

**Castle Pines Homes Association
Board of Directors**

Executive and Regular Meetings

Castle Pines Homes Association
688 W Happy Canyon Road Castle Rock, CO 80108

Wednesday, December 22, 2010

The regular meeting scheduled for Friday, December 17th was rescheduled

ATTENDEES: Directors Al Dugan, President; Jim Walker, Vice President; Len Jacob, Treasurer; Kim Wagner, Secretary; Dan Roth, Director. Present from the CPHA staff: General Manager Mark Larson, Chief of Emergency Services Drew Grant, Accountant Carol Tilton, Standards Monitor Jo Lewis and Administrator Lisa Goodwin.

OTHERS PRESENT: Jon Gray from the Metropolitan District; Sean Owens, Douglas County Engineer; Jake Schroeder from Jack Vicker's Office; Residents: Linda Battin, Marti Jones, Craig Sundquist, Guy Casey, Jack Hummel, Brian Hebbard, Ron Page, Don Somsy, John Hemmer, Steve Marx, Walt Kellogg, Mike and Ronda Curtis, Dave and Terri Butz, Dave Repka, John McAlpin, Pete Kloet, and Terry O'Connor.

EXCUSED: N/A

MEETING AGENDA: See attached.

I. EXECUTIVE SESSION

The Board of Directors met in an executive session and discussed legal matters.

II. CALL TO ORDER

The general meeting was called to order at 8:06 a.m.

III. 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.

IV. MINUTES

Motion Upon motion duly made and seconded, the Board approved the November 19, 2010 Board of Director meeting minutes as presented.

Director Kim Wagner abstained from voting due to not having been present for the majority of the November meeting.

V. FINANCIAL REPORT – Director Len Jacob, Chairman of the Long Range Planning and Finance Committee.

Mr. Larson handed out a revised budget summary report.

Director Jacob presented the November Financial Report.
(See Tab #2 of the December 2010 Board Package)

Director Jacob reported:

- Two Certificates of Deposit matured in the past month. \$476,000 was allocated to the Operating Account for the purpose of paying down the loan on the CPHA building. An entry was made in the Reserve Account to record borrowing the money for this purpose. “Operating Expenses Payable to Reserves” is the balance account created for the payment of these funds.
- Administrative Labor is anticipated to come in at \$19,500 positive for the year.
- Other Administrative expenses are anticipated to be \$31,000 positive for the year.
- The CPHA building expenses are on budget.
- Emergency Services Labor expense is anticipated to be \$22,000 positive for the year.
- Emergency Services Operating expense will be approximately \$44,000 negative for the year due to expenses incurred for the installation and operation of the Quick Pass system.
- Design Review Committee expense will be approximately \$1,400 positive for the year.
- Village Lakes Operating expense will be on budget.
- Community Operating expense will be \$62,000 positive for the year due to the deferral to next year of a rate increase for Comcast cable service.
- Village Landscaping expense will be \$90,000 positive for the year due to the deferral of the roundabout project to next year.
- Total revenue and expenses are projected to be \$290,000 positive for the year.

Motion Upon motion duly made and seconded, the Board unanimously approved to accept the November 2010 Financial Report as presented.

VI. **HOMEOWNERS REQUEST TO BE HEARD: Items not on the agenda**
Several residents signed up to speak on the train whistle issue that is an agenda item.

VII. ACTION ITEMS

A. Train Whistle Letter to Douglas County Commissioners

**Advanced on the Agenda*

(See Tab #4 of the December 2010 Board Package.)

Resident Don Somsy and Douglas County Engineer Sean Owens were in attendance to update the Board on the issue of the train whistles.

(For previous discussion on this issue see the November 2010 Board Packet, VII. Management Reports, A. General Manager Report)

Mr. Larson reported that a letter to the Douglas County Commissioners has been drafted that affirms the CPHA Board's intention to financially contribute to a County project that would establish two public crossings along the Santa Fe Highway corridor that borders the Village for the purpose of creating a Quiet Zone that would reduce train whistle noise.

Mr. Owens stated that he will need the signed letter from the CPHA Board in order to make a budget request for the project. Mr. Owens reported that there are a total of five crossings along the Santa Fe Highway corridor, and that expanding this project to crossings farther north would significantly increase the total cost of the project. Mr. Owens stated that it was important to note that this Quiet Zone will not totally eliminate train whistle noise in the valley; once or twice a year when they cut the hay on the property near Daniels Gate the gate will be open and the trains will then blow their horns. Additionally Mr. Owens reported that if the train engineer feels that there is a danger on or near the tracks they may sound the train whistle regardless of the Quiet Zone.

Director Dugan asked how we will know that the costs will be \$300,000. Mr. Owens replied that we cannot underestimate construction costs, and that he has drafted the project to include his best efforts at estimating what actual costs will be. Mr. Owens reported that if the project is not contested there will be a 90 day review and that he anticipates construction to begin in late 2011 and completed in 2012. Mr. Owens added that if it is contested it will take another year as the project will have to go before an Administrative Judge for a final determination. Director Dugan asked if the project is contested, will the County cover the costs. Mr. Owens replied that he will have to discuss this with the County Commissioners.

Mr. Owens reported that the County will be the owner of the two public crossings and therefore be responsible for the maintenance and upkeep of those crossings over time. The County also takes on the liability for those two crossings. Mr. Owens stated that these are two issues that will be discussed by the County Board of Commissioners when reviewing the project.

Director Roth reported that the Castle Pines Metropolitan District has been asked to contribute funds towards the project but we have not yet had a response.

Resident Carl Davis requested to be heard on the issue of train whistles. Mr. Davis stated that he has owned a home on the south side of the Village for some time but has been unable to live there due to the excessive train whistle noise. Mr. Davis read to the Board some of the comments from the original train whistle petition circulated to the Village last year. Mr. Davis stated that some of these comments were "heartbreaking" as residents indicated that their quality of life was extremely diminished due to the horns blowing all day and night. Mr. Davis reported that for the Board's information there are

six Quiet Zones in Colorado – three are in Commerce City, two are in Arvada and one is in Monument.

Director Roth stated that while he is in complete support of Mr. Somsky's efforts to stop the train whistle noise, he is however opposed to the letter and the Board's intention towards financial participation in this project.

Director Roth outlined his reasons for opposition as follows:

- We pay a lot of taxes and we get nothing out of it – this is a Douglas County issue and by contributing money we are solving a problem for Castle Rock and Sedalia.
- We do not have the money to commit to this project. We are \$250,000 short on cash flow based on collections and participating in this project will commit ourselves to dues increases in the future.
- Mr. Owens presented to the Board the results of a phone survey asking property owners if they would be willing to contribute money (in the form of a special assessment) towards this project. Only homeowners directly affected stated they would contribute, and homeowners not affected stated they would not contribute. Out of the total number of participants in the survey the greatest number of respondents, including residents in the Village, stated they would not participate.
- Continuing to raid our reserve funds is bad policy. We will be reducing our reserve funds by nearly \$300,000 to construct the new gate one gate house and this pledge of \$300,000 will further deplete the Homes Association reserve fund. Funding this project is setting a precedent for future Boards. Village residents living along the I-25 corridor will want sound barriers and expect the Homes Association to fund the cost. We are not financially capable of taking these projects on without significant dues increases to our residents.

Mr. Davis stated that the phone survey was taken when the cost of the project was over \$3 million dollars. Mr. Davis stated that \$300,000 is a "real bargain" at \$200 per home, one time cost. Mr. Davis stated that we would be "penny wise and pound foolish" not to participate as it will cost him and other residents hundreds of thousands in real estate fees to market their home.

Director Walker stated that in the four years that he has been on the CPHA Board of Directors there have been several problems within the Village that the Board has financially supported. Director Walker stated that the train whistle noise may affect some more than others, but so did the other issues, and quality of life and value of our homes is why we chose to live here. Director Walker stated that this is a quality of life issue that affects the value of all of the homes in the Village. Director Walker stated that he is in support of this project and that it would be a mistake not to participate because if we don't act now it might come back again at a much higher cost; this could be a one time opportunity to fix a long standing problem, and at a cost of \$200 per residence it is a bargain.

Motion Upon motion duly made and seconded, the Board approved in a vote of four in favor, one opposed, to accept the letter as presented to the Douglas County

Board of Commissioners for the purpose of contributing \$300,000 to construct two public crossings on Santa Fe Highway for the establishment of a Quiet Zone.

VIII. MANAGEMENT REPORTS

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

Mark Larson, General Manager of the Castle Pines Homes Association, presented his Management Report. *(See Tab #3 of the December 2010 Board Package)*

Mr. Larson reported that in an effort to control the excessive amount of trash that accumulates in the CPHA dumpster during the Christmas and New Year's holiday, we have ordered a 30 yard "roll off" dumpster to be placed in back of the building. Mr. Larson reported that the dumpster will be delivered on Thursday before each holiday weekend and be picked up by Waste Management on the following Monday. Mr. Larson reported that it would be cheaper to have these additional dumpsters than to pay for the additional lifts of the existing dumpster. Mr. Larson reported that because both holidays fall on a Saturday there will be no delay in trash or recycling service in the Village.

Mr. Larson further reported that there will be changes to the gate staffing hours for the Christmas and New Year's holiday. Mr. Larson stated that we are not normally staffed at all of the gates on Christmas day, however this year to facilitate guest traffic on Christmas and New Year's Day Gates 3 and 5 will be staffed from 9:30 am until 5:00 pm on Saturday and Gates 1 and 4 will be staffed as normal. Mr. Larson reported that we will be paying a premium to the HSS staff and our staff will be paid double time for the holiday.

Mr. Larson reported the resolution to pay down the building's loan includes a commitment for future Boards. Director Jacob reported that the Operating Expense account will have to fund the reserves.

Jack Hummel, resident and Chair of the Forest Stewardship Committee (FSC), addressed the Board stating that the FSC will be presenting a special project to the Board at a later date.

B. Design Review Committee (DRC) Report – Director Jim Walker, Chair of the DRC

Mr. Walker stated that the DRC now has another new house to review for a total of two new homes for the year. Mr. Walker reported that the Country Club approved a significant construction project to their facilities. Mr. Walker stated that the Country Club will be coming to the DRC in January 2011 to present their final plans.

C. Emergency Services (ES) Report – Drew Grant, Chief of Emergency Services (ES)

Chief Grant presented the Emergency Services report. (See Tab #3 of the November 2010 Board Package.)

Chief Grant reported:

- There were 465 incidents for the month of November, up slightly from this same time last year.
- To date 810 residents have logged onto the Quick Pass website.
- A new dispatcher has been hired. Staffing levels are now up to 27 out of an authorized staffing level of 29.
- Animal nuisance calls will be added to the incident report beginning in January of next year.
- Last month there were five calls for barking dogs, two calls for a lost dog, five calls for off-leash dogs and one call for a lost cat.
- Traffic NOV's were up 60% over the same time last year.
- Beginning the first of next year the ES reporting procedure will include average response times.

Director Walker stated that he would like to see response times in order to better gauge the quality of the service we provide. Director Walker stated that if a resident complains that it took 15 minutes for an ES officer to respond we don't have a frame of reference from which to determine what an appropriate response time is supposed to be. Director Walker stated that he would like to see response times for security and medical calls only.

Resident and member of the Emergency Services Committee, Brian Hebbard, stated that when he was the Chief of Police for Commerce City their goal for response time of a priority one call (threat to body) was four minutes, for priority two calls (threat to property) 15 minutes, and for priority three calls (all other calls) 1 hour. Mr. Hebbard stated that these response times were based on national models. Chief Grant stated that ES will also be prioritizing the calls.

Chief Grant reported that there have been several incidents of drivers hitting the gates. Last month the cobblestone column at Gate 2 was hit by a vehicle. At Gate 3 a subcontractor went through the gate when it was closed – the driver had no insurance, no license, a DUI record, and a record as a habitual traffic offender. His boss was contacted and stated that he had no idea. Chief Grant reported that a resident riding a bicycle through the visitor lane was asked by the Gate Officer to stop because there was a truck in front of her. The resident went through anyway and was hit on the head by the gate arm. In another incident at Gate 4 a car going to the same address as the car in front disregarded the officer and followed in behind the first car, the gate arm dropped and hit the top of his Mercedes Benz causing damage.

IX. ACTION ITEMS

B. Technology Committee Charter – John Hemmer, Chair of the Technology Committee

(See Tab #5 of the December 2010 Board Package.)

Mr. Hemmer asked the Board to approve the revision of the Technology Committee Charter as presented. Mr. Hemmer reported that the Technology Committee began with a one page mission statement, and they have been active for the last year and a half.

Mr. Hemmer reported that they are trying to raise a level of awareness of what the Technology Committee can offer. Mr. Hemmer stated there are opportunities for cost savings if we can also align with the two golf clubs and the Metro District in our community. Mr. Hemmer stated that it would also be their intention to be a regular presence at all of the Board meetings.

Director Dugan asked if we have other committees that have staggered terms. Mr. Larson responded we do not and only the Emergency Services Committee has term limits. Mr. Hemmer stated that the Committee included staggered terms in their charter so we do not have everyone leaving at the same time to provide for continuity. Mr. Hemmer reported that resident Gene Roberts, a member of the Technology Committee since its inception, has resigned from the committee as of this month due to personal reasons.

Director Jacob stated that he could not see how the Technology Committee could evaluate the best vendor; and that in the final analysis the primary party with the technology need must make the vendor selection. Mr. Hemmer responded that we are just looking for the opportunity to either agree or disagree with the options presented. Director Jacob stated that the choice of vendor is based mostly on functionality and as an example the Emergency Services Committee should make the final decision on which vendor best fills their needs. After further discussion Director Jacob conceded that it could just be a matter of interpretation of their charter. Director Roth stated that it is the Technology Committee's job to provide recommendations and then the other committee(s) would need to approve the recommendation.

Motion Upon motion duly made and seconded, the Board unanimously approved the Technology Committee Charter as presented.

C. Emergency Services Capital Request – Chief Drew Grant

(See Tab #6 of the December 2010 Board Package.)

Chief Grant reported that because of the QuickPass handheld devices gate officers are spending more time outside of the gate house. Chief Grant reported that they received quotes for outdoor radiant heating to be installed on the eaves outside of the gate houses to make it more comfortable for the officers during the cold winter days and nights.

Director Dugan asked how we will know if the proposed heater system will do the job of keeping the officers warm. Director Dugan stated it could cost up to \$6,000 a year in operating expenses. Mr. Larson stated that a timer will be added so that the heaters will turn off automatically. Chief Grant reported that the utility bills for the gates have been higher than usual because the gate officers are leaving the doors open to stay warm.

Motion Upon motion duly made and seconded, the Board unanimously approved as presented the Emergency Services Capital Request of \$5,690 for the installation of radiant heaters at the gate houses.

D. Parks and Recreation Committee Capital Request

(See Tab #7 of the December 2010 Board Package.)

Mr. Larson reported that the Parks and Recreation Committee is presenting for consideration by the Board a capital request for the purchase of three new Life Fitness brand treadmills for the Village Lake Fitness Center.

Motion Upon motion duly made and seconded, the Board unanimously approved the Parks and Recreation Committee's capital request for \$16,187 for the purchase of three new Life Fitness treadmills to replace the existing treadmills at the Village Lake Fitness Center.

X. INFORMATION/DIRECTION

A. Report From the Nominating Committee – Director Jim Walker

Mr. Larson reported that the Nominating Committee for the upcoming Board of Directors election has not met as of yet. Director Walker reported that the Nominating Committee is made up of himself and fellow Board Directors Len Jacob and Kim Wagner. Director Walker stated that they will be meeting later today and at the conclusion they will give a report to the Board and notification will go out to the community. Director Walker reported that there are several interested candidates for the two open Board seats.

B. Access Control Update – Craig Sundquist, Chair of the Emergency Services Committee

Mr. Sundquist presented a slide show presentation to the board.
(See attached handouts)

Mr. Sundquist reported that when the original presentation on Access Control was made to the Board last Spring a statement of expectations for an Access Control system included the following statement: "It is ultimately the responsibility of the resident to ensure their guests are properly cleared for entry prior to the guest's arrival." *(For previous discussion on this issue See May 2010 Board Packet, Action Items, Item B)*

Director Walker added that it is always the responsibility of the resident to clear guests, and he asked that they take the word "ultimately" out of the statement. Director Dugan

stated that the gate officers are doing a “superb job at treating guests cordially and respectfully”.

Mr. Sundquist reported that in regards to the current status of the QuickPass system, the number of active access control devices have been reduced from 16,000 to 4,000. The system is recording each Village entry and exit and can generate reports as well as video that will show license plate numbers and vehicle make and model.

Mr. Sundquist reported that the promotion of the QuickPass system through the Village Reporter, the weekly eblasts and Jo Lewis’s homeowner briefings are all contributing to the increasing number of residents that utilize QuickPass online to clear their guests. Mr. Sundquist stated that the goal is to have at least 70% of residents on QuickPass which will help reduce the number calls to dispatch for gate clearance. Mr. Sundquist reported that there are 1550 homes in the Village and currently 810 residents or 52% of our homes are logged into the QuickPass system.

Mr. Sundquist presented a snap shot of visitor traffic during a specific timeframe. He reported that 7,120 guests entered through a staffed gate the week of December 3rd to December 9th. Mr. Sundquist reported that during that week there were 1,804 calls to dispatch: 808 (45%) of those calls were for Village access, and of those, 627 were to clear a guest and 181 were to obtain an access code. There were 879 guests (12%) that arrived at the gate without prior clearance. Chief Grant stated that the 7,120 does not include frequent-entry service providers such as the Postal service, IREA and Comcast. Director Walker asked how many of the 879 un-cleared guests were turned away. Mr. Sundquist stated that information was not available.

Mr. Larson stated that guests that are not cleared in advance cause the delays at the gates. The situation is made worse when un-cleared guests arrive after hours and then cars line up behind them. Mr. Larson reported that this is what happened on Thanksgiving Day at Gate 5.

Director Roth asked if ES can figure out which residents are excessively not clearing their guests. Chief Grant responded that we can pull up a report on every address and create a chart. Director Walker stated that we are not yet ready to confront individual residents on this issue.

Mr. Sundquist reported that the average processing time for a guest at the gate, provided there are no issues, is 21 seconds. The average processing time for a guest that arrives with no advanced clearance is 35 seconds per vehicle.

Chief Grant reported that the issues we are working on are as follows:

- Access codes expiring at midnight: we have corrected and tested it; we have changed the terminology from pin code to access code; QuickPass is looking to see if they can expand the length of time that an access code is valid to several days. Access codes are currently active for the day they are requested and the next day, but the Access Code will work only one time.

- Email notification to guest not working: Chief Grant provided a handout (see *attached document*) – we tested it and it is working
- Texting for Access Codes not working: Currently texting for Access Codes does not work. QuickPass is working on this issue and may have it resolved next spring.
- User error with access code or guest arriving without an access code at an unstaffed gate: additional signage has been placed at the gates; clearer email instructions are being sent out; we are planning on reconfiguring the code pad location to allow turnaround similar to what we presently have at Gate 2.
- Resident issues in using the website and relaying information to their guests: the solution is continuing education through our communication tools (i.e.: the eblast and Village Reporter).
- Resident delays at the gates: solutions include the relocation of Gates 1 and 5, the installation of a turnaround area and additional transponders to frequent Village visitors.
- Visitor wait times: solutions include additional transponders and cordless phones for the gate officers.
- Homeowner page layout in Dispatch: QuickPass is working on this issue.
- Bandwidth to Dispatch: The Technology Committee is working to find a solution.

Mr. Sundquist reported that future plans include expanding and controlling the use of transponders for frequent guests such as those that go to the Golf Club, the Country Club, the Metro District and other seasonal employees; nannies, housekeepers and house managers are also included in this category.

Mr. Sundquist reported that an additional future plan is to come back to the Board in the spring with a plan to reconfigure the gate layouts to allow for a turnaround lane. Mr. Larson reported that gates 3 and 4 should be very easy as the conduit is already in place to move the keypad farther out from the gate. Mr. Larson reported that we will also come back in the spring with a plan for modifications in the gate staffing hours, however next month we are hoping to present to the Board the costs associated with moving the keypads out and creating the turnaround lane.

Chief Grant reported that we have already reduced some of the gate hours, and there have been no complaints regarding the change in the night hours at Gate 4.

C. Expansion of Santa Fe Landfill - Director Jim Walker
(For previous discussion on this issue see the November 2010 Board Packet, IX. Information/Direction, Item A)

Director Walker reported that the coalition has a new name, “Citizens to Preserve Douglas County”. Director Walker reported that the coalition anticipates expenses of \$100,000 to \$125,000 including legal fees and that the major entities are asked to commit \$10,000 each to the effort. Director Walker reported that they currently have \$51,000 in the fund and there are approximately 20 other coalition members. Director Walker reported that Dave Liniger wrote a personal check for \$10,000.

The coalition’s executive committee meets every Monday and the coalition members will meet monthly. Director Walker reported that this issue is not presently on the

Douglas County Planning Commission's schedule; they anticipate a public hearing in either February or March. Director Walker reported that they will very soon start a communication effort.

Director Walker reported that Waste Management will, in his opinion, not even use the expanded dump. Director Walker stated that trash could potentially come from all over, as far as 500 miles away, and including other states by utilizing the rail lines that run nearby.

Director Walker reported that the coalition wrote a letter to the CEO of Waste Connections asking for a meeting but have not received a response. Dave Liniger called and the CEO's assistant sent a letter that outlined five conditions for the coalition to agree to prior to having a meeting with the CEO including that they agree that they are open to the expansion of the dump. Director Walker reported that the coalition is in no way in support of expanding the dump. Another letter was sent to request a meeting. Director Walker reported that it would most likely be the President of the company that addresses the coalition.

Director Walker reported that the biggest impact on the Village will be the increase in traffic on Happy Canyon and Santa Fe. Director Walker stated that it is a "toss up" as to our chances of stopping this dump. Director Walker stated that from a County perspective they get some use fees that will pay for the required inspector, but there is really no net gain to the county. Director Walker stated that if you live next door to a dump that will affect your property values and ultimately your taxes to the County.

D. Metropolitan District Items – Jon Gray, District Engineer

Mr. Gray reported that the Castle Pines Metropolitan District's Board of Directors has approved the budget for the roundabouts at a cost of \$1.4 Million. Mr. Gray reported that the design is almost complete and the plans will be submitted to the County as early as next week. Mr. Gray reported that he is working with Mr. Larson to make sure the Gate 1 guard house plans are complete so they can go out to bid in February, and award a contract in March, and potentially begin construction in May – pending weather.

Director Walker stated that the Homes Association will revisit the bids for the Gate One gate house construction and report back to Board with those numbers at a later date.

X. IMPORTANT MEETING DATES

Mr. Larson reported the January 2011 Board Meeting will be held in the Castle Pines Homes Association Conference Room located at 688 W Happy Canyon Road, Castle Rock on Friday, January 21, 2011, 7:00 am Executive Session, 8:00 am Regular Meeting.

The next Castle Pines Metropolitan District Board meeting will be held on Thursday, January 20, 2011.

The CPHA administrative offices will be closed on Christmas Eve and New Year's Eve. Emergency Services will be fully staffed throughout the holiday.

XIII. ADJOURNMENT

Motion Upon motion duly made and seconded, the Board unanimously approved to adjourn the December Board of Directors Meeting at 10:55 am.

Respectfully Submitted by,

Lisa Goodwin
Administrator