

**CASTLE PINES NORTH METROPOLITAN DISTRICT
REGULAR MEETING MINUTES
NOVEMBER 27, 2023 – 6 p.m.**

HELD: Monday, November 27, 2023 at 6 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Pines, Colorado

ATTENDEES: Directors Tera Radloff, Jason Blanckaert, Leah Enquist, Jana Krell (virtually) and James Mulvey were present. Nathan Travis, District Manager was present as well as Kim Seter, Legal Counsel and; Phyllis Brown and Sadie Whitworth of CRS (virtually).

CONFLICTS: None.

QUORUM: Present.

CALL MEETING TO ORDER: The Meeting was called to order at approximately 6 p.m.

CONSIDERATION OF AGENDA OF THE MEETING OF THE BOARD OF DIRECTORS: Upon motion, the agenda was approved unanimously as presented.

CONSIDERATION OF PAST MEETING MINUTES: Director Radloff and Director Enquist seconded the approval of the minutes of October 23, 2023 and November 15, 2023 as presented.

Following discussion, the Board meeting minutes were unanimously approved as presented.

PUBLIC COMMENT: None.

2024 BUDGET: President Blanckaert enquired if there had been any changes to the budget since its last review. Manager Travis noted that several minor changes were made adjusting numbers and accounting for the assessed valuation changes.

Director Radloff moved to accept the proposed 2024 budget.

2024 BUDGET HEARING: President Blanckaert then opened the public hearing at approximately 6:06 p.m. Director Radloff enquired about the source of the budget numbers. Mr. Travis noted that the numbers are unaudited actual numbers. Ms. Brown noted that the numbers will be audited shortly and the final version of the budget can reflect the numbers as audited. Mr. Seter noted that the approval is occurring prior to final assessed valuations and the approval will be subject to some changes. Director Radloff wants to state that the numbers are unaudited actuals to provide greater transparency; and, there are "2023 estimated numbers" shown, but aren't there actual numbers to some point in 2023. Ms. Brown notes that there is some work to be done on the numbers until 2023 is audited because numbers approved under the IGA with the

City requires some "true-up" after the end of the year. Director Radloff also enquired about apparent water revenue declining and why that appears to be the case. Mr. Travis notes it is based on the prior year and not on weather pattern predictions. It is based on the 2023 revenue numbers. Ms. Brown notes that the numbers are conservative. Director Radloff agreed with the conservative approach and noted that revenue was down in 2023 because of so much rain.

Director Mulvey enquired about the Well A-5 Redrill being postponed and what is anticipated in that regard. Manager Travis described moving that project because there are so many other projects underway. The well will be reconsidered with the evaluation of all the wells in a larger plan. Redrill or replacement may take place in 2025. Further explanation can be added to the budget since funding is part of the general engineering items.

Director Radloff noted that she would provide some suggested changes to the explanations in the budget. She also enquired about Conservation Trust Funds which were indicated to be transferred to the City for use throughout the City. Mr. Seter noted that those should be restricted to the District and Mr. Travis indicated he would correct that language. Director Radloff also noted that language should reflect what the District has done and not what the City may or may not have done. Those changes will be made.

Director Mulvey questioned the 2024 combined column and how revenues are allocated with 75% to wastewater and 25% to the water fund. Mr. Travis notes the funds are separated based on the revenue from each service. Those changes are addressed in the final draft.

Mr. Seter questioned Ms. Brown as to whether the mill levy revenue will be adjusted to the budget or the budget adjusted to the mill levy if a motion is made. Ms. Brown indicated the revenue should be maintained and the levy adjusted as necessary. Director Radloff noted the revenue should not change, just the comments.

Mr. Seter notes that the final valuations won't be provided until January because of pending legislation. The revenue numbers can stay the same and the motion can allow the mill levy to change to derive those budget numbers. Pursuant to Ms. Radloff's additional questions, Mr. Seter noted that an amended budget could be approved next year if anything unanticipated occurs. Director Mulvey noted that the final levy is not likely to be very different from what is anticipated tonight; but, how will that "floating levy" work. Mr. Seter notes the revenue numbers are final numbers demonstrating the funds needed to operate in 2024. The mill levy will change as the new valuations are provide to produce the revenue/funds stated in the budget. The Board will not need to take further action.

The Directors discussed whether they were comfortable approving the budget at this meeting.

There was no public comment.

Director Radloff then amended her motion to approve the budget with the changes discussed and keeping the tax revenues constant while allowing the mill levy needed to derive the budgeted revenue to change as needed and appropriating sums to the appropriate funds as noted and subject to updating the 2022 numbers when finalized by the audit. Director Blanckaert seconded and the Board approved unanimously.

FINANCE DIRECTOR'S REPORT: Ms. Brown updated the Board on the status of the 2022 audit and presented the current financial statements. Upon motion made by Director Radloff and seconded by Director Mulvey, the financial report was unanimously approved and checks numbered 28227-28278 and the electronic payments from October 20 through November 22 were approved and ratified.

The audit work is substantially complete and will be ready for acceptance and filing before the end of the year. Upon enquiry, Mr. Seter advised that the audit can be approved for filing subject to ratification in January. The audit is the auditor's work product and you will not likely be allowed to make any changes. Upon motion of Director Radloff, the Board authorized filing the 2022 audit with the state when completed with Board acceptance/ratification in January.

LEGAL COUNSEL'S REPORT: Mr. Seter presented his written report noting it contained several updates but no new information or approvals required. Mr. Seter noted the conversation with the attorney for Hidden Pointe which may want to include into and merge with CPN.

DISTRICT MANAGER'S REPORT: Mr. Travis noted that Hidden Pointe is fully served by CPN but isn't within the District. It would be helpful to bring them under our roof and eliminate the service agreement between the two districts. The City is also looking at an IGA with Hidden Pointe similar to ours to take over the storm drainage and parks and recreation. Director Blanckaert asks if there are any drawbacks. Mr. Travis notes the only possible drawback would be the reduction in the 1.5% service charges allowed under the service agreement. Mr. Seter notes that there is likely an increase in revenue because the valuations of the property in Hidden Pointe is much larger than the revenue from the service fee premium. The Board authorized continued discussions with Hidden Pointe.

PCWRA rate calculations depend on amount of wastewater and the loading of the wastewater. The calculations have been inaccurate for years because of the splitter structure that separates the waste at the plant. Director Krell questioned what upgrades are recommended. Mr. Travis notes that these have not been determined yet. Mr. Travis recommends preparation of an IGA to share the cost of evaluating, redesigning and fixing these structures. Mr. Seter notes that any cost sharing agreement will come before the Board for approval. Directors Mulvey and Radloff noted that the agreement should address the evaluation and determination of costs first. By consensus, the Board

approved the preparation of such an agreement for future consideration and approval or disapproval.

The Board considered the proposed 2024 meeting schedule. It follows the format previously used except for May 28 because of Memorial Day. The end of year meetings were altered in a pattern similar to 2023. The schedule was accepted. Director Krell questioned whether the Board should consider two regular meetings a month so that voting can occur. Director Radloff and Mr. Seter noted that the study sessions provide Board time to ask questions and become educated without interruption.

Mr. Travis provided a status report concerning the work on the Sanitary Sewer Overflow Violation remediation. There is good information contained in the packet with construction schedules sent to the state. It is extremely conservative and we will hopefully move faster. However the state makes this a legal requirement so being conservative is important. Director Enquist asked when we will have more information about potential fines. Information is not available from the state currently. Director Radloff asked if we can get information on the fines imposed on others. Mr. Seter noted that the potential for fines are often used for enforcement of the construction schedules and remediation requirements. Ultimately the fines are not as onerous as threatened; but, that is only in his experience. Director Mulvey and Director Radloff asked if the slack in the schedule is sufficient to address supply chain and other concerns. Director Radloff had questions concerning the sewer overflow response plan and suggested some changes to the language to ensure it is easily understood and to eliminate references to contractors that may not be involved in the future. Mr. Travis noted the plan is a "living document" that will be reevaluated periodically. Director Radloff wants to ensure the contractors and/or employees are made aware of the requirements of the plan and their responsibilities, contacts, deadlines etc.

The Board discussed the credit card fees assessed by BillPay. If the December 13 meeting is to be canceled we would have to move this to January. Mr. Seter noted that the public hearing has been posted and the hearing on the fees could be pushed to January. Director Blanckaert moved to cancel the Dec. 13 meeting and move the public hearing on the fees to January 22. Director Radloff seconded and the motion was approved unanimously.

The Manager's contract will need to be reviewed and considered in the January meeting. He would like to have an evaluation at some point to help him in his work. Director Radloff volunteered to obtain an evaluation forms and information for the Board to utilize.

DIRECTOR MATTERS: Director Radloff thanks the staff and is very pleased with the professional and transparent presentation of the budget. We have a desire to be as transparent as possible and the District Manager has done a stellar job in connecting us to the community and presenting the budget in a way never presented before. The other Directors agreed.

Director Blanckaert proposed that staff holiday gifts be given like last year. Director Mulvey thanked Mr. Travis for addressing the changes and questions he has raised and presenting information clearly, thoroughly, and easily understood. It is greatly appreciated.

ADJOURN: The meeting adjourned at approximately 7:43 p.m.