

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

Held: Wednesday, January 27, 2021, 8:00 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:

Rick Huser
Mike Lanam
Dick Munday
Craig Sundquist
Tad Walden

Also present were: Burt Knight, Sue Mantz, Jason LeTellier, LeAnna Gonzales, Tracy Adams, District Staff; Tom George, Nicole Detweiler, District Counsel, Spencer Fane, LLP; Mark Larson, General Manager, Castle Pines Homes Association; Thomas Duchon, River Oaks Communications Corp; Cassie Vetter, Chairperson, Infrastructure Committee; Tom Napolilli, Co-Chair, Water Committee; Forsgren & Assoc.; Andrea Cole, Olsson Inc.; Franz Barraza, The Denver Channel 7; Doug Cooper, William Calhoun, Cici Holbrook, Joseph, Ray Haley, Victor Pluto, members of the public.

Potential Conflict of Interest Disclosures

It was noted that disclosure statements have been filed on behalf of the members of the Board with the Office of the Colorado Secretary of State. District Counsel Mr. George stated that no additional potential conflicts of interest were identified specific to today's agenda.

Approval of the Agenda

Director Huser said staff would like to remove item 5D from the agenda as more work is needed to be done on this project. Director Huser made a motion to approve the agenda as amended, seconded by Director Lanam. The Board unanimously approved the agenda, as amended.

Guest Introductions / Comments from the Community

There were no comments from the community

Action Items

Approve Minutes from December 10, 2020, Regular Board Meeting – Director Sundquist made a motion to approve the minutes of the December 10, 2020, Regular Board Meeting as provided in the packet, seconded by Director Huser. Director Huser noted that Director Walden has proposed some changes, which are included in the packet. Director Huser approves and agreed they were good changes, and no other comments were made.

A vote was called and the motion passed unanimously.

Approve Minutes from December 14, 2020, Special Board Meeting– Director Huser made a motion to approve the minutes of the December 14, 2020, Special Board Meeting, seconded by Director Sundquist. No other comments were made.

A vote was called and the motion passed unanimously.

Approve Minutes from December 17, 2020, Special Board Meeting - Director Huser made a motion to approve the minutes of the December 17, 2020, Special Board Meeting, seconded by Director Sundquist. These minutes also included a few edits made by Director Walden. No other comments were made.

A vote was called and the motion passed unanimously.

Approve the Minutes from the December 29, 2020, Special Board Meeting - Director Huser made a motion to approve the minutes of the December 29, 2020, Special Board Meeting, seconded by Director Sundquist. No other comments were made.

A vote was called and the motion passed unanimously.

Ratify Approval of the November 2020 #2 Payables – Director Huser made a motion to approve the November 2020 #2 payables, seconded by Director Munday. Ms. Gonzales reported that Staff met with Director Lanam to review payables, totaling the amount of \$190,581.51. These checks were cut at the end of December. Ms. Gonzales asked for questions, there were none.

A vote was called and the Board unanimously approved payment for the November 2020 #2 expenses in the following amounts: General Fund \$51,235.98 and Enterprise Fund \$139,345.53.

Approve the December 2020 Payables #1 – Director Huser made a motion to approve the December 2020 #1 Payables, seconded by Director Lanam. Ms. Gonzales reported that Staff met with Director Lanam to review payables, totaling the amount of \$386,664.44. Ms. Gonzales asked for questions. Mr. Walden asked what services Timber Line Electric provided and Mr. LeTellier responded. Director Huser suggested bringing Mr. Scott Clark, of Burns, Figa & Will P.C., in for a presentation updating the Board on the District's current casework. No other comments were made.

A vote was called and the Board unanimously approved payment of the December 2020 #1 expenses in the following amounts: General Fund \$142,183.10, Enterprise Fund \$194,183.63, and Manual Checks \$50,297.71.

Ms. Mantz reviewed the year-end financial statement. It is estimated that there are \$28,000 of outstanding invoices that will be expensed for December 2020. There is a projected ending fund balance in the General Fund of \$16.1M with a positive \$2.9M variance over budget. This positive variance is due to \$13K in additional revenue, \$2.8M is less expense, and an audit adjustment of \$47K.

There is a projected ending fund balance in the Enterprise Fund of \$13.7M with a positive \$1.4M variance over budget. This positive variance is due to additional revenue of \$399K, \$934K of less expense, and an audit adjustment of \$160K. Mr. Knight reminded the Board that the roadway projects were delayed until we had better information from the Road Maintenance Master Plan.

Consider Approval of Crown Castle Fiber LLC Agreement with District - Director Huser made a motion to approve the Crown Castle Fiber LLC Agreement, seconded by Director Walden. Director Huser introduced Tom Duchen, River Oaks Communication Corp., attorney for the District agreement, and Doug Cooper, Castle Pines Homes Association Board Chairman.

The Homes Association is planning to enter into an agreement with Crown Castle Fiber, LLC to allow the vendor to implement a 5G system in the Village. The proposed District agreement is a separate agreement to protect the District's interests if the Homes Association enters into their agreement. Mr. Cooper said the 5G project will require some additional infrastructure, adding equipment to light poles, switching out some poles, and digging in the ROW. The agreement also requires an additional agreement for construction details.

Director Munday asked when work will commence and Mr. Cooper said it's required prior to 2 years from the date the Homes Association agreement is signed. Director Sundquist asked if they will come in and show what they have developed before work and Mr. Cooper said, yes, we will request that they come in sooner than later. Mr. Cooper thanked the Board and Mr. Duchen for their cooperation and work. Mr. Duchen thanked the Board and Homes Association for their work on this.

A vote was called and the motion passed unanimously.

Consider Approval of Avant Compact Loader, Mr. LeTellier – Director Sundquist made a motion to approve the purchase of the Avant Compact Loader, seconded by Director Huser. Mr. LeTellier said this was a piece of equipment that is included in the 2021 budget. Due to the cost being higher than the District Manager's signing authority, he is requesting board approval to purchase. Mr. LeTellier also said this will be a very valuable piece of equipment and is compatible with current skid steer attachments. Director Munday asked what happens with the old equipment, Mr. LeTellier said this is not replacing anything, it is an addition to our fleet.

A vote was called and the motion passed unanimously.

Designate the District's Newspaper of "General Circulation" and Confirm District's Website as Designated Posting Location for Meeting Notices – Director Sundquist made a motion to designate the District's Newspaper of "General Circulation" and confirm the posting location for meeting notices, seconded by Director Munday. Ms. Mantz reported that the District's newspaper of general circulation is the Douglas County NewsPress. In the event the paper of general circulation can't be used, the Denver Post will be used instead. The District's Website will be the designated posting location for meeting notices.

A vote was called and the motion passed unanimously.

Consider Approval of Updated Rate for Hydrant Usage – Director Sundquist made a motion to approve the updated rate for hydrant usage, seconded by Director Munday. Ms. Mantz stated that she asked a staff member to survey other entities' hydrant water usage rates. The District currently requires a deposit of \$1,585, charges \$100 a month for use of the meter, and bills all gallons at the 4-tiered domestic rate. Entities in the area charge \$5.40 to \$12.50/1000 gallons for hydrant water. The staff is recommending that the hydrant water be billed at the District's 4th Tier rate, for all gallons. The current 4th tier rate is \$9.94/1000 gallons. The majority of the water use with hydrant meters is for construction.

A vote was called and the motion passed unanimously.

Consider Approval of Policy Regarding Community Requests for Private Roadway and Drainage Improvements – Director Huser noted that Director Lanam had some comments regarding this policy and it was not ready for action at this meeting. Director Huser moved to table this action, seconded by Director Munday.

A vote was called and the motion was unanimously tabled.

Consider Approval of Outsourcing Metro's Board of Directors' Elections – Director Huser made a motion to approve outsourcing Metro Board of Directors' elections, seconded by Director Munday. Director Huser said that last May when he chaired his first meeting, he felt that we should outsource our elections going forward, he felt that way then and he feels that way now. We are not an election office and we do not have the facilities to do so. Director Huser shared that the Douglas County District Attorney's office came and did a factual review of the election, the District cooperated fully, they talked to staff, they reviewed documentation and the District Attorney concluded that our election was fair and accurate. Mr. George said there are 3 options to running an election, (1) conduct your own, (2) hire a third party, (3) or coordinate with the County Clerk's Office. Mr. George previously reached out to the Douglas County Elections office and asked if they would coordinate the election and they said there is no reason why they would not. However, coordination with the County requires an IGA between the County and the District, the form of which the County is currently revising. Mr. George said there is a cost for

those services and the current cost is \$1 per registered voter, although the Clerk's office is currently reviewing its fees.

A vote was called and the motion passed unanimously. The Board directed Mr. George to follow up with the Douglas County Clerk's Office regarding coordination of the District's 2022 election and to bring the final, proposed IGA back to the Board for approval when it is ready.

Committee Updates

Liaison to PCWRA – Director Munday said the principal priority is to complete the expansion project and regulations are burdening the completion. Mr. Knight said the District's portion of the modifications is very small since we are only responsible for our share of regulations requiring modifications. Expansion of capacity is not being funded by the District.

CPHA Liaison – Mr. Larson said the date for the Annual Meeting is scheduled for March 8, 2021, by ZOOM. The information will go in the mail next week. They strongly suggest residents use their proxy. Mr. Chuck Skinner and Ms. Wendy Ingraham's board seats are up for election and they both will be re-running. Coffee with the managers next week on Thursday, February 4, and meet the candidates on February 10th. Mr. Larson said CPHA also outsources their election, which they started about 12 years ago, and uses a company called Computershare. Mr. Larson thanked the Board for their consideration of the Crown Castle Agreement. A future Coffee with the Managers will be about the 5G project.

Discussion Items

Confirm Wednesday, February 4, 2021, Special Board Meeting at 9:00 a.m. (Zoom) – The Board confirmed the Wednesday, February 4, 2021, Special Board Meeting at 9:00 a.m. (Zoom)

Confirm Wednesday, February 24, 2021, Regular Board Meeting at 8:00 a.m. (Zoom) – The Board confirmed the Wednesday, February 24, 2021, Regular Board Meeting at 8:00 a.m. (Zoom)

Discuss Committee Progress

Mr. Knight shared that he has communicated with all the committees and they have put in a lot of work.

- The Infrastructure Committee – Mr. Knight reported they have been working very hard for the work session on February 4th. It will have data-driven decisions for the future.
- The Water Committee – Mr. Knight shared information provided by Committee Chair, Kim Dadlani. The committee has been very busy compiling information for the February 4th special meeting. They have met with several sub-associations and vendors to collect the information. Director Munday anticipates that there will be a Water Conservation Program for approval on February 4th.
- The Communications Committee – Director Walden said the committee met yesterday,

they will get out the first metro newsletter before the end of February. We have requested residents to send in their email addresses. Also, we have an initial draft of a new website for the District and look for a timeline of completion at the end of February. The focus of communication will be water, roads, and budget. The objective is for the residents to understand what their tax dollars are working towards. Director Sundquist also joined the meeting and noted they have an aggressive agenda.

Discuss 2021 District Goals

Director Huser said Mr. Knight supplied a draft of 2021 goals. Mr. Knight stated that five of the District's goals are continued from 2020. They are:

- Communications
- Long Range Water Master Plan
- Long-Range Road Maintenance Plan
- Employee Handbook
- Board Member Manual

Mr. Knight said we need continued work on these goals in 2021. The Employee Handbook was on hold last year so that the new attorneys could look at it and we anticipate bringing it to the February meeting. Spencer Fane is reviewing both the Employee Handbook and the Board Member Manual.

The two new goals for 2021 are:

- Long Range Sanitary Sewer Collection Plan
- Security Plan for the District Facilities

We have 4 service areas that are in our service plan, water, wastewater collection, drainage, and roadway maintenance. We have a master plan for drainage, we are working on the water master and roadway master plans, but we do not have a long-range sanitary sewer collection master plan. These master plans translate into our budget as capital projects or maintenance projects.

Additionally, we need to work on a security plan for the facilities. We have money in the 2021 budget to start at our office, shop areas, and WTP's.

Staff Reports

District Manager Report - Mr. Knight said he wants to raise the Board's attention to a couple of positions that we have open. The Water Conservation Coordinator of which we are moving forward with some applicants and looking to have the position filled mid-February. Also looking to fill the District Administrator position. Mr. Knight said he may look for some professional search assistance in filling that position.

Safety Report – Mr. LeTellier said the biggest challenge has been staffing with the COVID-19 situation. We have target goals with our staff and we have some online training we

are implementing. We have no safety issues this month. We are trying to implement safety through training and staff.

Operation's Report – Mr. LeTellier reported that well projects A10 and A12 are proceeding, the materials have been ordered. Wells De8 and LDA12 are completing the specification for getting it out to bid. For the Country Club's expansion project, we have to increase the fire flow to the facility. Any costs associated with that work will fall on the Country Club. Schmidt Construction will begin work, weather permitting. Mr. LeTellier stated they are waiting on the nighttime temperatures to warm up.

Administration Report – Ms. Mantz said Douglas County is still at a Level Orange, Level 3 on the Covid-19 dial. The District is still conducting ZOOM meetings for the board and committees and our office remains closed to the public. The board approved the 2021 Budget on December 14, 2020. The Mill Levy Certification to the County Commissioners was completed by the December 15 deadline. The budget was also submitted to the State through the Department of Local Affairs (DOLA) website.

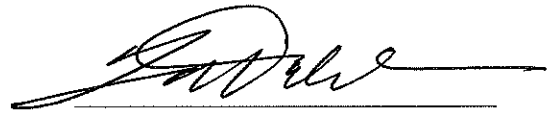
Water Conservation Report – The November and December reports were in the board packet.

Attorneys Report - Mr. George said they will be reviewing the Employee Handbook and the Board Member Manual for revisions and will bring them to the Board at the end of February.

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 9:54 a.m.

The Board of Directors approved the foregoing minutes on the 24th of February 2021. The preceding constitutes a true and correct copy of the minutes of the above-referenced meeting.



Secretary