

**CASTLE PINES NORTH METROPOLITAN DISTRICT
REGULAR BOARD MEETING MINUTES
February 24, 2025 – 6:00 p.m.**

HELD: Monday, February 24, 2025 at 6:00 p.m.

ATTENDEES: Directors Jason Blanckaert, Leah Enquist, Jana Krell, James Mulvey and Tera Radloff were present. Nathan Travis, District Manager; Paul Polito, Seter, Vander Wall & Mielke; Eric Harris and Molly Janzen, H2 Advisors were present.

CONFLICTS: Director Radloff disclosed an indirect professional relationship with Sara Goodwin from Catalyst Public Affairs. Although the relationship does not pose a conflict, Director Radloff wanted to disclose the professional relationship in the interest of openness and transparency to the Board and the public.

QUORUM: Present.

CALL MEETING TO ORDER: The Regular Meeting was called to order at approximately 6:00 p.m.

CONSIDERATION OF AGENDA OF THE MEETING OF THE BOARD OF DIRECTORS: The Board approved the agenda as presented.

PUBLIC COMMENT PERIOD

Mr. Dawes commented on the District’s contract processes, the lack of recourse for construction design issues regarding the water line on Monarch, and notice requirements for termination processes. Mr. Dawes shared an article regarding the drafting of contracts, and discussed the implications surrounding the inclusion of indemnification provisions within government contracts.

CONSENT AGENDA

Director Mulvey requested corrections to the January 27, 2025 minutes to ensure accurate figures from the presented given by Michael Penny, City Manager for Castle Pines. The minutes will be corrected and presented at the next meeting. Upon motion, second, and unanimous vote, the Board approved the consent agenda items as amended, including:

- January 23, 2025 Work Session Minutes
- Ratification of claims for payment (check numbers 28961–29089, electronic payments November 21, 2024 – February 14, 2025)
- Approval of District Manager Review Process

- Approval of contracts from February 19, 2025 Work Session: QP Services, Kennedy Jenks, Distribution System Resources.

HEARING: APPEAL OF PENALTY ASSESSED

District Manager, Mr. Travis, presented evidence of a water meter bypass violation at 6271 Kenzie Circle, per Article 17.2.2 of the District's rules. He explained the estimation of unbilled water usage and associated labor costs. The homeowner provided testimony regarding the events and requested waiver of the \$500 penalty while agreeing to pay the estimated water usage cost of \$437. After discussion, Director Radloff moved to waive the \$500 penalty, seconded by Director Krell. Directors Blanckaert, Enquist, Radloff, and Krell approved the waiver; Director Mulvey opposed. The motion to approve the waiver of the \$500 penalty passed. The homeowner shall pay the estimated water usage cost of \$437.

SEMOCOR OPERATIONS STAFFING CONTRACT DISCUSSION

Will Parker, Semocor owner, explained the scope and costs associated with Semocor's contract, clarifying service hours and removed fees. Mr. Parker also mentioned the discounts provided to the District via waiver of ORC fee and managerial fee for certain work performed. Director Enquist moved to approve the Semocor contract; the motion passed unanimously.

COMMUNICATION DIRECTOR'S REPORT

The communications director provided an update on the revised budget and marketing metrics. There were 46,602 website visits recorded. Director Blanckaert inquired about recent service interruption communications, with Mr. Travis outlining steps taken to notify residents and manage calls, and discussed updating the website to provide the public with the summary of the recent service interruption.

FINANCE DIRECTOR'S REPORT

Finance Director Eric Harris presented comprehensive financial reports through December 2024. He detailed ongoing efforts to implement robust monthly financial processes designed to enhance administrative efficiency and ensure timely presentation of current financial statements to the Board.

Mr. Harris confirmed the successful collection of all property taxes budgeted for the year, noting the receipt of additional state funds, resulting in collections exceeding initial certification. He provided a detailed overview of budget versus actual revenue figures, highlighting notable variances in water and wastewater service revenues. Mr. Harris explained factors contributing to increased water service revenues and the corresponding decrease in wastewater service revenues during the 2024 calendar year.

The Board reviewed a detailed summary of disbursements and claims, during which Mr. Harris expressed confidence in the district's current bill payment processes, affirming that all bank accounts are fully reconciled and accurately reflect financial activities.

Additionally, Mr. Harris provided an update on H2 Advisors' internal transition plan, emphasizing that specific items requested by the Board are actively being tracked and addressed to ensure a smooth operational shift.

Director Mulvey raised a question regarding the correlation between water and sewer rate structures, asking Mr. Harris if the current data appeared logical and consistent. Mr. Harris confirmed the general accuracy and coherence of the available data but noted that H2 Advisors had limited access to the detailed historical data, approximately two weeks at the time of reporting. He assured the Board of his commitment to conducting a thorough analysis of the entire 2024 calendar year's financial data to ensure accuracy and consistency of inflows and outflows.

District Manager Nathan Travis complemented the report by mentioning that the district conducts annual acoustic leak detection on district lines, which will continue this year as part of proactive infrastructure management.

Director Enquist thanked Mr. Harris for his detailed presentation and thorough reporting.

LEGAL COUNSEL'S REPORT

District counsel, Mr. Polito, presented the legal status report, including an update on the Hidden Pointe Metropolitan District inclusion.

DISTRICT MANAGER'S REPORT

District Manager Nathan Travis provided updates on several ongoing initiatives and upcoming activities.

AWWA ACE presentation accountment. Mr. Travis announced that the District would be presenting at the upcoming AWWA ACE conference, highlighting the district's proactive engagement and leadership in the water community.

Customer Service Specialist, new employees. Mr. Travis reported the successful hiring of new customer service specialists, noting that onboarding and training processes are underway.

Well A2 Update. Regarding Well A2 located on Monarch Blvd, south of Castle Pines Parkway, Mr. Travis provided an update on ongoing investigations and repair proposals. The District has received a contractor's proposal, which has been referred to Kennedy Jenks for detailed pricing review. Alternatives are also being explored through discussions with Semocor and Kennedy Jenks. Mr. Travis assured the Board that current assessments indicate the well does not require redrilling, significantly reducing the potential repair costs.

Asset Management Update. Mr. Travis discussed enhancements to the District's asset management program. He outlined plans to establish useful life dates for assets, improving the accuracy of long-term replacement cost projections. He emphasized the collaborative effort with Finance Director Harris to integrate this information into future financial planning.

Director Radloff raised concerns about transitioning the District toward more proactive rather than reactive asset management. Mr. Travis explained this transition as a sliding scale, where proactive strategies would increasingly reduce the need for reactive measures over time.

Director Enquist questioned why the current leak detection surveys fail to identify certain deficiencies within the system. Mr. Travis described limitations inherent to existing leak detection methods, explaining that while current technology effectively identifies existing leaks, it does not predict imminent failures. He highlighted the possibility of implementing live leak detection devices, noting recent cost reductions in such technologies. Additionally, in response to Director Enquist's query about mapping district pipes, Mr. Travis confirmed partial capabilities currently exist.

Director Mulvey encouraged Mr. Travis to stay informed of emerging technologies that could benefit the District, expressing interest in leveraging innovative solutions.

SL RAT collections system maintenance review. Mr. Travis concluded his report by presenting a video demonstration of the Sewer Line Rapid Assessment Tool (SL-RAT), showcasing advanced methods for efficient sewer line assessments.

EXECUTIVE SESSION

At approximately 7:20 p.m., upon motion, second, and two-thirds vote, the Board entered Executive Session under CRS Section 24-6-402(4)(e) to determine positions relative to matters that may be subject to negotiations regarding communications proposals. The Executive Session concluded at approximately 7:41 p.m.

POST-EXECUTIVE SESSION ACTION

Director Krell moved for the District Manager to continue negotiations with the communications director candidates, seconded by Director Radloff; the motion carried unanimously.

DIRECTOR'S MATTERS

No additional matters discussed.

ADJOURN

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

