

**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, February 18, 2011

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: Paul Dannels and Jon Gray from the Metropolitan District; Sean Owens, Douglas County Engineer; Jake Schroeder from Jack Vicker's Office; Residents: Linda Battin, Don Somsy, Gene Roberts, Brian Hebbard, and Monica Flinger-Ross.

EXCUSED: N/A

MEETING AGENDA: See attached.

I. EXECUTIVE SESSION

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

II. CALL TO ORDER

The general meeting was called to order at 8:01 a.m.

Mr. Larson reported that there would be a modification to the agenda under Section 9, Information/Direction, replacing the item "Report from the Nominating Committee" with discussion regarding the proposed Sedalia landfill expansion.

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 January 21, 2011 Board of Director meeting minutes as presented.

Directors Kim Wagner and Len Jacob abstained from the Motion to approve the January minutes due to their absence from last month's Board meeting.

V. FINANCIAL REPORT – Director Len Jacob
(See Tab #2 of the January 2011 Board Package)

Director Jacob presented the December 2010 Financial Report, a Financial Summary for the year ending 2010, and the January 2011 Financial Report.

Regarding the year end summary and the December Financial Report, Director Jacob reported that total revenue for the year ending 2010 was up \$52,000 due primarily to other revenue and interest on delinquent dues. Total labor and operating expenses were under budget by \$148,000 for the year. Director Jacob reported that operating cash came in at \$158,000 for the year; net operating profit came in higher than anticipated.

Regarding the January 2011 Financial Report, Director Jacob reported:

- The balance sheet indicates \$1.77 million in reserves; \$500,000 was taken out last month to pay down a portion of the note on the CPHA building.
- DRC revenue is under budget but total revenue is spread evenly throughout the year; activity picks up in the spring.
- Administrative Operating Expense line item for bad debt expenses shows a positive entry that will be corrected by Carol Tilton in next month's financial report; the amount should have been exactly as budgeted.
- Printing expenses were for the Annual Meeting board packet.
- Other Services expense includes the expense for a shredding service and the expense incurred for the removal of a dead deer.
- Group Health and Dental expenses under ES Labor Expenses are higher due to the prepayment for two new employees.
- Equipment M&R includes the expense of \$1,500 for damage to a gate and camera. Chief Grant reported that they have collected an insurance check from the driver who did the damage for the full amount of the repairs.
- Operating Expenses show a \$1,700 variance due to the purchase of thermal paper from QuickPass that is used in the hand held devices at the gates. Mr. Larson reported that QuickPass is marking up the cost of the paper. Chief Grant reported they have found an alternative supplier for the thermal paper at a much reduced cost and will use the supplier in the future.
- The additional expense of \$500 under Village Communications line item is due to the charges incurred for restoring our website. Luminosity is expected to reimburse us for that expense.
- Telephone expenses show a couple of variances due to Qwest lines coming off a term agreement for reduced pricing causing the lines to be billed at a higher rate than budgeted. New term agreements will be negotiated for better pricing.

Director Roth asked if we were going to be adding a new T-1 line from Qwest per previous discussion regarding the need to expand our internet pipeline. Mr. Larson responded that the Technology Committee is working on this issue and may do a wireless connection for Gates 3 & 4 at a onetime cost of approximately \$5,000 without any recurring charges.

Motion Upon motion duly made and seconded, the Board unanimously approved to accept the January 2011 Financial Report as presented.

VI. HOMEOWNERS REQUEST TO BE HEARD: Items not on the agenda

There were no Homeowners requesting to be heard.

VII. MANAGEMENT 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 February 2011 Board Package)

Mr. Larson reported that resident Don Somsy and Douglas County Engineer Sean Owens were in attendance to provide an update on the train whistle issue.

Mr. Owens reported that at last month's public hearing the County Commissioners approved moving forward with an IGA with the Castle Pines Metropolitan District for the partial Quiet Zone project. Mr. Owens reported that this agreement would be drafted and presented for signature sometime in March.

Director Walker asked what would be the timeline for completion of the Quiet Zones? Mr. Owens responded that the permitting process takes approximately one year - as long as no one contests the project. Mr. Owens reported that it would be approximately six months for construction; the Railroad would be installing the gate arms; so potentially it would be a 19 month process with completion in the summer of 2012.

Mr. Larson reported that Monday, February 21 President's Day is a paid holiday for the Homes Association administrative staff. Mr. Larson reported that construction activities are permitted that day, and the gates will be fully staffed.

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

Director Walker stated that the DRC continues to receive small remodeling projects, and that the only large project before them is the expansion of the Country Club. Director Walker reported that the DRC has given final approval to the Country Club and they have indicated that they plan to move ahead quickly.

Director Walker reported that Mr. Vickers has agreed to allow the Country Club to use some of his property for construction staging, and there is a written agreement to that effect. Director Walker reported that at the end of the project Mr. Vickers will construct a tunnel and start the infrastructure necessary to access his lots near the ridgeline. Director Walker added that Mr. Vickers has not yet established a schedule for his development projects in that area.

Mr. Larson stated that with the roundabout project going on at the same time there is concern about access during the County Club project. Mr. Larson stated that we are presently working on a plan to efficiently admit residents, construction workers, and employees through Gate 5. Mr. Larson stated that one option is to do early morning access for construction workers through Gate 6. Mr. Larson reported that guests attending the Vickers' 3-day invitational golf event would also be going in through Gate 5, and a possible option would be to loan the players transponders for faster entry through the resident lane.

Director Walker requested that the traffic plan for the roundabout project be presented at the March Board meeting. Mr. Larson reported that there will be a presentation on the roundabout project at the upcoming Annual Meeting of the Members. Mr. Larson reported that once the project is scheduled to begin there will be weekly email blasts dedicated entirely to the roundabout project. Mr. Larson further reported that during the construction Gate 1 will be very congested and Gates 2, 3 and 4 will need to close for short periods of time. Mr. Larson reported that the plan will be presented during the March CPHA Board meeting.

Mr. Dannels reported that the Castle Pines Metropolitan District's Board of Directors has approved the IGA with the County for the Quiet Zone project with the contingency that it be appropriated for 2012. Mr. Dannels reported that they are currently working with their attorneys for the appropriate language of the agreement.

Mr. Dannels reported that CPMD Board also approved the expenditure of \$10,000 to "offset the costs" of opposition to the proposed expansion of the Sedalia landfill. Mr. Dannels stated that this expenditure would not be a donation, but rather an "in-kind" contribution to the Coalition.

Director Walker stated that the CPHA Board is very appreciative of the Castle Pines Metropolitan District's participation in the IGA for the Quiet Zone project. Director Dugan asked when the IGA would most likely be approved. Mr. Dannels responded that it should take no longer than two weeks.

Jon Gray reported on the construction schedule for the roundabout project. Mr. Gray reported that construction would start as early as April or mid-May depending upon the weather. Mr. Gray reported that they received more competitive bids this time with a total of eight contractors submitting a proposal. Mr. Gray reported that the public is welcome to attend the open bid meeting scheduled for later this month.

Mr. Larson stated that a contractor for the new Gate House at Gate 1 will be approved at next month's Board meeting. Mr. Larson reported that we have chosen to use the same contractor that was selected last year. Mr. Larson reported that Gate 1 will remain open throughout construction with a temporary Gate House, however there will be no transponder reader and there will be only one lane in and one lane out. Mr. Larson reported that we plan to route all guests through Gate 3. Mr. Larson reported that Gate 5 will have a great deal of traffic during this time; ideas will be presented at next month's Board meeting on how to mitigate this excess traffic including the option of providing golf club employees with a transponder to help them get in the gate faster.

Director Roth asked if there has been any additional discussion regarding the idea of extending the resident lane at Gate 5. Mr. Dannels responded that the CPMD is looking at doing this very soon. Mr. Gray reported that he and Mr. Dannels are meeting with the County's Traffic Engineer next week so she can assist with County approval for a lane plan. Director Walker asked if he could meet with Mr. Gray and Mr. Dannels on this issue.

Resident Monica Flinner-Ross asked if the roundabout project bids have incorporated the trails. Mr. Gray responded that there will be crossings for the trails at both of the roundabouts and they will consult with the Traffic Engineer for the best and safest location for the crossings. Mr. Gray added that it is their intention to get the roundabouts installed first and then when they are at the point of installing the landscaping they would then be able to determine the safest location for the trail crossings. Mr. Larson reported that there are crossing locations indicated on the drawings.

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

Chief Grant presented the Emergency Services report. (*See Tab #3 of the February 2011 Board Package.*)

Chief Grant reported:

- There were 461 incidents for the month of January; homeowner assists continue to increase.
- There were four lost dogs that were taken to the Buddy Center.
- There were 20 water leaks since January; 4 were in vacant homes and 3 occurred while the residents were on vacation.

Chief Grant reported that there will be an article on water leaks and of the recommendation to use water bugs in the next Village Reporter Newsletter.

Director Walker reported that he had a major water leak with over \$10,000 in damage to his home. Director Walker reported that the plumber suggested that the home's water system be turned off completely when leaving for an extended period of time. Director Walker stated that it is important that we educate residents about this issue. Mr. Dannels reported that there would be no ill effects to the home or its plumbing system should the residential water be turned off. Chief Grant stated that in some homes the residential water is tied into the fire suppression system and in these instances the water should not be turned off. Director Walker suggested that residents could install a shut off system for the water supply in their house, but not their fire suppression system.

Chief Grant stated that residents should have their home's fire suppression system checked regularly - including the system's glycol levels. Director Dugan stated that we should "make a push" on this issue in the fall. Mr. Dannels stated that a CPMD representative can come out to the home and tell the resident if they can turn off their house plumbing without shutting off their fire sprinklers.

Chief Grant further reported that the Technology Committee is presently working on the issue of incorporating cellular service as a back up device for the home alarm system so that if a home's land line is not working an alarm signal can still be transmitted via cellular.

Chief Grant reported that the current resident sticker will soon be eliminated. Chief Grant reported that there are presently only 18 households that do not have a transponder and ES will be contacting them this month.

Director Walker asked if there has been any progress on the issue of being able to send texts through QuickPass. Chief Grant responded that QuickPass is still working the issue, but to date the issue has not been resolved. Chief Grant further stated that there have been very few complaints concerning the texting issue.

Chief Grant reported that there have been incidents of people parking on Daniels Park Road and jumping the fence to get into the Village. Chief Grant reported it is primarily kids coming in to visit their friends in the Swandyke and Evening Star areas. Chief Grant further reported that there are not any "No Parking" signs on this road so the County cannot ticket the cars parked there; however Metro will be posting "No Trespassing" signs on the fence line and then we will be able to cite these individuals for trespassing if this issue continues.

Director Roth asked if there has been any negative feedback from the community since we scaled back the gate hours. Chief Grant responded that there has not, and added that we could probably reduce the hours further. Mr. Larson added that this would be considered after the roundabout project was completed.

VIII. ACTION ITEMS

A. Emergency Services Capital Request

(See Tab #4 of the February 2011 Board Package.)

Mr. Larson reported that back in 2002 there was a bomb threat to the Golf Club that came into ES Dispatch and at the time we were not doing voice recording. As a result the Emergency Services Committee facilitated the purchase of a voice recording system for ES. Mr. Larson reported that this system is now nine years old and no longer works correctly.

Mr. Larson reported that this capital request will be attributed to the reserve study's allowance for an "upgrade to access control software". Mr. Larson added that since we have QuickPass we no longer need that access control software upgrade. Mr. Larson reported voice recording equipment was not identified in past reserve studies. Director Dugan asked why there was such a huge discrepancy between the three bids. Chief Grant responded that there are very few systems out there for smaller organizations such as ours, and that most of these systems are designed for large telemarketing corporations or municipalities. Chief Grant added that the selected system is anticipated to thoroughly meet all of their needs for a voice recording system in ES.

Director Dugan requested that Emergency Services formulate written requirements when going out for bids in the future.

Motion Upon motion duly made and seconded, the Board unanimously approved as presented the Emergency Services Capital Request for the expenditure of \$7,800 from the reserve budget to replace the phone recording system in Emergency Services.

B. Nomination of New Member to Long Range Planning and Finance Committee
(See Tab #5 of the February 2011 Board Package.)

Director Jacob reported that resident Terry O'Connor has been nominated by the LRP&F for membership to the Committee. Director Jacob reported that Mr. O'Connor has been a resident of the Village for ten years, has a law degree and has extensive experience in serving on Boards. Director Jacob further reported that it was his intent to take himself off the LRP&F Committee over the next few months.

Motion Upon motion duly made and seconded, the Board unanimously approved resident Terry O'Connor to the Long Range Planning & Finance Committee.

IX. INFORMATION/DIRECTION

A. Sedalia Landfill Expansion – Director Jim Walker
(For previous discussion on this issue see the January 2011 Board Packet, IX. Information/Direction, Item B)

Director Walker reported Waste Connections has until early April of this year to return their application to the County. Director Walker reported that the Coalition is now working to broaden their membership and has invited more Homeowner Associations to participate. Director Walker reported the Village Reporter, the Castle Pines Connection and the Highlands Ranch newspaper are all reporting on this issue.

B. Metropolitan District Items – Paul Dannels, General Manager

Discussion of this item occurred during the Manager's Report.

X. IMPORTANT MEETING DATES

Mr. Larson reported the Annual Meeting of the Members will be held on Monday, March 7, 2011 at 7 pm at Cielo at Castle Pines, 485 W Happy Canyon Road.

Mr. Larson reported the March 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, March 18, 2011, 7:00 am Executive Session, 8:00 am Regular Meeting.

The next Castle Pines Metropolitan District Board meeting will be held on Thursday, March 17, 2011.

XIII. ADJOURNMENT

Motion Upon motion duly made and seconded, the Board unanimously approved to adjourn the February Board of Directors Meeting at 8:58 am.

Respectfully Submitted by,

Lisa Goodwin
Administrator