

**CASTLE PINES NORTH METROPOLITAN DISTRICT
WORK SESSION BOARD MEETING MINUTES
September 15, 2025 – 5:30 p.m.**

HELD: Monday, September 15, 2025, at 5:30 p.m.

ATTENDEES: Directors Jason Blanckaert, Jana Krell, James Mulvey, Tera Radloff, and Leah Enquist were present. Also present were: Eric Harris, CPA, and Molly Janzen, Elevated Clarity; Nathan Travis, District Manager; Paul Polito, Seter, Vander Wall & Mielke, P.C.; and members of the public.

CONFLICTS: None.

QUORUM: Present.

CALL MEETING TO ORDER: The Work Session was called to order at approximately 5:30 p.m.

FIRST 2026 BUDGET WORK SESSION

Review of Budget Timeline

Mr. Harris presented a proposed budget calendar spanning September through November, including: (i) September 15 – first Board budget work session to establish assumptions and review the District Manager’s capital plan; (ii) by October 15 – distribution of the latest draft budget to meet compliance; (iii) October 20 – second budget and rates work session; (iv) October 27 – August budget-to-actuals and first public budget hearing; (v) November 17 – third budget work session (if needed); and (vi) November 24 – second budget hearing and presentation for adoption of 2025 budget amendments and the 2026 Budget.

Cash Analysis

Mr. Harris summarized a District cash roll-forward analysis covering the last ten years, prepared as a high-level reconciliation by fund and use (operations, capital, debt service) and intended to serve as a baseline for a formal reserve policy and the concurrent cost-of-service/rate study. He noted that operating service revenues have been sufficient to cover operating expenditures and discussed categorization of restricted and unrestricted balances for the water and wastewater enterprises as a starting point for reserve targets. Directors discussed the absence of a formal reserve policy to date and the intent to align reserves to the capital plan and rate design.

Capital Schedule

Mr. Travis presented a narrative draft capital plan by fund with preliminary cost estimates and timing placeholders, noting several items will be refined with additional engineering inputs (e.g., from Kennedy Jenks). Two items received particular attention: (1) prospective collaboration on a regional renewable water project tied to treatment capacity and improved year-round access through the Highlands Ranch interconnect (scope and cost estimates to be refined in coordination with counterpart agencies); and (2) a third water storage tank targeted for 2029 to enhance storage redundancy and fire-flow resilience, subject to upcoming storage/capacity studies. Directors asked about estimation methodologies, inflation factors, and mapping to show locations of waterlines and tank sites; staff will circulate supporting exhibits as they become available.

Initial Budget for 2026

Mr. Harris reviewed the preliminary 2026 Budget roll-ups on a budgetary (non-GAAP) basis and sought Board feedback on baseline assumptions pending detailed cost-of-service results for rates and fees. He highlighted: continued property-tax collections in the General Fund (reflecting residential assessment-rate changes and expiration of certain exemptions), presentation of overhead within the General Fund with enterprise operations bearing direct costs, and the likelihood of an interfund financing solution to bridge timing for major wastewater capital commitments (e.g., lift station scopes and the PCWRA-related work discussed under Legal), which would later be structured via promissory note and Board action. Directors requested additional detail behind certain beginning-funds and projection variances; staff will provide underlying schedules with next month's draft.

FINANCIAL MATTERS

Review: Monthly Claims for Payments

Mr. Harris presented claims totaling \$1,246,538.25 for the period, consisting of checks numbered 29317–29356 and electronic payments. He noted a large payment to the City of Castle Pines (\$332,392.14) for the Monarch Boulevard reconstruction/waterline project (Pay Application 1, Schedules A & B). Directors posed questions regarding (i) multiple “chargeback items” listed among electronic payments and (ii) the “Citywide analysis charge.” Mr. Harris explained that the chargebacks relate to merchant processing/NSF reversals and described the Citywide Bank treasury-management fee and offsetting earnings-credit mechanics; he will provide a follow-up detail on recent chargebacks and continues to explore alternative banking relationships to reduce monthly fees. Directors also inquired about ongoing Greystone Technology services and the status of a rate review with Core Electric; staff reported Greystone covers comprehensive IT support under a base contract with variable equipment work as needed, and that Core Electric's rate study response remains pending with periodic follow-ups. No action was taken during the work session.

LEGAL MATTERS

Review: Plum Creek Water Reclamation Authority Bond Repayment IGA – Reuse Reservoir Project

Counsel and the District Manager reviewed the draft intergovernmental agreement among the Town of Castle Rock, Castle Pines Metropolitan District (acting through its enterprise), Castle Pines North Metropolitan District, and PCWRA, covering financing and repayment for rehabilitation of PCWRA’s reuse reservoir (liner replacement, aeration system, new pump station, and related capital improvements). Staff explained that cost allocation under this agreement is based on the number of golf courses served (four total; CPNMD’s share corresponds to the Ridge Golf Course) rather than proportional wastewater flows; current planning estimates place CPNMD’s share near one-quarter of total project costs. Financing is expected through the State Revolving Fund schedule; PCWRA is coordinating timing to join a spring bond tranche given limited participation in the fall window. Directors discussed the not-to-exceed cap in the agreement, bid variability between compliance-only and combined compliance/pump-station scopes, and federal labor/compliance requirements if SRF funds are utilized. Staff will bring the IGA back for Board consideration at the next regular meeting.

Counsel also provided brief updates on ongoing codification of revised Rules and Regulations for presentation at an upcoming meeting and on the Hidden Point inclusion process. Counsel reported that Hidden Point intends to meet in October; the inclusion would require an election (set by the court but not bound to the special-district election calendar). Given statutory timing, inclusion and mill-levy certification cannot be completed for the 2026 collection year; staff projects that Hidden Point’s 25% outside-service surcharge would remain in effect through 2026, with inclusion-based mill levies beginning in 2027 and the surcharge removed thereafter. Directors asked clarifying questions regarding election administration and timing.

DISTRICT MANAGER’S REPORT

Discussion: Proposed New Deputy District Manager Position

The District Manager, Mr. Travis, presented an updated position profile reflecting feedback from the August meeting and subsequent Director input, including: elevating minimum qualifications to emphasize a strong water/wastewater utility background and leadership experience; narrowing the target education to civil engineering with a water-resources focus (with discussion among Directors about appropriate breadth and the potential use of “or equivalent” language in the final job description); and adjusting the targeted salary range from \$125,000–\$155,000 to \$115,000–\$140,000. Directors discussed succession planning, strategic alignment (including potential regional consolidation scenarios), and whether to prefer, require, or treat as “preferred” a civil engineering degree versus equivalent utility experience. The Board expressed overall support for the operational resiliency and planning value of the role, with the understanding that HR will finalize the job description language and align it with the formal posting. No action was taken during the work session.

ADJOURNMENT

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned at approximately 7:20pm.