms. Cerny asked why there was not a 100% solution. Ms. Cerny said this was not a new issue, it was first brought to the Metro board in May 2018, at the same time the work was being done for the Orofino Sub-Association. Ms. Cerny said the number discussed in the meeting was \$155K. Director Lanam said that in his opinion helping Orofino Sub-Association was a mistake, and helping Morning Star would be another mistake. He stated that every homeowner signs a title and bears that responsibility. The District has a fiduciary responsibility to the community as a whole. Mr. Lanam said the agreement does not even include a commitment by Morning Star to complete the remaining 25% of the work.

Director Walden asked Mr. Knight for clarification on the severity of existing similar issues in the Village. The uniqueness of Morning Star is the driveway and homes are below the road. Director Walden said he was therefore making the reasonable assumption that these other potential issues are not an issue and potentially would never be an issue in The Village. Mr. Wilzcek said he would discuss with the homeowners how to fund and mitigate the remaining 25% of the stormwater flows. Director Lanam asked if the District would be liable for any work completed. Even if the District completed all of the improvements recommended by Forsgren,

there is no guarantee that homes would not flood. Director Munday said he sympathizes with the situation and asked how the District can satisfy the need of homeowners. Director Munday said that what is good for The Village, as a whole, is what the Board is here to accomplish. He also said this is a difficult situation and there needs to be more discussion so that everyone is comfortable. Director Huser suggested that Mr. Wilzcek have further discussions with the Morning Star residents. Mr. Wilzcek said that when he left the meeting he thought anything Metro would do to help would be appreciated. Mr. Wilzcek said he was more than happy to come back with the temperature of the Morning Star community and continue the discussion. Director Lanam said he thinks there are alternatives to this issue and he appreciates Mr. Wilzcek's approach.

**Discuss Progress on Committee Formation** – Mr. Kim Dadlani and Mr. Tom Napolilli, Co-Chairs of the Long-Range Water Master Plan (LRWMP) Committee, were excited to recommend the members of the committee: Tom Miller, Allan Stuebinger, and David King. Mr. Napolilli was energized by the level of professionalism, background, and education of the committee members. Mr. Dadlani said the committee was excited to work with Mr. Knight and Director Munday, the board liaison.

Mr. Knight and Director Lanam, the board liaison for the Infrastructure Committee, have been speaking with two individuals who are interested in chairing or co-chairing the committee.

Mr. Knight and Director Walden, the board liaison for the Communications Committee, have been in touch with a resident interested in co-chairing the committee.

Director Walden would like the committee to work on an open and transparent communication plan. Based on last year's Metro survey on communications, the committee would create a Metro newsletter that could be available in print and electronically. The focus of the newsletter would be on water, roads, and budgeting. Director Walden shared information about a survey website, SimplyVoting.com, in which residents could participate in polls regarding the District. The company provides unlimited surveys on an annualized basis. Director Walden said he would like to see the District use the Next Door application. Another goal is to overhaul the District's website.

**Discuss Draft Policies: Board Meeting Minutes and Code of Ethics** - Mr. Reutzel has been writing policies for board governance. Mr. Reutzel says the board implicitly follows these policies and he wants to formalize them. The first policy was on public comment during the board meeting. The Board Meeting Minutes Policy is fairly straightforward. Mr. Reutzel said the Code of Ethics Policy is largely derived from state statute. The board discussed the Code of Ethics policy. Mr. Reutzel suggested having a workshop to discuss board governance policies and the Board agreed.

### Staff Reports

**District Manager Report** - Mr. Knight said the District reopened its doors on July 6, 2020. The District is still restricting water audits. Because of COVID-19, the District modified Metro Community Picnic. The District is considering having residents driving by and distributing boxed dinners. Mr. Knight reported that he signed an agreement with Jehn and Associates to conduct well analysis. Jehn and Associates are working on a location for an Arapahoe Well.

**Safety Report** – Field Foremen have participated in Supervisor training. There have been no workplace injuries since the last board meeting.

**Operation's Report** – Mr. LeTellier reported that Well A-8 is down, and the District is waiting for stainless steel couplings from the manufacturer. The well should be back up in a few weeks. Mr. Knight said we have not been running our wells to full capacity.

**Administration Report** – Ms. Frainier referenced her report in the board packet and asked if there were any questions. There were no questions directed to Ms. Frainier or Ms. Mantz.

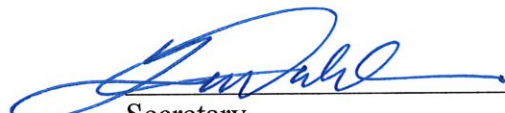
**Water Usage Report** – Ms. Mantz reported that 59.5M gallons were used in the month of June. The budget for June was 49M. June usage was the second-highest in the District's history. Exhibit E, historical usage for the sub-associations, was added to the report.

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

#### Adjourn

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the Board adjourned the regular meeting at 9:26 p.m.

The Board of Directors approved the foregoing minutes on the 21<sup>st</sup> of August 2020. The preceding constitutes a true and correct copy of the minutes of the above-referenced meeting.

  
Secretary