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

OTHERS PRESENT: Jon Gray from the Metropolitan District; Jake Schroeder from Aslan/Riverdell; Residents: Gene Roberts, Craig Sundquist, Chuck Skinner, Monica Flinner-Ross, and Don Somsky.

EXCUSED: Director Kim Wagner

MEETING AGENDA: See attached.

I. EXECUTIVE SESSION

The Board of Directors met in an executive session and discussed legal matters and several design review issues that would also be discussed in open session. Director Wagner participated in the Executive Session by phone.

II. CALL TO ORDER

The general meeting was called to order at 8:04 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.

A conflict of interest was identified by Director Jim Walker during the discussion of the banking relationship resolution with Solera bank (see minutes for Action Items, Item “C”).

IV. MINUTES

Director Dugan asked Chief Grant if the Colorado bicycle laws apply to roads within the Village. Chief Grant responded that the Homes Association adopted the Colorado Model Traffic Code and would therefore enforce the bicycle laws within our community; ES has not written any violations to date regarding those new laws.

Motion

Upon motion duly made and seconded, the Board approved to accept the June 18, 2010 Board of Director meeting minutes with one correction as noted.
V. FINANCIAL REPORT – Director Len Jacob, Chairman of the Long Range Planning and Finance Committee.

Mr. Larson handed out to the Board a revised Budget Summary report. (see attached report)

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

Director Jacob reported:

- The LRP&F recommends investing reserve funds with a new bank in Parker at 1.5%. A banking relationship resolution is on the agenda for the Board’s consideration.
- Accounts Receivable has increased to $150,000; approximately half this amount is in assessments and the rest is in late fees.
- The receivable for Comcast has not yet been paid. Mark Larson stated that he would follow up with Comcast.
- As per the direction given by the Board at the June meeting, a liability will be included on the balance sheet to offset the prepaid expenses of $15,000 for a deposit to a vendor that we are no longer utilizing.
- The line item for $1,900 under Accounts Payable is for the refund of matching funds under our 401K plan. These funds can be applied against future matches.
- Landscaping fees are expected to increase in July as activity picks up.
- There has been an increase in the number of transponder sales to new residents moving in, for new car purchases, and for access cards to the Fitness Center.
- Transfer fees show a $1,100 positive variance. There were 21 closings last month.
- Administrative Labor is projected to have a $26,000 positive variance for the year.
- Administrative Operating Expenses are within budget and are projected to show a $13,000 positive variance for the year. In June there was an expense for new backup software for the server, and for a deductible paid to repair damage to the General Manager’s vehicle.
- Utility expenses are higher than budgeted for the month, but are anticipated to level out by the end of the year.
- Emergency Services Labor reflects additional costs for overtime hours to cover shifts after the resignation of a dispatch officer, and for holiday pay for the July 4th holiday.
- Director Roth asked about the budget of $250 per month for soda under ES Operating Expenses, noting that the actual amount spent last month on soda was $20. Mr. Larson stated that this line item is to maintain sodas for ES employees and this line item will be reviewed and adjusted for the 2011 budget.
- In response to Director Dugan’s question regarding the increase in expenses for vehicle fuel, Chief Grant reported that patrol is driving more miles for traffic enforcement.
- The addition of Quick Pass as a line item under ES Operating Expenses will result in a $46,000 negative variance for the year (for previous discussion on this issue see the May 2010 Board Meeting Minutes, Action Items, Item “B”).
- Community Operating Expenses reflect a higher utilities expense due to landscape watering.
- Canyon Club Operating Expenses - Equipment M&R for June, include repairs to the pool boiler required as a result of a State Boiler inspection conducted late last year. Mr. Larson reported that the boilers could not be worked on until they were turned on for the season.
- Half of the Village Landscape and Maintenance expenses for the quarterly cleanup activities will be billed to the Castle Pines Metropolitan District.
- The Wildlife Committee incurred an expense for the reptile and raptors demonstration at the July 4th event.

**Motion**

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

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

There were no homeowners requesting to be heard by the Board.

VII. MANAGEMENT REPORTS

A. General Manager – General Manager Mark Larson

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

Mr. Larson reported that there are two items to add to his Management Report: (1) Installation of the safe passage way near Tolland, and (2) update on the train whistle issue with Don Somsky.

Mr. Larson reported that the Castle Pines Metropolitan District is ready to begin construction of the asphalt passage way/refuge area along Tolland, Lorraway, and Ruby Trust ending at the location of the school bus stop on Mirage. Mr. Larson, Jon Gray, Paul Dannels and Chuck Skinner met with the residents impacted by this project earlier this week, presenting them with a plan to provide a safe walking area for pedestrians and children walking to the bus stop.

Mr. Skinner reported that the Parks and Recreation Committee was approached by several residents concerned about pedestrian safety on Tolland. Mr. Skinner stated that if this was just a Parks and Recreation issue, the Committee would not have approved the project as the two homeowner’s affected by the project bought their homes with the understanding that there would not be a trail in their front yard. Director Roth commented that there is concern that this project could potentially expand to other areas in the Village. Director Walker stated that this project was conceived by and is the responsibility of the Castle Pines Metropolitan District.
Mr. Gray reported that the Traffic Mitigation Study commissioned by the Castle Pines Metropolitan District, and conducted earlier this year, had marked Tolland as a priority area. Mr. Gray reported that the Castle Pines Metropolitan District is paying for all costs associated with the project to install 400 feet of attached asphalt at Tolland. Mr. Gray stated that the project was undertaken purely as a safety measure.

Director Walker stated that we do not want the Castle Pines Metropolitan District building our trail system. Director Walker added that this project is a decision of the Metropolitan District, it is not a Village trail, and will therefore not be included on our trail map. Resident Monica Flinner-Ross of the Parks and Recreation Committee stated that the mission of the Parks and Recreation Committee remains dedicated to the construction and installation of “non-destination, recreational trails only” within the Village. Mr. Skinner read aloud an email from one of the two homeowners that have stated an objection to the project. Director Dugan stated that the project involves using part of the existing pavement as a walkway by re-striping the road.

Mr. Gray reported that the Castle Pines Metropolitan District has a five year capital improvement plan that provides for traffic calming and mitigation devices within the Village. The Castle Pines Metropolitan District has identified 20 areas within the Village in need of traffic safety and mitigation devices, and they will involve the Homes Association in all discussions. Mr. Gray reported that in addition to the installation of the safe passage way, the Castle Pines Metropolitan District plans to install an interim speed table at Lorraway to assist in reducing vehicle speed in that area. The Board stated that traffic circles are more aesthetically pleasing than speed tables. At the conclusion of the discussion the Board of Directors again voiced their support of the pedestrian safety project.

Mr. Larson reported that Don Somsky was in attendance to provide an update to the Board on the issue of train whistles along Santa Fe Road. Mr. Somsky reported that the Project Manager from Douglas County working on this issue is moving forward with the plan to re-designate two of the crossings on Santa Fe from private crossings to public crossings for the purpose of creating a quiet zone (for previous discussion on this issue see the February and May Board Meeting Minutes, Section VI. Homeowners Request to be Heard). Mr. Somsky stated that the primary focus will turn toward securing the funding needed to complete the project. The Board stated that the excessive train whistle noise has been a problem for our community for several years. The Board recognized the efforts of Don Somsky in creating this now favorable position for our community.

Director Dugan stated that, based upon the spreadsheet created by our receptionist Linda, 105 residents to date have reported billing problems with Comcast since their national conversion to a digital signal. Director Dugan asked Mr. Larson to find out if Comcast can let us know when a resident request to correct their billing has been completed so that we may then inform the resident (for previous discussion on this issue see the February 2010 Meeting Minutes, Section VII. Management Reports, General Manager).
B. Design Review Committee (DRC) Report – Director Jim Walker, Chairman DRC

Director Walker reported that the DRC continues to meet once per month. The DRC’s activity consists primarily of remodels and landscaping.

Director Walker reported that the engineering report, soil test and construction drawings for the new Gate 1 guard house will be completed soon. The results will be given to the contractors being interviewed for the project so that they can provide a firm bid on the gate house construction. Director Walker reported that Resident Alan Forker, Chief Grant and Officer Graham have been working on plans for the interior finish of the new gate house. Director Walker further reported that he will report on firm projected costs for the project at the August Board meeting.

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

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

Chief Grant reported:

− The free CPR class held by ES last month was very successful and well attended; an additional class may be held in Fall.
− The Fourth of July event at the Canyon Club went extremely well with no incidents.
− One of the ES Patrol Sergeants has submitted his resignation. He has accepted a position with a local police department.
− There have been several wildlife calls, one of which reported a mother bear and her two cubs walking near Gate 5.
− The number of traffic NOV’s for this month remains consistent with previous months.
− There were two DUI’s last month – one was an underage driver and the other a non-resident leaving the Country Club.

Answering a question from Director Walker, Chief Grant reported that if a Patrol Officer conducts a traffic stop and suspects that the individual is intoxicated or under the influence, the Patrol Officer will call the Douglas County Sheriff’s office to request their response. Once the Douglas County Deputy arrives the issue is turned over to them for further action. Chief Grant further stated that an ES officer can only detain an individual under a “citizen’s arrest”. Chief Grant added that we have highly publicized that ES will provide residents with a ride home from anywhere in the Village if requested.

VIII. ACTION ITEMS

A. Modifications to the Homes Association 401K Plan – Mark Larson, General Manager and Director Len Jacob

Mr. Larson presented a PowerPoint presentation (see handouts of slides).
Director Jacob reported that there is a low participation in the CPHA’s 401K plan – a total of 9 out of 25 employees – and he would like to see more employees participate in the future. As reported at the June 2010 Board meeting, Terra Firma, the firm contracted by the CPHA to manage payroll, health insurance and other employee related programs, is also able to manage the Homes Associations 401K plan – saving the CPHA approximately $1,500 per year over our current plan manager. (For additional discussion see June 2010 Board Packet, Action Items, Item “A”)

Director Jacob reported that the current 401K plan was thoroughly reviewed by the Long Range Planning and Finance Committee and several areas of opportunity were identified:

- Keep the one year waiting period for eligibility to enroll or consider reducing that time to six months as a hiring incentive for prospective employees.
- Change the number of hours required for participation from 800 to 1,560 hours.
- Retain the provision of 100% vesting immediately upon plan enrollment.
- Add the option to borrow against the 401K.
- Provide dollar for dollar matching up to the first 3% of employee contribution and 50% for the next 2% of employee contribution.

Director Jacob reported that advantages to the employees include a richer employer matching schedule, the ability to borrow from their 401K account and additional investment opportunities.

The Board discussed having a waiting period of six months instead of one year as an incentive in employee recruiting. Mr. Larson reported that the waiting period can be reduced in this new 401K plan, called “Safe Harbor”.

**Motion** Upon motion duly made and seconded, the Board unanimously approved the new 401K plan as presented with a waiting period of six months instead of 12 months, and to move forward with the agreement as proposed with Terra Firma to manage the fund.

B. Long Range Planning and Finance Committee Nomination – Director Len Jacob, Chair of the Long Range Planning and Finance Committee

Director Jacob reported that the LRPandF has approved the nomination of Resident William “Bill” Smith for the Board’s consideration.

**Motion** Upon motion duly made and seconded, the Board unanimously approved the nomination of resident William Smith to the Long Range Planning and Finance Committee

C. Banking Relationship Resolution – Mark Larson, General Manager
Mr. Larson reported that the Long Range Planning and Finance Committee has reviewed and approved a resolution for the Board’s consideration to enter into a banking relationship with Solara National Bank of Lakewood, Colorado for the purpose of investing CPHA reserve funds. It was noted that Solara Bank is an FDIC insured institution.

Director Walker stated that as a past investor in Solara National Bank he has a conflict of interest and will abstain from voting on this issue.

**Motion**

**Upon motion duly made and seconded, the Board approved the resolution to establish a banking relationship with Solara National Bank of Lakewood, Colorado.**

**IX. INFORMATION/DIRECTION**

**A. Golf Club Driving Range Net** – Director Jim Walker, Chairman Design Review Committee

*(See June 2010 Board Packet, Agenda Topic IX. Information/Direction, Item “A” for previous discussion on this issue)*

Director Walker reported that since last month’s Board meeting the Golf Club has installed over 20 trees and a grass seed bed. It is the opinion of the DRC that the screening efforts have improved the look of the area; however it is still in need of more work.

Director Walker reported that results of trajectory tests conducted by the Golf Club indicated that the nets could be lowered by five feet. The Golf Club has lowered the nets. Director Walker stated that the poles are the biggest “visual” objection by surrounding homeowners. The DRC has determined that several additional trees are needed on the east side of the net. Director Walker reported that a meeting will be arranged with the Golf Club soon to review their progress.

**B. Lagae Road Detention Pond** – Director Jim Walker, Chairman Design Review Committee

Director Walker reported that the DRC has been reviewing the drainage detention area located at the corner of Lagae Road and Country Club Drive. Director Walker reported there are three homeowners in the immediate vicinity of the drainage area that are not pleased with the appearance of the area. The drainage area was required to meet new Environmental Protection Agency requirements as a result of the platting of new home lots north of the Summit Club. Director Walker reported that the DRC and the Beautification Committee have been working with Matt Buster from Mr. Vicker’s development company and the Castle Pines Metropolitan District to develop a plan to improve the aesthetics of the area.

**C. Trespassing Issue** – Mark Larson, General Manager
Mr. Larson provided an update to this issue presented at the June Board meeting by Residents James and Babetta Ferris. Mr. Larson reported that the Emergency Services Committee and the Parks and Recreation Committee discussed the issue of trespassing at their July meeting. (see handout of PowerPoint presentation)

Mr. Larson reported that the following items were taken into consideration by committees for the development of a trespassing policy and a recommendation of actions necessary to limit trespassing in the Village:

- Points of access for trespassing include the fire gate and the water plant gate on the north side of the Village, areas on the south side of the Village along Castlegate, the bridge behind the real estate office, and the path that begins at the CPHA building’s parking lot.
- There are 9 ½ miles of perimeter around the Village and three miles of perimeter bordering either side of Happy Canyon Road for a total of nearly 16 miles of perimeter that can be accessed by trespassers.
- Every 72 seconds someone shows up at one of the gates requesting assistance for entrance into the community, and because of this high volume the gate officers are limited in their ability to stop every individual that might attempt entry at, or near, the gates on foot or bicycle. It was noted that Gate 2 is always unstaffed and Gate 3 is unstaffed on the weekends.

Mr. Larson reported that it is the position of the Emergency Services Committee that due to the existence of wildlife corridors, and the design and development intentions for our community, it would not be possible to completely secure the 9 ½ miles of perimeter surrounding the Village. Mr. Larson stated that our Attorney has advised that we must post signs around our perimeter that clearly indicate “No Trespassing”. Craig Sundquist, Chair of the Emergency Services Committee, stated that in lieu of absolute security, the goal is to establish reasonable security measures within our community to prevent trespassing.

Mr. Sundquist reported that the Emergency Services Committee recommends the following actions:

- Inspect and complete repairs to perimeter fencing.
- Post “No Trespassing” and “Private Use” signs in various locations throughout the community.
- Design and implement pedestrian and bicycle check procedures at the Gates.

Director Walker stated that our trail system is for parks and recreational use only and they are not intended for use as access to local schools, shopping etc; Director Walker added that the trail system is intended to be a “closed loop” internally as is indicated in the last sentence of the trespassing policy statement. Mr. Larson stated that the Parks and Recreation Committee wants safe access for pedestrians and bicyclists crossing
Happy Canyon Road between Gates 1 and 2, and Gates 3 and 4. To provide for those crossings Mr. Larson recommended that pedestrian trails could be constructed and no trespassing signs be posted at the location where those trails enter the Village.

Mr. Larson showed the Board three prototypes for “No Trespassing” signs (see handout of PowerPoint presentation). One sign is for the gates, one is for the fence line and one is for posting at the recreational facilities. The Board commented that the signs posted should be tasteful. Director Walker requested that the sentence “And Their Accompanied Guests” be removed from the sign for the recreational facilities. Director Dugan requested that the statement “Area Under Surveillance by Patrol Officers” should be removed from the sign posted on the fences. The Board stated that the signs should have a simply stated message that Castle Pines Village is private property and there is no trespassing.

Mr. Larson stated that he will work with the Emergency Services Committee to determine the primary locations for signage, have the appropriate signs created and posted, and source vendors and pricing for fence repair. Mr. Sundquist stated that this trespassing policy provides a starting point and the Emergency Services Committee would like to also get input from the Parks and Recreation Committee. The Board requested that over the next couple of weeks signs be placed at the two areas (gates) on the north side, behind the real estate office at the bridge, behind the Village Shops, at the fence line near the apartments on Castlegate, and at each of the five gates.

D. Gate 1 Status – Director Jim Walker

Director Walker reported that Douglas County would make a decision regarding the roundabouts on July 27th. Mr. Larson reported that the construction plans will be completed next week and at that time we will submit plans into the County’s approval process. Mr. Larson stated that we do not yet have the bids for the project, but will have bid numbers to present at the August Board meeting. Jon Gray from the Castle Pines Metropolitan District stated that once we receive approval from the County we can construct the gate anytime within a five year period.

Director Dugan raised the possibility of combining this project with the project to install quiet zones, or to delay the Gate 1 project in order to utilize the available funds to complete the quiet zones. The Board determined that the two projects should not be grouped together. The railroad crossing quiet zones may take several years to complete, however the Gate 1 project is a 2010 issue and should be undertaken this calendar year. The Board also stated that the railroad quiet zone project could be funded through a special assessment so it should therefore be a topic for discussion at the next Annual Meeting.
E. Metropolitan District Items – Jon Gray, District Engineer

Mr. Gray reported that Douglas County will make its final decision on the roundabouts on July 27th. The Castle Pines Metropolitan District is in the process of submitting their construction documents to the County for final approval. Mr. Gray thanked the Board for their participation in helping to achieve a great turnout at the Commissioner’s meeting earlier this month regarding the roundabouts. Director Roth stated that the Metropolitan District did an excellent job at the meeting, and that a very positive article was written in the HUB newspaper. Mr. Gray asked that the Board and members of the community show up once again for the meeting on the 27th; there will be no speakers but red shirts and stickers should be worn in support of the roundabout project.

Mr. Gray reported that the 2010 CIP for road work is underway with new road overlay on Good Hope and Equinox. Mr. Gray reported that the new trail piece on Moffat was installed, looks great and the surrounding homeowners are happy with it.

Mr. Gray stated that the roundabout construction should take approximately 60 days to complete. Traffic control will be a primary issue during construction and they may need to close Gate 2 for about a week; there is however enough right of way width on either side of the roadway to route traffic past the construction without having to close a lane. Mr. Gray reported that the first thing to be built is the access road then they will prepare the site for the new gate.

Additional Discussion

Mr. Larson reported that he will be out of the office for personal, family reasons from July 24th – July 27th.

X. IMPORTANT MEETING DATES

Mr. Larson reported that the August 2010 Board Meeting will be held in the Castle Pines Homes Association Conference Room located at 688 Happy Canyon Road, Castle Rock on Friday, August 20, 2010, 7:00 am Executive Session, 8:00 am Regular Meeting.

The next Castle Pines Metropolitan District Board meeting will be held on August 19, 2010.

XIII. ADJOURNMENT

Motion

Upon motion duly made and seconded, the Board unanimously approved to adjourn the July Board of Directors Meeting at 10:40 am.

Respectfully Submitted by,

Lisa Goodwin
Administrator