

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

Held: Wednesday, April 8, 2020, 6:00 p.m., at 5880 Country Club Dr., 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

Also present were: Burt Knight, Sue Mantz, Carolyn Frainier, District Staff; Jack Reutzel, District Counsel, Fairfield and Woods, P.C.; Courtney Kramer, Senter, Goldfarb & Rice, P.C. (for Executive Session).

Potential Conflict of Interest Disclosures

District Counsel Reutzel stated that Mr. Battin has a continuing conflict regarding any discussions related to Cherokee Ranch. Mr. Battin serves on the Board of Directors at Cherokee Ranch.

Approval of the Agenda

Director Battin made a motion to approve the agenda, seconded by Director Huser. Director Calhoun requested adding two discussion items to the agenda: Morning Star storm drainage issues and the Cherokee Ranch Contract. Director Calhoun made a motion to add these two items to the agenda. There was no second. There was some discussion. Director Sundquist made a motion to table approval of the agenda until the Board received comments from the community regarding the addition of two discussion items, seconded by Director Huser.

A vote was called and the motion was unanimously tabled.

Guest Introductions / Comments from the Community

The following residents attended the meeting: Cynthia Cerny, Bill Holbrook, CiCi Holbrook, Michael Lanam, Jerry Schoefield, Tad Walden, and Ken Wilczek. The community expressed interest in adding a discussion of Morning Star drainage issues and a discussion of the Cherokee Ranch Contract to the agenda. There had been a motion to add these items to the agenda. Director Battin recused himself from the Cherokee Ranch Contract

discussions. Director Battin made a motion to approve the amended agenda, seconded by Director Huser.

A vote was called and the motion passed unanimously.

Director Munday asked for any further comments from the community and there were none.

### Action Items

**Consider Approval of a Declaration of Emergency to be Executed by the District a Manager Related to the COVID-19 Pandemic** – Director Munday made a motion to approve a Declaration of Emergency to be executed by the District Manager related to the COVID-19 Pandemic, seconded by Director Sundquist. Mr. Knight said the Declaration is authorized by state statute. Mr. Reutzel reported that the declaration has to be executed by the CEO, in the District's case, the District Manager, Mr. Knight. Once signed, the Declaration is good for a maximum of seven days. Mr. Reutzel said there were no reasons not to approve this action item. It allows the District to get into the cue for any Federal funds that may be available. Mr. Reutzel said it also gives Mr. Knight the authority to employ any emergency rules, which have already been executed.

A vote was called and the motion passed unanimously.

**Consider Approval of a Consent of the Board of Directors to Extend the Declaration of Emergency in Relation to the COVID-19 Pandemic** – Director Sundquist made a motion to approve the consent of the Board of Directors to extend the Declaration of Emergency in relation to the COVID-19 Pandemic, seconded by Director Calhoun. This consent will extend the duration of the Declaration of Emergency until Mr. Knight determines there is no longer a State of Emergency.

A vote was called and the motion passed unanimously.

**Consider Approval of the Agreement with CPV, Inc. (Mr. Jack Vickers) for the Lien Assessment Taps Associated with the Original Bonds for the District** – Director Battin made a motion to approve the Agreement with CPV, Inc. for the Lien Assessment Taps associated with the original bonds for the District, seconded by Director Sundquist. Mr. Knight requested that the Board approve the agreement and authorize him to sign it. Mr. Knight said he and Mr. Reutzel had reviewed numerous documents to follow the history of the taps associated with 1981 and 198 bonds sold by the District and the tracking of their history. Mr. Knight said the document, provided by Mr. Vickers, and reviewed by Mr. Reutzel, acknowledges an accurate accounting of the lien assessment taps.

Summary of the agreement:

- Acknowledge that CPV, Inc. (CPV) and FPI Investors, LLC (FPI) owned or controlled by Mr. Vickers, own 92 Unrestricted Lien Assessment Taps based on original Series 1981A and Series 1983A Lien Assessment Bonds issued
- Acknowledge CPF and FPI own 41 Lien Taps which are restricted to a geographic boundary in the Metro District (Fidelity Lien Assessment Area)

- Both types of Lien Taps can only be used within the District boundaries.

Recently the covenants by-laws have changed, shifting some responsibility to the homeowner. Mr. Wilczek said there are eleven buildings and 23 units. The last unit was completed in 2005 and there has not been any new construction since that time. This agreement is a prudent step to document outstanding lien taps. This agreement is a good way of memorializing the Lien Assessment Taps. Mr. Walden asked why the accounting of the Lien Assessment Taps was so important. Mr. Knight said that Mr. Vickers is looking at new development and wanted assurance on the status of lien assessment taps.

A vote was called and the motion passed unanimously.

### Discussion Item

**Confirm Thursday, April 16, 2020, Board Meeting at 6:00 p.m.** – The Board confirmed the Board Meeting on Thursday, April 16, 2020, at 6:00 p.m. Director Calhoun requested an additional agenda item at that meeting. Director Calhoun wants to make a presentation on issues he has found in the District, the progress made on these issues, and suggestions to move forward. Documentation will be provided to the Board. The Board agreed to Director Calhoun making a presentation and Director Calhoun said it could happen outside of a Board Meeting setting.

**Morning Star Storm Drainage Issues** – Mr. Wilczek, President of the Morning Star Sub-Association, reported that over the past 18 - 24 months, he has been made aware of a number of homeowners experiencing drainage issues, including standing water in crawl spaces, garages flooding, and mulch flooding onto landscapes. There also have been issues with mold in crawl spaces. In the wintertime, ice has formed on driveways creating slip and fall hazards. Homeowners have tried to mitigate these issues on their own. They have independently reached out to the Metro District and the Morning Star Sub-Association. Recently the covenants by-laws have changed, shifting some responsibility to the homeowner. Mr. Wilczek said there are eleven buildings and 23 units. The last unit was completed in 2005 and there has not been any new construction since that time. Mr. Wilczek requested the expertise of the District in coming up with strategic solutions for these issues. He sent Mr. Knight an email on March 31<sup>st</sup> in order to collaborate with the District to resolve Morning Star drainage concerns.

Ms. Cerny said she has met with Mr. Knight twice regarding the drainage issues in some areas of Morning Star and demanded the Metro District resolve the issue. Mr. Knight indicated his response was the drainage is a responsibility of the Sub-Association and the homeowners based on the agreement between the Sub-Association and the Metro District. Ms. Cerny indicated she got an estimate from Andraos who said they could fix the issue.

Director Munday said that he was not aware of any formal approach by Morning Star to the Board. The District has conducted a comprehensive storm drainage survey indicating the District's stormwater responsibilities.

Mr. Knight reported that in 2005, Morning Star, and other sub-associations, entered into roadway maintenance agreements with the District. Prior to that time the sub-association was responsible for maintaining the roadway including asphalt condition. It appeared that many of the sub-associations had not built the roadways to Metro District standards. The goal of the 2005 agreements was to raise the existing roadways to District standards, at that point the District

would take over maintenance of the roadway structure. This does not include snow removal operations, street sweeping, landscape supervision, erosion control, and roadside drainage or erosion control features including ditches, culverts and headwalls. The elevation of the Morning Star homes is below the roadway surface and obvious that the drainage runs off the roadway into the properties on the downhill side of the roadway. Mr. Knight reported, that Andraos Construction, a contractor, not a Professional Engineer, and they recommended installation of a V- channel for the roadway in front of these properties. Mr. Knight said he would not recommend this approach; however, there are other options. Mr. Knight suggested an approach since a formal request for assistance has been received, to hire a consultant engineer to evaluate the problem and propose solutions including cost estimates. In addition Mr. Knight indicated he would look at other locations in the Metro District to determine if other areas have similar issues. Mr. Knight indicated his concern that if the District helps one, then they could feel obligated to help all the sub-associations. If directed by the Board, Mr. Knight will develop a scope of work and costs to systematically work through the issues. He would not recommend curbs, as they would create a bump as citizens enter their driveway. Mr. Knight can contact a consulting engineer to look at these issues for \$10K or less and bring ideas to the Board with potential construction cost estimates. Mr. Knight said he will report to the Board on the progress. The Board directed Mr. Knight to proceed.

**Cherokee Ranch Contract** – Director Battin left the meeting and will not participate in the Cherokee Ranch Contract discussion or the Executive Session.

Director Calhoun requested an update to the list of questions that were asked of Mr. James Holmes, Executive Director of Cherokee Ranch, at the February 2020 Board Meeting. He indicated that he expected the answers were to be provided at the March Board Meeting, which was canceled due to the COVID-19 Pandemic. Director Calhoun asked for the status of the rerouting of the pipe to avoid going through the developer's property. Mr. Knight said the rerouting of the pipe has been completed and Cherokee Ranch is installing meters to try and identify potential loss of water. Mr. Knight has not provided a list of questions to Mr. Holmes, as it was unclear that the entire Board agreed on the questions. Director Calhoun said that the Board agreed at the February Board meeting that Mr. Holmes would provide the information. Director Calhoun said that the contract did not protect the District. Mr. Reutzel said there were modifications to the contract and he did not circulate it to the Board as the contract was not scheduled to be discussed at this special meeting. The new draft requires Cherokee Ranch to produce evidence, not on a look back basis but showing they have secured permits and easements. Director Calhoun asked about the work that was done at Cherokee Ranch by District employees. Mr. Reutzel said that provision number 6 of the proposed agreement takes precedent that Cherokee Ranch paid for services rendered, labor, and material. Director Calhoun said that Cherokee Ranch needed to pay for the maintenance, material, and labor completed, over a few years, for the permanent line. Director Calhoun said that the majority of the Board wants to write off money that the District did not receive for work that was performed. Director Munday said that there are two issues: the contract going forward and what occurred in the past. Cherokee Ranch will be required to pay the money they owe the District. Director Calhoun said that, in January, he asked the questions regarding Cherokee Ranch. Mr. Reutzel said he would send the updated contract to Director Calhoun. Director Munday said the Cherokee Ranch issues need to be concluded. The Board will discuss the findings of the professional investigation regarding the Cherokee Ranch Emergency Water Line in the Executive Session.

Mr. Walden asked why the investigation discussion needed to take place in an Executive Session. He said for transparency, the Board should be able to talk about the District as an organization and about Cherokee Ranch as an organization. Mr. Reutzel said that investigations are covered under attorney-client privilege, as the Board needs to advise negotiators. Mr. Reutzel said, by law, decisions could not be made in Executive Session. Mr. Walden said that a minimum, some improprieties were occurring and he was not clear why the discussion had to take place in an Executive Session. Director Huser said that the topic is protected by attorney-client privilege because there could be other implications. The Board needs to protect the confidentiality of the investigation. Director Huser said as soon as the Board is able, the information will be disclosed to the public. Mr. Walden suggested that the Board not redact what is communicated to the community. Mr. Reutzel said the document is not the property of the District, it is maintained by an outside attorney. Therefore, the Board cannot release the information because it is not in their possession.

Director Munday said the Board appreciated the interest and involvement from the community and everyone will be included in the conversation.

#### Executive Session

At 7:24 p.m. Director Munday made a motion for the purposes of conferring with legal counsel for purposes of receiving legal advice on specific legal issues relating to the investigation of Cherokee Ranch Emergency Water Line, and pursuant to C.R.S. §24-6-402 (4) (e) (I) and to further instruct negotiators regarding the Cherokee Ranch Water Agreement, seconded by Director Sundquist and unanimously carried. 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 8:47 p.m.

The Board of Directors approved the foregoing minutes on the 27th of May 2020. The preceding constitutes a true and correct copy of the minutes of the above-referenced meeting.

  
Co-Secretary