

**CASTLE PINES NORTH METROPOLITAN DISTRICT  
WORK SESSION MINUTES  
April 20, 2026 – 5:30 p.m.**

**HELD:** Monday, April 20, 2026, at 5:30 p.m. at 7404 Yorkshire Drive, Castle Pines, CO 80108.

**ATTENDEES:** Directors Tera Radloff, James Mulvey, Jana Krell, and Leah Enquist were present. Director Jason Blanckaert was absent (excused). Also present were: Eric Harris, Elevated Clarity; Nathan Travis, District Manager; Rene Santini, Deputy District Manager; Lisa Schwien, P.E., Kennedy/Jenks Consultants; and Paul Polito, Seter, Vander Wall & Mielke, P.C. All attendees participated via videoconference.

**CONFLICTS:** None.

**QUORUM:** Present.

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

**FINANCE ITEMS**

**Review: Monthly Claims for Payments Made from March 13, 2026 to April 15, 2026**

Eric Harris of Elevated Clarity presented the monthly payment claims totaling \$1,425,616.50, consisting of \$1,306,323.76 in checks and \$119,292.74 in electronic payments. Mr. Harris confirmed that all invoices have been processed through the established review channels and have been evaluated for compliance with the Financial Controls Policy/Matrix. Mr. Harris highlighted notable claims, including pay applications associated with capital projects (Myers & Sons Construction, LLC for the Filter Beds Rehabilitation in the amount of \$107,476.00, and T Lowell Construction, Inc. for the Lift Stations Upgrades in the amount of \$309,770.01), the District's \$400,000 annual capacity readiness charge to Highlands Ranch Water under the Highlands Ranch Water IGA, and aggregate charges of approximately \$61,372.07 to QP Services, LLC for ongoing repair work.

Director Radloff inquired as to the structure of the Highlands Ranch Water capacity readiness charge. Mr. Travis and Mr. Harris explained that the \$400,000 charge is an annual fixed charge for system availability under the IGA, separate from the volumetric rate of approximately \$2.63 to \$2.67 per thousand gallons charged for water actually delivered through the interconnect. Mr. Harris noted that the invoicing timing for the annual charge varies between the fourth quarter of the prior year and the first quarter of the current year.

Mr. Harris also reported that internal analysis of the District's 2026 capital expenditures is underway and that capital project reporting will be reinstated on a monthly basis and provided beginning with the April 27, 2026 Board Meeting packet. Director Mulvey confirmed that this responds to the Board's prior request for apples-to-apples capital tracking. The Board had no further questions.

**Proposed Transition and Restructuring of the District's Cash Management Process**

Mr. Harris presented a memorandum recommending a phased restructuring of the District's cash management framework, consisting of: (a) transitioning the District's primary operating banking relationship from UMB Bank to InBank, N.A.; (b) adding CSAFE as a second local government

investment pool and rebalancing the District's invested funds approximately 50/50 between CSAFE and ColoTrust PLUS+; and (c) establishing a target operating-account carrying balance of approximately \$850,000, with excess balances swept periodically into a new interest-bearing account at InBank. Mr. Harris confirmed that each element of the proposal is consistent with the District's Investment Policy adopted July 28, 2025.

Mr. Harris explained that the proposal is driven by four considerations: (i) monthly UMB analysis service fees ranging from approximately \$1,000 to \$2,000 on a non-interest-bearing operating balance; (ii) the existing out-of-state lockbox, which is lengthening receivable posting times in combination with extended USPS delivery windows; (iii) the District has maintained the same operating account number for more than twenty years through multiple bank acquisitions (City-Wide, Centennial, and UMB), with corresponding limitations in available treasury management functionality; and (iv) one hundred percent of the District's invested funds are currently held in a single local government investment pool. Mr. Harris noted that InBank is a Colorado-headquartered, FDIC-insured commercial bank and an eligible public depository under the Public Deposit Protection Act, that InBank offers a Denver-based lockbox that is expected to reduce receivable float by one to two business days, and that initial analysis indicates approximately \$200 per month in fee savings while providing comparable or improved treasury management services, including positive pay, remote capture, and ACH batch processing.

Mr. Travis added that the District has experienced operational issues with the existing Texas-based lockbox, including a significant batch of lost payments during a prior billing cycle, and that residents have regularly questioned why District payments are mailed out of state. Mr. Travis and Mr. Harris noted that the transition would be phased in over approximately the next six months in coordination with the ongoing utility billing system upgrade, with appropriate public communications. Director Mulvey asked about Mr. Harris's familiarity with this type of restructuring; Mr. Harris confirmed he has implemented similar transitions for several other clients and is familiar with the relevant treasury management platforms. Director Radloff expressed support for the proposal. Mr. Harris indicated that the proposal would be brought forward for Board authorization at the April 27, 2026 Board Meeting.

### **Proposed Addition of PERA Roth Option and PERA 457 Deferred Compensation Plan**

Mr. Harris presented a memorandum recommending that the Board authorize the adoption of the Colorado PERA Roth option and the Colorado PERA 457 Deferred Compensation Plan, and authorize the District Manager to execute the related Employer Participation Agreements with PERA. Mr. Harris explained that the matter was identified during a recent review of the District's PERA documentation, which revealed that the District's current PERA 401(k) Plan does not include a Roth (after-tax) contribution option and that the District has not adopted PERA's 457 Deferred Compensation Plan. Mr. Harris noted that adding the Roth option provides employees with flexibility to diversify the tax treatment of their retirement savings, and that the 457 Plan provides a supplemental, employee-funded governmental retirement vehicle with separate IRS contribution limits that can be used alongside the existing 401(k).

Mr. Harris noted that there is no direct cost to the District for offering either program; both are administered by PERA and its third-party administrator, the District's existing 3% employer match on the PERA 401(k) Plan is unchanged, and no employer match is proposed for the 457 Plan. Mr. Harris also reported that pending state legislation may require Colorado public employers to offer a voluntary retirement savings program such as the PERA 457 Plan effective January 1, 2027, and that adopting the program now would position the District to comply well in advance of any such deadline.

Director Krell asked whether the District already participated in PERA. Mr. Harris confirmed that the District participates in the PERA defined benefit plan and the PERA 401(k) Plan with employer match, that District employees do not contribute to Social Security, and that the proposed Roth option and 457 Plan are additional employee-elective savings vehicles offered through PERA. Mr. Harris indicated that the recommendation would be brought forward for Board action at the April 27, 2026 Board Meeting.

## **LEGAL ITEMS**

### **Legal Status Report**

Legal Counsel Paul Polito reviewed the Legal Status Report. Mr. Polito noted that two matters require Board action at the April 27, 2026 Board Meeting: (i) the amendment to the District's Rules and Regulations addressing combined service lines; and (ii) the Intergovernmental Agreement with the City of Castle Pines regarding the reconstruction of Castle Pines Parkway westbound and replacement of the associated water line. Mr. Polito flagged that the Water Infrastructure Cooperative Agreement among CPNMD, Castle Pines Village Metropolitan District ("CPVMD"), and The Country Club at Castle Pines is in progress, and that he has prepared a redline that he will coordinate with District staff before returning to CPVMD's counsel. Mr. Polito reported that the Service Plan Second Amendment, the Hidden Pointe Metropolitan District inclusion, the Ridge Golf Course raw water agreement, and the Parks IGA conveyances remain active matters but do not require Board action at this time. The Board had no questions on the Legal Status Report.

### **Review March 16, 2026 Work Session Minutes**

Mr. Polito presented the March 16, 2026 Work Session minutes for review. Mr. Polito invited the Board to submit any suggested edits prior to or at the April 27, 2026 Board Meeting. The Board had no comments or requested changes.

### **Review March 23, 2026 Board Meeting Minutes**

Mr. Polito presented the March 23, 2026 Board Meeting minutes for review. The Board had no comments or requested changes.

### **Amendment to Rules and Regulations – Combined Service Line Provisions**

Mr. Polito presented a redlined draft amendment to the District's Rules and Regulations addressing combined service lines, i.e., service lines used for both domestic water service and fire protection through a single connection to a water main. Mr. Polito explained that the issue was identified by the District Manager in connection with a recent commercial water service matter and that the existing Rules define the customer/District ownership boundary by reference to the curb stop or property line, neither of which is typically present on a commercial combined service. The redline does three things: (i) it adds new defined terms for "Combined Service Line" and "Combined Service Isolation Valve" at Sections 2.6.1 and 2.6.2; (ii) it adds a new Section 3.6.4 allocating ownership and maintenance, placing responsibility on the customer for all portions of the Combined Service Line downstream of the first valve on the service line, including all piping, fittings, valves, branches, meter yokes, and related fire protection components, with the District retaining ownership of the water meter on a gasket-to-gasket basis; and (iii) it adds a new Section 8.10.1 requiring continuing customer access and control of the domestic isolation valve and prohibiting any configuration that could impede flow to the fire protection system.

Mr. Travis described the underlying field condition that prompted the amendment, involving a commercial six-inch combined service line serving a daycare on Max Drive. Mr. Travis explained that the existing rules were not sufficiently clear with respect to combined services, and that as a

result the District ultimately performed a repair that, under the clarified rules, would be the customer's responsibility. Director Mulvey asked Mr. Polito and Mr. Travis to walk through the ownership boundary, which they did. Mr. Polito indicated that, subject to any further comments from the Board, the amendment will be presented for formal approval at the April 27, 2026 Board Meeting.

### **Water Infrastructure Cooperative Agreement (CPNMD, CPVMD, and The Country Club at Castle Pines)**

Mr. Polito reviewed a redlined draft of a three-party Cooperative Agreement for Water Infrastructure among the District, CPVMD, and The Country Club at Castle Pines, Inc., addressing ownership, cost-sharing, and operation of certain shared water infrastructure, specifically the PCWRA Pond 6A irrigation line and pond, the associated pump station, the ongoing Pond 6A lining project, and the connecting irrigation lines to Chase Lane and to The Ridge. The initial draft was provided by CPVMD's counsel; all redline edits in the version before the Board were prepared by Mr. Polito.

Mr. Polito summarized the principal changes added by the redline: (i) a unilateral termination right and a cure-based termination provision, neither of which was included in the initial draft; (ii) a definition of "Emergency" tied to notice requirements, allowing emergency repairs to proceed without advance consultation; (iii) a good-faith dispute mechanism on payments; (iv) a \$50,000 threshold above which the prior written approval of the District is required for any capital work for which the District has a cost-sharing obligation; (v) standard-of-care and audit-rights provisions; (vi) a tiered dispute resolution mechanism, including mediation, prior to recourse to the district court; and (vii) reservations addressing rate-setting authority and other governmental functions.

Director Mulvey asked whether the word "unforeseen" in the definition of "Emergency" was necessary, observing that a waterline break may be foreseeable in the abstract but still require immediate response. Mr. Polito agreed and indicated that he would remove the word "unforeseen" from the definition. Mr. Harris reminded the Board that the District's 2026 capital budget includes a \$200,000 capital expense expected to be administered through this Agreement. Deputy District Manager Rene Santini asked whether the \$50,000 prior-approval threshold referred to the total project cost or to the District's allocable share. Mr. Polito confirmed that the threshold is measured against the total project cost. Mr. Polito indicated that he will coordinate the redline with District staff before returning it to CPVMD's counsel. No Board action was required at this time.

### **Intergovernmental Agreement with the City of Castle Pines – Castle Pines Parkway Westbound Reconstruction and Water Line Replacement**

Mr. Polito presented a draft Intergovernmental Agreement between the District and the City of Castle Pines regarding the reconstruction of westbound Castle Pines Parkway from the intersection of Monarch Boulevard to approximately Forest Park Drive, together with the replacement of approximately 4,330 linear feet of 14-inch ductile iron water main, the Monarch Waterline Phase 3 work at the intersection, and valve replacements south of the intersection to Oxford Drive. Mr. Polito explained that the IGA is modeled on the 2024 Monarch Boulevard Phase 1 IGA and establishes the process by which the water line replacement will be constructed as part of the City's roadway project and paid for by the District.

Mr. Polito summarized the cost allocation across three schedules: Schedule A (Monarch Waterline Phase 3), \$574,210.00, funded 100% by the District; Schedule B (Castle Pines Parkway westbound water line replacement), \$931,035.05, funded 100% by the District; and Schedule C (roadway reconstruction), \$2,300,280.85, allocated 50/50 between the District and the City based on the approximate roadway removal that would be required if the water line work were

constructed as a standalone project. The District's estimated total cost share is \$2,655,385.48, the City's estimated total cost share is \$1,150,140.42, and the overall Project total is \$3,805,525.90, inclusive of contingency. Mr. Travis noted that the dollar amounts include contingency of approximately \$200,000 and that actual costs may come in lower.

Mr. Travis directed the Board to the City's bid tabulation and the schedule overview map included as the appendix to the project memorandum. Director Mulvey asked Mr. Travis to identify on the map the location of the prior potholing and proposed tap-in to the adjacent neighborhood, and Mr. Travis confirmed the location and explained that the existing pipe was so corroded that a tap could not be installed and that full replacement under the Project will resolve the condition. Mr. Polito noted that the City anticipates awarding the construction contract at its April 28, 2026 meeting, and accordingly asked the Board to review the IGA and be prepared to consider approval at the April 27, 2026 Board Meeting in advance of the City's contract award.

## **DISTRICT MANAGER ITEMS**

### **2026 Watering Schedule, Restrictions, and Penalties**

Mr. Travis presented a comparison of watering restrictions adopted by surrounding water providers in the region and recommended that the Board move from a recommended to a mandatory watering schedule for the 2026 irrigation season. Mr. Travis explained that, while the District is less exposed than providers reliant on Denver Water or surface water sources, codifying a consistent schedule represents both responsible water management and good regional practice. The recommended structure consists of: (i) a maximum three-day-per-week irrigation schedule for residential customers, with watering days assigned by address as in prior years; (ii) a new commercial watering schedule of Monday, Wednesday, and Friday; (iii) a prohibition on watering between 8:00 a.m. and 8:00 p.m., consistent with the District's historical recommendation and with operational guidance received from CORE Electric regarding off-peak grid demand; (iv) a prohibition on water waste, including overspray onto non-irrigable surfaces and runoff into streets, gutters, and sidewalks, applicable to both residential and commercial users; and (v) a recommended (but not required) cycle-and-soak irrigation method as a tool for residents to avoid runoff.

Mr. Travis noted that the District does not have current staffing or metering infrastructure dedicated to active monitoring of watering compliance and that the District's existing Rules and Regulations contain only limited enforcement language. Mr. Travis described two potential enforcement frameworks used by Castle Rock and Highlands Ranch involving rate-tolling fees, which would require a notice period before adoption. Mr. Travis indicated that a rate-tolling fee structure could be noticed for consideration as early as the May 2026 Board Meeting, with Mr. Polito confirming that the timing was workable.

Director Enquist expressed support for the proposed mandatory schedule and water waste restrictions, but recommended deferring adoption of a fine structure until the District completes its rollout of upgraded ("smart") meters that would enable automated identification of violations. Director Enquist cited the recent rate increases and the importance of giving customers advance notice of any new enforcement framework. Director Krell raised the question of whether the District should adopt the requirements even without active enforcement, on the theory that codified rules will themselves drive a degree of voluntary compliance. Mr. Travis agreed that adopting the mandatory schedule and water waste prohibitions now, while deferring the fine structure for further development, would be a prudent process. Mr. Travis noted that the Town of Castle Rock allocates fine revenue to its water conservation program and that the District may wish to consider a similar approach when developing its own structure.

Mr. Santini suggested that, in the absence of automated enforcement, a fine structure may risk being used disproportionately against the same residents based on neighbor reporting, which further supports deferring enforcement until smart meter infrastructure is in place. Mr. Travis agreed. Director Radloff endorsed the staged approach of adopting the mandatory schedule and water waste prohibitions, conducting outreach and education in the interim, and developing the fine structure for future consideration.

Director Enquist raised the concern that certain HOAs within the District impose landscaping requirements that may be in tension with the District's water conservation objectives, including, in some cases, fines for brown lawn areas. Mr. Travis asked Mr. Polito to prepare a legal memorandum addressing the Colorado statutory framework governing HOA landscaping rules during drought and water-wise landscaping, including the limits on HOA authority to enforce turf requirements. Mr. Polito agreed and indicated that he could deliver the memorandum in advance of the next Board Meeting. Mr. Polito noted that Colorado has, through a series of statutes, increasingly preempted HOA authority in this area and that an HOA in Colorado today may not lawfully fine a homeowner for a dead lawn during a drought.

Mr. Travis also indicated that he will bring to the April 27, 2026 Board Meeting a proposed process for residents to apply for limited exemptions from the watering schedule, including for new water-wise landscape installations during their establishment period.

At Mr. Santini's prompting, the Board also discussed the District's landscape replacement rebate program. Mr. Travis reported that the District's current rebate of \$0.50 per square foot for residential turf replacement and \$1.00 per square foot for commercial and HOA replacement is significantly below the rates offered by neighboring providers (e.g., Castle Rock at \$3.00 per square foot and Highlands Ranch at \$2.50 per square foot), and that the District has experienced limited participation in its conservation programs. Mr. Travis noted that Highlands Ranch uses a tiered structure that provides a higher rebate for conversion to a full water-wise landscape and a lower rebate for conversion to low-water-use turf varieties such as Tahoma 31 or Dog Tuff, and indicated that he would support a similar structure. Director Enquist expressed interest in including low-water-use turf varieties as eligible replacements. Mr. Travis indicated that he and Mr. Santini will develop a proposed rebate adjustment, with comparative data, for the Board's consideration at the April 27, 2026 Board Meeting.

Director Krell asked whether the District could partner with the City of Castle Pines to support more restrictive landscaping standards in new and existing development, including replacement of sod in medians, as has occurred in Aurora and other jurisdictions. Mr. Travis reported that the District participated in a water summit convened by the City in 2024 or 2025 with Castle Rock and Parker, that the City was at that time more receptive to incentive-based approaches than to mandatory land use restrictions, and that, given the District's effectively built-out service area, mandatory land use authority would have limited practical impact. Mr. Polito clarified that the District's authority is limited to regulating water service (including rebate programs, drought restrictions, and rules and regulations governing water use) and does not extend to direct land use regulation of private property. Mr. Travis indicated that the District will continue to engage with the City on landscape policy matters.

#### **Lift Station Upgrades – Budget Amendment No. 4**

Lisa Schwien, P.E., of Kennedy/Jenks Consultants joined the Work Session to present Budget Amendment No. 4 for the Lift Station Upgrades project. Ms. Schwien reported that, on Scope A, the gravity line for elimination of Lift Station No. 2 and the 10-inch force main are installed and tested (with tie-ins to occur in a subsequent phase), the overflow vaults at Lift Station No. 1 are

in place, and paving of Serena Drive was expected to be completed and the roadway reopened by the end of the same week. Ms. Schwien reported that approximately 40% of the Scope A engineering fee has been expended, with inspection and documentation on site, and that the Scope A budget remains in a good position relative to remaining oversight needs.

Ms. Schwien explained that Budget Amendment No. 4 covers (i) additional project management hours, (ii) additional design tasks for both Scope A and Scope B, (iii) additional bidding services for Scope B, and (iv) construction phase services for Scope B (added as a new Phase 8). Ms. Schwien indicated that the budget is intentionally conservative and may come in under the requested amount. Mr. Travis reported that Scope B has been awarded, that the first pre-construction meeting has yet to occur, and that the principal outstanding items are easements (including the access easement for Lift Station No. 6 and the recording of overflow-vault easements). Ms. Schwien confirmed that CDPHE approvals are complete, including final approval received that day for Lift Station No. 3, and that the contracts are essentially in place. The Board had no questions, and the budget amendment will be presented for action at the April 27, 2026 Board Meeting.

### **Water Distribution System Risk Analysis and Capital Improvement Plan**

Mr. Travis presented a proposal from Kennedy/Jenks Consultants for a Water Distribution System Risk Analysis and Capital Improvement Plan. Mr. Travis explained that the scope is focused on the segments of unwrapped ductile iron pipe installed in the District in the mid-1980s through the late-1990s without polyethylene wrap or insulated service connections, which have experienced corrosion-driven main breaks over the past ten years. The objective is to characterize the existing condition of these segments, integrate the results into the District's asset management plan, and produce ten-year and thirty-year capital replacement plans for the affected areas.

Ms. Schwien noted that Kennedy/Jenks evaluated several inspection methods during pre-design, including acoustic and electromagnetic assessment and open-cut potholing with handheld thickness testing, and that each of those methods proved expensive relative to the expected diagnostic value. Ms. Schwien recommended developing a phased replacement plan based on the District's existing operational knowledge of these pipe segments, with discretionary testing options retained in the proposal. The total proposal request is approximately \$75,000, with actual cost expected to be lower if the testing options are exercised on a limited basis. Mr. Harris confirmed that approximately \$140,000 is budgeted in 2026 for the condition assessment work. Mr. Travis indicated that Mr. Santini will serve as the District's point of contact with Kennedy/Jenks on this engagement.

### **Croft Court Emergency Waterline Replacement Proposal**

Mr. Travis reported on a recent water main break on Croft Court that revealed pipe condition substantially worse than anticipated. The District performed an emergency repair, the break caused significant damage to the roadway and subsurface, and a temporary patch is in place such that the roadway is drivable. Given the condition of the line and the extent of surface repair already required, Mr. Travis indicated that it would not be prudent to undertake significant pavement work without first replacing the line. Accordingly, Kennedy/Jenks has been engaged to develop a proposal for full replacement of the affected segment on an expedited basis. Some preliminary design tasks have already been completed, including locates and survey. Mr. Travis reported that the City of Castle Pines supports the approach of completing the water line replacement before reconstruction of the cul-de-sac surface. Ms. Schwien confirmed that Kennedy/Jenks has the survey in hand and that the proposal will be delivered to Mr. Travis in advance of the next Board Meeting. A full proposal will be presented for Board consideration at the April 27, 2026 Board Meeting.

## **Risk and Resilience Assessment, Emergency Response Plan, and Security Master Plan Proposal**

Mr. Travis presented a consolidated proposal from Kennedy/Jenks Consultants combining three related scopes of work: (i) update of the District's Risk and Resilience Assessment (RRA), required by the EPA to be completed by approximately the end of June 2026; (ii) update of the District's Emergency Response Plan (ERP), required by the EPA to be completed by approximately the end of December 2026; and (iii) a Security Master Plan addressing both site security and access control (previously removed from the scope of the Lift Station upgrades and the Water Treatment Plant project so that it could be addressed on a system-wide basis) and an OT/SCADA cybersecurity assessment aligned with EPA, AWWA, ISA/IEC 62443, and NIST CSF guidance. Mr. Travis noted that the cybersecurity component is being coordinated with the EPA's recently initiated cybersecurity evaluation of the District, with one additional EPA meeting to occur before final recommendations are incorporated into the Kennedy/Jenks scope.

Mr. Travis reported that the total proposed budget is \$122,012, that this engagement was not specifically budgeted in 2026, and that Mr. Harris and Mr. Travis will evaluate the proposal against the existing 2026 budget and report whether any budget amendment will be required. Director Mulvey indicated he would forward additional comments on the proposal directly and would coordinate with Director Blanckaert outside the meeting. The proposal will be brought back to the Board for further discussion.

## **ADJOURNMENT**

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