

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, August 19, 2011

ATTENDEES: Directors Al Dugan, President; Jim Walker, Vice President; Len Jacob, Treasurer; Linda Battin, Director. Present from the CPHA staff: General Manager Mark Larson, Chief of Emergency Services Drew Grant, Accountant Carol Tilton, Access Control Supervisor Ken Graham and Administrator Lisa Goodwin

OTHERS PRESENT: Paul Dannels and Jon Gray from the Metropolitan District; Jake Schroeder and Matt Buster from Jack Vicker's office; Sean Owens from Douglas County; residents: Jack Vickers III, Don Somsky, Chuck Skinner, David Blakley, Craig Sundquist, Lydia Roberts, Larry Bundy, Jack Hummel, and Terry O'Connor.

EXCUSED: Kim Wagner, Secretary

MEETING AGENDA: See attached.

I. EXECUTIVE SESSION

The Board of Directors met in an executive session and discussed legal matters and matters related to the roundabout project.

II. CALL TO ORDER

The general meeting was called to order at 8:00 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 July 15, 2011 Board of Director meeting minutes with corrections as noted.

V. FINANCIAL REPORT – Director Jacob
(See Tab #3 of the August 2011 Board Package)

Director Jacob presented the July 2011 Financial Report.

Director Jacob reported:

- Added to the financial report this month is a yearly cash projection spreadsheet. The cash projection report reflects that operating cash is in “good shape” and the ending balance is what was expected; reserves were reduced in accordance with the Board approved pay off of the debt on the CPHA building.
- Cash receivables on the Balance Sheet are still reporting better than anticipated from the original budget.
- Fines and violations are also down which is good news.
- Administrative Labor Expense reflects payroll expense running under budget approximately \$30,000 for the year.
- Uninsured Loss Expense includes the costs associated when a gate arm hit a resident’s car at the temporary Gate 1 gate house.
- Emergency Services Payroll Expense is higher this month due to a paid holiday (4th of July) and is anticipated to be \$15,000 negative for the year.
- ES Operating Expense includes the cost of supplies/paper for the QuickPass system.
- Village Lake Operating Expense, Equipment Repairs Expense includes the cost to repair the spa. It was noted this expense was included in the reserve study and will be capitalized.
- Community Operating Expense reflects increased costs for utilities (water)..
- Canyon Club Operating Expense is anticipated to be \$14,000 positive for the year and Summit Club Operating Expense is anticipated to be \$12,000 positive for the year.

Motion Upon motion duly made and seconded, the Board unanimously approved to accept the July 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 August 2011 Board Package)

Mr. Larson reported Sean Owens and Don Somsky were in attendance to provide an update on the train whistle issue. (*For previous discussion on this issue, please see the August 2011 Board Packet, VII. Management Reports, A. General Manager's Report*)

Mr. Owens reported the County staff met with the County Commissioners in a public hearing to secure funds needed to cover the extra costs required to create a full Quiet Zone all the way to Sedalia. Mr. Owens reported the funds will be finalized IN the 2012 budget this December. Mr. Owens reported their consultant is working on the application to be submitted to the PUC by mid September. Mr. Owens reported the County is planning for construction of the Quiet Zone to begin in the spring of 2012.

Director Walker reported that he and several other Village residents attended the hearing and that the County Manager stated the funds for this project would be available within the 2012 budget, so the County Commissioners gave the County staff the approval to continue with the permitting process for the full Quiet Zone as presented.

Mr. Owens reported a full gate system would be installed at the crossing to the Plum Creek Wastewater Treatment plant as part of the Quiet Zone construction.

Director Walker reported "quite a few businesses" wrote letters in support of the Quiet Zone including businesses in Sedalia.

Mr. Owens thanked the Board for their continued support of this project.

B. Design Review Committee (DRC) Report – Director Walker

Director Walker reported the DRC is beginning to see increased activity. Director Walker further reported the DRC is presently working with a company that is in contract negotiations to purchase Covello's 19 lots in the Village Lake area. Director Walker reported the DRC has reviewed their models and was informed the sale of the lots should be complete within the next two weeks and construction will begin soon afterwards.

Director Walker reported the DRC approved the models for the 12 lots on Copper Brush Drive back in 2007. Director Walker reported a builder for the owner of these lots has informed the DRC of their intention to start building on these lots with only a minor change to the original plan. Director Walker reported the owner will first need to satisfy the past due assessment billing on the lots before the DRC will formally approve the project.

Director Walker reported the DRC has been presented with two new homes, one on Cliffgate and one on Cypress Way. Director Walker further reported the owners of 7 Elk Point are adding formal gardens and a tennis court to their property.

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

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

Chief Grant reported:

- There were 504 incidents for July; 5 medical assists including 3 falls, 1 dog bite, and 1 ankle injury. Incidents of animals-off-leash have increased, however reports of dog barking have decreased.
- There was a fire at a home in the Chateau Ridge subdivision; the alarm was triggered by a candle that set a plastic flower on fire which spread up to the window curtains. The fire resulted in minimal damage.
- The category of “other complaints” includes 16 complaints for fireworks on and around the Fourth of July holiday weekend.
- Nine of the trespassing incidents were due to vehicles going through the exit lane at Gate 1 or refusing to turn around after being denied entrance into Gate 1.
- One of the patrol officers recently resigned due to relocation to another job out of state. ES is presently interviewing applicants for two patrol positions.
- Access Control Supervisor, Ken Graham, was promoted to Sergeant.

Resident and Chair of the Emergency Services Committee, Craig Sundquist, presented to the Board a slide show presentation on “Smart Cars” for use by ES personnel. (*see handout of slide show presentation*)

Mr. Sundquist reported there is no immediate request by the ESC for the purchase of a Smart Car; rather, the ESC would like to keep this option in front of the Board as a possibility in the future for use by ES personnel such as the Vacation Check Officer and as a back up vehicle when all of the patrol cars have been dispatched into the Village. Mr. Sundquist reported Smart Cars are extremely fuel efficient, they are manufactured by Daimler/Benz and the approximate cost for a smart car is \$14,000.

Director Dugan reported he had contacted IREA in response to an advertisement by IREA regarding the opportunity to take a test drive in an electric car. Director Dugan reported he asked IREA if they would be willing to “loan” the car to our community for one year once all of the test drives were completed. Director Dugan reported the General Manager of IREA stated they would be keeping the car through the winter but to follow up with them in the spring.

VIII. ACTION ITEMS

A. Parks and Recreation Capital Request

Resident Larry Bundy from the Parks and Recreation Committee and the Tennis Activities Group presented a capital request to resurface two of the four tennis courts. Mr. Bundy reported the Parks and Recreation Committee received three bids from local companies including LE Renner. Mr. Bundy reported tennis courts need to be

resurfaced approximately every four years due to bubbling and peeling as a result of exposure to the weather.

Motion Upon motion duly made and seconded, the Board unanimously approved the Parks and Recreation Committee's capital request of \$6,600 for the resurfacing of two of the tennis courts.

IX. INFORMATION/DIRECTION

B. House Number Discussion – Mark Larson *Advanced on the Agenda*

Mr. Larson reported this issue was originally slated for discussion at the July Board meeting but was deferred until August. Mr. Larson reported the Emergency Services Committee and the Forest Stewardship Committee reviewed research on the usage of reflective house numbers within the Village, and have determined they no longer wish to pursue this project. Mr. Larson reported the issue of different "types" of numbers being used on the mail box is a separate discussion.

Director Dugan stated we need to find an amenable way to encourage all owners of non-conforming mail boxes to adopt our standard for mail box numbers. Mr. Larson reported residents can purchase the approved mail box flag at the CPHA office for \$10. The Board requested that covenant enforcement of this issue be undertaken in a very "friendly" manner.

C. Alarm Monitoring Discussion *Advanced on the Agenda*

Resident and Chair of the Emergency Services Committee, Craig Sundquist, presented a slide show presentation on alarm monitoring.
(see *handout of slide show presentation*)

Mr. Sundquist reported at last month's Board meeting the Board asked the Emergency Services Committee to explore what options are available to connect alarm systems where the homeowners do not have, or do not want, a land line in their home. Mr. Sundquist reported I-Wired is a company that offers a cellular system for alarm devices that costs approximately \$75 to install with a monthly service fee of \$20. Chief Grant reported a basic land line costs approximately \$25 per month.

Mr. Larson reported all Village residents are required per the community's covenants to have their alarm active and monitored by the CPHA. Mr. Larson added it is the resident's responsibility to ensure their alarm system is active and connected to ES. Chief Grant reported the advantage to having a cellular system is that the line cannot be cut and that the cellular system is capable of doing recurring self tests of the alarm system. Mr. Grant further reported the current issue of the Village Reporter includes an article about our requirement for alarm monitoring. Chief Grant reported the Emergency Services Committee and the Technology Committee are working together to explore options for alarm system testing, the possibility of self tests by the system and the

requirements of conducting yearly tests. Chief Grant reported they will come back to the Board at the October meeting with their recommendations on this issue.

Director Walker asked if ES provides homeowners a list of what must be monitored by the home's alarm system. Mr. Larson responded there is a standards list of what must be covered by your home's alarm system. Director Walker stated "water bugs" are not on the list and should be added. Mr. Larson stated the Emergency Services Committee will discuss the issue of water bugs at their next meeting.

D. Long Range Plan Discussion

Advanced on the Agenda

Director Jacob reported the Long Range Planning and Finance Committee (LRP&F) has finalized their preliminary report. Director Jacob thanked Dave Blakley and the members of the LRP&F Committee for their hard work in producing the preliminary report. Director Dugan stated the report is excellent. Director Jacob reported the LRP&F Committee will come back to the Board in October with a report to be finalized by the Board.

E. Metropolitan District Items – Paul Dannels, General Manager and Jon Gray,

District Engineer

Advanced on the Agenda

Mr. Gray reported to the Board on the roundabout project. Mr. Gray reported the complexities involved with Gate 2 put the project behind by three weeks; this included saturated soil from heavy rains, water leaks and utility issues. Mr. Gray reported the contractor is pushing hard to re-open Gate 2 next week.

Director Dugan reported there are residents unhappy with the progress of the roundabout construction. Mr. Dannels responded the Castle Pines Metropolitan District Board of Directors drafted and signed a "Q&A" letter that was attached to this week's roundabout update email blast. The letter provides information on the roundabout project and gives explanations for the delays.

Mr. Larson reported that the Gate 1 gate house construction is ongoing, with the goal of being completed by October 1st. Mr. Larson reported Gate 1 will need to be closed for at least one week at the very end of the project. Mr. Dannels reported Gate 1 will have to be closed in order to lay the asphalt down.

Director Walker reported a meeting on landscape issues at the roundabouts will occur at a later date. Mr. Larson reported trees will be placed in the middle of the roundabouts and will need a crane for installation instead of a spade truck because a spade truck is unable to get over the roundabout's curb. Mr. Larson reported we are presently receiving bids, and we will likely be required to obtain a permit from the County. Mr. Larson reported the trees cannot be installed prior to the completion of the roundabouts as the construction activity could damage the trees.

Mr. Dannels reported they have been researching the issue of dead trees along the right of way on Happy Canyon Road. Mr. Dannels reported none of these trees are beetle kill trees. Mr. Dannels further reported they asked the County to remove the dead trees because of safety issues however the County responded by letter they would not remove the trees.

Mr. Dannels stated that the Metro District had a meeting with the Golf Club concerning water usage. Director Walker also attended that meeting and added that the tiered water rate system and its affect on water usage were topics of discussion. Director Walker further stated that the tiered water rate system that charges higher water rates to high water users had not resulted in a reduction of water usage in the Village, water usage for landscape irrigation is driven by weather not by water billing rates. The Golf Club currently uses non-potable water for irrigation on the golf course and potable water for irrigation of landscaping at the club house and cottages. Director Walker stated that the Golf Club would like to explore expanding the use of non-potable water to other areas around the club house and cottages. Mr. Dannels reported the CPMD is working with the Golf Club on their water usage; and they have agreed to meet annually on this issue.

Director Dugan reported the CPMD will be hosting their annual community picnic this Saturday at the Canyon Club. Director Dugan reported there have been 400 reservations received for the event.

A. Lagae South Development – Jack Vickers III

Mr. Vickers presented to the Board on his proposed development for the Lagae property and his request to annex this development into the Castle Pines Homes Association. (*see handout of slide show presentation*)

Mr. Vickers reported the following:

- They are calling the development on the Lagae South parcel the Castle Pines Town Center project.
- The regional road, or primary road, through the project will involve extending Lagae Road from Castle Pines Parkway to Happy Canyon Road; a roundabout will be built just off the I-25 interchange to Happy Canyon Road that will allow drivers to connect to either Lagae Road or continue down Happy Canyon.
- A new road would be built for entrance to Gate 5.
- The master plan for the project includes a commercial zone and a residential zone. The commercial zone includes a European styled town center project around a lake and located right off of Happy Canyon Road. The residential zone includes two projects: (1) a custom housing project of 160 homes similar to the Toll Brothers development at the Summit and (2) a retirement project.
- A school, church and office building will also be developed on the property with parking to be shared.

- The master plan has already been presented to the City of Castle Pines for approval. The request to the Board is to annex the residential part of the project into Castle Pines Village.

Regarding the request for annexation into the Village, Mr. Vickers reported the following:

- If provided with annexation, Gate 5 would be upgraded to a design similar to the new Gate 1 gate house and would be relocated off of the new Lagae Road.
- The 160 residential lots would be designed according to Village guidelines.
- Two high end production builders of semi-custom homes are ready to go to contract for this development whether or not the property is annexed into CPV.
- There would be six to seven different floor plans by each builder and each plan will offer semi-custom options/upgrades. The lots would all be “checkerboarded” to help create the look of a custom home community.
- These homes will be in the \$700,000 to \$1.2 million dollar range.
- The retirement campus will include a senior living facility and retirement care. A survey was done of retirement community builders and they selected a national company that does higher end developments than what is currently available in Denver and non-existent in the Front Range area.
- The retirement community will consist of independent living single level cottages, a dependent care facility and smaller memory care facility.
- A trail system will run throughout the community and there will be amenities designed for “healthy senior living” and marketed to the “active senior”.

Mr. Vickers outlined the advantages to annexing these projects into the Village:

- No new services are necessary as the CPHA will provide the same services to this development that they already currently provide.
- The CPHA will collect dues from these properties and the CPHA covenants would apply.
- All of the residential properties would be subject to the CPHA's DRC standards and control.
- A new Gate 5 gate house would be constructed for the community.
- The CPHA would own the new roadways.
- Annexation fees would be paid to the CPHA.
- The plan would respect current vegetation; the perimeter fence would be the same style and look (split rail) as what is currently surrounding the Village – to be constructed and installed by the project's builder.
- One pocket park would be built.
- Relatively minimum expansion of services by the Homes Association would need to be provided in comparison to the amount of dues collected – approximately \$800,000 to \$1 million per year.
- A quasi-municipal district will be established, similar to the CPMD, to provide water and wastewater services to the development along with drainage and roadway maintenance. Maintenance of the new well and pipelines for the residential area all will be done by the new District. The issue of wastewater involves three

components: (1) treatment from the Plum Creek Wastewater Authority or alternatively at Parker. Plum Creek is the most logical, however lift stations will be needed and will therefore most likely be shared with the City of Castle Pines to offset the costs, (2) CPMD is the most logical for storm sewer maintenance but there is no agreement to this as yet, and (3) road maintenance could be handled by either the new district or by the CPMD. Aslan Development will soon begin discussions with the CPMD on all these issues.

Mr. Vickers presented the following information regarding the placement of this project within the City of Castle Pines instead of with Douglas County:

- Jurisdiction would be in the City of Castle Pines for the residential project but the community would be accountable to the CC&R's of the CPHA.
- The community would be gated.
- The Douglas County Sheriff's Office (DCSO) is contracted by the City of CP to provide police services; DCSO currently responds to calls for police services in CPV.
- Residents of the project would have the same land use codes, development guide and property tax structure as the City of CP.
- Residents of this development would have the right to vote in City of CP elections

Director Jacob asked: what is the timing for the extension and relocation of Lagae Road. Mr. Vickers responded there are hearings on the annexation into the City of CP through the end of the year so the road would not be started until next spring 2012 at the earliest. Mr. Vickers added the old Lagae Road will stay in place until the alternate road is completed. Mr. Vickers stated if the residential lots are not annexed into the Village the density for the project is expected to increase by approximately 25% as the builders have stated their preference is to be a part of CPV in order for them to commit to the project density currently proposed. Mr. Vickers reported the builders want to begin next June and view construction occurring as a five-year project.

Mr. Skinner, resident and Chair of the Parks and Recreation Committee, stated we would have to think about expansion to the Summit Club, specifically the deck area, adding a fifth tennis court, and expanding the Village Lake Fitness Center which is pretty much at capacity now. The Board asked that Mr. Skinner and the Parks and Recreation Committee review the build out plan and its potential impact on our recreational facilities.

Director Walker stated that in a ten year view this would amount to approximately \$13 million in revenue to the CPHA broken down as \$1 million additional dues revenue per year plus the \$3 million annexation fee. The Board asked the Long Range Planning and Finance Committee to look at the number of proposed units that we will eventually be built out to.

X. IMPORTANT MEETING DATES

Mr. Larson reported the September 2011 Board Meeting will be held in the Castle Pines Homes Association Conference Room located at 688 W Happy Canyon Road, Castle

Rock on Tuesday, September 13, 2011, 7:00 am Executive Session, 8:00 am Regular Meeting.

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

XIII. ADJOURNMENT

Motion Upon motion duly made and seconded, the Board unanimously approved to adjourn the August Board of Directors Meeting at 10:50 am.

Respectfully Submitted by,

Lisa Goodwin
Administrator