

Castle Pines Homes Association Board of Directors

Executive and Regular Meetings

Castle Pines Homes Association
688 W Happy Canyon Road Castle Rock, CO 80108
Thursday, May 25, 2017

ATTENDEES: Directors Terry O'Connor, President; Chuck Skinner, Vice President; Linda Battin, Secretary; Len Jacob, Treasurer; Doug Cooper, Assistant Treasurer. Present from the CPHA staff: General Manager Mark Larson, Director of Emergency Services Rick Plotke, Accountant Carol Tilton and Senior Administrator Lisa Goodwin.

OTHERS PRESENT: Castle Pines Metropolitan District Manager Jeff Coufal; Residents: Joe Gschwendtner, Roger Bailey, Lisa Bartmann, Melissa Hofstetter, Stacy Ingram, Marc Horowitz, Jack Bac, Art Denney, Kevin Leung, Roger Miller, Andrea Bailey, Christine Horowitz, Beth Hernandez, John Black, Jennifer Gerdens, Mike Hance, Laura Zeh, Carol Kingsley, and Amy Shanahan.

EXCUSED: N/A

MEETING AGENDA: See attached.

EXECUTIVE SESSION: The Board of Directors met in an Executive Session and discussed legal and personnel issues.

I. CALL TO ORDER / MODIFICATION OF AGENDA

The general meeting was called to order at 8:05 am.

II. CONFLICT OF INTEREST DISCLOSURE

Board members were requested to disclose any conflict of interest related to items on this month's agenda, or at any time during the meeting should a conflict of interest arise. No conflicts were identified.

III. APRIL 2017 MEETING MINUTES

(See Tab #1 of the May 2017 Board Package)

Motion Upon motion duly made and seconded, the Board approved the April 2017 Board of Director meeting minutes with corrections as noted.

IV. HOMEOWNERS REQUEST TO BE HEARD

Several residents appeared before the Board to discuss the issue of failing and improperly designed decks on homes built by Toll Brothers in the Summit area. Resident Roger Bailey of 6186 Massive Peak Circle reported he found mold developing on the floor of their home as a result of the wood being used on the deck; when Toll Brothers built the deck they brought exterior wood into the interior of their home and over time the wood rotted creating mold. Mr. Bailey reported when he reached out to Toll Brothers they informed him that the warranty on the home had expired and as a result they would not do any repairs.

Resident Marc Horowitz of 6175 Massive Peak Circle reported the following:

- There are 175 Toll Brothers homes in the Summit area, 40 do not have decks. Toll Brothers has to date repaired or replaced 75 decks in the Summit area.
- Toll Brothers used untreated wood to build the decks. There is a safety issue as some of the decks may not be safe to walk on.
- He has pursued his own legal action against Toll Brothers and in an arbitration proceeding and under oath, Toll Brothers admitted they paid for either deck repair or replacement for 75 decks.
- Toll Brothers told him that the Homes Association required the underside of the decks to be painted causing the support beams to rot over time.
- They won their case in arbitration, however Toll Brothers appealed the decision and second arbitration ruled in Toll Brothers favor.

Mr. Horowitz requested the CPHA be involved in this issue in order to assist the homeowners in resolving this problem and to preserve the value of their homes. Director O'Connor stated that the Board has spoken to our legal counsel regarding this issue, and they have advised us that Mr. Horowitz's attorney should work with the CPHA attorney going forward. Mr. Horowitz asked the Board to provide him with documentation or a statement that at no time did the DRC require Toll Brothers to paint the underside of the decks.

Resident Lisa Bartmann of 6187 Massive Peak Circle reported that her daughter was walking down the deck steps and the step gave way and she was hurt. Mrs. Bartmann reported she was directed by Toll Brothers to file a claim on their website; after several phone calls to Toll Brothers they told her that the home warranty had expired and they (Toll Brothers) would not repair the deck.

Melissa Hofstetter of 6231 Oxford Peak Lane reported their deck was extremely dangerous and after persistent calls to Toll Brothers they finally had their deck repaired, however it was still not a complete repair. Mr. Larson asked Ms. Hofstetter if the County

came out to do an inspection after the work was done since it required permitting. Mrs. Hofstetter replied that because of the extensive work they were not in the home at the time of the repair and so she was not sure if an inspection occurred.

Resident Jack Bac of 6220 Oxford Peak Lane reported that Toll Brothers told him he was out of warranty and so he paid for the deck repair himself. Mr. Bac stated his biggest concern was that the CPHA had not notified him that there was a problem with the decks.

Art Denney of 6171 Massive Peak Circle reported that he was unaware of the deck problem. Mr. Denney stated he had no notification from either Toll Brothers or the CPHA. Mr. Denney reported he bought his home from Toll Brothers and closed on it in March of 2007. In April of 2007 he noticed that his deck was "mushy" and a contractor he hired found that the deck support had been painted and was rotting out from underneath. Mr. Denney reported he had the contractor replace all of the untreated, rotted wood with treated wood. Mr. Denney asked that the CPHA inform all of the people involved to take a look at their deck to make sure that it is safe and structurally sound.

Director O'Connor stated that because of the possibility of the CPHA being included in this litigation, the Board cannot make any commitments or representations until we speak to outside counsel first.

Resident Christine Horowitz reported that homeowners should know that the date of occupancy is not when the warranty begins, but rather on the date the home was sold to the first owners. Mrs. Horowitz stated that Toll Brothers cannot hide behind the warranty because it is a safety issue. Resident Andrea Bailey of 6186 Massive Peak Lane stated that we need support from the CPHA because we cannot afford to do this on our own.

Director O'Connor reported that the Board will commit to the residents that they will speak to legal counsel about this issue. Director O'Connor asked that all residents in attendance on this issue make sure they are signed up on the sheet so they can be informed.

Resident Stacy Ingram of 5074 Covelo Drive appeared before the Board to discuss the issue of mitigation from the Meadows Parkway. Ms. Ingram stated she has lived in the Village for two years and the back of her home faces the off ramp at the corner of Santa Fe and Meadows Parkway. Ms. Ingram stated that some of the mitigation is nice but other mitigation has not been done, and the ramp is higher than expected and the noise is getting worse. Ms. Ingram asked the Board if a noise study has been done and if more mitigation can be done to block both the view and the noise. Ms. Ingram reported

she does not spend time on her deck because the roadway is loud, noisy and ugly. Ms. Ingram asked if additional vegetation could be added to the top of the hill behind her home.

Regarding the mitigation project, Mr. Larson reported the following:

- This issue is included as an item on today's agenda for the Board to discuss if there should be additional mitigation work done.
- The planned mitigation is almost complete, and at that time will have exhausted all of the original funding for the project.
- There was a sound study done by the Town of Castle Rock as part of the Federal Highway Administration mandated Environmental Impact Study for the North Meadows Extension project and the noise level recorded did not meet the limit for sound mitigation.

The Board asked Mr. Larson to report back to the Board when all mitigation efforts have been completed and at that time they will evaluate the possibility of additional measures.

Resident Kevin Leung of 890 Good Hope Drive appeared before the Board to discuss the issue of development outside of the Village and on the Lagae property. Mr. Leung stated he has lived in the Village for 21 years and thanked the Board for their service. Mr. Leung reported that over the last few days he and many of his neighbors in the Summit have been concerned about the possible re-zoning of a section of the Lagae development to allow for a storage facility and a car wash. Mr. Leung reported that he recently started a Facebook group and is active on Nextdoor.com to discuss the issues of development along the Village borders; he and the other residents want to understand how this Board will act in the future to inform our community about surrounding development.

Mr. Leung stated that he appreciates what the Board does for the community. The Board thanked Mr. Leung for coming to the meeting and stated that Mr. Larson will respond to him on behalf of the Board.

Director O'Connor stated that the Village is unincorporated and not a government entity, and as such we are not necessarily considered a referral agency by other municipalities. Director O'Connor stated the Board is going to have discussions about how we can extend our vigilance going forward so we are better informed. Director O'Connor stated that every one of us here in the Village is somewhat frustrated about the intrusion of urbanization happening around us. Director Battin thanked Mr. Leung for his thorough review of the issue, and stated that in the referral process from the City of Castle Pines there was an email sent by the City of Castle Pines to Mr. Larson that

either ended up in spam or a junk box, and that was the disconnect in receiving the updated information from the City of Castle Pines.

Regarding the City of Castle Pine's Town Council meeting to consider the re-zoning request for a portion of the Lagae property, Mr. Larson reported the following:

- The Lagae Development has been designed and zoned within the City of Castle Pines since 2008; prior to that the project originated within Douglas County.
- The developer for the Lagae property ultimately wanted a greater density so they applied to become a part of the City of Castle Pines. Mr. Larson and Director Battin then became very involved with the City of Castle Pines and were able to secure some concessions relative to the developer's density request.
- The most recent re-zoning request before the City's Town Council would be an amendment to what was originally approved for that section of the Lagae development. Sam Bishop from the City of Castle Pines sent out an email for the referral however that email was not received.
- Once we learned of the re-zoning request we sent out a special email blast to the community and the attendance by the Village was significant.
- The City of Castle Pines Town Council voted down the proposed re-zoning proposal.
- This issue is now on our radar and we will stay vigilant to stay informed.

Resident John Black of 1062 Cypress Way asked the Board if a committee or a dedicated group could be set up to discuss the impact of urbanization outside of our community. Mr. Black stated there is a significant impact on schools with increased growth, our "front porch" is increasingly becoming more and more undesirable given the recent request for a car wash and a storage area, and we should explore the possibility of other exits on the north side other than Gate 5 to provide better access to the schools in the City of Castle Pines.

Director Battin stated the Lagae property is two separate development areas: the southern property adjacent to the Village is called the Castle Pines Town Center, the northern area by King Soopers is called Lagae Ranch. Director Battin added the following:

- Construction activity is ongoing in the Lagae Ranch area, recently renamed Castle Pines Valley. The re-zoning request for Planning Area 7 is part of this development.
- The new Lagae road running north and south will connect Happy Canyon Road to Castle Pines Parkway.
- The northern part of the Town Center development (north of the realigned Lagae roadway outside Gate 5) was sold to various home builders for single family home construction. Construction should be getting underway within a year or two.

Director O'Connor reported we conducted a national search of other covenant controlled communities and discovered that there are no other communities that provide

as many as five points of access. Director O'Connor stated the Homes Association will not be launching another effort to install an additional gate house and staff on Daniels Park Road.

Director Skinner stated the Board is going to work towards becoming better informed and proactive on the issue of growth and development bordering our community. Director Cooper asked if Mr. Black would be willing to put together a draft charter as to what he wants this special group to be tasked with.

The Board thanked all of the residents for coming out today and presenting their concerns regarding the Lagae development project.

Resident Amy Shanahan of 1121 Northwood Lane appeared before the Board to request that the Homes Association become a member of The City of Castle Pines Chamber of Commerce. Ms. Shanahan reported that she works for both the Chamber and for the Castle Pines Connection newspaper.

Regarding the City of Castle Pines Chamber of Commerce, Ms. Shanahan reported the following:

- The Chamber is working towards bringing local businesses in contact with the community, and because the residents of the Village have a significant impact on local business, the Chamber considers the Village to be a part of the Castle Pines community.
- The Chamber is also creating an economic development committee and would like to include the Homes Association.
- The Chamber was the first to notify everyone about the request to re-zone a section of the Lagae development.
- The Chamber's Economic Development committee will be vital in having a say as to what type of businesses come to this area.

Ms. Shanahan stated the Village should market the community through a promotional video that can help to showcase Castle Pines Village, and suggested the name of a production company that is a member of the Chamber. Ms. Shanahan stated she will send the Board some examples of their promotional video work. Ms. Shanahan provided a list of membership levels to the Board.

V. ACTION ITEMS

A. Guaranty Bank Account Resolution (See Tab #2 of the May 2017 Board Package)

Mr. Larson reported that Guaranty Bank, as a condition of the Homes Association banking relationship with the bank, requires that the subject resolution be adopted by the Board of Directors.

Motion Upon motion duly made and seconded, the Board unanimously approved the Corporate Authorization Resolution as presented.

VI. INFORMATION/DIRECTION

A. North Meadows Extension (NME) Mitigation Update

Mr. Larson presented a slide presentation (*see attached handout of slides*) and reported the following:

- In October 2014, we held a community forum that had an attendance greater than what we typically have at our Annual Meeting.
- The CPHA supported the need for an additional egress for the Meadows community to I-25 in order to keep traffic from flowing over onto Happy Canyon Road. In 2010, the Town of Castle Rock selected the Castlegate option over the Atrium option for the new roadway. The Board at the time redirected their efforts from a "how do we prevent it" mode to a "how do we mitigate it" project.
- Funding for the mitigation measures came from three sources:
 - Douglas County dedicated nearly \$700,000
 - The Town of Castle Rock paid \$111,000 for property belonging to CPHA through the condemnation process.
 - The Town of Castle Rock paid nearly \$2M to purchase the 13-acre parcel that was rezoned to open space and placed in a conservation easement.
 - The CPHA contributed nearly \$300k to the mitigation project.
- The outcomes from the mitigation project included a wall installed at the corner of Santa Fe and Meadows Parkway, raising the berms, 160 trees planted for screening, and the 13-acre parcel was re-zoned to open space with a conservation easement - berms were installed and trees were planted there as well.
- The mitigation work still in progress includes additional berms to be installed and trees to be planted at the "pinch point" and along Castle Pines Drive South.
- The emergency access gate on the south side has been installed with the road to be completed this summer.
- In response to concerns over security as a result of trespassing, a perimeter fence on the south side of the community is currently being installed.

Mr. Larson stated we would need an additional 20 trees to help with screening those homes on Covelo that face the northbound off ramp from Santa Fe; however, even with the installation of additional trees they will not completely block the view of the ramp.

Mr. Larson reported that trees placed on the west side of the road and closer to the berm along Santa Fe cannot be installed with a spade truck because the truck cannot get up to that area, and must instead be hand dug which would make them 16 foot trees (instead of 20 foot trees) and more expensive to install.

Director Battin asked if deciduous trees can be installed on the other side of the road to block the ramp. Mr. Larson stated you cannot get trees tall enough to block the view because the houses sit so high and the berm where the trees will be planted is much lower. In addition, deciduous trees will only screen the view for a few of months a year because they lose their leaves in the winter. Director O'Connor stated we should maximize our efforts by working with the Village Lake Sub Association.

The Board stated they would look at where they can make further enhancements after all of the planned mitigation is complete. The Board asked Mr. Larson to develop a plan for additional screening in this area and report back to Board.

VII. MANAGEMENT/LIAISON REPORTS

A. Metropolitan District Items – Jeff Coufal

Mr. Coufal reported the Metro District's Board of Directors elected the following Board positions: Dick Munday, President; Craig Sundquist, Vice President; Bob Tomz, Treasurer; Joe Gschwendtner, Director; and Karl Krueger, Director.

B. General Manager – Mark Larson

Mr. Larson reported that resident Joe Gschwendtner would be presenting to the Board on the issue of documenting the history of our local community. Mr. Gschwendtner provided the Board with a handout entitled "Wildcat Historical Foundation: The Case for Founding and Funding" (*see attached copy of handout*). Mr. Gschwendtner asked that the Homes Association participate in a project to install approximately 15-20 markers within our community for the purpose of designating historical areas. Mr. Gschwendtner stated he is looking for both support and possible funding from the CPHA to mark the spots were ranches, homes and an airplane beacon once stood. Mr. Gschwendtner stated these markers will help promote our community by providing both enhancement and beautification. Mr. Gschwendtner added that there could also be a mobile phone application, an "app", created that would help to find these historical places. Mr. Gschwendtner stated he does not yet know what the cost would be to produce and install these markers. Director Cooper asked Mr. Gschwendtner if he could provide to the Board a map and a description of what would be marked and where. The Board thanked Mr. Gschwendtner for presenting his project, stated this is a good idea, and

added that the Board will consider supporting him in his efforts upon receiving additional information on his plans.

Mark Larson, General Manager of the Castle Pines Homes Association presented the Manager's Report, (See *Tab #3 of the May 2017 Board Package*), presented several slides (*see attached handout of slides*), and reported the following:

- The Canyon Club and Summit Club Pools open this Saturday, May 27.
- The opening dedication event for the new Canyon Club Pavilion facility will be on Saturday, May 27 from 11 am to 2 pm, with dedication remarks at 11 am. There will be a barbecue with Mr. Larson and members of the Parks and Recreation Committee staffing the grills.
- Art Griffith is scheduled to participate in the next Coffee with the General Manager event in late June.

The Board discussed the Gate 4 remodeling project and agreed to postpone this project until next year due to the work being completed on Happy Canyon Road this summer.

Mr. Larson discussed with the Board a draft letter to prospective Committee members. Director Skinner requested the preamble include "if you are a member of the Committee you will be included in the CPHA's D&O coverage". Director Cooper suggested that the letter also include the option to submit their own bio with the requested information included.

C. Emergency Services (ES) Report

Rick Plotke, Director of Emergency Services, presented the Emergency Services report. (See *Tab #3 of the May 2017 Board Package*).

Director O'Connor presented a certificate to Gate Officer Tammy Schleppy in recognition as Officer of the Quarter. Director O'Connor reported Ms. Schleppy works at Gate 1 and has been with our organization for four years. The Board thanked Ms. Schleppy for her excellent service to the community. Director O'Connor noted that this is Ms. Schleppy's second time in receiving this award.

Chief Plotke reported the following:

- There were 629 incidents with 13 medical assists in the month of April.
- There were 106,000 gate entries.
- Regarding staffing levels: since January we have not run at full strength. Several candidates are currently in the hiring process for the Gate Officer position and the Patrol Officer position.

Director Jacob reported the Long Range Planning and Finance Committee (LRP&F) discussed the hiring and turnover of staff in ES and determined this is one of the most important issues we have right now. Mr. Larson reported there is a resident in our community that used to be the Human Resources Director for Terra Firma. Mr. Larson asked him if he would help us, as a volunteer, to chair a working group designed to evaluate our hiring and retention practices. The resident stated that he is willing to help us. Mr. Larson reported the Metro District is having the same problem of hiring and retaining summer help.

Director Cooper reported the Emergency Services Committee (ESC) has been working with Chief Plotke on this issue and has determined that this is not a money problem, but rather an inability to find good qualified candidates. Chief Plotke reported that three patrol officers will be leaving us within the next 45 days for another job opportunity. Director Jacob stated we need to do a better job of getting candidates in the door.

Director O'Connor stated this is a difficult process so we need to be open to creative ideas – including providing incentives to stay. Mr. Larson stated we need to get a group together under the ESC to help develop ideas and suggestions.

Chief Plotke reported the letter that was mailed to residents regarding connecting their home alarm system has generated significant response.

Motion

Upon motion duly made and seconded, the Board unanimously approved to adjourn the May Board of Directors Meeting at 11:55 am with the intention of resuming the meeting following an Executive Session to meet with legal counsel concerning an upcoming mediation session.

The Board meeting was called back to order at 12:50 pm

Director Skinner left the Board meeting following Executive Session due to another scheduled commitment.

VIII. FINANCIAL REPORT: APRIL2016

Mr. Larson presented the April 2017 Financial Report and reported the following: (See Tab #4 of the May 2017 Board Package).

Capital Budget:

- The Gate 4 remodeling project will be re-labeled as a 2018 project.
- The Board asked Mr. Larson to schedule a work session to discuss upcoming financial and legal items that will impact the 2017 budget.

Balance Sheet:

- We have two Certificates of Deposit coming due in June. The Long Range Planning and Financial Committee is looking at options for reinvestment.

Income Statement:

- We did some landscaping work at a foreclosure home in the Summit and we were able to recover our expenses from the bank that is now the owner of the home.
- Regarding Community Operations Expense: we added an additional mutt mitt station to the Village Lake area to help take some of the overflow from another station in the area.
- Regarding Emergency Services Labor Expense: we are running a positive variance due to a labor shortage.

Chief Plotke presented the Financial Report for Emergency Services Operating Expenses, and reported the following:

- Regarding Gate M&R expense: a faulty gate loop at Gate 4 was replaced.
- We have still had no response from IREA to recover expenses incurred to repair gate equipment after a power surge occurred earlier this year.
- Regarding Fuel Expense: we have exceeded our budget for the month but anticipate to be positive for the year.

The Board discussed purchasing gas at Sam's Club. Mr. Larson replied that we have Conoco gas cards assigned to each car; to use Sam's Club we would have to issue personal credit cards.

Mr. Larson continued the Financial Report, and reported the following:

- Regarding Village Lake Operating Expense: when we did not renew our agreement with Apollo Aquatics we had some outstanding invoices that have recently been paid.
- Village Beautification: this category reflects labor costs for the flower installation.

Motion Upon motion duly made and seconded, the Board unanimously approved to accept the April 2017 Financial Report as presented

Mr. Larson reported that per Director Cooper's request for more information on the Aged Owner's Balance report, he and Ms. Tilton went through the report and annotated where each account is relative to the account's standing in the collection process.

IX. REVIEW OF BOARD DIRECTIVES

Mr. Larson provided a review of the tasks/directives assigned to him by the Board during the meeting:

1. Discuss with outside counsel creating a video (and at our Fourth of July event) for promotional use.
2. Work with the ESC to develop a plan to encourage and enforce alarm connection.
3. Request for committee on regional planning and look at effects of surrounding development.
4. Set up a work session with the Board to discuss the emergency evacuation roadway, the Toll Brothers deck issue, and the Castle Pines Chamber membership.
5. Work with the ESC on attracting new hires and retaining employees.

IX. IMPORTANT MEETING DATES

Mr. Larson reported the June 2017 Board Meeting will be held on Thursday, June 22, in the Castle Pines Homes Association Conference Room located at 688 W Happy Canyon Road; 7:00 am., Executive Session, 8:00 am., Regular Meeting.

The next Castle Pines Metropolitan District Board meeting will be held on Wednesday, June 28, 2017 at 7:30 a.m.

X. ADJOURNMENT

Motion

Upon motion duly made and seconded, the Board unanimously approved to adjourn the May Board of Directors Meeting at 1:22 pm.

Respectfully Submitted by,

Lisa Goodwin
Senior Administrator