

**CASTLE PINES NORTH METROPOLITAN DISTRICT
WORK SESSION MINUTES
August 17, 2026 – 5:30 p.m.**

HELD: Monday, August 17, 2026, at 5:30 p.m. at 7404 Yorkshire Drive, Castle Pines, Colorado.

ATTENDEES: Directors Jason Blanckaert (President), Tera Radloff, Jana Krell, James Mulvey, and Leah Enquist were present. Also present were: Nathan Travis, District Manager, and Rene Santin, Deputy District Manager; Eric Harris, Finance Director, Elevated Clarity LLC; and Paul Polito, Esq., Seter, Vander Wall & Mielke, P.C., legal counsel to the District.

CONFLICTS: None.

QUORUM: Present.

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

FINANCE ITEMS

Review of Monthly Claims for Payments Made from July 16, 2026 to August 12, 2026

Mr. Harris presented \$1,369,183.53 in payment claims for review, consisting of \$1,175,724.30 in checks (check numbers 29771 through 29812) and \$193,459.23 in electronic payments. All invoices included in the payment claims were reviewed and evaluated for compliance with the District's Financial Controls Policy and Matrix. Mr. Harris highlighted a payment of \$438,024.57 to T Lowell Construction Inc. under Pay Application No. 6 for Phase One of the Lift Station Upgrades Project, and a payment of \$86,184.54 on the filter rehabilitation project. Based on the latest update from Kennedy Jenks, the filter project contract, including change orders, totals approximately \$3,731,000, with approximately \$200,000 in retainage remaining, and the project is nearing completion; projections will be updated for the regular meeting.

Mr. Harris reported that staff has moved recurring firm commitments, such as payroll, utility payments, and payroll processing fees, to electronic payment, and has implemented recurring entries to streamline the monthly close. In response to Director Radloff, Mr. Harris confirmed that bank and credit card fees have decreased slightly, and noted that the transition to InBank has not yet been completed and is expected by year end. A comprehensive financial report, including an analysis of financial activity through June 30, 2026 and annual projections that will form the basis for the 2027 preliminary budget, will be provided at the August 24, 2026 Board Meeting.

Finance Department Updates

Mr. Harris reported that the District has fully transitioned to the CUSI UB4 billing platform, with no impact on customers; the online payment portal has been redirected to the new system, and he credited District staff member Susan Nagel for her testing work. The cloud-based platform is more flexible than the prior hosted system and gives staff better access to account data. Staff is working through the 2027 budget calendar, to be finalized by the end of August, and a draft budget is expected next month.

The first phase of the District's records management project, mapping the District's records to its records retention policy, was completed approximately one month ago. Staff has received a proposal from Greystone to move the District's files to an online SharePoint solution, organized

into records libraries by functional area with permission-based access and including ongoing administrative support, which is expected to come to the Board next month. Following the migration, the District's servers would retain only a backup of the GIS system, and the District will also keep a local backup consistent with EPA guidance calling for a minimum of three backups on at least two types of media in different locations. In response to Director Mulvey, Mr. Travis confirmed that administrative access to District records will be limited to the District Manager and Deputy District Manager, with human resources records limited to the District Manager. Greystone is also conducting its annual IT compliance review of the District.

President Blanckaert noted the deficiencies identified during the recent EPA cybersecurity briefing. Mr. Travis reported that Greystone has addressed many of them and that he will obtain a status update; that Colorado Networks, the District's subcontractor for SCADA integration, has completed network security improvements and established individual operator logins at the District's water operations facilities, allowing permissions to be partitioned and user activity to be tracked; and that the District's updated Risk and Resilience Assessment has been submitted to the EPA. These efforts are being incorporated into the District's broader security and access control program.

Mr. Harris further reported that staff continues to work with Bartle & Wells on a proposed revenue-neutral rate structure, including conservation considerations, to be brought to the Board. Staff is also evaluating the conservation rebate program, including reimbursement rates and a means of tying rebates to measurable water savings, and is considering funding the program through a rolling fund balance, rather than an annual appropriation that resets each year, incorporated into the rate structure. A significant pending conservation proposal may come before the Board at a future meeting.

LEGAL ITEMS

Mr. Polito presented the legal status report included in the Board packet and provided the following updates.

Interconnect Pump Station Surge Modifications – Construction Contract

Counsel received the finalized construction contract for the project on August 14, 2026 and returned final comments the same day. The bid results were discussed under District Manager Items below.

Hidden Pointe Metropolitan District Inclusion

The inclusion remains on track for the November 3, 2026 election, and all required filings have been made to date. The election will be conducted as an independent mail ballot election, and eligible electors will receive a separate mail ballot packet.

Service Plan Amendment

Douglas County provided the results of its referral comment review on July 22, 2026, and no referral agencies objected to the amendment. At the County's request, counsel submitted a final, formal service plan application package on August 14, 2026. Counsel anticipates County hearings in September and October, with the amendment finalized in late October or November depending on the County's schedule.

Amended and Restated Community Center Lease with the City of Castle Pines

Counsel expects to send the lease to the City within the next few days. Director Mulvey asked about the status of the IT-related spaces raised at the July meeting and how access to those

areas will be controlled. Mr. Polito responded that those spaces are being addressed and that the District would lease the space it occupies, subject to negotiation with the City, including a secured portion of the basement for District records. Mr. Travis noted that certain District IT infrastructure in the basement will also need to be secured, and that he will provide counsel with exhibits identifying the District's basement space. In response to Director Radloff, Mr. Travis reported that the Board-approved security project for the water treatment plant is moving forward, that he will provide a more detailed update at the regular meeting, and that the District building's IT infrastructure could readily be added to that project's scope.

Review of July 20, 2026 Work Session Minutes and July 27, 2026 Regular Board Meeting Minutes

The Board reviewed the draft minutes of the July 20, 2026 Work Session and the July 27, 2026 Regular Board Meeting. No comments were raised. The minutes will be presented for approval at the next regular meeting.

DISTRICT MANAGER ITEMS

Review and Discuss: Interconnect Pump Station Surge System Modifications Bid

Mr. Travis presented the bid tabulation for the CPNMD-CWSD Interconnect Pump Station Surge Modifications project. Five lump sum bids were received and opened on August 6, 2026: Schleicher Construction, LLC, \$149,636.00; Velocity Constructors, Inc., \$223,821.00; Myers & Sons Construction, LLC, \$256,500.00; Barnard Structures, Inc., \$324,806.05; and Glacier Construction Co., Inc., \$523,035.00. Mr. Travis noted that five responses is a strong result for a project of this size and that the low bid is in line with pricing staff previously obtained through direct solicitation. The District's project engineer, Level Engineering & Architecture, has recommended award to Schleicher Construction, LLC, with which Level has worked on a number of projects with positive results; Schleicher is a small firm of approximately five employees with low overhead that specializes in internal mechanical piping projects of this size, while the other bidders are substantially larger firms.

In response to Director Radloff, Mr. Travis confirmed that Schleicher has references beyond Level. President Blanckaert asked about the difference between the low bid and the other bids, which Mr. Travis attributed principally to overhead. Director Krell confirmed with staff that the low bid is consistent with staff's expectations. Mr. Travis confirmed that the contract requires bonding and includes liquidated damages of \$500 per day. In response to Director Krell, Mr. Travis noted that no contingency is included for this project, although the District typically includes approximately ten percent. Mr. Travis will present the construction contract for award at the August 24, 2026 Regular Meeting, once counsel's revisions to the contract language are complete.

Other Updates

Mr. Travis reported that he will provide updates at the regular meeting on several well issues and on the water treatment plant. The grand opening of the water treatment plant will likely be moved to early spring 2027. A floor drain line that receives unused reagent from the plant's chemical monitoring equipment, and into which a valved-off mix tank drain is tied, requires repair beneath a structural floor. The older ductile iron drain line may have collapsed based on camera inspection, and staff needs to confirm that water is not leaking into the plant's foundation. Staff met with a structural engineer earlier in the day and will provide more information at the regular meeting.

At President Blanckaert's request, Mr. Travis reviewed the three recent line breaks with the aid of a map. The first, reported over the weekend, involved water surfacing through cracks in the street

between two homes. It was not severe enough to warrant an after-hours response, and the flow was diminishing when staff arrived. Given the heavy precipitation over the weekend, the neighborhood's lack of any history of line breaks, and the good, properly wrapped condition of the pipe in that area, staff believes the water is more likely stormwater or sump pump discharge than a main break. Staff will pothole the location and run leak detection to confirm. In response to Director Krell, Mr. Travis confirmed that the four affected homes were notified but their water service was never shut off, and that the preliminary estimate included in his notification to the Board will be revised once the cause is determined.

The other two breaks occurred almost simultaneously in the District's early filings, installed in the late 1980s with unwrapped pipe. One was a corrosion break with an approximately three-inch hole in pipe in poor condition, which is consistent with staff's expectations for that area. The second was likely induced by valve operations for the Monarch valve replacements and tie-ins, which were performed slowly but affected pipe that was already close to failure.

Mr. Travis reported on the distribution system condition assessment. Pipe recently exposed during tie-ins was found in good condition and properly wrapped, in an area that staff had anticipated would require near-term replacement; that area can now remain on a normal replacement schedule. Draft assessment results are expected in early October. Staff will not pothole the early filings, where replacement needs are already known, but will pothole Filing 21 around the elementary school, an adjacent filing, and other locations over the next few weeks.

In response to Director Radloff, Mr. Harris explained that the capital improvement plan previously assumed approximately \$1.5 million in general maintenance capital for line replacements over a ten-year horizon. The assessment data will allow staff to phase line replacements into the ten-year plan, tailor reserves and the rate study accordingly, and reduce repair and maintenance costs over time. These items will be part of the budget discussions. Mr. Travis offered a rough preliminary estimate of \$10 million to \$14 million for the full pipe replacement program. In response to Director Mulvey's question about staging the program given funding and contractor capacity, Mr. Travis explained that the assessment report will present options with projected costs and the tradeoffs of each approach. A phased approach spreads costs over time. One or two larger projects reduce mobilization costs, provide some protection from inflation, and attract larger contractors with more competitive pricing. Mr. Harris added that staff will estimate annual linear footage of replacement and model the options against the District's cash balances. In response to Director Krell, Mr. Travis confirmed that Kennedy Jenks performs inspection of the District's current construction work and maintains daily logs.

ADJOURNMENT

There being no further business to come before the Board, the Work Session was adjourned.