

**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, June 22, 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, Compliance Coordinator, Kat Egan and Senior Administrator Lisa Goodwin.

OTHERS PRESENT: Castle Pines Metropolitan District Manager Jeff Coufal; residents: Roger Bailey and Lisa Bartmann.

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 8:03 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. MAY 2017 MEETING MINUTES

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

Motion

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

Director Battin left the meeting at 8:10 am due to a personal commitment.

IV. HOMEOWNERS REQUEST TO BE HEARD

Resident Roger Bailey of 6186 Massive Peak Circle appeared before the Board to discuss the issue of the failing deck on his home built by Toll Brothers. Mr. Bailey stated that he would wait for this discussion to occur as scheduled on the agenda. Mr. Bailey stated that other residents are also planning to attend today's meeting to hear about and discuss this issue on the agenda.

V. ACTION ITEMS

A. Nomination to the Emergency Services Committee

(See Tab #2 of the June 2017 Board Package)

Mr. Larson reported that resident Lyn Krause has been nominated for membership to the Emergency Services Committee.

Motion Upon motion duly made and seconded, the Board unanimously accepted the nomination of resident Lyn Krause for membership on the Emergency Services Committee.

B. Dispute Resolution Policy

(See Tab #3 of the June 2017 Board Package)

Regarding the draft Dispute Resolution policy, Mr. Larson reported the following:

- The Colorado Common Interest Ownership Act (CCIOA) encourages adoption of a dispute resolution policy that provides a process to resolve disputes with homeowners and others through negotiation and mediation to avoid the necessity of litigation wherever possible. While the Association is not subject to this section of CCIOA, our attorney recommends adoption of such a policy.
- The document included in the Board packet was prepared by our attorney and adopts protocols that make use of negotiation and mediation in resolving disputes between the Association and homeowners arising from claims asserted by homeowners. The policy would not apply to claims asserted by the Association, including the Association's efforts to collect monies due or to remedy violations of the Association's declaration of covenants and other governing documents.

Director Cooper suggested the policy include the requirement that the homeowner be required to pay for the Homes Association's attorney fees should the homeowner fail to attend the mediation hearing. Director Cooper noted the policy refers to an "enforcement policy" and the document should therefore cross reference our Rules and Regulations document. Mr. Larson stated this policy does not have to go out to the community for comments as it is an amendment to our existing rules. The Board

decided to defer making a decision on this issue until next month in order to allow for input from Director Cooper.

C. Response to Lagae Ranch Planned Development, 2nd Amendment

(See Tab #4 of the June 2017 Board Package)

Mr. Larson presented a slide presentation (*see attached handout of slides*) to include a drawing of the Lagae project showing the Castle Pines Valley development. Mr. Larson reported the following:

- The property is currently zoned to allow for an extension of the apartment complex located behind King Soopers near Castle Pines Parkway in the City of Castle Pines. The developer for the Castle Pines Valley project is asking the City of Castle Pines for a modification to allow for single family homes in addition to the apartments. However, this rezoning request is not a guarantee as to what the developer will build there as they are still evaluating their options.
- There is no downside to the Village should this modification/amendment to the current zoning be approved.
- The email received from Sam Bishop, the Planning Director for the City of Castle Pines, regarding this issue is included in the Board packet along with the proposed response from our Board.

The Board thanked Director O'Connor for creating the response. The Board stated the original response letter we sent in 2011 to the proposed Lagae development should be included in our response.

Motion Upon motion duly made and seconded, the Board unanimously adopted the response letter as presented to include the attachment of the 2011 letter.

D. Establishment of Banking Relationship

(See Tab #5 of the June 2017 Board Package)

Mr. Larson reported he attached the CPHA Investment Policy to the resolution as a reference document for the Board. Director Jacob reported this investment vehicle will have a 13-month duration, and the First American Bank Certificate of Deposit in the next resolution has a 24-month duration. Director Jacob reported that both investment options are aligned with our laddering efforts for investment accounts.

Director Cooper asked if the bank has their own resolution that we need to adopt. Mr. Larson reported that neither bank has asked for our Board to pass one of their resolutions.

Motion Upon motion duly made and seconded, the Board unanimously approved the resolution as presented to establish a banking relationship with the Credit Union of Denver

E. Establishment of Banking Relationship

(See Tab #6 of the June 2017 Board Package)

Motion Upon motion duly made and seconded, the Board unanimously approved the resolution as presented to establish a banking relationship with First American State Bank.

F. Capital Request Emergency Ingress/Egress Roadway

(See Tab #7 of the June 2017 Board Package)

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

- The establishment of an emergency evacuation route was originally proposed several years ago in a Wildfire Protection Plan. The Plan identified that the only exits from the south side of the community are via Happy Canyon Road. If an emergency existed that rendered Happy Canyon Road unusable, residents on the south side of the Village would not be able to evacuate.
- The road surface of the emergency gate on the north side of the Village that leads out to the City of Castle Pines is asphalt, and it has been there since 2003.
- The new emergency access gate leading out to Castle Rock Parkway has pillars and a metal gate in place, and the roadway has been graded but not paved.
- The proposal presented provides for the roadway to be done in a brown sand colored concrete to blend in with both the pillars and the surrounding terrain. The cost for coloring the concrete is approximately a 10% upcharge to the project.
- The Metro District will do the work to level out the area that is right inside of the gate and they will also plow the road and maintain it.
- Included in the project request is a 10% contingency for issues that may occur.
- We will also have to work with the engineering firm that did the study to complete the testing needed to certify to South Metro Fire and Rescue that the emergency gate was installed according to plan.
- This proposal has not yet been reviewed by the LRP&F Committee. We would like to have this project completed before the end of July.

Director Cooper stated he supports the proposal based on aesthetics and future maintenance but will abstain from voting as his home directly faces the road.

Director Jacob stated he opposed the proposal for the following reasons: (1) it should not look different from what we have at the other emergency gates, (2) it is not a good investment of our money as it will cost \$40,000 more than asphalt, and (3) several residents have indicated to him that they prefer the road be asphalt as it matches the roads that are already in the Village.

Director O'Connor asked if we would be circumventing our standard procedure for approval of a capital request by voting on it without first receiving input from the Long Range Planning and Finance Committee. Mr. Larson stated that the information on pricing was obtained from Douglas County after the Long Range Planning and Finance Committee meeting and that delaying could result in missing the opportunity with the pricing.

The Board stated they would like to wait to make this decision in July in order to further consider the asphalt option. Mr. Larson asked for approval to do the asphalt not to exceed the asphalt pricing reflected as an alternative in the Capital Request so that the project would not be delayed. Director Cooper asked Mr. Larson to find out if the County would enforce a warranty claim on our behalf, since we would not have a direct, contractual relationship with the sub-contractor. Mr. Larson stated he would discuss this with Douglas County if the project ended up being managed by them.

Motion Upon motion duly made and seconded, the Board approved by a vote of three in favor, one opposed (by proxy) and one abstained the Capital Request not to exceed the amount of \$52,890 for the installation of an asphalt roadway connecting Castle Pines Drive South and Castle Rock Parkway, to be used in the event of an emergency evacuation, or access of emergency vehicles to of the south side of the Village.

VII. MANAGEMENT/LIAISON REPORTS

(Advanced on the Agenda)

A. Metropolitan District Items – Jeff Coufal

Mr. Coufal reported the following:

- The Metro District is finishing up the road resurfacing project – there is only one more area to be completed (in the Starbuck division) and it will be done by the end of the week. There were some communications issues this year with the community that they will work to resolve for next year. After next year's work the Metro District will have completed all of the roads in the Village.

- Currently the Metro District is exploring several options including the Summit Park playing field for the installation of an underground water storage tank. More information will be provided on this project at a later date.

B. General Manager – Mark Larson

Mark Larson, General Manager of the Castle Pines Homes Association presented the Manager's Report, (*See Tab #8 of the June 2017 Board Package*). Mr. Larson presented several slides (*see attached handout of slides*), and reported the following:

- Mr. Larson attended two meetings last week of the Douglas County Commissioners. Commissioner Thomas raised a proposal to divert tax funds from the Douglas County Sheriff's Office operating budget to roadwork improvements - specifically road and bridge repair and improvement. The current tax allocation to the DCSO was established approximately 20 years ago. It was noted that the road projects proposed by Commissioner Thomas did not include sound mitigation work, instead the projects were focused on expanding I-25 through Castle Rock and south of Castle Rock. The majority of the people that spoke at the meeting were not in favor of Commissioner Thomas' proposal. The Commissioners had to vote on whether to put this measure onto the ballot. With a vote of two to one the County Commissioners voted to not put the measure on the ballot.
- Mr. Larson introduced Kat Egan as the community's new Compliance Coordinator. Ms. Egan will be moving from a Patrol Officer position with Emergency Services, however she will continue to maintain her EMT certification. Ms. Egan will work out of Gate 1 and she will be responsible for the following activities: (1) assist in evaluating our facilities for maintenance needs, (2) night lighting checks on existing homes, (3) Certificate of Occupancy inspections and night lighting approval for new homes, (4) New Homeowner Briefings, and (4) Enforcement Committee letters.
- Mr. Larson reported he did the cash collection at the Electronics Recycling event held earlier this month. The participation/turnout for the event was less this year than the previous year.
- This Saturday the Homes Association will hold our annual free document shredding event from 9 am to 11 am in the parking lot of the Village Lake Fitness Center.
- The Fourth of July event will begin at 8 am with a 5k fun run at the Canyon Club. The parade will start at 11 am at the Fitness Center, and the barbecue picnic at the Canyon Club will begin at 11:30 am and will be catered by Flying Horse Caterers from Castle Rock. There will also be a shaved ice truck and a photo booth for residents to enjoy. We will include a notice in the email blast before the event that there will be pictures and video taken during the Fourth of July event so that people are aware that we will be doing this promotional work.

- Mr. Larson and Chief Plotke are putting together a working group to include representatives from the ESC, LRP&F, and P&R Committees, to evaluate and make recommendations to our employee hiring and retention plan.

The Board commented that our seasonal landscaper Karen Young has been doing a fantastic job on the flower design, arrangement and installation in the community. The Board asked Mr. Larson to consider options for additional recognition of Ms. Young's accomplishments.

VI. INFORMATION/DIRECTION

A. Toll Brothers Deck Issue

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

- Since the May Board meeting Mr. Larson and Director O'Connor have met with legal counsel to discuss how the Homes Association could assist the residents affected by this issue.
- The Homes Association has provided 39 building permit letters for the rebuilding of decks; however if other repairs were made they did not come before the DRC.
- Last week Mr. Larson met with the homeowners of seven of the homes affected by this issue.
- The Homes Association is able to provide:
 - Upon request copies of the Design Review Committee file for each home having issues with their exterior deck.
 - Upon request copies of the building plans for homes having exterior deck issues if the Homes Association has a copy of those building plans.
 - Use of the Homes Association Community room by residents who wish to have meetings with other affected homeowners.
 - Assistance with mailing to other homeowners in the Summit area that may be affected by the exterior deck issue.
- The Homes Association will not file suit on behalf of the owners in this case.
- There is no documentation which states the Homes Association required Toll Brothers to paint the under decks on the homes affected.
- The homeowners requested we ask Toll Brothers to do a mold inspection/evaluation on each home they have built in our community.
- The majority of homeowners participating in the discussion are beyond Toll Brothers' 10 year warranty, and several are subsequent owners.

Mr. Bailey stated that it has been approximately 90 days since discovering mold in his home, and he wanted to know why the Homes Association did not ask Toll Brothers

about this problem when the deck issue first came to light about eight years ago. Mr. Bailey stated that Toll Brothers is blaming the Homes Association for making them paint the underside of his deck. Mr. Larson stated we have not heard from Toll Brothers on this issue. Mr. Bailey reported he is living in a mold infested home, and has formally written to Toll Brothers that he has mold in his home as a result of the deck installation. Mr. Bailey asked that the Board provide a letter to the homeowners stating there was no DRC requirement to paint the deck. Mr. Bailey added that there have been decks that rotted that were not painted. Mr. Bailey reported the very last home warranty for the Toll Brothers development will expire in August of this year.

The Board suggested the residents organize, either individually or in a single group, and send a letter to Toll Brothers providing a statement of the conditions that exist. The Board agreed to discuss with the Association's counsel the best way to create a letter for the homeowners regarding this issue.

B. Annexation Request Decision

(Please refer to the Board minutes from April 2017 for previous discussion on this issue)

Mr. Larson reported that at the April Board meeting resident John Seiber appeared before the Board to request the Homes Association annex in a piece of property that his son-in-law is planning to develop. This annexation issue is still being evaluated by the Board and no decision has been made.

VII. MANAGEMENT/LIAISON REPORTS

C. Emergency Services (ES) Report

Rick Plotke, Director of Emergency Services, presented the Emergency Services report. *(See Tab #8 of the June 2017 Board Package).*

Chief Plotke reported the following:

- There were 751 incidents with 10 medical assists in the month of June.
- There were 126,000 gate entries, with approximately 44,000 guest entries.
- Regarding staffing levels: two employees resigned for another job, and Corporal Nowak was promoted to Sergeant.
- After consideration by the ESC, and following approval of the expenditure by the LRP&F, we have started to utilize the paid service from Indeed.com to gather candidate resumes. As a result of using the paid service we received over 75 resumes last month.
- The number of alarms is up dramatically from April to May; perhaps there is a

correlation between this increase and the letters that were sent out concerning the connection to Emergency Services, along with the notices in the email blast and the Village Reporter, to encourage residents to arm their home alarm system.

- There were three vehicle accidents in the Village in May – a school bus “high centered” at the Canyon Club, a contractor/guest (cleaning person) was driving too fast and hit a golf club maintenance crew in their golf cart – two individuals were treated with minor injuries, and a vehicle at Gate 1 backed into another vehicle.
- Traffic enforcement logged 75 hours for May.
- Chief Plotke met with dwellingLive representatives to resolve some operational issues with the equipment. Overall it has been a good relationship with dwellingLive, and they have been very responsive to our needs and requests.
- We are hoping to have improved internet speeds at the gates by August.

The Board discussed placing messages on Nextdoor.com. Mr. Larson reported the Communications Committee will discuss this issue at their next Committee meeting in July. The Board stated that the Traffic Location report is no longer necessary for the Board packet.

VIII. FINANCIAL REPORT: MAY 2017

Mr. Larson presented the May 2017 Financial Report and reported the following:
(*See Tab #9 of the June 2017 Board Package*).

Capital Budget:

Mr. Larson handed out an updated Capital Projection report (*see attached handout*). Director Jacob reported the report was updated as there were a couple of items missing including the approved Summit Club pool heater replacement and some minor things for Gate 3.

Balance Sheet:

- There are two Certificates of Deposit coming due this month. The two banking resolutions approved by the Board today will take care of this issue.

Income Statement:

- We have a positive variance under Design Review expense due to the reimbursement we received from the bank/owner of a home up in the Summit area for the landscaping work we did at that home last year.
- We received our final bills for snowplowing.
- Emergency Labor Expense reflects a positive variance due to the staff shortage. Pay increases and sick leave are paid out in July.

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

- Two vehicles needed some minor repair work.
- IREA has notified us that they would not reimburse us for damages to Gate 3 that were created by an electrical “surge” earlier this year. IREA claimed that as soon as they were aware of the problem they fixed it. Director Cooper stated it might be worth speaking with our legal counsel to see if there is liability on the part of IREA and what it might be worth.
- We hosted a CPR class for the Village at an expense of \$800.
- A range fee expense was paid in the amount of \$375.00.

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

- Front Range is billing us more efficiently than our previous pool service contractor, who used to bill us all at once at the end of the year. The pool expense categories also reflect the costs to open up the pools for the season.
- Due to excessive use and dumping of construction materials and other trash items around the dumpster, we have contracted with Waste Management for six day a week pickup of the dumpster at the CPHA building.
- Forest Management expense includes the cost for a consultant to review several areas in the Village for Mistletoe.

The Board discussed the Aged Owner Balance report. Director Cooper asked how many residents are using the ACH payment option. Ms. Tilton reported that ACH payments are received by the 10th of the month, and there are approximately 1,200 homes that write a check, or use the bill pay option with their bank, instead of using the ACH payment option.

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

IX. REVIEW OF BOARD DIRECTIVES

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

1. Work with Director Cooper regarding the Conflict Resolution policy.
2. Recognition of Karen Young for her exceptional landscaping work in the community.
3. Work with Counsel to draft a letter to Toll Brothers regarding deck painting and mold, and the possibility of providing copies to the affected Homeowners.

4. Research with legal counsel on the possibility of pursuing reimbursement from IREA.

IX. IMPORTANT MEETING DATES

Mr. Larson reported the July 2017 Board Meeting will be held on Thursday, July 27, in the Castle Pines Homes Association Community room located at 688 W Happy Canyon Road; 5:30 pm - Executive Session, 6:30 pm - Regular Meeting.

The next Castle Pines Metropolitan District Board meeting will be held on Wednesday, July 26, 2017 at 7:00 a.m.

X. ADJOURNMENT

Motion

Upon motion duly made and seconded, the Board unanimously approved to adjourn the June Board of Directors Meeting at 11:20 am.

Respectfully Submitted by,

Lisa Goodwin
Senior Administrator