

Castle Pines Homes Association

Board of Directors

Executive and Regular Meetings

Castle Pines Homes Association
688 W Happy Canyon Road Castle Rock, CO 80108
Friday, November 19, 2014

ATTENDEES: Directors Linda Battin, President; Terry O'Connor, Vice President; Chuck Skinner, Secretary; Len Jacob, Treasurer; Al Dugan, Director. Present from the CPHA staff: General Manager Mark Larson, Accountant Carol Tilton, and Administrator Lisa Goodwin.

OTHERS PRESENT: Paul Dannels, Metro District General Manager; Jon Gray, Metro District Engineer; Douglas County Engineer, Sean Owens; Residents: Dave Mowatt, Kris Henry, Dave Butz, Steve Marx, Ron Page, Don Somsky, Brian Hebbard, Larry Bundy, and Tim Ostrowski.

EXCUSED: N/A

MEETING AGENDA: See attached.

Executive Session: The Board of Directors met in 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 a.m.

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. MINUTES

(See Tab #1 of the November 2014 Board Package)

Motion Upon motion duly made and seconded, the Board approved the October 2014 Board of Director meeting minutes with corrections as noted.
-Director Al Dugan abstained due to not being present for the majority of the October Board meeting.

IV. FINANCIAL REPORT

Director Jacob reported the Long Range Planning and Finance Committee (LRP&F) went through a detailed analysis of all delinquent accounts. The LRP&F determined that we should add \$10,000 to our bad debt expense.

Mr. Larson presented the October 2014 Financial Report and reported the following:
(See Tab #2 of the November 2014 Board Package)

- All investment accounts are presently at or below the \$250,000 FDIC limit.
- Regarding the Balance Sheet: there is a CD coming due soon at State Farm bank. The LRPF discussed reinvesting in a 1.5%, 36 month CD. The likelihood of needing the money early is highly unlikely. Typical penalty fees for early withdrawal are usually 3 month's interest.
- Regarding the Income Statement: the positive variance in assessments from cluster lots is due to the Adamo Development Company paying assessments on the former Paradise lots that were purchased by Adamo.
- DRC fees are anticipated to be positive for the year.
- Administrative Labor Expense, Overtime Expense includes the time spent by Linda Matthews and Lisa Goodwin to assist with the preparation and production of October's Community Forum event. The negative overtime variance expense for the year is due to utilizing the summer help for the fitness center re-opening.
- Regarding Bad Debt Expense: the LRPF is proposing to add \$10,000 in additional bad debt expense.
- Meals Expense includes the expense of \$200 for the Parks and Recreation Committee's luncheon, the reception for the new Chief of ES, and lunch the Board paid for at the Cherokee ranch during the joint meeting with the Metro District.
- Payroll Processing Fees Expense includes three payroll periods for the month of October.
- Uninsured Losses Expense includes the expense occurred to power wash a resident's driveway after Emergency Services inadvertently allowed building materials to be delivered to their home and left on their driveway.
- ES Labor Expense includes the new Chief's salary and the addition of new employees, thereby resulting in a negative variance for the year.
- ES Operating Expense, Equipment M&R Expense includes the cost to repair equipment at the gates.
- Vehicle M&R Expense includes some recent repairs to the patrol vehicles. The new patrol car has been ordered. This category will be slightly negative at year end.
- Training and Continuing Education Expense includes the cost to enroll three patrol officers in EMT school. The school is run by South Metro Fire District and their fees are lower than what was paid in the past to HealthSouth.

- Design Review Operating Expense is on budget.
- Village Lakes Labor Expense is on budget.
- We have contacted InTandem to find out why our Worker's Compensation expense has increased.
- Village Lake Operating Expense is slightly over in Utilities paid because of the pool running through the month of September. Cooler evenings make the boiler run more frequently.
- Canyon Club Operations Expense, Building M&R Expense includes the cost to repair the wiring in the parking lot lights.
- Summit Club Expense is close to budget. The slightly negative variance is due to some plumbing issues fixed recently. The bathrooms at the summit club run year round.
- Parks and Recreation Events Expense will come in on budget for the year.
- Village Beautification Expense includes the cost to re-do the landscaping near the pool at the Canyon Club.
- Forest Stewardship Committee Expense does not yet reflect the costs incurred to retain forestry consultant Mike Bahm. Mr. Bahm has not yet billed us for his services.

Mr. Larson reported he spoke with resident Don Somsky about our building maintenance and repair, and the possibility of establishing a committee to help make determinations on future projects. Mr. Larson reported he will come back to the Board at either the December or January meeting with recommendations on how this committee would be structured and operate. Mr. Larson stated the committee should be made up of experts with the right expertise, all prospective candidates must be Board appointed to the committee, and all committee members should be covered by the CPHA's D&O carrier so they are protected should the CPHA be sued as a result of their advice.

Director Dugan asked why our Vehicle M&R Expense is up substantially this year given the price of gas has gone under \$3 a gallon. Mr. Larson responded that Chief Pltoke is currently researching this issue and will report back.

Director Dugan asked how often we use petty cash. Ms. Tilton responded that petty cash is used as change for transponder sales. Director Dugan asked if we are providing an environment that could get someone in trouble for stealing. Mr. Larson replied it is possibility, but not for an exorbitant amount of money as the petty cash box is reconciled every week.

Motion

Upon motion duly made and seconded, the Board unanimously approved to accept the October 2014 Financial Report as presented.

V. HOMEOWNER'S REQUEST TO BE HEARD: Items not on the agenda

Resident Dave Mowatt, of 146 Capulin Place, was present to discuss an issue regarding one of his neighbors. Mr. Mowatt reported the following:

- His neighbor has been operating a hotel in their home by placing her home on the Vacation Rentals by Owner (VRBO) website.
- He went to Douglas County to determine what the rules are for residential properties operating a lodging business out of their home.
- The Treasury Department visited the home because of suspicious activity. There were many recreational vehicles being stored on the driveway with no plates.'

Mr. Larson reported the following:

- The Homes Association notified the resident that this issue would be sent to the Enforcement Committee (EC).
- The EC found there is an unreasonable nuisance as a result of the actions of the resident and the activities at the home, and levied a substantial fine.
- The resident did not appear at the hearing. The resident later notified us that her position is that she is not renting out to the house and is still living there.
- The CPHA must try and resolve this issue at the Homes Association level first before it can be brought to the courts.
- The resident has a reasonable period of time to come into compliance with the EC ruling and if this does not occur, then the Board will be petitioned for approval to go to court.

Mr. Mowatt reported that when he read the police incident reports most of the incidents occurred when he was out of town. Mr. Mowatt reported there were drunk underage people coming out of that house and he stated that ES did not call to report this to the Douglas County Sheriff's Office (DCSO). Mr. Larson responded if we have knowledge of a situation like this we take action immediately; there is no Officer's discretion to choose not to call the DCSO.

Mr. Mowatt stated he has a meeting with the Sheriff's office next week to discuss this issue further, and that he expects the Homes Association to follow up with him on this issue. Mr. Larson stated that it is not the Homes Association policy to discuss the covenant enforcement process of one resident with another resident as this is considered to be a private matter.

Mr. Mowatt stated there are piles of trash outside of the house, and the trash next to the garage has been there for over a year. Mr. Mowatt asked what is reasonable to expect for removal of trash. Mr. Larson reported the trash violation has been before the EC, and does not believe that trash has been there for a year however it has been there

for an unreasonable period of time. Mr. Larson reported we can remove it, but we have to make notice to the homeowner before we do that and we have not historically taken take action.

The Board empathized with Mr. Mowatt and stated that the Homes Association will pursue this issue and work towards a swift resolution. Director O'Connor stated that since this is a private issue between the Homes Association and the resident this issue is best discussed in a special executive session, rather than in open session, in order to discuss all available options that we have and also to discuss the options we have with Douglas County.

Resident Kris Henry of 440 Saxon Place appeared before the Board to discuss a letter she received from a Town of Castle Rock attorney regarding assessments on her property taxes for both South Metro Fire and for Castle Rock Fire. Ms. Henry stated that she along with other homeowners have been charged assessments on her property tax bill for both fire districts for the past 10 years.

Mr. Larson reported when the fire districts were first established, the boundaries for Castle Rock fire overlapped with the boundaries for the South Metro. Mr. Larson reported South Metro recently completed an audit of their boundaries and a letter was sent by the Town of Castle Rock to the approximately 50 homes that fall into this overlap. The letter states that the property owner has been incorrectly assessed for two fire districts when they should have been charged for only one. Mr. Larson reported he asked Ms. Matthews to do some research on how a resident would recoup this money from the Town. Mr. Larson stated that the residents must petition the Town of Castle rock to get a refund of the overpaid taxes. Mr. Larson reported our attorney thought there might be a limitation of three years, however we could not find anything to support that assertion.

Ms. Henry asked if the Homes Association has recourse to help the residents on this issue. Mr. Larson responded that since he is not the taxpayer he cannot represent the property; therefore it would be difficult for the Homes Association to advocate or take action on behalf of the homeowner. Ms. Henry stated that she will find out how to go through this process and then will come back to Mr. Larson with this information so that the Homes Association can report it to the community prior to the annual meeting.

Ms. Henry asked the Board if they could hold at least one Board meeting a quarter in the evening for those residents that cannot make it to a morning Board meeting. The Board replied this is an excellent suggestion. Ms. Henry stated that a Wednesday night would be ideal. The Board stated that beginning next year they will be meeting on Thursday mornings for the first 10 months of the year. Ms. Henry stated that we also need to have a meeting before the Annual Meeting so residents can hear from the candidates. Director Skinner stated that the Board agreed with that concept that the community meeting to meet the candidates is already in the planning stages.

VI. MANAGEMENT/LIAISON REPORTS

A. Manager's Report – Mark Larson, General Manager

Mark Larson, General Manager of the Castle Pines Homes Association presented the Manager's Report. (See *Tab #3 of the November 2014 Board Package*)

Douglas County Engineer Sean Owens was present to provide a report to the Board on the Happy Canyon Road repair work and the current status of the quiet zone. Mr. Owens reported the following:

- Work on Happy Canyon Road
 - The County discovered early in the fall that the bank alongside a portion of Happy Canyon was failing. The work to repair the bank will be completed on Monday.
- Quiet Zone Project
 - The County received an email from Steve Fender who is the regional coordinator for the FRA in Denver. The email stated Union Pacific (UP) has until Sunday night, November 10, at 12:01 am to fix whatever is needed to complete the quiet zone.
 - Union Pacific submitted a protest letter on Sunday, the day before the quiet zone was scheduled to begin on Monday, November 11, stating they (the UP) did not like the wording of the notice. The County sent the protest letter to the FRA.
 - The County received an email from Burlington Northern (BN) railroad which said they didn't put out a notice on the quiet zone to their engineers because of the protest letter from the UP. The two railroads were asking the FRA for another 21 day notice.
 - Because of the Veterans Day holiday on November 11, it took the FRA a few days to respond. The FRA responded to the UP that their letter was unwarranted.
 - He recorded a train blowing the horn and sent the wav file to the FRA asking for enforcement.
 - Senator elect Cory Gardner sent out several letters of congratulations for the quiet zone.
 - The new official date for the quiet zone to go into effect is November 23 at 12:01 am (the date was later updated to 11/25).
 - The train engineers will probably still blow their horn during the day for the temporary construction crossing, but the construction crews have gates at the crossing so if their equipment is moved back at night the railroad engineers should not blow their horns.
 - The train engineer will always have some discretion on blowing the horn,

particularly if they perceive there to be a safety hazard or obstruction on the track.

The Board thanked Sean for his continued follow up on this issue.

The Board requested that an email blast be sent out to the community today indicating the new start date for the quiet zone, and that the County is actively working on enforcement of the quiet zone.

Mr. Larson presented a PowerPoint slide showing an aerial view of the area around McClure Lane (*see attached handout of slide*). Mr. Larson reported at last month's Board meeting several residents from the McClure area were in attendance to discuss the large drainage area off of McClure Lane that borders Santa Fe. The residents were concerned about trespassing and noise and visual screening from the new highway.

Castle Pines Metropolitan District (CPMD) Engineer, Jon Gray reported the detention pond covers a lot of homes in the area. The CPMD asked the County if we can physically do something on the west side to build the berm up and screen the area while still allowing the pond to function as intended. The County responded that the "high" level for the pond is only a few inches from flooding several homes, therefore no modification in the height would be allowed. Metro is still researching the possibility of planting trees in that area to assist with screening of Santa Fe.

Mr. Larson reported the following:

- There is not enough space there to raise that berm up as the berm has to go wider in order to go higher.
- A higher berm will not significantly add to noise mitigation.
- The deceleration lane ends before McClure Lane, and the area the residents want mitigated is just past it.
- He and Mr. Gray discussed adding trees and determined a cost of approximately \$1,000 per tree.
- This area is outside the area for which the NME project funds have been dedicated, so any trees we purchase would have to be purchased with CPHA funds.

The CPMD General Manager, Paul Dannels, stated the Metro District is responsible for the trees around the detention pond.

Director Dugan asked what it is the Board is trying to resolve, and added there are many other homes in the Village that would like to enhance their aesthetics with additional trees. Director Dugan stated that ES has never established there was a security issue that area. Mr. Larson reported that he had ES go back a year through

their incident reports, and there have not been any calls from that area on a security issues.

Director O'Connor stated the commitment the Board made was to look into the issue and see what options are available, and it has become evident that the only option is to put some trees in the swale. Mr. Gray stated he will put a planting plan together and run it by the residents to get their feedback.

VIII. Information/Direction

(Advanced on the agenda)

A. Trespassing Expectations

Resident and Chair of the Emergency Services Committee, Brian Hebbard, was present to discuss the issue of trespassing expectations with the Board. Mr. Hebbard presented a PowerPoint presentation (*see attached handout of slides*).

Mr. Hebbard reported the following:

- There is a concern about the security of the perimeter of the Village. We do not have a secure perimeter. It is physically impossible to make our perimeter secure but there are steps we can take to discourage undesirable activity.
- The ESC discussed how to define what the security issues are balanced with the cost of addressing these issues.
- There are places in our community where the topography of the land makes it more conducive for entry by trespassers.
- The more security in place the less convenient it typically becomes for the resident.
- We need to get more feedback from residents and the ESC will come back to the Board in January with possible options.

Director Jacob stated that rather than go out and ask the community what they want, the approach should be to look at where our biggest risk or potential is. Director Jacob stated we should look at where our "hot spots" are, prioritize them based on what we know, and then go from there.

Mr. Hebbard responded the emergency entrance by the apartments would be an example of a prioritized area; commercial and residential developments are encroaching on our perimeter so we have to look at what is going to happen in the future too. Director Battin stated that we also need to deal with bicycle trespassing.

Mr. Larson reported the ESC came up with a concept statement regarding boundaries

(see attached handout of slide). Mr. Larson reported there are 162 roads in the village including Happy Canyon, and we have only two ES officers patrolling at any given time.

Director Dugan stated we need to focus on where the hot spots are and increase positive control at those access points. Director Battin asked if cameras could be added in the problem areas so that we do not need to patrol there. Director O'Connor stated there should be some proactive communications urging people in the Village to call ES if they see something strange or have a safety concern. Director Dugan stated we also need a plan for speed monitoring by spring time.

B. Emergency Services (ES) Report – Chief of Emergency Services, Rick Plotke

Mark Larson stated that Chief Plotke was taking a vacation day today to celebrate his wife's birthday. Mr. Larson presented the Emergency Services report. (See *Tab #3 of the November 2014 Board Package.*)

Mr. Larson reported Dancell Russell, ES Vacation Check Officer, was recognized as Officer of the Quarter. Mr. Larson stated he is a success story. Officer Russell has worked here for 8 years and put himself through college, leaving us to take a computer programming job with Microsoft in Boulder.

Director Dugan stated he analyzed the ES report and they have made some excellent progress on many areas, including a 142% year over year increase in traffic monitoring, and covenant violations increased to 222 versus 61 from last year. Director Dugan stated this shows we care about the community and about covenants. Director Dugan congratulated Mark and the ES staff on their efforts.

Director O'Connor echoed the same sentiment as Director Dugan and asked how ES was able to triple the number of covenant violations. Mr. Larson replied that Access Control Supervisor, Bryan Penry, has been delegated covenant enforcement tasks.

ES received multiple complaints regarding speeding on a particular street in the Village that ends in a cul-de-sac. Mr. Larson reported the following:

- Traffic monitoring devices were placed on the street and they indicated that someone was occasionally speeding at nearly 70 mph.
- The determination was that it must be a resident on that street because it is not a thru street.
- He and Mr. Gray met with the leaders of the sub association. A letter from the CPHA was sent to all of the residents on the street.
- ES has been conducting traffic patrol for almost a week and to date have written one warning citation.

- ES will continue to do enforcement on that road at the times when the monitoring device is telling us the speeding is occurring.
- The report from the monitoring device showed the average speed in the area is within the 85th percentile of the State of Colorado's requirement for setting a maximum speed limit.

Mr. Larson stated he will come back to the Board with a graph showing the number of speeding tickets issued.

C. Castle Pines Metropolitan District (CPMD) Items –Paul Dannels, District Manager; Jon Gray, District Engineer.

Mr. Gray reported the CPMD is wrapping up many of their construction projects. Mr. Gray thanked everyone for their patience.

Mr. Gray reported the CPMD has a 5 year maintenance plan they planned to work on this year, but due to the big storms over the summer they had to utilize their resources to respond to several emergencies. The CPMD is planning to revisit the 5-year plan and will soon start going into areas that need maintenance.

VII. ACTION ITEMS

A. 2015 Homes Association Budget

Director Jacob presented a slide presentation (see attached handout of slides) highlighting the total revenue, reserve funding, operating revenue and expenses anticipated for 2015. Director Jacob reported there will be no assessment increase for next year.

Motion

Upon motion duly made and seconded, the Board unanimously approved the 2015 Homes Association budget as presented.

B. Gate 2

Mr. Larson presented several PowerPoint slides (see *attached handout of slides*) showing the proposed location and elevations for the Gate 2 gate house project. Mr. Larson reported the following:

- The Board has come to an agreement with the Metro District on moving forward with the Gate 2 project.
- The gate house will be the same size as the ones at Gates 3, 4 and 5, and will have the same stone work as Gate 1.

- As we do improvements the other gate houses will incorporate that same look.
- Operating expenses for the gate house have been budgeted for half of the year in 2015.
- Gate hours will be the same as Gate 3.

Mr. Larson asked the Board for permission to begin the process of construction plans and engineering required for the county approval process, with goal of starting construction in spring 2015. Mr. Larson asked for authorization to spend up to \$10,000 to complete that work.

Ms. Henry thanked the board, noting that it took three years to get to this point. Mr. Larson stated his goal is to present the capital request for the Gate 2 gate house to the board in March, once the construction bids and the expenses are confirmed.

Motion

Upon motion duly made and seconded, the Board in a vote of 4 in favor and 1 opposed, to approve the expenditure of \$10,000 for the preliminary engineering of the Gate 2 gate house.

- *Director Jacob opposed.*

VIII. INFORMATION/DIRECTION

A. North Meadows Extension Update

Director Battin reported a community meeting was held on October 21 in the CPHA Community Room to review the proposed screening plans. More than 200 residents attended. The feedback from the community was that it was very well received. The plans included the landscaping and extension of the berms. The CPHA is in the process of negotiating a conservation type of agreement with the Town of Castle Rock and Douglas County.

IX. IMPORTANT MEETING DATES

Mr. Larson reported the December 2014 Board Meeting will be held on Friday, December 19, 2014 in the Castle Pines Homes Association Conference Room located at 688 W Happy Canyon Road; 7:00 a.m. Executive Session, 8:00 a.m. Regular Meeting.

The next Castle Pines Metropolitan District Board meeting will be held on Thursday, December 18, 2014 at 7:30 a.m.

*In a last minute notice from Mr. Owens prior to the close of the Board meeting, Mr. Larson reported the train whistle quiet zone will go into effect on Tuesday, November 25 at 12:01 am.

X. ADJOURNMENT

Motion Upon motion duly made and seconded, the Board unanimously approved to adjourn the November Board of Directors Meeting at 10:42 a.m.

Respectfully Submitted by,

Lisa Goodwin