

**CASTLE PINES NORTH METROPOLITAN DISTRICT  
WORK SESSION BOARD MEETING MINUTES  
October 20, 2025 – 5:30 p.m.**

**HELD:** Monday, October 20, 2025, at 5:30 p.m.

**ATTENDEES:** Directors Jason Blanckaert, Jana Krell, James Mulvey, Tera Radloff, and Leah Enquist (via zoom) 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 5:45 p.m.

**FINANCE**

**Review: Monthly Claims for Payments Made from September 10, 2025, to October 15, 2025**

Finance Director Eric Harris reviewed the monthly disbursements. He highlighted several notable items, including Check No. 29361 to the City of Castle Pines in the amount of approximately \$277,000 for the Monarch Boulevard expansion. He also noted an invoice to Community Resource Services of approximately \$17,000 for billing services, two checks to Kennedy Jenks for approximately \$126,000 and \$108,000 covering multiple capital and engineering scopes including reimbursable project work, and disbursements to Myers and Sons for wastewater treatment plant work. In addition, Mr. Harris reviewed the regular monthly invoice to Semocor, which is trending slightly higher due to modest overtime, as well as equipment purchases for the reuse project from Mountain Peak Controls. Eric referred the Board to page 9 of the large-format financial sheets, which separate the Kennedy Jenks invoices by project. No material budget concerns were identified.

Director Radloff asked about the Plum Creek Water Reclamation Authority (“PCWRA”) line item that was marked as requiring prior approval, and District accountant Molly Janzen confirmed the amount was simply the standard monthly charge. Director Radloff also asked about Semocor’s increase, which Eric clarified was attributable to minor overtime. Director Krell asked about water meter purchases from Core & Main, and District Manager Nathan Travis explained the meters were replacements for aging or

mismatched large-diameter meters. No further questions were raised, and the Board concluded review of the monthly claims.

### **Review: 2026 Draft Budget – Eric Harris, Elevated Clarity**

Eric Harris presented the draft 2026 Budget and walked the Board through revenue, operating expenditures, capital plans, and projected fund balances. He reviewed property tax projections and explained that the District again applied the 3.5-mill levy with a temporary tax credit, and that the residential assessment rate decreased from 6.7% to 6.25%. He further explained the assessed valuation impacts of the Castle Pines URA, including the approximate \$716,000 reduction in commercial valuation attributable to the frozen value of the shopping center property. Director Enquist requested an update on the URA's activity, and Nathan confirmed that the URA was active though updates had been sparse. Director Mulvey suggested requesting periodic reports from South Metro, the special district representative on the URA board. Mr. Harris also reviewed other revenue streams, including oil and gas royalties, cell tower lease revenue (which is passed through to the City following transfer), and the indirect-cost allocation introduced in 2025. Director Radloff inquired about the projection for oil revenue, which appeared elevated compared to 2025 actuals, and Mr. Harris agreed to review and adjust accordingly.

Eric then reviewed the professional services categories, including Elevated Clarity, audit fees, engineering, district counsel, and communications. He noted that Elevated Clarity will propose expanded scope in 2026 to support FE&XT modernization, UB4 implementation, and an initiative to organize the District's electronic records. He added that audit fees will be reduced in the next draft due to efficiencies in the 2024 audit cycle. Nathan also stated that major contracts—including Elevated Clarity, Semocor, and others—will be brought forward for November approval to align with adoption of the 2026 Budget. Eric reviewed office, building, staff support, and operations expenditures, which remain consistent with 2025 levels. He indicated that the projected ending fund balance for the General Fund is approximately \$415,000, reflecting the receipt cycle for property taxes. Director Radloff inquired about Conservation Trust Fund ("CTF") lottery proceeds, and Eric explained that the District certifies participation annually and then remits the proceeds to the City pursuant to the parks and open-space agreement.

### **Review: Cost of Service Study – Erik Helgeson, Bartle Wells Associates**

Erik Helgeson, Principal at Bartle Wells Associates, presented the updated water and wastewater cost-of-service ("COS") study. Erik described the methodology used for the benchmarking survey of regional utilities—such as Parker, Highlands Ranch, Castle Rock, Roxborough, and Dominion—and explained that the survey accounts for system density, pumping requirements, asset age, and operating characteristics unique to each utility. He then reviewed the financial planning process, highlighting assumptions for operating-cost inflation at 4%, a 10-year capital plan, reserve targets, and the internal loan from the Water Fund to the Wastewater Fund. Erik described the cost allocation methodology, which distinguishes customer, base, capacity, and peak-demand costs

across customer classes, as well as rate design principles emphasizing revenue stability, equity, conservation incentives, affordability, and administrative simplicity.

Erik explained that the proposed 4% annual water revenue increase aligns with inflation and long-term system needs, and that the proposed rate adjustments vary slightly by class due to updated cost allocation. He stated that the typical residential water bill, for a ¾-inch meter and 9,000 gallons per month, would increase from \$93.69 to \$98.02. He also noted that the comparative survey of local utilities places CPNMD's proposed 2026 water rates near the regional midpoint.

Turning to the Wastewater Enterprise, Erik reviewed the financial plan showing approximately \$13.9 million in capital needs over five years, largely attributed to the lift station rehabilitation program. He explained the Water Fund's loan to wastewater and the repayment structure tied to Colorado Trust investment rates. He recommended a 6% annual wastewater revenue increase to maintain prudent reserve levels and avoid larger future spikes. Erik also presented the updated fixed and volumetric sewer rates, which are based on winter water averaging, and stated that the combined water and sewer bill would remain within the middle range of regional utilities.

Mr. Travis and Erik also presented a restructured reuse rate for The Ridge Golf Course, the District's sole reuse customer. They explained that the proposed structure would reduce the volumetric rate from \$3.04 to \$0.51 per thousand gallons, paired with a fixed monthly charge of \$12,141.54, designed to stabilize cost recovery for the PCWRA reuse reservoir project and the related Country Club pond lining project. The Directors discussed incorporating safeguards to prevent excessive overuse while preserving revenue stability. Nathan agreed to refine the structure and notify the Board of any discussions with the Ridge prior to the November budget hearing. He also advised the Board that the Ridge may speak at a future public hearing regarding potential cost-sharing proposals. Erik concluded his presentation by emphasizing that predictable annual increases are necessary to support long-term capital and operating stability and to maintain healthy reserves.

## **LEGAL**

District Counsel Kim Seter joined the meeting and referred the Board to the legal report included in the packet and to the draft minutes requiring Board review. The minutes requiring Board review included the August 18, 2025 Work Session Minutes, the August 25, 2025 Regular Meeting Minutes, the September 15, 2025 Work Session Minutes, and the September 22, 2025 Regular Meeting Minutes. Director Radloff asked about delays related to the Hidden Pointe agreement, and Mr. Seter stated that the hesitations appeared tied to extended administrative delays rather than substantive ones. Mr. Travis

asked Directors to forward any edits to the draft minutes so that they could be incorporated into the next meeting packet. No additional legal questions were raised.

## **ADJOURNMENT**

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned.