

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

Held: Thursday, September 17, 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
Tad Walden

Director Sundquist was absent and excused.

Also present were: Burt Knight, Sue Mantz, Jason LeTellier, Carolyn Frainier, LeAnna Gonzales, Tracy Adams, 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); Will Koger, Forsgren Associates, Inc.; Bill Calhoun, Cynthia Cerny, CiCi Holbrook, Carl Pendleton, Jeremy Jojola, Joseph, Pamela Schenk-Kelly, Jerry Schofield, Ken Wilzcek, members of the public.

Potential Conflict of Interest Disclosures

District Counsel Reutzler stated that no conflicts were identified.

Approval of the Agenda

Director Walden suggested moving Action Item 3C, Consider Approval of Committee Chair, to 3A to introduce Ms. Pamela Schenk-Kelly as Chair of the Communications Committee. Ms. Kelly had to leave the meeting early. Director Munday made a motion to accept the agenda as amended, seconded by Director Huser. A vote was called and the motion passed unanimously.

Guest Introductions / Comments from the Community

Mr. Carl Pendleton asked about the status of Well A-8. Director Huser said that the status report would be included in the Operations Report.

Action Items

Consider Approval of Committee Chair - Director Walden made a motion, to approve Ms. Pamela Schenck-Kelly as the Chair of the Communications Committee, seconded by Director Lanam. Director Walden introduced Ms. Kelly, who said she was excited about the construct of the committee. Many talented individuals have volunteered to be on the committee. Ms. Kelly manages Park Meadows and she knows about infrastructure and branding. She sits on the boards of a couple of commercial districts. She is looking forward to assisting the Board and moving forward to making the District be the best it can be in communicating with the residents. A vote was called and the motion passed unanimously.

Approve the Minutes from the August 20, 2020, Regular Board Meeting - Director Munday made a motion to approve the minutes from the August 20, 2020, Regular Board Meeting, seconded by Director Walden. Director Walden had a couple of changes he brought to the meeting. Director Huser made a motion to table the approval until next month when the Board can see the changes in writing, seconded by Director Walden.

A vote was called and the motion was tabled unanimously.

Approve the August 2020 Payables – Director Lanam made a motion to approve the August 2020 payables, seconded by Director Munday. Staff met with Director Lanam to review payables, totaling the amount of \$635,176.57. Staff answered questions regarding the following vendors: CertaPro Painters, Forsgren Associates, Inc., Occasions Catering, and Visual Environments. Visual Environments has been creating Mow Maps for the District. When the maps are finalized, Staff will post them on the District’s website.

A vote was called and the Board unanimously approved payment for the August 2020 expenses in the following amounts: General Fund \$158,467.67, Enterprise Fund \$412,404.38, and manual checks \$64,304.52.

Consider Approval of Morning Star Drainage Improvements – Mr. Knight gave a brief history of the Morning Star drainage issues. The sub-association was mostly built between 1985 and 1986 and buildout occurred by 2004. All but 9 of the 13 homes constructed below the grade of the road were built in 1985 and 1986. In 2005, the Morning Star HOA entered into a Roadway Maintenance Agreement with the District and the District assumed responsibility for the roadway surface. Drainage issues remained the responsibility of the Morning Star Sub-Association. Despite the clear provisions of the 2005 Agreement, the Morning Star residents approached the Board regarding drainage issues that impacted the “downhill units,” where water has been coming off the roadway and going into homes. At the Board’s direction and cost, the District engaged Forsgren Associates, Inc. and investigated Morning Star and other affected areas within the District. Mr. Knight included a summary of Forsgren’s cost estimates, a draft of a potential First Amendment to the 2005 Roadway Maintenance Agreement, and an email from Mr. Ken Wilzcek, President of Morning Star HOA in the board packet. In his report, Mr. Knight presented four potential courses of action:

1. No action – District does not participate in any drainage solution
2. Approve the work in the roadway for a cost estimate of \$127,000 with a Trench Drain. Reported by the consultant as around a 75% drainage fix.

3. Approve all improvements in the roadway and on private property for a cost of \$210,000, which would violate the District's Service Plan because some of the improvements would be done on private property.
4. Request the citizen Infrastructure Committee to review and recommend policy for work and/or similar work in the District.

Director Huser said the Board has been working on this issue for a few months, and that the District entered into agreements with many of the sub-associations that absolved the District of any obligations to correct drainage issues of this nature. Director Huser believed the Board's concern was if the District has no contractual obligation to perform drainage work, then is it in the best interests of the community as a whole to assume any such obligation. Director Huser said that he attended the kickoff meeting for the Infrastructure Committee. He wants the committee to look at this situation and provide a more holistic view of how this would affect other sub-association agreements.

Director Munday said that the District's attorneys identified all of the storm drainage responsibilities owned by the District and the CPHA. Director Munday heard we had an agreement with CPHA; however, he has never seen it. There was a legal issue concerning the liability of work done on homes association property by Metro. The Infrastructure Committee might be able to use the storm drainage maps to clarify the issue. Director Munday suggested that the District look at all of the roadway agreements from 2005. Morning Star might fit in our Service Plan if we could get the legalities out of the way.

Director Lanam said he was very impressed with Forsgren, who surveyed the roadways in the Village. They took photos of almost every piece of pavement, including the drainage. It was quite impressive and it will help the Infrastructure Committee prioritize roadway fixes. The committee will bring all of this information back to the Board.

Director Walden agreed with Directors Huser, Munday, and Lanam. Director Walden said that he has been a director for five months and the Morning Star drainage issue has been on the agenda for five months. He said that the Morning Star Board is waiting for an answer. Director Walden understands that there may be other potential storm drainage issues in the Village. He also understands, from Mr. Knight, that the District does not know of any looming catastrophe as egregious as Morning Star. Director Walden's concern with sending this to the committee is that he does not think they will find anything new. Director Walden's criticism of Morning Star is that they have gone back and forth between 75% and 100% and that does not give the Board confidence. He questions whether Morning Star will execute the agreement and if the community is committed to fixing the remaining 25%. Director Walden made a motion to adopt the 75% solution and spend \$127K on the Trench Drain with the caveat that the community executes the revised agreement. Also, with the caveat that the community provides a report to the Board within 30 days addressing the remaining 25% of the issues. Director Huser seconded the motion but offered an amendment to refer the Morning Star matter to the citizen Infrastructure Committee. Director Walden did not accept the amendment.

Director Huser asked for comments from the community.

Ms. Cynthia Cerny introduced herself as a member of the Morning Star Board. She thanked the Board for their comments and thanked Director Walden for all he has offered. Ms. Cerny expressed that if part of the community is damaged, all of the community is damaged. She was hopeful that the 75% solution that Mr. Knight offered is enough. Ms. Cerny referenced the email from Ken Wilzcek on September 14th stating that if "the '75% solution' is approved and funded, Morning Star would work individually and independently with affected

homeowners to remedy the remaining 25% on a case-by-case basis.” Ms. Cerny said that Morning Star would sign the agreement.

Mr. Wilzcek thanked the Board for their work and he echoed Ms. Cerny’s comments. Mr. Wilzcek said that the direct ask is for a 100% fix. After the past couple of months, it seems that a 75% fix is more palatable. Mr. Wilzcek wants a win-win situation, and he recognizes that the District is looking at the realities and the Village as a whole for which they are responsible. Mr. Wilzcek does not want any confusion about what they need and what they want. After listening to the last report from Forsgren, they believe it would be a 75% solution; however, it may address 100% of the storm drainage concerns for 80% of the homes. Some of the fixes are very minor and can be addressed with individual homeowners or the homeowners association or a combination of the two. The Morning Star Board is committed to resolving this issue and they want to work with the Board to solve this problem. Mr. Wilzcek respectfully requested that the Board put this as an action item as soon as possible. Morning Star has homeowners who are concerned about winter weather approaching and the storm drainage issues. Mr. Wilzcek said he said he wanted to get a fix on the calendar.

After the Board heard public comments from Morning Star residents, Director Walden withdrew his motion. Director Huser remade his original motion to refer the Morning Star matter to the Infrastructure Committee. Director Walden seconded the motion and offered an amendment to place a 30-day time frame for the Infrastructure Committee review and make a recommendation. The motion to amend by Director Walden was not accepted by Director Huser.

Director Lanam said that he did not understand the urgency of the issue. Director Lanam is not impressed that Morning Star cannot even guarantee the 25% solution, and they have not figured out if they are going to pay that as a group or if they are going to charge the affected homeowners.

After discussion, Director Huser’s motion to refer the Morning Star Agreement for review by the Infrastructure Committee was approved 3-1, with Director Walden voting against.

Consider Approval of New Arapahoe Well – Mr. Knight said the Long-Range Water Master Plan (LRWMP) identified some issues regarding the pumping capabilities of the District’s wells. Staff began to explore drilling an additional well to ensure we did not have an emergency this summer. The District had an emergency, Well A-8 malfunctioned (and then repaired) and A-12 was having some operational issues which, together with the severe weather conditions, made it necessary to implement water restrictions. In July, the District contracted with Jehn and Associates to begin site selection and design for an additional well. The District wants to install the highest producing well for the best value which would be an Arapahoe well. Our existing wells are in the Arapahoe Basin, Denver, and Lower Dawson aquifers. The Arapahoe wells produce approximately 500 gallons per minute (gpm), while other aquifers produce around 140 gpm. Several sites were identified and three were chosen for analysis. The first well site was on the west side near Daniels Park, the second one was on the east side and the third site is located up the hill from the District. Based on well interference and infrastructure demands, the third site was selected. The Water Committee was briefed on the finding and discussed adding a well and also the conditions of our existing wells. Well manufacturers standard practice is to upgrade, modify, or replace equipment on a 7-year rotation. The discussion with the committee was that even if we drill a new well, will the District’s existing wells be vulnerable. The committee suggested drilling a new well and rehabbing two existing

Arapahoe wells. The project budget is \$1.7M for a new Arapahoe well on Well Site 3. The cost of rehabbing the other two wells is approximately \$900K, totaling \$2.6M for the total project. Mr. Knight suggested spreading the work between two budget years, 2020 and 2021 with support of the Water Committee's decision. Director Munday made a motion to drill a new Arapahoe Well at Well Site 3 and rehab both Well A-10 and Well A-12, seconded by Director Huser.

Director Munday said there was another discussion that the committee heard from Staff to drill three new wells in the Lower Dawson and the Denver aquifers estimated at \$1.5M. These three wells would produce the equivalent of an Arapahoe well. However, the committee did not support this approach based on the cost and suggested the Arapahoe well project.

Director Walden asked Mr. Knight if the \$439K from this year's budget was budgeted for a specific purpose. Mr. Knight said that the funding was from items in the budget that we have chosen not to do this year or we are deferring. Director Walden asked if the money was from a well construction budget. Ms. Mantz said no, the amount was coming off the total variances for the total expenditures for the fund. Ms. Mantz said that Staff has included \$135K for each of the three wells totaling \$405K in the forecasted 2020 budget, leaving a positive variance of \$320K forecast over budget in the enterprise fund. Mr. Knight said that the District is in a position where it needs guaranteed solutions and these Arapahoe wells project could accomplish that. Director Walden asked how many gallons the new Arapahoe well would produce. Mr. LeTellier said the District expects 90M gallons a year based on 500 gpm expectation.

Director Walden asked Mr. LeTellier if the mandatory water restrictions worked and if he could quantify the savings. Mr. LeTellier said that before the restrictions were in place, the District was barely keeping up, the storage tanks were breaking even and we were producing every drop of water we had. Well A-8 was down and we knew it was going to stay down for a week or more. About two days after the restrictions were in place, the District immediately saw a decrease in needed production and a rise in our storage tanks. Director Walden said the District needs to thank the residents for their conservation efforts. He asked for a specific number of gallons saved. Mr. LeTellier said he will provide the number to Director Walden and the Board.

A vote was called and the motion passed unanimously to move forward on the Arapahoe well project.

Committee Updates

- Liaison to PCWRA – Mr. Knight reported that PCWRA is planning to modify and rehab the existing effluent storage reservoir. As the effluent is released from PCWRA, the golf courses, via the District, have an opportunity to utilize the effluent for irrigation on the golf courses. It is used and dramatically reduce our demand in supporting irrigation for the two golf courses. The cost associated with the effluent and bringing it to the golf courses is a pass-through cost from PCWRA to the District on to the golf courses. PCWRA's consultant updated the estimate to rehab the existing reservoir from \$4.2M to \$5.5M for the project. This cost will increase the cost the District would charge the golf courses. PCWRA is working on financing and funding to lessen the impact on our two golf courses and the three additional golf courses which they provide effluent. PCWRA rehab project will replace the existing liner and there have been discussions about the color of the liner. Typically, liners are black; however, the most efficient and best value is white. The pond is visible from areas of the community and the question was will our citizens have concerns about a white liner around the pond. Mr. Knight asked the Board

for their comments, and he will take the information to the PCWRA Board Meeting on September 22nd. The Board indicated they saw no issue about the liner cover but would be interested in the comments from the community that can see the liner.

- **CPHA Update** – Mr. Larson spoke about Oktoberfest held on September 12th. The Homes Association has been working on a problem with a program that was put in place by the FAA called Metroplex. It realigns aircraft flight patterns arriving and departing at DIA, along the Front Range, and to Colorado Springs. This has caused an increase in air traffic over the Village at Castle Pines. Currently, DIA is only operating at 30% capacity and as they get back to full capacity, the air traffic will increase. The Homes Association has been working with the county commissioners. There is currently a lawsuit brought by Arapahoe County, Greenwood Village, Douglas County, and Centennial Airport, which challenges the original DIA environmental assessment that was done as part of the Metroplex process. The Homes Association has written a letter to commissioners and Mr. Larson encouraged the Homes Association board members to maintain their status in that lawsuit. The Homes Association will continue to work and see if there is any way to influence and spread out flight patterns so they are not concentrated over the Village. The next CPHA Board Meeting is September 24th at 8:00 a.m. The Emergency Services Pancake Breakfast will be held on October 31st by reservation only.

Discussion Items

Confirm Thursday, October 15, 2020 Board Meeting at 6:00 p.m. – The Board confirmed the October 15, 2020, Board Meeting at 6:00 p.m. The Board also confirmed the Budget Work Session for Monday, October 12, 2020, from 8:00 a.m. – 12:00 p.m.

Discuss Committee Progress – Director Lanam has met with Ms. Cassie Vetter and he also met with the entire Infrastructure Committee last week. The committee reviewed the Forsgren Report and other infrastructure information. Director Lanam said the committee will meet weekly. The committee consists of the following residents: Mr. Bill Dehn, Mr. Vic Pluto, Mr. Norm Steinke, and Mr. Doug McBee. Director Walden suggested adding the committee members to the website. Director Munday said that LRWMP Committee is very engaged. Mr. Knight and Mr. LeTellier have attended numerous committee meetings. Mr. Knight's direction to Staff is to accommodate the committees as much as possible, but we need to maintain our focus on getting our jobs done and may not be able to respond as timely as the committees desire. Ms. Mantz mentioned that in April the Board approved a draft charter for committees. She requested that the committees complete the charter and the confidentiality forms, and return them for Board approval.

Receive Draft 2021 Budget – Ms. Mantz asked the Board to review the draft of the budget. She pointed out that Staff added the well projects that were discussed and approved earlier in the meeting. Ms. Mantz said Staff will provide a White Paper before the work session. After the Budget Work Session, Staff will create another draft to distribute to the Board in October. A draft 2021 budget will be posted on the website, after that meeting.

Long-Range Roadway Maintenance Master Plan Modifications – Mr. Knight said that in December 2019, the District entered into a Professional Services Agreement with

Forsgren and Associates, Inc. The goal was to develop Task Order 1. The project definition was to combine two existing documents that address roadway maintenance and make recommendations for 2020 projects. The documents were the Pavement Condition Analysis (PCI) and the Long-Range Road Maintenance Plan (LRRMP). Forsgren was tasked with reviewing the data, as well as collecting visual data in thousand-foot increments. As the District began working in 2020, the goal was to add citizen committees. As a result of COVID-19, the committees were not formed expeditiously. At the same time, Forsgren did their work, they were able to find data collection at a much higher frequency, down to 300 feet or less. As we continued to work, our goal changed with the task order to create a stand-alone Long-Range Roadway Plan Update to supplement our 2020 budget as far as projects were identified. The two existing documents did not meet our revised long-range goal. A month and a half ago, we prepared an additional scope of work and we informed the Infrastructure Committee. The goal was to expand visual data and data collection to 30 – 50-foot increments. The District wanted to know what factors are important to the community regarding roadways. Does the community value aesthetics, rideability, no drainage issues, PCI? The District needs to be looking at its roadways on a holistic level and not just PCI. The decision was made to modify the task order: creating Task Order 1A. The goal was to enhance the original task order and make it more robust. We established an original budget of \$150K. Task Order 1 was approved at \$59,350. Task Order 1A is proposed at \$67,740 for a total project cost of \$127,090. It is anticipated that \$101,350 of this project will be completed in 2020, and the remainder of \$25,740 will be budgeted for 2021. There will be committee meetings and citizen meetings contained in the new project scope, creating a 10-year capital program. Mr. Knight introduced Mr. Will Koger to field any technical questions. Director Walden said that this is an example of where the District needs visuals and written words for the community newsletter to articulate the Long Range Roadway Master Plan. Director Walden asked if he could have this information before September 24th. The intent of the newsletter is to highlight water, roads, and budget.

The Board understood the change and supported the new work and cost.

Staff Reports

District Manager Report - Mr. Knight reported that as a result of COVID-19, the District is considering not hosting a Christmas party this year.

Safety Report – Mr. LeTellier reported that the Field Staff is attending the virtual Western Snow Conference, a four-part series. The conference covers all things related to plowing snow. Mr. LeTellier said that since the last Board Meeting, there has been one Workers' Compensation injury.

Operation's Report – Mr. LeTellier reported on the status of the District's wells. Well A-8 was down, which was the impetus of the irrigation conservation efforts. On August 19th, Hydro Resources installed a pump and motor downhole. This work was a warranty item from the installation in 2018, for a failure that was identified in the spring. When they went to turn it on, it did not fire up. It was evident that it was a pump-related issue and not going to be a quick fix. This was when the decision to implement our mandatory irrigation schedule was made. The District then worked with Hydro Resources and our consultants in getting a temporary pump, motor, and pipe installed, anticipated to be able to pump water from the well.

Another issue was discovered with the Variable Frequency Drive (VFD) and temporary electrical equipment was brought onsite to get the well operational. Since then, we have made repairs to the VFD and the well is running. We are now using the District's electrical equipment but all equipment downhole is still temporary. When the irrigation season ends, Hydro Resources will reinstall the originally contracted equipment downhole. Well A-8 is currently operating at a reduced rate. The temporary equipment was not as large as the District's, but it is running at a maximum of 400 gpm compared to 500 gpm with the contracted design.

Around the same time, the District had issues with A-12, specifically with air in the line coming out of the well. This is typically associated with low water levels, but instrumentation showed that we had enough water. Tests were performed and we knew we had water down there. Staff will learn more about the situation during our rehab of A-12, the equipment is old and has not been rehabbed in a long time. A camera will be inserted downhole and that will give us a good idea of Well A-12's status. The problems are a little unknown and not recommended for normal operation at this time due to the presence of air; therefore, the well is running at a reduced rate.

Mr. Knight will gather information on the status of Well A-12 before he considers lifting irrigation water restrictions. Director Walden talked about continued water conservation in the community. Director Lanam agreed with Director Walden and suggested reaching out to the HOAs that did not restrict their water usage.

Administration Report – Ms. Frainier and Ms. Mantz referenced their report in the board packet and asked if there were any questions. Director Walden said that Mr. Bob Tomz is still listed as a member of the Conservation Committee on the website. Staff will correct the information.

Water Usage Report – Ms. Mantz reported that water usage for August was at a record high. Director Walden asked if the revenue had increased by the same amount that production had. Ms. Mantz said there was a variance of \$60K in additional usage for the month.

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

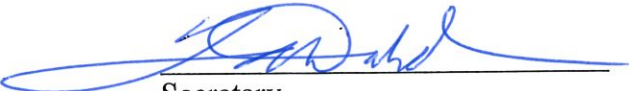
The Board extended their gratitude to the entire Staff and said they greatly appreciate how hard the staff is working. Director Huser said that Staff has handled a lot of pressure with grace.

Additional Board Discussion - Director Munday reported that Tom Napolilli, a member of the Water Committee, said that Brookfield is building homes and putting one-inch water meters in the homes, and it does not make sense to put one-inch water meters in these smaller homes. The District has a policy that one-inch meters are installed in all homes. Mr. LeTellier said the iPERL meters the District installs are very accurate. He will research the accuracy of the two different size meters and bring a full report to the October Board Meeting.

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 8:31 p.m.

The Board of Directors approved the foregoing minutes on the 15th of October 2020.
The preceding constitutes a true and correct copy of the minutes of the above-referenced meeting.



Secretary