

**CASTLE PINES NORTH METROPOLITAN DISTRICT
REGULAR MEETING MINUTES
January 23, 2023 – 6:00 p.m.**

HELD: Monday, January 23rd, 2023 at 6:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Pines, Colorado.

ATTENDEES: Directors Denise Crew, Chuck Lowen, Tera Radloff, Jason Blanckaert and Chris Lewis were present. Nathan Travis, Interim District Manager was present as well as Kim Seter, Legal Counsel; David Anderson, District Parks, Trails & Open Space Manager; Corby Wise, videographer; and Terrence Lovett, live stream technician.

CONFLICTS: None.

QUORUM: Present.

CONSIDERATION OF AGENDA OF THE MEETING OF THE BOARD OF DIRECTORS AND THE MINUTES OF THE: Upon motion by Director Radloff the agenda was approved unanimously. Board meeting minutes from November 14, 2022's regular meeting and December 12, 2022's special meeting minutes were unanimously approved.

PUBLIC COMMENT: There was no public comment.

PARKS, TRAILS & OPEN SPACE MANAGER'S REPORT: Interim Manager Nathan Travis presented David Anderson's reports and offered to answer any questions.

Mr. Travis informed the Board that his team is already working with the City to ensure smooth transition of District duties and facilities to the City following the execution of the IGA. Mr. Travis reported that he has a weekly meeting set up with Larry Nimmo, the City's Public Works Director, for the purpose of facilitating a smooth transition of responsibilities. So far, those meetings have been used to discuss tasks such as lining up independent vendors for things like security cameras to ensure consistency within the district and City in addition to transitioning the baseball and soccer field scheduling/reservation functions to the City.

Director Lowen requested an update on the most recent snow event and how the trails were managed/dealt with. Mr. Travis informed the Board that there were some unforeseen issues with the equipment that delayed plowing of the trails. The District currently utilizes a skid-steer Bobcat and a utility terrain vehicle ("UTV"). Per Mr. Travis, the UTV experienced difficulties that delayed snow removal efforts. Accordingly, Mr. Travis requested that the Board consider authorizing the purchase of a replacement UTV. Mr. Travis reported that the District's current UTV has lost all value, even at trade-in. After presenting the problem to Mr. Nimmo, Mr. Travis reported that the City is on

board with the purchase and had given Mr. Travis permission to present the proposal to the Board.

In response to these updates, Director Radloff asked about the timing of turning over the reservation system to the City. Mr. Travis explained that the City is already starting to take it over, and that he is working closely with the City to ensure that the contact lists of the different team managers and coaches are transferred accurately. Mr. Travis assured Director Radloff that if the IGA is not approved, the District can easily retain control of the reservations system.

Director Lewis then asked about the functionality and potential repair needs of the new UTV. Mr. Travis responded that the UTV he is considering has year round functionality. A plow attaches for snow removal needs and it can also carry a mobile water tank for watering and landscaping needs during the summer. In addition, its size enables it to move easily through the tight back trails. Mr. Travis also explained, in response to a question from Director Lowen, that the new UTV would be stored in the same shed that the current UTV is being stored in.

Director Lewis then asked Mr. Seter if the UTV purchase would impact IGA negotiations. Mr. Seter responded that it would not.

Following this discussion, Director Lowen made a motion to allow the Interim District Manager to purchase the UTV as described, to be used for future landscaping and snow removal work. Director Lewis seconded. Director Radloff, in discussion, asked Mr. Travis where the UTV would be covered in the budget. Mr. Travis responded that it would be an expansion requiring the District to dip into capital reserves. Following this exchange, the Board voted to unanimously approve the purchase of the new UTV.

FINANCE DIRECTOR'S REPORT: Phyllis Brown and Sadie Whitworth attended by Zoom. Ms. Brown noted that the work is continuing on the 2021 audit. She has gone through the capital assets with Mr. Travis, which was one of the biggest steps to be completed for the 2021 audit. She has sent the auditor the relevant District invoices and schedules, and is now waiting on a response from the auditor.

Director Lowen asked Ms. Brown whether there was a deadline that needed to be met for the 2021 audit. Ms. Brown responded that it was already late but that there is no associated financial penalty for the delay. She expressed a desire to complete the 2021 audit as quickly as possible so that she can get started on the 2022 audits. Her goal is to submit both the 2021 and 2022 audits by July 31st, 2023. July 21st, 2023 is the deadline for filing the 2022 audit.

After discussing the status of the audits, Director Radloff had a question regarding various bank service charges, namely, why they were so high for the period from November to January. Ms. Whitworth explained (via email) that this was due to people using credit cards to pay their bills.

Director Radloff articulated her understanding that users typically pay credit card transaction fees, not the recipient. In response to this comment, and following agreement from other members of the Board, Mr. Travis agree to look into this further in the hopes of not paying these fees in the future. Director Lowen asked that Ms. Brown request further information from Citi Bank regarding these charges in order to determine if it makes sense to switch banks.

Director Radloff also noted that Director Blanckaert wasn't on the list of Directors and wanted to ensure that he was not being consistently left off.

Upon motion made, seconded and unanimously carried, the Board approved and ratified checks numbering 27399 – 27566 and electronic payments issued from January 1st through January 12th, 2023.

With Director Blanckaert making a motion, and Director Radloff seconding, the Board unanimously accepted the following approvals and ratifications of payments and claims: in the general fund, the Board approved \$198,204.65 and ratified \$340,294.34 for a total of \$538,498.99. In the enterprise fund, the Board approved \$416,311.12 and ratified \$978,728.86 for a total of \$1,395,039.98. In the electronic fund, the Board approved electronic payments of \$32,866.35 and ratified electronic payments of \$155,827.53 for a total of \$188,693.88. In total, the District's expenditures totaled \$2,122,232.85.

LEGAL COUNSEL'S REPORT: Legal Counsel, Kim Seter, presented the legal status report. To begin, Mr. Seter alerted the Board to the May 2023 election.

Next, Mr. Seter provided updates on the status of the Stormwater Service IGA, the terms of which were all agreed upon in early January and signed by Director Lowen. However, Mr. Seter indicated that he was still waiting on the City's signature, and thus that it was unclear at that time whether the IGA was actually executed.

However, he explained that the City still plans to take over stormwater operations on March 30th, 2023. In addition, on the same date, March 30th, the City is expected to sign the IGA with the District transferring park maintenance and care responsibilities to the City. This IGA will ultimately explain how the parks are to function. Once executed, the District will maintain title to the park land, but operations and maintenance will be done by the City. The District will continue to collect maintenance funds as it has in the past while the City will contribute to the maintenance fund for any upgrades it wishes to install. This arrangement will continue until the City is able to collect its mill levy, thus guaranteeing the city's ability to maintain the parks. At this point, the District will convey title to the City and it will be fully responsible for park operations and maintenance.

In response to Mr. Seter's updates, Director Lewis asked whether the Stormwater IGA had a provision containing the dollar amount to be transferred from the District's enterprise fund for the IGA's purposes. Mr. Seter explained that everything in the

stormwater fund at the time of conveyance will move to the City's stormwater fund under the terms of the IGA. At the time of transfer/conveyance, the dollar amount will be recorded. Director Lowen then asked whether there was a provision within the Stormwater IGA that required the City to use the District funds specifically for stormwater management purposes. Mr. Seter explained that once the funds are transferred to the City's stormwater enterprise fund, they cannot legally be used for any other purpose.

Director Lewis then asked about the timing of the Parks and Recreation IGA. Mr. Seter reiterated that March 30, 2023 was the planned date of execution and that he did not foresee any changes to that date. Mr. Seter confirmed, in response to a question from Director Lowen, that the City's attorney, Linda Michow, would be working with him on the Parks and Recreation IGA.

Director Radloff asked when the Board would have an opportunity to provide input on the Parks and Recreation IGA. Mr. Seter responded that they would have multiple opportunities to do so, both in February and March.

INTERIM DISTRICT MANAGER REPORT: Interim Manager Travis presented his written report and asked for questions.

Mr. Travis first updated the Board on the Lift Station Project, which is going through its initial design phase in order to meet the State's compliance requirements. Mr. Travis indicated that Greg Secker, the District's engineer, is in the process of preparing a report for the Board summarizing this phase of the project, which includes a lot of due diligence work such as site applications, physically recording flow rates and capacity at lift stations, and evaluating the conditions of current equipment and connective piping systems (among others). Once the initial design report is released to board, the Board will have an opportunity to provide guidance and to choose from alternative plans to move forward with.

Next, Mr. Travis reviewed the status of the District's 2023 Capital Projects, beginning with the backwash reclaim reconstruction project at the water treatment plant. He reported to the Board that he is working closely with Glacier to determine the timing of the project, dependent on the availability of equipment, which will enable him to report back as how they will stage the project.

Mr. Travis then updated the Board regarding the scheduled maintenance on one of the two storage tanks in the main distribution. Kennedy Jenks is doing structural evaluations so had to pull one of the tanks completely offline. Per Mr. Travis, there is no record of such scheduled maintenance ever taking place in the District. Mr. Travis emphasized the importance of this work, especially given that it has never been done before. At first glance, Mr. Travis noted that the tanks appear to be in good shape. He predicted that the tanks would be back online at the end of the week. He further encouraged the Board to consider doing such structural evaluations/full tank reviews at least every three years.

Next, Mr. Travis provided a quick update on projects that would be starting later in the year. This included the a filter replacement and redesign project which was ready to be sent to bid and a project related to liquid ammonium sulfate. The ammonium sulfate project is contingent on the backwash reclaim tank project getting done first, however.

Following these updates, Director Lowen expressed his desire to discuss the conservation fund, namely in an effort to emphasize the need for the Board to discuss programs such as the rebate program and sod replacement program before enacting anything. In addition, he noted his intent to have a conversation about fine schedules at the February study session. He asked that the Board review these matters in advance of that meeting.

In response, Mr. Seter informed the Board that any time they wish to discuss fee/fine increases, the Board is required to give 30-day notice to the public ahead of such discussion. If the Board is sure they would like to have this conversation in February, they need to give notice now. The Board agreed that they want to talk about it in February.

Next, Mr. Travis provided an update on the District's new website, which is hosted by Streamline. At the time of the meeting, about 95% of the website was migrated from existing website to new platform. Mr. Travis noted some great features of the new platform, including direct messaging capabilities and full in-house control of the website. Mr. Travis assured the Board that they would have ample opportunity to try out the new site before it went live.

The Board also asked for an update on the status of the pickleball courts and the skatepark. In response to the former, Mr. Travis informed the Board that the installation of the courts was on schedule for the end of March. In regards to the latter, Mr. Travis noted that he had compiled any and all comments/concerns he had received from the public in a report that he sent to the City. The City, in turn, is waiting to go through their own process with the Parks, Trails and Open Space Committee. The location of the skatepark is to be determined by the City. In response to this, Director Lowen asked whether the parcel on which the skatepark had originally been planned had been purchased by the city. Mr. Travis was not 100% sure, but seemed to think that the City agreed to the sale, but that it has not gone through. Mr. Travis also noted that there seems to be community-wide support for the skatepark, but that the City would be responsible for handling the skatepark process from now on.

Moving on, Director Radloff had a question about a redrill project being run by Kennedy Jenks, namely, what it was. Mr. Travis explained that they are looking at potentially re-drilling a well-site at the capped project on Coyote Ridge. They are looking at options to reinstate the full capacity of the well. Mr. Travis noted that this project was included in capital planning approvals in November 2022 and assured Director Radloff that the Board would have an opportunity to review and discuss the project as it progressed.

Director Radloff also had a question about the miscellaneous parts of the report including items like “failed inspections.” Following up on Director Radloff’s question, Director Lowen wanted to know what constituted a “failed inspection.” Mr. Travis explained that a failed inspection occurs when they install water meter and radio giving readings doesn’t function properly, for example. Ultimately, a “failed inspection” indicates that the developer failed the District’s inspection.

CONSIDER AWARDING BID FOR WATER TREATMENT HVAC PROJECT: The Board next considered approval of bids for the water treatment plant HVAC project. Mr. Travis gave an overview of the heating, ventilation and A/C plan to redo the water treatment plant. He explained that his team went through the full bidding process, but that it only resulted in one qualified bid submission, worth \$463,287, from Glacier. This number is greater than the original estimate prepared by the District engineer. Mr. Travis explained that this was likely a result of increased shipping costs, which increase on a weekly basis. He encouraged the Board to approve the bid as soon as possible in order avoid further increases. In addition, he noted that because Glacier is also handling the backwash reclaim project, it will result in efficiencies and hopefully time savings.

Director Radloff expressed her understanding that the use of the same contractor for both projects could produce efficiencies. Director Lowen responded that he was also hopeful for these efficiencies, especially given the cost of the HVAC replacement project. In response to Director Lowen’s comment, Mr. Travis explained that the high cost of the project is due in part to the specific areas needing to be cooled and new statewide regulations relating to filter, including requirements relating to extra filtration in certain buildings, including sealing certain rooms much more firmly than before.

Director Lewis expressed concern that the only bid received was 40% more than predicted by engineer. He wants to ensure that they’ve done due diligence and expressed unease at the fact that only one bid had been received. He requested a second round of bids to ensure that the cost presented by Glacier’s bid was at the market rate. Mr. Travis responded that he will happily put the project out to bid again, but that it might result in increased costs and lead times. He also stated that he did not feel confident that there would be more bids the second time around. He also reported that Kennedy Jenks had reviewed all of the specs and equipment contained in Glacier’s bid and that they felt it was in range of what they would expect to see.

Director Lowen wanted to understand how soon this needed to be started. Mr. Travis explained that there is no system currently running, and thus that the project is critical. While there is localized cooling in the mechanical room and occasional thermostat control in manager’s offices, this is not adequate.

Director Radloff noted that it sounds like its very critical to have this installed and on the other hand that it is also desirable to have competitive bids.

Following her comment, Mr. Travis made the recommendation to move forward with Glacier's bid.

In response to Mr. Travis's recommendation, Director Crew made a motion to award the project to Glacier. Director Blanckaert seconded the motion. Directors Blanckaert, Crew, Radloff, and Lowen approved. Director Lewis voted no. With a majority, the contract was awarded to Glacier.

DISCUSSION REGARDING DISTRICT CONTRACTS: Next, the Board members had various questions about the District's contracting process, including questions about award and termination of contracts, the term of contracts, and the involvement of legal counsel in contract negotiation, among others. Mr. Travis gave a detailed overview of the ways in which contracts are awarded and answered Board questions regarding process.

CONSIDER APPROVAL OF FULL-TIME CONTRACT FOR DISTRICT MANAGER:

Director Lowen requested approval of the Contract to award Nathan the District Manager position. Discussion followed in which Director Lewis asked whether bonuses were paid to the District Manager. Mr. Seter responded, explaining that it merely allows Mr. Travis to be part of a bonus pool, if one exists, but does not guarantee that he will receive a bonus.

Director. Lewis had another question about District vehicle use, and whether the District Manager would be permitted to take the District vehicle home. Mr. Travis responded in the affirmative, and noted that this had been how the District operated since he began working there.

Director Radloff then asked about the salary of \$150,000 contained in the contract, which she noted was a significant increase in the interim rate. Mr. Travis responded that, in context, the midpoint salary for his role is \$173,000 and that \$150,000 is at the low end of the total range. She had additional questions regarding COBRA payouts following termination of the contract, which Mr. Seter answered.

Following this discussion, a motion was made to approve the contract. It was seconded and unanimously approved.

DIRECTOR'S MATTER: Director Radloff expressed her gratitude for Mr. Travis's work and all other staff and contractors for everything they do. The entire Board echoed her sentiment.

ADJOURN: With all other business to come before the Board having been addressed, Director Lowen adjourned the meeting at 7:27 p.m.