

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

Held: Tuesday, September 28, 2021, 9:30 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, District Staff; Tracy Adams; David Samuel, Anpassa Custom, Inc.; Tom George, Spencer Fane, LLP; Josh Shackelford, Olsson; Will Koger, Forsgren & Associates; Kim Dadlani, Water Committee Co-Chairman; John Nelson, Country Club Ridge Sub-Association; and Cici Holbrook, Bill Lange, and Mike Vernon, 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 made a motion to approve the agenda, seconded by Director Sundquist.

The Board unanimously approved the agenda.

Guest Introductions / Comments from the Community – Mr. John Nelson, Board member of the Country Club Ridge Sub-Association, is requesting consideration from the Metro Board for reimbursement to the sub-association for the plowing of their sub-association streets, based on similar arrangements that the District has with other sub-associations. The sub-association understands that the Board has appointed a committee to review the plowing, but with winter coming they would like to ask for an interim arrangement while they go through their review. Mr. Nelson noted that last season there was significant damage from Metro plows, and they worked with District staff to make repairs to those areas. Mr. Knight said the infrastructure committee is looking into this issue, they are looking at the service level, and/or upgrade to the

service. Additionally, there are agreements with some sub-associations whose roads were not built to our standards, and they take care of the snow plowing themselves. The committee is reviewing if we should extend that to all sub-associations. The result would be that we are not struggling with them plowing driveways and then we come to plow the street, pushing snow back onto the driveways. Director Huser is requesting that we have an answer to this by the next Board meeting.

Director Huser noted this is Mr. Knight's last Board meeting with Castle Pines Metro District. Director Huser thanked Mr. Knight for the work, time, and effort of his position, and is greatly appreciative of his work. Director Huser wished him well in his new endeavors. The rest of the Board joined in acknowledging and thanking Mr. Knight for his service.

Action Items

Approve Minutes from August 31, 2021, Regular Board Meeting – Director Huser made a motion to approve the minutes of August 31, 2021, Regular Board Meeting, seconded by Director Sundquist.

A vote was called and the motion passed unanimously.

Approve Minutes from September 7, 2021, Special Board Meeting – Director Huser made a motion to approve the minutes of September 7, 2021, Special Board Meeting, seconded by Director Sundquist.

A vote was called and the motion passed unanimously.

Approve the June 2021 Payables – Director Huser made a motion to approve the August 2021 Payables of \$1,270,946.93, seconded by Director Sundquist. Ms. Gonzales reported that staff met with Director Lanam to review payables, payroll expenses, and manual checks totaling \$1,270,946.93. Ms. Gonzales reviewed and answered questions regarding invoices from the following vendors: Applied Ingenuity, LLC, Badger Contractors, LLC, Clean Cut Limited, Cutting Edge Services Corporation, Dana Kepner Company, Eagle Electric, Co., ET Irrigation Management Specialist, LLC, Irrigation Analysis, Jehn Water Consultants, Inc., M.E. Simpson Co., Inc., Plum Creek Water Reclamation Authority, and Spencer Fane LLP.

A vote was called and the Board unanimously approved payment of the August 2021 expenses in the following amounts: General Fund \$232,506.27, Enterprise Fund \$971,333.76, and Manual Checks \$67,106.90.

Ms. Mantz reviewed the Revenue and Expense Report for August 2021 noting that she had made some full-year forecast adjustments. In the General Fund, the total revenues, total personnel, and total contract services are all running a positive variance over budget. Total utilities and total general overhead are also running a positive variance over budget. Director Walden asked why the picnic ran over budget, and Ms. Mantz stated it was the tent rental and additional headcount for meals. The total general government has a positive variance of

\$295,000. Total public works has a negative variance of -\$924,000, due to the additional roadway work approved earlier in the year. The total capital outlay has a positive variance of \$92,000 over budget. As of August 2021, the expenditures in the general fund have a negative variance of -\$537,000. Currently, the ending fund balance in the general fund is \$175,000, due to an audit adjustment from the prior year with the beginning fund balance. In the Enterprise Fund on page 5, some full-year forecast adjustments have been made to water service usage coming in under budget about \$50,000 and Village Lake pump house under budget by approximately \$53,000, for a negative variance in revenue of approximately -\$79,000. Total personnel and total contract services both have a positive variance over the budget of \$204,000 and \$17,000, respectively. The total general overhead shows a negative variance over the budget of -\$291,000 due to an adjustment made on water conservation, approved earlier in the year. The total capital expenditure has a positive variance of \$528,000. The expenditures in the enterprise fund have a positive variance of \$530,000 and the fund has an ending fund balance over the budget of \$840,000, including an audit adjustment from the prior year. Ms. Mantz answered questions from the Board.

Ratify Search Committee Action - Director Huser made a motion to Ratify the District Manager Search Committee formation, posting and preparation of the job description, the retention of a representative from Employer's Council, and the presentation of an open meeting on September 15, 2021, which Directors' Huser and Lanam attended, seconded by Director Sundquist.

Director Lanam reported the District has received interest from numerous well-qualified applicants. The position was posted on several professional websites, as well as Indeed. Mr. Lanam noted the Committee and Board have been working on it for about a month and a half, have met with several candidates and hope to be making a decision on a finalist soon.

A vote was called and the motion to ratify passed unanimously.

Committee Updates

Liaison to PCWRA – Mr. Knight said they received a copy of their draft budget, and there is a potential rate increase, due to electrical costs, chemical costs, employment additions, and equipment costs.

Director Munday said he will continue to attend the PCWRA meetings, representing the District until a new District Manager is hired. Director Sundquist said he would be an alternate should Director Munday be unable to attend any meetings.

CPHA Liaison – Nothing to report.

Infrastructure Committee Update – Mr. Knight said the committee is working on the snow plowing issue and will have a report at the end of October. Director Munday said that this is the first time he has heard of the interest of the Country Club Ridge Sub-Association request. He said that there have been references that the Board has been notified, and Director Munday said he has heard nothing. Director Walden said Mr. Nelson contacted him last Saturday. Mr. Knight said he has spoken to Mr. Nelson and was informed of the process that was currently

happening with the committee. Director Munday said he is just noting that if there has been Board contact, he thinks there should be tracking of that.

Mr. Knight said the committee prepared a Request For Proposal (RFP) for a Transportation Speed Study and it was advertised on Bidnet. The District had a pre-proposal meeting last Thursday, and three firms participated; the proposals are due October 12, 2021. We anticipate it coming to the Board and being presented at the October meeting. Director Munday asked if that was budgeted, and Mr. Knight said it is part of the contingency items and would have to be approved by the Board.

Water Committee Update – Mr. Shackelford updated the scorecard for 2021. Some changes have been made to the scorecard which includes removing 2020, and there are 2 representations of the data now, 2018-2020 and 2017-2019. Using the 2018-2020 year average, the District has a water savings of 27.7MG, using the 2017-2019 year average, the District has saved 10MG. There have been 478 irrigation assessments completed, which includes 390 sub-association homes, and 88 custom home assessments have been completed. Mr. Shackelford answered questions from the Board.

Mr. Dadlani presented his proposal to increase the rebate program from \$700 rebate to homeowners up to a \$1,500 rebate to homeowners for upgrades and improvements to irrigation systems. Mr. Dadlani also proposed to hire a point person on the Metro staff for next year. Mr. Dadlani answered questions from the Board.

Discussion Items

Confirm Monday, October 4, 2021, Special Board Meeting at 9:00 a.m., Board Room (Zoom) (Verbal) – The Board confirmed Monday, October 4, 2021, Special Board Meeting at 9:00 a.m.

Director Huser noted Black and Veatch was to provide single sheet summaries of proposed capital projects. Mr. Knight said he has them for review, and it also shows proposed years. They will be presented at the LRWMP meeting, October 4th Special Meeting during Executive Session with consultants.

Confirm Tuesday, October 26, 2021, Regular Board Meeting at 9:30 a.m., Board Room (Zoom) (Verbal) - The Board confirmed Tuesday, October 26, 2021, Regular Board Meeting at 9:30 a.m.

Confirm Thursday, October 28, 2021, Board Work Session at 9:30 a.m., Board Room (Zoom) (Verbal) – The Board confirmed Thursday, October 28, 2021, Board Work Session at 9:30 a.m., Board Room (Zoom) (Verbal).

Receive Draft 2022 Budget – Ms. Mantz said the budget is running about 2 weeks behind schedule, and she will have it to Board before October 15. We have the budget work session scheduled for October 28 and will provide a white paper beforehand.

Staff Reports

District Manager Report –

- CPMD 2021 Goals – Mr. Knight referenced the Status Update, and there were no questions.
- Chatfield Update – Mr. Knight said it went to the State and they had our request for additional 90 acre-feet of storage at their September meeting. They approved it and we will receive information from them on how to pay for those acre-feet. We can pay directly outright or get a loan from the State for the additional 65 acre-feet, Mr. Knight’s recommendation is to pay for it outright as their loans run a little over 2%.
- Director Sundquist asked when we will shut down irrigation, and Mr. Knight stated in the next 2-3 weeks.

Safety & Operations Report – Mr. LeTellier said there were no safety incidents to report. Regarding the new wells, Layne was notified on September 2 that additional permits were needed, those were completed on September 14. They are scheduled to start site preparation tomorrow and drilling to begin in November. Director Huser said the Board was told in June that there was 1 week left for the County to approve/deny our permits, and they did not meet that deadline. Now the County has new requirements? Director Huser asked who is in charge of this segment of Douglas County and he would like to talk to legal counsel on how to approach it. Mr. Knight said he will get Director Huser the County information for the Board.

The roadwork continues to go well. There was an emergency water line repair on Silver Leaf. The interior of the pipe is in good condition, but the outside was not because it had not been wrapped or embedded properly. Director Huser had received a text from a neighbor/homeowner complimenting the staff and their hard work on the Silver Leaf water main line break. Mr. Knight referenced the asset management program and said we are trying to become very systemic in how we track water line breaks, as well as other projects, where we can create a log and be strategic on our water lines. Director Munday would like information on our wells and how they are performing.

Administration Report – Ms. Mantz said the Public Relations group meets weekly with staff, working on creating content for 2 newsletters, 2 Eblasts a week, a Facebook page draft, and looking at Nextdoor. We would only look at using that media if we can post information only. We had two classes presented by Craig Miller, Horticulturist/Arborist, on Native Grasses and The Basics of Xeriscape. Both were well attended.

Water Usage Report– Ms. Mantz said the water usage is on budget for the year.

Attorneys Report – Nothing to report.

Executive Session

At 12:12 p.m., Director Huser proposed a motion to enter into an executive session pursuant to C.R.S. § 24-6-402(4)(e) for purposes of discussing the District Manager search, discussing District Manager candidates in order to maintain the anonymity of the candidates, and

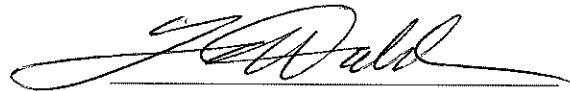
to determine positions relative to matters subject to negotiation, develop a strategy for negotiations, and instruct negotiators regarding the same, seconded by Director Sundquist, and the motion was unanimously carried. Mr. Knight, Ms. Mantz, and Mr. George were asked to remain.

The Board left the executive session and the regular session resumed at 1:04 p.m.

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 1:04 p.m.

The Board of Directors approved the foregoing minutes on the 26th of October 2021. The preceding constitutes a true and correct copy of the minutes of the above-referenced meeting.


Secretary