

**CASTLE PINES NORTH METROPOLITAN DISTRICT
REGULAR MEETING MINUTES
June 20, 2022 – 6:00 p.m.**

HELD: Monday, June 20, 2022 at 6:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Pines, Colorado.

ATTENDEES: Directors Denise Crew, Chuck Lowen, Chris Lewis, Tera Radloff and Jason Blanckaert were present. Jim Worley, District Manager; Kim Seter, Legal Counsel; David Anderson, District Parks, Trails & Open Space Manager; Nathan Travis, Water & Wastewater Operations Manager; Corby Wise, videographer; and Terrence Lovett, live stream technician, and Ken Smith, Communications Director were also present.

CONFLICTS: None.

QUORUM: Present.

CONSIDERATION OF AGENDA OF THE JUNE 20, 2022 MEETING OF THE BOARD OF DIRECTORS AND THE MINUTES OF THE MAY 16, 2022 REGULAR BOARD MEETING: Upon motion by Director Radloff and second by Director Lewis, the agenda of the June 20, 2022 regular meeting and the minutes of the May 16, 2022 meeting and were approved.

PUBLIC COMMENT: District resident, Marvin Tibbett welcomed the new board members. He noted that Board and staff should monitor Next Door. Someone posted that water was running for four days but there is no landscaper working on weekends. He also noted an issue in Tangle Oak. Mr. Travis noted that he had placed a call and a landscaper responded but the leak was not the District's system. Director Lowen asked Mr. Travis to get back to Mr. Tibbett when he knows who addressed the leaks.

PARKS, TRAILS & OPEN SPACE MANAGER'S REPORT: Open space manager, David Anderson, presented his report. The Esperanza HOA has requested fire mitigation mowing around the entire property. Director Lowen commented that we have an estimate of \$200 per hour but need an estimate of the hours required. Director Crew asked if South Metro Fire recommends this kind of mitigation. Mr. Anderson stated that it does not address this because it is more important for homeowners to address their properties. Mr. Anderson noted that the City and South Metro Fire did a mitigation study that noted a need in Glen Oaks and Briarwood. The City has requested 50% funding of a contract with "Goats on the Go" for fire mitigation efforts. Upon motion made, seconded and unanimously carried the Board agreed to allow the City on District property for mitigation purposes and to approve up to \$18,000.00 for the mitigation in Briar Cliff and Glen Oaks.

Director Lowen distributed a landscaping map and Mr. Anderson noted that a budget item should be included for 2023 to remove blue grass and replace with buffalo grass. Mr. Travis noted blue grass is the District's biggest water use. Director Radloff suggests the staff should be directed to devise a long-term Xeriscape plan and a fire mitigation plan. Director Lowen noted this is a long term project and notes that we should discuss this with the incoming district manager.

Director Radloff enquired whether Director Lewis' questions regarding the location of the skatepark have been answered. Mr. Anderson noted we are still waiting on the easement. Mr. Seter noted a condemnation action notice was sent to Xcel. Mr. Lowen notes that Xcel is unlikely to take the risk of signing over the property since they claim no ownership. This is needed to start construction. Director Radloff questioned where the skate park will be located. Mr. Worley noted lights have been removed from the project and the skate park location will be determined at a later date.

WATER & WASTEWATER OPERATIONS MANAGER REPORT: Nathan Travis presented his report, and pursuant to a question from Director Radloff noted that we are no longer taking water from Centennial for the year. This is a typical process. Our new pumps have made the plant fully operational. Director Radloff asked whether they are still an option if we need them. Mr. Travis noted that it is possible but when we have high demand, so does Centennial and they may not have the capacity. The internal plan would rely on watering restrictions. It is much more cost effective. Mr. Travis stated he will work on a written Emergency Operations Plan to be part of the standard Operating Procedures.

Director Radloff also enquired regarding comments on 2 new well sites and a re-drill. Mr. Travis noted that this work would be included in the 2023 budget. One of the district wells was damaged by an attempt to horizontal drill. Well A-5 can be redrilled and 2 more wells would be useful to take advantage of the new treatment plant capacity.

Recent violation notices resulted from paperwork failures and not water treatment failures. A process is being established to ensure reports are reviewed by the Operator in Responsible Charge as well as Mr. Travis before filing.

Mr. Travis noted that he monitors Next Door but does not respond because information is often not correct. Residents are encouraged to show up at board meetings to discuss issues.

FINANCE DIRECTOR'S REPORT: District Finance Director, Amanda Castle, has resigned. Phyllis Brown and Nancey Weiss are working to transition accounting services to Community Resource Services (CRS). Ms. Brown is the accountant who works from Florida. Nancy Weiss processes payroll and has done so for four years. Financial reports in the packet are from Pinnacle. Joel Meggers, principal of CRS, was introduced along with Ms. Weiss, Ms. Brown and Michael Kelly who is designated to follow Mr. Worley for a week and half and take over the District Manager position. Mr. Meggers noted that CRS has no comment as they did not prepare the financial reports. Ms.

Weiss noted the transition has not progressed and Mr. Meggers noted that the plan is still for Pinnacle Consulting Services to complete the audit.

Director Lowen moved to table the financial reports until the Board receives word from CRS that the reports are accurate at the July meeting. The motion was seconded by Director Radloff and unanimously approved.

LEGAL COUNSEL'S REPORT: Legal Counsel, Kim Seter, presented the legal status report. He noted that the only action item on the report is to consider a civil action over the Lagae Lift station. Mr. Travis described the history of the lift station and installation of a force main smaller than the one submitted for review and approved by the District. Director Radloff and Director Lowen enquired about the cost and requested an estimate before any action is taken. Mr. Seter stated that it would be included in the next report.

DISTRICT MANAGER'S REPORT: The District Manager, Jim Worley, presented his report. A resident complained about the method of calculating wastewater based on water usage because "snowbirds" may have a very low average and should not be charged a base amount that is substantially higher minimum usage of 2,000 gallons. Mr. Seter noted that the rates are justified as long as there is a rational basis for the number related to the cost of services in terms of maintenance and existence of the system. Director Lowen asked if this was industry standard. He suggested staff do some research to provide a thorough response.

Michael Kelly was introduced and described his history with non-profit entities and the fact that he had covered water issues as a reporter and has served on various public boards and cultural councils.

Mr. Seter sent a redline copy of a draft Agreement concerning the City taking over storm drainage services. The City has agreed to take over "as is" despite substantial work needed on rip-rap in Esperanza. Larry Nimmo agreed that the City will accept the system "as is." The effort is to get the best product at lowest cost for the citizens. The Board enquired regarding the City's readiness to take over. Mr. Nimmo noted the agreement has time for the City to develop a plan and review documents and records before the closing. The City has hired Joseph Marencik as a Stormwater Coordinator to create a department within the City. Director Lowen enquires about cost to the residents and the district's desire to keep them low. Mr. Nimmo notes the IGA also addresses the preparation of a cost analysis. Director Lewis expressed a desire to keep the cost at \$5 per month as currently charged by the District. Mr. Marencik described the overall strategy of incorporating all of the stormwater into a single entity that already provides service to the new construction areas which should allow for lower costs. Also, the City monitors the 24 HOA facilities. The City Public Works Department will study all of the needs and costs and that will ultimately drive the budget.

Mr. Seter described portions of the IGA concerning the District continuing to charge its stormwater fee through October. After that time, the City will put its fees in place and, as a matter of law, the fees must be rationally related to the actual cost of service. Any

funds the District provides will also go into the City Stormwater Enterprise and must be use for that purpose. Director Blanckaert notes that this process provides financial accountability.

Director Radloff notes the draft agreement lays out the process and confines funds to payment for the stormwater services and we are serving the same people. Also, there is a 30-day termination provision. The City should be allowed to start the process and we can cancel if there is a concern that the City is not prepared to take over the services. Director Blanckaert moved to approve the Intergovernmental Agreement regarding stormwater services. Director Radloff seconded and the Board approved the motion unanimously.

DIRECTORS' MATTERS: Manager Worley expressed his thanks to the Board and staff for the time he has been the director and the friendships.

Director Lowen noted he sent letters to Aurora, Centennial Water, Parker Water & Sanitation and the City of Castle Rock. Each of them responded that they would like to discuss potential inclusion or service agreements and hear what the District is considering. Meetings are being set up with Centennial and Aurora. Parker Water & Sanitation is aware of the process and believes we will eventually work with it. Director Lewis enquired about the schedule and meeting any election deadlines. Mr. Seter noted that any elections are in the control of the other party. The elections are not our elections and Parker W&S will not do an election in November.

Director Lowen suggested moving meetings to the 4th Monday of each month and calling a study session for the prior Wednesdays to ensure the Directors all hear the same information and leave the session with the same knowledge and understanding. The Board must operate as a group. Director Lowen moved that Board meetings be changed to the 4th Monday at 6 pm and a study session the Wednesday before at 5:30 pm. The motion was seconded by Director Lewis and was approved unanimously.

CLOSING PUBLIC COMMENT: There was not public comment.

EXECUTIVE SESSION: Upon motion made and seconded the Board considered entering into executive session as allowed by Section 24-6-402(4)(3)(I), C.R.S. to determine positions subject to negotiation regarding the potential inclusion agreement or agreements.

Director Lewis stated that he does not like closed sessions and we desire to always be transparent; but, some closed discussions are needed to ensure good negotiations concerning the agreements.

Prior to moving into executive session Director Radloff requested some board training and also a review or the original inclusion purposes since the landscape has changes substantially since its original consideration.

The Board unanimously approved moving into executive session at 8:29 pm.

OPEN SESSION: The Board returned to regular session at 9:20 pm. Mr. Seter announced that no decisions were made and that the Board remained on the topic of Intergovernmental Inclusion Agreement negotiations and terms as authorized by the statute.

ADJOURN: With all other business to come before the Board having been addressed, Director Lowen moved that the meeting be adjourned at 9:31 p.m. The motion was seconded and was approved 5-0.