

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

Held: Tuesday, January 7, 2020, 9:00 a.m., at 5880 Country Club, Castle Rock, Colorado

A special 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 was absent and excused.

Also present were: Burt Knight, Sue Mantz, Carolyn Frainier, Jason LeTellier, District Staff; Jack Reutzler, District Counsel, Fairfield and Woods, PC; Mark Larson, General Manager, Castle Pines Homes Association.

Potential Conflict of Interest Disclosures

District Counsel Reutzler stated that no conflicts were identified.

Approval of the Agenda

Director Calhoun made a motion to approve the agenda, seconded by Director Battin. The Board unanimously approved the agenda, as presented. Director Calhoun asked if the Community Comments on the budget would be included in any of the agenda items. Mr. Knight said the draft of the responses to the 2020 Budget questions from the residents would be available around noon on January 8, 2020. Mr. Knight will forward the responses to the Board this afternoon. A vote was called, and the motion passed unanimously.

Guest Introductions

Mr. Kim Dadlani, Mr. Joe Gschwendtner, Mr. Doug McBee, Mr. Jerry Schofield, Mr. Tom Sims, and Mr. Tad Walden introduced themselves.

Background

Board as a Policy Group – Mr. Knight said the Board establishes big picture goals and he and his team execute the goals.

Recent History – Mr. Knight mentioned that the District had concerning events happen in 2019. Staff is communicating with the Board of Directors regarding day-to-day operations.

District Observations by New District Manager – Mr. LeTellier has shown the District's Water System to Mr. Knight. Nothing is more critical than our ability to provide safe drinking water to our community. These facilities need to be safe and reliable 24/7/365.

Mr. Knight explained that the District has a Long-Range Water Master Plan. The plan was developed in 2006 and needs to be updated. Decisions need to be made regarding the present and future needs of the community.

The District also has a Long-Range Roadway Maintenance Plan which needs to be updated.

Mr. Knight said that he has a staff that does their jobs well, are highly motivated, and want to work to provide the services to the community. The Staff is eager to know the priorities, expectations, and measurements.

At the Coffee with Manager meeting, Mr. Knight heard concerns about snow removal. The District does a decent job, we are using sand and salt. The District's goal is to design a sand storage facility in 2020. Until the facility is built in 2021, the District is going to get some ice slicer to demo its use and use tarps to protect the material. Mr. Knight identified some roadway Projects that need to be done this year including concrete gutter road and edging to protect investment in the asphalt, roadway maintenance, some warrantee work for a system put in 2 years ago, and some 35,000 sq. feet of surface treatment that need to be put down. However, Mr. Knight wants to put the rest of the road maintenance budget project on hold until the long-range roadway maintenance plan is completed.

In November 2019 and December of 2019, Mr. Knight has been working with the board on 2020 goals for the District including Communications, Long-Range Water Master Plan, Long-Range Roadway Maintenance Master Plan, Employee Handbook, District Board Member Manual and District Agreements with Outside Entities.

There will be a forum for residents on February 26, 2020, at 6:30 p.m. at the CPHA Building. Mr. Knight and the Board will answer questions from the community. Mr. McBee suggested a facilitator for the forum on February 26. Mr. McBee thought the Special District Association would be a good place to find a facilitator.

Citizen Requests

Evening Board Meetings – The group discussed changing the time of the board meeting to an evening slot. Mr. Larson indicated Castle Pines Homes Association offered quarterly evening meetings. He said that out of seven meetings, two residents attended. Mr. Walden said that if the District is looking to bring talent to the board, evening meetings would allow those who work during the day to participate. Mr. Walden said when the District is searching for board members, the pool of candidates is currently limited to retired citizens. Director Calhoun said if board meetings take place in the evening, there will be more diversified attendance.

Mr. Knight said that the Board was willing to have a board meeting once a quarter. Director Calhoun asked why not every month, suggesting that it be every month. Mr. Walden pointed out that we may be restricting our potential board of director candidates because they cannot attend morning board meetings due to work. There was much discussion about evening board meetings. Mr. Walden suggested advertising board meetings on the gate signs. He

stressed that how the meetings are communicated properly promoted, we would get good attendance at the evening meetings.

Mr. McBee said there is confusion about the responsibilities and funding of the Metro District and the responsibilities and funding of the Castle Pines Homes Association. The group agreed.

District Committees – One of the suggestions from the citizens is to create District Committees including Engineering, Operations and Project Management, Finance, Technology, Communications, and Human Resource/Legal.

Mr. Knight said that he and the board are interested in forming committees. Mr. Knight suggested two other committees: Long-Range Water Master Plan and Long-Range Roadway Maintenance Master Plan. Director Munday said that Mr. Dadlani came up with a great idea: use the capabilities within the village. Mr. Walden said the committees would report to the board. Mr. Reutzel said the board needs to charge committees with tasks. Mr. Knight will organize and meet with Mr. Walden, Mr. Dadlani, Mr. Sims, Mr. Schofield, and Director Battin to discuss committee models. The board will approve all committees.

Director Munday requested a plan, process for how to accomplish this end including setting up appropriate committees. Burt Knight volunteered to take on developing the plan with the assistance of some of the community and Director Battin.

Expansion of Board from 5 Members - 7 Members - Mr. Reutzel explained that the statute allows a Board to move from 5 to 7 members. Mr. Reutzel went through the process as outlined by statute should the Board desire to entertain increasing the number of Board positions from 5 to 7. Mr. Reutzel further explained that due to the time process required by statute to increase Board Members and the time deadlines imposed by the Local Government Election Code there was no way to get the 2 additional board members on the May ballot and that a special election would need to be held. He estimated the cost of a special election to be around \$15,000.00. Mr. Reutzel further offered that in his experience the vast majority of metropolitan districts in the state are governed by 5 member Boards and that the statute provides a process to add members but doesn't offer a process to reduce Board members.

Mr. Walden, a member of the public, asked Mr. Reutzel to further clarify the process. There was further discussion between the public and Mr. Reutzel regarding the timing and the process.

Mr. Knight asked what is the purpose of expanding the Board from 5 to 7 members. Some of the reasons for going to a seven-member board provided throughout the meeting discussion are:

- a. It would improve diversity on the Board and be more inclusive.
- b. You might be able to get a freshness of expertise with new people.
- c. It would provide slightly more freedom for Board meetings to participate in meetings outside the formal Board meetings (three instead of two without triggering a formal Board meeting requirement)
- d. There would be less potential for an alliance of three people controlling the Board. We need to get more representation of residents.

- e. The Board would have the opportunity to benefit from an expansion of diversity of ideas and talent. A Board of seven provides a greater opportunity to fill voids. There is a perception that there has been mismanagement.
- f. There is significant support within the community to expand the Board and they do not understand the resistance. It appears to some that the existing Board members are afraid of losing control.

Director Calhoun responded that his concern is that a Board needs to have expertise in the programs and systems it manages so that the District doesn't waste money, and that other than him there is no one on the Board that understands the workings of the District. He noted earlier in the meeting that over the past few years there has been millions of dollars wasted on projects that has brought little or no value due to lack of expertise. He further stated that the way he sees bringing expertise to the Board would be to add two new positions or replace the Board with people who have the necessary expertise.

Director Huser stated that one way to get more expertise in the system is through the use of Committees. Further, if there is a need for more specialized help on the Board there are two seats available for the May election. Director Huser also stated that he has concerns about the increase of Directors by explaining that this District is a mature district without a lot of new growth to manage and that the District is fiscally sound. He stated concerns about the workings of a 7-member Board if it doesn't work, there is no mechanism for going back to 5, the potential of finding a consensus among 4 members and a concern about the ability of the Board to be nimble in making decisions and moving projects forward timely.

Mr. Gschwendtner, a member of the public commented that perhaps the Committees to be formed may be a good first step in creating an additional body of expertise in the community to help the Board. Mr. Walden responded that he has heard from people that increasing the number of board seats available would be helpful in improving the expertise and spreading the control of the district over more directors.

Director Battin stated that he has not received a single phone call or email from District residents asking him to support this move. He hasn't heard any hue or cry from the residents as far as he has heard.

Mr. Walden further stated that the community is requesting the Board have a vote at its January 20th Board Meeting on the potential decision to expand the Board to 7 Members.

Director Munday asked if we could get a referendum from the community about the desire to get a vote of the entire community regarding the move to 5 to 7. Mr. Reutzel responded that if the Board wanted to ask residents then the Board could do so.

Mr. Munday stated that in his time in the District, the only time there is interest in Board seats is when the 3 seats are up and then there is interest from developers trying to get control of the Board. The value of a citizen's board is that the decision-making process focuses on what is good for the community and before moving toward a 7-member board he would like to know that the majority of the total community was in support.

Mr. Munday further stated that with the hiring of Mr. Knight, scheduling evening meetings and creating committees, he feels as if the Board is being responsive to the concerns of the community. Everyone on this Board is trying to make decisions in the best interests of the residents of the District.

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 11:15 a.m.

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



Co-Secretary