

**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, May 20, 2011

ATTENDEES: Directors Al Dugan, President; Len Jacob, Treasurer; Linda Battin, Director. Present from the CPHA staff: General Manager Mark Larson, Chief of Emergency Services Drew Grant, and Administrator Lisa Goodwin

OTHERS PRESENT: Paul Dannels and Jon Gray from the Metropolitan District; Jake Schroeder from Jack Vicker's office; Residents: Craig Sundquist, Don Somsy, Jack Hummel, John Hemmer, Gene Roberts, Dave Blakley, Monica Flinner-Ross, Jan Farrell, Tom Kahn, and Terry O'Connor.

EXCUSED: Jim Walker, Vice President; Kim Wagner, Secretary

MEETING AGENDA: See attached.

I. EXECUTIVE SESSION

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

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

Mr. Larson reported the Emergency Services capital request documentation from last month will be corrected as noted.

Motion Upon motion duly made and seconded, the Board approved the April 15, 2011 Board of Director meeting minutes with corrections as noted.

V. FINANCIAL REPORT – Dave Blakley, Long Range Planning and Finance Committee
(See Tab #3 of the May 2011 Board Package)

Mr. Blakley presented the April 2011 Financial Report.

Mr. Blakley reported:

- The LRP&F Committee approved two capital improvement requests: for a copier in ES and for the replacement and relocation of the Gate 1 gates.
- There are potential mid-year salary adjustments to be discussed and reviewed further in June.
- A \$247,000 certificate of deposit came due with the Colorado State Bank and will be reinvested into a six months duration certificate of deposit.
- The Income Statement shows an increase in DRC revenue as landscape and remodel projects start to pick up.
- Administrative Labor expense is expected to come in under budget at the end of the year.
- Mr. Larson reported meals expense is for the lunch provided to staff members of the Country Club, Golf Club and ES during a meeting held on the Access Control system and the roundabout project.
- CPHA Building Maintenance and Repair expense includes HVAC maintenance.
- Emergency Services Operating expense for Equipment Maintenance and Repair includes repairs at Gate 4 and the emergency access gate located in the northern section of the Village.
- ES Operating expense for vehicle fuel is over budget due to increased fuel costs.
- Village Lake Maintenance and Repair expense includes the annual fire protection system maintenance and an elevator repair.
- Tennis Supplies and Maintenance expense includes the costs for getting the tennis courts ready for the season.
- Summit Club Building Maintenance and Repair expense includes the annual fire protection system maintenance and the cost of repairs due to a water leak in the mechanical room.
- Canyon Club Building Maintenance and Repair expense includes the annual fire protection system maintenance and the cost to replace the alarm system panel that failed.

Director Dugan requested the LRP&F look at cash flow and provide that information to the Board.

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

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

Resident Jan Farrell requested to be heard on the issue of combining two lots. The Board stated this issue is on the agenda as an Action Item and advanced the topic on the agenda.

VII. ACTION ITEMS

Advanced on the Agenda

D. Combining Lot Request

Resident Jan Farrell presented his request to the Board. Mr. Farrell reported there are two side-by-side lots on Hidden Pond Place that were purchased together by the previous owner and were eventually foreclosed on. Mr. Farrell has purchased one of the properties and is considering purchasing the other. He asked the Board if he purchased the adjoining lot, would the Board approve combining the lots.

Director Dugan stated that past Boards have allowed the combining of lots, and at this time and with the information currently presented, the Board has no objection to Mr. Farrell's request. Mr. Larson reported the CPHA would need to generate a letter indicating approval of the combination of the two lots, and once combined would not be allowed to be separated at any time in the future. Director Jacob reported the Village Lake sub association is in full support of this action. Director Dugan requested that Director Walker be provided the opportunity to review this request prior to approval. Mr. Larson reported Director Walker has already reviewed this request and has given his approval. The Board directed Mr. Larson to provide Mr. Farrell with a letter indicating that with the current information available to the Board, if Mr. Farrell decides to purchase the adjoining lot, the Board would approve combining the two lots.

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 May 2011 Board Package)

Mr. Larson reported there were two additional issues to add to his report.

Mr. Larson reported the ongoing litigation with HBE, previously known as Securus, regarding the leases the CPHA had for security equipment, cameras and software has been resolved in a confidential settlement that the Board has approved. Mr. Larson reported the resolution document has been finalized for signature by both parties.

Motion Upon motion duly made and seconded, the Board unanimously ratified their previous e-mail approval to accept the agreement with HBE and enter into a settlement agreement with terms that are confidential.

Mr. Larson reported we have received feedback from our legal representation regarding the issue of activities held at the Village Shops. Mr. Larson reported that he will work with the owner of the Village Shops on an agreement as to what types of external activities fit within the restrictive documents of the Association. Mr. Larson further stated that this would be a yearly memorandum to allow each Board to review the document and make modifications as warranted.

Director Dugan asked how often the roundabout hotline message will be updated. Mr. Larson responded the message will be updated at the end of each day for the following day. Mr. Larson added that residents can dial the number directly, dial our reception desk and be forwarded to the message, or select the prompt on the phone auto attendant if calling in after business hours.

Director Dugan asked why our dispatch cannot monitor all gates at the same time. Mr. Larson responded that dispatch is required to monitor the VLFC and the front door of the CPHA building. Mr. Larson added that attempting to pull up the video for the gates impacts the internet service for the entire building to include the functionality of our phone system. Mr. Larson reported the Technology Committee has been working on a solution to increase internet bandwidth. Mr. Hemmer, Chair of the Technology Committee, reported that this solution will cost approximately one-third of what was originally budgeted.

B. Design Review Committee (DRC) Report – Mark Larson, General Manager

Mr. Larson reported the DRC met last week and finished the review of the new home to be constructed on Northwood Lane, with construction to begin very soon.

Mr. Larson reported Greg Cook comes into the office every Wednesday to review ongoing projects and check for any changes that may have occurred and were not approved by the DRC.

Mr. Larson reported there are six lots about to be bought in the Chateau Ridge development. The potential buyer plans on building on those lots using the same plans as the existing homes in that area.

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

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

Chief Grant reported:

- There were 495 incidents in April, higher than the same period last year.
- Guest processing has increased at the gates.
- Burglar alarm calls have increased due to residents returning from winter homes.
- A resident walking her two dogs on a path off leash was cited with a warning after her two dogs attacked another resident's dog that was on-leash. The on-leash dog needed to have surgery. This issue was reported to the Douglas County Sheriff's Office for their action.

- Trespassing issues from the last month include four individuals that were solicitors and four individuals that ran the gates in their vehicles.
- There were 2 medical assists, one a fall and one a choking. Both individuals are okay.
- CPR training was conducted for the Golf Club.
- One of the sergeants has resigned due to medical disability. Another sergeant was released due to a personnel issue. ES is now down to one sergeant on staff. A patrol officer was recently hired.
- The fire level danger has been lowered from Stage 2 to Stage 1 restrictions which allows for fire pits and charcoal grills.
- ES is working to communicate with residents to keep their transponders on their windshield and not to lay them on their console or dashboard. Taking the transponder off of the windshield could result in the gate arm not reading the device and failing to open.
- QuickPass will soon be introducing a new mobile phone application. They are also planning to change the look of their website to make it more user-friendly.

Director Battin asked about the six wildlife incidents. Chief Grant responded that all the calls have been regarding a bear that is living in a culvert on the north side of the Village. Chief Grant added that residents have mistakenly thought the bear was stuck in the culvert when in fact the culvert is the bear's home and most likely where the bear hibernated for the winter.

Mr. Larson reported a draft agreement between the CPHA and the Country Club regarding Village access control at the County Club's maintenance facility on Daniels Park Road has been reviewed by the Emergency Services Committee. Mr. Larson reported discussion was held with the General Manager of the Country Club. Mr. Larson added they are still working on finalizing the agreement. (*see attached document*).

Mr. Larson reported the Emergency Services Committee provided a list of "talking points" regarding the advantages of the QuickPass system. (*see attached document*) Director Dugan asked what amount of money we can expect to recover for the recent damage to the gates. Mr. Larson responded it would probably be within the \$5,000 to \$10,000 range.

Chief Grant reported that the Emergency Services Committee reviewed the responsibilities of Emergency Services officers when responding to a fire. The result of the review was that an Emergency Services officer responding to a fire is responsible to insure South Metro Fire District is properly notified and provide them with information on the location of the fire. Second, he or she is responsible to insure personnel are evacuated from the area and adjoining homes are notified of the danger. After those actions are taken, if the officer feels that he or she can safely extinguish the fire, they will use the equipment they have to put out the fire. Chief Grant stated that each Emergency Services vehicle is equipped with fire extinguisher, water hose, rake and shovel to assist the officer with this task. In addition officers are able to communicate with responding South Metro Fire District units through the use of the radio system.

VIII. ACTION ITEMS

A. Terra Firma/Employee Health Insurance Plan – Mark Larson, General Manager

Mr. Larson provided a presentation to the board (*see attached handout of slides*). Mr. Larson reported the purpose of the presentation is to obtain Board approval to continue the business relationship with Terra Firma as our PEO (professional employer organization) and to approve the employee health care plan as presented. Mr. Larson reported we have been utilizing the services of Terra Firma since 2006 to manage our payroll, human resources, 401K, and insurance administration. Terra Firma has proposed no increase in fees for next year, and the fee to manage the 401K will be \$500 annually. Mr. Larson recommended the CPHA continue with Terra Firma.

Mr. Larson reported the insurance plan provided will allow employees to choose between two health care plans from Anthem Blue Cross & Blue Shield; one plan is a PPO and the other plan is an HMO. Mr. Larson reported the PPO will have no changes from last year's plan. The HMO will have a lower deductible but a higher maximum out of pocket responsibility. Mr. Larson reported the CPHA will continue to provide each employee a Health Reimbursement Account of \$3500, for up to three family members, towards the deductible and/or the maximum out of pocket - depending upon which plan the employee selects. The Homes Association will use the HMO as the base plan with the employees having the option of choosing the more expensive PPO plan with employee responsible for the added expense.

Mr. Larson reported that one issue raised by the employees regarding the health care plan is the \$200 deductible for tiers 2 and 3 drugs. Mr. Larson reported every Anthem plan currently has this \$200 deductible, and that this deductible is standard across the health insurance industry.

Mr. Larson reported that last year Terra Firma made an error in their billing such that all of our employees were being charged the HMO rate instead of the PPO rate. The difference amounted to an additional ~\$13,000 in fees to the Homes Association. Mr. Larson reported the error was recognized just recently when reviewing last year's plan against next year's proposed plan. Mr. Larson reported Terra Firma will waive all administrative fees until we recover the error, and they will not go back to the employees to collect the difference.

Motion Upon motion duly made and seconded, the Board unanimously approved retaining Terra Firma as the Homes Association's professional employer organization (PEO) for the health care plan as presented.

B. Capital Request Emergency Services Copier - Mark Larson, General Manager
(*For previous discussion on this issue see the April 2011 Board packet, VII. Action Items, Item B.*)

Mr. Larson reported the lease for the Emergency Services copier was coming due the end of May. At the April Board meeting the Technology Committee presented their findings for replacement of the copier. Mr. Larson reported we have reviewed the

documents from the selected vendor All Copy and submitted revisions for several of the terms and conditions of their lease agreement. Mr. Larson reported the Homes Association very rarely leases equipment.

Mr. Larson stated the recommendation is to purchase the copier outright and enter into a maintenance agreement only with All Copy. Mr. Larson reported the Long Range Planning and Finance Committee has reviewed and approved the agreement. Mr. Larson added that repair and replacement parts and toner are included within the maintenance agreement.

Director Dugan recommended not using the two and three-hole punch feature often due to the possibility of excessive paper dust and the noise of the internal fans. Director Dugan also requested that we find out the decibel noise level when the copier is in operation.

The Board recognized resident Terry O'Connor on the Long Range Planning and Finance Committee for his work and time spent in reviewing the copier agreement. Director Dugan stated that we should have all of our contracts reviewed in this manner. Mr. Larson responded that Mr. O'Connor has received a copy of all our current contracts and is in the process of reviewing them.

Motion Upon motion duly made and seconded, the Board unanimously approved to accept the purchase of the new copier for ES as presented in the capital request documents pending the final legal review of the document.

C. Capital Request Gate One Gate Replacement – Mark Larson, General Manager

Mr. Larson reported the Emergency Services Committee went out to four vendors for bids. Director Dugan reported we are giving the old, refurbished gates to the Country Club and the Golf Club for use at the maintenance facilities.

The Board recognized and thanked the Emergency Services Committee for their extensive and thorough documentation in their request for proposal.

Motion Upon motion duly made and seconded, the Board unanimously approved to accept as presented the Emergency Services Capital Request of \$27,295 for the replacement and relocation of the gates at Gate One.

IX. INFORMATION/DIRECTION

A. Sedalia Land Fill Expansion Update – Mark Larson, General Manager *(For previous discussion on this issue see the April 2011 Board Packet, IX. Information/Direction, Item D)*

Mr. Larson reported in the past week Waste Connections sent a letter to Douglas County indicating they would be withdrawing their petition, and following further review and consideration may renew their request at a later date. Mr. Larson reported the Coalition's Executive Committee is working on what action they plan to take should Waste Connections submit another petition in the future.

The Board recognized Director Walker for his time and efforts on this issue.

B. Information on Beetle Activity in the Village – Jack Hummel, Chair of the Forest Stewardship Committee

Mr. Hummel made a presentation to the Board (*see attached handout of slides*).

Mr. Hummel reported the Forest Stewardship Committee hired consultant and former Colorado Forestry Division specialist, Mike Bahm, to do an annual inspection of the trees in our community. As a result of Mr. Bahm's report, our Landscape Technician, Dave Cooper sent letters to residents with dead or dying, beetle infested trees on their property instructing them to remove the trees as soon as possible and before the beetle begin to fly in late May and early June.

Mr. Hummel reported Monica Flinger-Ross has written several articles for the Village Reporter newsletter to educate residents about this very important issue. Mr. Hummel added the Forest Stewardship Committee also did a presentation on beetle at the Wildlife Committee's pancake breakfast in March. Mr. Hummel reported that Ms. Flinger-Ross will be leaving the Forest Stewardship Committee, however resident Michael Strear has indicated an interest in filling that opening. Director Dugan requested the Forest Stewardship Committee provide the Board with a resume from Mr. Strear for consideration and approval at the next Board meeting.

Mr. Hummel reported the Forest Stewardship Committee contracted with the Anchor Group back in 2007 to conduct a fire safety and forest mitigation survey of the Village. Anchor produced an annual work plan for the Village through 2016. Recommendations already initiated include communication to the residents through the Village Reporter and Village Weekly email blast, working with the DRC to clear brush and create defensive space on Homes Association property, and the purchase of a new radio system to allow ES to monitor and communicate with outside, local emergency services provider.

Mr. Hummel stated the report from the Anchor Group indicated our community's emergency egress and ingress was very good. Mr. Hummel stated that following the yellow stripes in the road will lead residents out of the Village. Mr. Hummel added that the report also recommended we have more visible numbers on the homes in the Village; an issue the Board took under advisement in 2007. Mr. Hummel stated that the Daniels Park Road area had satisfactory fire mitigation conditions; however the Cliffgager area was recognized as having a high fire hazard and in need of fuel reduction efforts.

Director Jacob asked if there is anything the CPHA can do about the dead trees on Happy Canyon Road. Mr. Larson responded these trees are located on the King property and has asked the Golf Club if they would approach Mr. King about removing these trees.

Mr. Hummel reported the 2011 work plan for the Forest Stewardship Committee is to look at fire mitigation opportunities on the properties located near the I-25 corridor,

approach the owners of the properties just north of the Village regarding their fire mitigation efforts, and to remove the dead brush along Happy Canyon Road from I-25 all the way down to Gates 3 and 4.

Director Dugan stated we get many complaints regarding the dead trees near the cottages. Mr. Hummel responded there are two dead trees and they are on the King's property. Mr. Larson stated the very large, dead tree on Borealis does not have beetle and should not be removed since it is utilized by wildlife and is not considered a fire risk.

Mr. Hummel reported the ips beetles fly two to three times a year and spraying for this beetle should be done in mid-April. The mountain pine beetle flies only one time per year and spraying should be done in late June and early July. Mr. Hummel reported Dave Cooper has created a map locating 56 trees in the Village that have been identified to have beetle infestation, with the majority of these trees located on the south side of the Village.

Mr. Hummel reported another tree inspection will be done in two to three weeks; our very dry winter means many trees will be under stress. Mr. Hummel recommended that all residents water their trees during the dry season in order to help keep our community's forest healthy.

Mr. Dannels reported the Castle Pines Metropolitan District sprays all of the trees on the right of ways two times a year; a total of approximately six to ten thousand trees. Director Battin asked if there is a way the Homes Association can negotiate a reduced rate for spraying for all of the residents. Mr. Larson responded the Forest Stewardship Committee has discussed this issue however our legal representation advises us to consider the responsibility the Homes Association might be assuming for the health of the trees that are sprayed - we would need to be cautious about who we recommend.

Mr. Hummel stated the Forest Stewardship Committee is concerned the house numbers cannot be seen by emergency services providers at night. Mr. Larson reported once the houses on Leduc are finished they will get a final walk through with approval contingent upon the numbers being on the home. Mr. Larson added these homes presently have unfinished interiors and no alarm system installed. Mr. Larson reported abandoned homes will typically have no working alarm system. Director Dugan requested the issue of house numbers be placed on the agenda for discussion at the June board meeting.

The Board recognized the contributions and efforts of Monica Flinner-Ross to the Forest Stewardship Committee.

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

Mr. Gray reported the weekly email blast and the roundabout hotline are currently active in providing residents with information on the roundabout project. Mr. Gray reported the work at Gate 5 has begun and will take approximately 1 ½ weeks to complete.

Mr. Dannels reported the roundabout project will begin on Monday, June 6th. Mr. Larson asked if the temporary gates will be completed soon. Mr. Larson stated the most critical task will be the transfer of the equipment from the current Gate 1 gate house to the temporary gate house. Mr. Larson added that CPHA Access Control Supervisor Ken Graham would be overseeing that effort.

Mr. Larson reported Don Somsy was present to provide an update on the train whistle issue. Mr. Larson reported the County Commissioners have approved and signed the memo agreement, or IGA. Mr. Larson reported Sean Owens, project engineer, has sent the project out to a consultant. Mr. Larson suggested the CPHA be actively involved when the project goes to the PUC for the final determination of the hours of the quiet zone. Mr. Somsy reported that this is likely to occur in several months time.

X. IMPORTANT MEETING DATES

Mr. Larson reported the June 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, June 10, 2011, 7:00 am Executive Session, 8:00 am Regular Meeting.

The next Castle Pines Metropolitan District Board meeting will be held on Thursday, June 16, 2011.

XIII. ADJOURNMENT

Motion Upon motion duly made and seconded, the Board unanimously approved to adjourn the May Board of Directors Meeting at 9:56 am.

Respectfully Submitted by,

Lisa Goodwin
Administrator