

**CASTLE PINES NORTH METROPOLITAN DISTRICT
REGULAR BOARD MEETING MINUTES
August 24, 2026 – 6:00 p.m.**

HELD: Monday, August 24, 2026, at 6:00 p.m. at 7404 Yorkshire Drive, Castle Pines, Colorado, with one attendee participating via videoconference.

ATTENDEES: Directors Jana Krell, James Mulvey, and Tera Radloff were present. President Jason Blanckaert and Director Leah Enquist were absent. Director Krell presided in President Blanckaert's absence. Also present were: Nathan Travis, District Manager, and Rene Santin, Deputy District Manager; Eric Harris, Finance Director, and Molly Janzen, Accountant, Elevated Clarity LLC; Paul Polito, Esq., Seter, Vander Wall & Mielke, P.C., legal counsel to the District; Patrice Quintero, Sigler Communications, via videoconference; and Steve Dawes, a member of the public.

CONFLICTS: None.

QUORUM: Present.

CALL MEETING TO ORDER: The Regular Meeting was called to order by Director Krell.

APPROVAL OF AGENDA

Upon motion duly made by Director Radloff, seconded by Director Mulvey, and unanimously carried (3–0; President Blanckaert and Director Enquist absent), the Board approved the agenda for the August 24, 2026 Regular Meeting as presented.

PUBLIC COMMENT PERIOD

Steve Dawes thanked Mr. Travis for the map and summary of well performance attached to the District Manager's report. Mr. Dawes reviewed the Board's reports since January 2026 on the reinstallation of Wells A-1, A-2, and A-6 following Layne's warranty work, and noted that Well A-2 started smoothly in June and was reported to be running better than it had in years, but is not currently running. He observed that the report does not describe the cause of the failure and asked that the public be informed of the status to the extent possible outside the executive session scheduled for the meeting. Mr. Travis responded that the cause of the failure has not been determined. The well had been operating well under the District's online monitoring and failed suddenly in the middle of a run cycle. The District's next step is a full root cause failure analysis, and staff is in contact with Layne to coordinate that effort. In response to a follow-up question, Mr. Travis reiterated that the cause has not yet been determined. No other members of the public, in person or online, requested to comment, and the public comment period was closed.

CONSENT AGENDA

- A. Approve the July 27, 2026 Regular Board Meeting Minutes;
- B. Approve the July 20, 2026 Work Session Minutes;
- C. Ratify claims for payment, including check numbers 29771–29812 and electronic payments issued from July 16, 2026 to August 12, 2026, totaling \$1,369,183.53; and
- D. Award the Interconnect Pump Station Surge System Modifications bid to Schleicher Construction, LLC, in the amount of \$149,636.00.

Upon motion duly made by Director Radloff, seconded by Director Mulvey, and unanimously carried (3–0; President Blanckaert and Director Enquist absent), the Board approved the items as presented in the Consent Agenda.

DISCUSS AND CONSIDER: CROFT COURT WATER LINE REPLACEMENT PROJECT AWARD

Mr. Travis explained that the water line in Croft Court, off Yorkshire Drive, broke several months ago and extensively damaged the street. Because the line is in very poor condition, it would not make sense to complete a large street repair over it, so staff notified the Board at the time that it intended to replace the line this year as a small, unbudgeted capital project. Kennedy Jenks designed the project, and bids were opened on August 18, 2026. Six bids were received, and Diaz Construction submitted the lowest bid, \$194,482.00, consisting of a base bid of \$167,470.00 and a bid alternate of \$27,012.00. The engineer's estimate was \$319,840.00 for the base bid and \$36,120.00 for the alternate. Lisa Schwien, P.E., of Kennedy Jenks recommended award to Diaz Construction, which completed the Yorkshire Water Line Replacement project for the District. Mr. Travis added that Diaz is a single-crew contractor that specializes in projects of this size, and that staff is comfortable with the firm.

In response to Director Krell, Mr. Travis confirmed that the recommended award includes the base bid and the bid alternate, which addresses the uncertain quantity of asphalt repair. Director Radloff noted that the bid was well below the engineer's estimate and confirmed with staff that it is a fixed-price bid, subject only to change orders. Mr. Travis reported that Ms. Schwien confirmed with Diaz that it is comfortable with its bid, and noted that Diaz was also significantly lower than the next bidder on the Yorkshire project. Director Krell observed that recent bids in her own professional experience have come in well under estimates, reflecting a softening market. Mr. Travis added that larger contractors are increasingly bidding on smaller projects. Director Mulvey asked whether the District has per-linear-foot cost metrics to benchmark bids of this type. Mr. Travis stated that the District has a baseline figure from its prior capital forecasting and will provide it, and Director Mulvey suggested developing simple cost metrics for future replacement projects.

Upon motion duly made by Director Krell, seconded by Director Radloff, and unanimously carried (3–0; President Blanckaert and Director Enquist absent), the Board awarded the Croft Court Water Line Replacement Project to Diaz Construction in the amount of \$194,482.00.

QUARTERLY COMMUNICATIONS REPORT

Mr. Travis introduced Patrice Quintero of Sigler Communications, who is filling in for Bryn Webster. Ms. Quintero presented the summer 2026 communications report. From June through August, Sigler published 17 social media posts covering the Get the Tea campaign, water quality and system facts, project updates, Smart Irrigation Month, and the Garden in a Box program. The District also ran three advertisements in the Castle Pines Connection and distributed monthly bill inserts. Other accomplishments included media coverage of Drug Take Back Day, a water conservation Q&A with Mr. Travis in the Connection, watering rules and conservation tips (including Garden in a Box and sprinkler evaluations through Resource Central), and a water and wastewater projects handout that directs residents to the District's website.

The Get the Tea campaign, which runs from July through the end of August, aims to strengthen the District's connection with its customers by increasing signups for Daupler text notifications and the Current News e-newsletter, which provide information on water outages, emergency alerts, construction impacts, and District projects. The campaign used bill inserts, Connection advertisements, social media, community events, direct mail, and paid media to reach users who do not receive a bill, such as renters and residents of multifamily housing. Mr. Travis noted that

staff identified approximately 700 such addresses within the District and sent direct mailers to all of them. Two winners, one from each signup channel, will each receive a \$50 gift card to Ziggi's Coffee in September. In response to Director Radloff, Ms. Quintero reported that early indications suggest a couple hundred new signups, with final results to follow once the campaign ends.

Ms. Quintero also reported on ongoing lift station project communications, including the updated project timeline, trail closure information, and individual stakeholder outreach. Sigler plans to pitch a Connection article on the District's wastewater system projects for November, and an article on the District's treatment plant upgrades to Rocky Mountain Water magazine for its November issue. Upcoming items include a late-summer e-newsletter on winterization and fall watering, a September report on the Get the Tea campaign, a customer survey on water conservation programs (begun at a recent community event), fall budget and rate communications, and an October crisis communications tabletop exercise.

In response to Director Krell, Mr. Travis and Ms. Quintero explained that the tabletop exercise is an internal training exercise for staff and consultants, not a public event. Sigler is writing the scenarios, including one addressing cybersecurity threats to water systems, and the exercise will follow the District's crisis communications plan, so Directors may receive test notifications, with advance notice. At Director Mulvey's request, Mr. Travis agreed to provide the Board with a debrief of lessons learned from the exercise. Directors commended the campaign.

FINANCE REPORT

Ms. Janzen presented the quarterly financial report, reflecting activity through June 30, 2026 and projections through year end. General Fund revenues were \$1,674,285, which is \$82,284 below the year-to-date budget, and expenditures were \$1,201,407, which is \$56,150 under budget. For the full year, the District projects General Fund revenues of \$2,492,494 (\$63,778, or 2.5%, below budget) and expenditures of \$2,192,130 (\$114,097, or 4.9%, under budget), for a projected change in funds available of \$300,364, which is \$50,319 better than budgeted. Projected ending funds available are \$824,374, compared to a budgeted \$447,827, due principally to the higher-than-budgeted beginning balance of \$524,010. Two expenditure lines are over budget. Property and liability insurance, a one-time annual cost, is \$40,755 over. Software support is over because of system upgrades and the consolidation of all software costs, some previously carried in other lines, into that line item.

Billed water usage for June was 94,087,000 gallons, and year-to-date usage was 248,225,000 gallons, a 6.84% increase over the prior year-to-date period. Receivables are seasonally higher in summer. In the Water Fund, revenues through June were \$3,916,008, which is \$391,209 above budget, led by water service revenue, and expenditures were \$6,927,021, which is \$259,402 under budget. Centennial delivery charges and electricity for interconnect pumping ran over budget, consistent with this year's greater reliance on interconnect water delivery instead of well pumping. For the full year, the Water Fund projects a change in funds available of \$(10,796,114), which is \$475,155 better than budgeted. Projected ending funds available are \$32,246,883, compared to a budgeted \$30,385,689, reflecting the planned drawdown from the capital program, principally the water treatment plant filter rehabilitation. The projection includes the unbudgeted Croft Court project, estimated at \$255,627.

Director Radloff asked how unanticipated expenditures are captured in the projections. Ms. Janzen explained that staff projects each revenue and expenditure line item individually, and cited examples from the Water Fund's repair and maintenance lines and the Croft Court project, which is carried as an unbudgeted line in non-operating expenditures and rolls into total expenditures. Mr. Harris added that Elevated Clarity meets weekly with District staff and incorporates known

events occurring after the reporting period, such as recent line breaks, into the projections. He also noted that statutory budget compliance is measured against each fund's total appropriation, so the Croft Court project does not require a budget amendment if the fund's appropriation can absorb it. Close monitoring of the projections allows staff to identify any need for a budget amendment hearing in time to provide notice.

Director Mulvey asked that staff track spending on unanticipated and emergency repairs over time, to help prioritize areas of the system. Mr. Harris explained that the accounting system tracks costs only by fund and account, but that staff can prepare a manual analysis tying repair costs to specific events. Director Radloff questioned whether the value would justify the additional staff time, given the ongoing pipe condition assessment. Mr. Travis responded that staff already tracks break history as part of the condition assessment, which will include a map of approximately 15 years of break history, and that he will add a break summary to the District Manager's report.

In the Wastewater Fund, the beginning fund balance was approximately \$380,000 (7.2%) above budget, revenues are projected approximately 3% above budget, and the projected change in funds available is approximately 3% below budget, driven principally by collection system repair and maintenance costs. Mr. Travis stated that he expects collection system costs to decline significantly in future years. Under a simplified rating system for manholes and pipe segments, approximately 97% of the collection system is now rated in good condition, compared to an industry average of 70% to 80%, and the District expects to move to a routine annual evaluation. Director Mulvey commended staff's proactive approach. Ms. Janzen also reviewed the balance sheet, noting that cash is being drawn down as planned for capital projects, that the majority of property tax revenue is received in the first half of the year, and that accounts payable have averaged approximately \$2 million in recent months.

Mr. Harris reported that warmer weather earlier in the year increased water service revenue, while wastewater revenue remains predictable because it is based on winter usage, and that electrical costs were lower due to rate forecasting and the timing of the filter program. He then provided updates on several initiatives. Staff is executing the cash management strategy under the District's investment policy, including opening the CSAFE accounts, with InBank accounts in progress and a report to follow at an upcoming work session. The UB4 billing system is live, with August billing to be processed with Susan Nagel of District staff. Customer bills will look slightly different, and third-party bill printing will be added after a few billing cycles to save staff time. Ms. Janzen cleared approximately ten years of archival records from the accounting system's cash management module, so bank reconciliations, which have always been performed monthly outside the system, can now be performed within it. A preliminary draft 2027 budget is expected next month.

Mr. Harris also reported that staff is working with Bartle & Wells on scenario analyses of potential conservation rate structures, water budgets, and indoor and irrigation allotments, based on the District's revenue requirement and ten-year cost forecast. He described this as a multi-year process that will include communications with customers. A preliminary finding is that approximately 90% of customers currently use only Tier 1, compared to approximately 20% under block structures without water budgets, which illustrates the potential customer impacts. In response to Director Mulvey, Mr. Harris confirmed that the analysis, which uses 2021 through 2024 data, will return to the Board's rate working group, which includes Directors Krell and Mulvey, before staff seeks any direction, and then to a Board work session. He also explained that customer bills depend on tap size, water budget, and customer classification. Director Radloff thanked staff for the report and its new summary tables.

LEGAL COUNSEL STATUS REPORT

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

Interconnect Pump Station Surge Modifications – Construction Contract

The Board awarded the project under the Consent Agenda. The construction contract incorporates the protective terms described in the status report, and the matter will be removed from future reports.

Hidden Pointe Metropolitan District Inclusion

The inclusion is proceeding smoothly. Ballots will be mailed to the eligible electors within Hidden Pointe between October 2 and October 9, 2026. In response to Director Krell, Mr. Polito confirmed that only Hidden Pointe electors will vote on the inclusion.

Service Plan Amendment

Counsel submitted the formal service plan amendment application package to Douglas County on August 14, 2026, and the County responded favorably. The application fee is being submitted, after which the County will set hearings over the next one to two months.

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

Staff and counsel have made further revisions to the restated lease, which has not yet been sent to the City. Counsel expects to send it within the next few days and to present the lease for final approval once the City returns comments.

DISTRICT MANAGER REPORT

Discuss: Water Treatment Plant Update

Mr. Travis reported that the water treatment plant tour and open house has been postponed to early spring 2027, likely around March. A floor drain line at the plant was found to be badly deteriorated during a camera inspection. Because the drain runs beneath a structural floor, it cannot simply be cut out and replaced. Kennedy Jenks and its structural team are developing a repair approach, with design expected to take two to three weeks and the repair approximately one month. Concrete curing time before the floor coating system can be completed will be the principal source of delay.

In response to Director Mulvey, Mr. Travis and Mr. Santin explained that the floor is an elevated slab. It spans the clearwell to the pipe gallery support wall, rests on columns rather than on grade over a void form, and has the drain line in the soil below, so any saw cutting requires an engineered plan. In response to Director Krell, Mr. Travis explained that no alternative alignment is available because the drain is confined between the filter gallery and the clearwell. In response to Director Mulvey, he explained that the pipe is too small and corroded to sleeve, and that sleeving would still require cutting the floor.

Distribution System Condition Assessment Update

Mr. Travis reported that the distribution system condition assessment with Kennedy Jenks is nearing completion, with the final deliverable expected in early October. The District's break history for approximately the last 15 years has been mapped and is updated as breaks occur. Some planned pothole locations are no longer needed because recent line breaks exposed the pipe there. Staff plans approximately eight full excavations, rather than vacuum excavation, over a single week, coordinated with the City. Full excavation gives a better view of pipe condition and

avoids damaging properly wrapped pipe. Staff selected two locations in each filing installed between approximately 1996 and 1999, where roughly half of the ductile iron pipe found to date has been properly wrapped. One location in each filing has dense service connections and one is a lower-density straight run, because service line density strongly affects corrosion, the cause of most of the District's breaks. The area already known to be in poor condition will not be potholed. The final component is acoustic leak detection on the main transmission line from the District's tanks to Castle Pines Parkway and Monarch Boulevard, to be performed as part of the tank rehabilitation project. A section of the unwrapped 18-inch main exposed during recent valve installations on Castle Pines Parkway was in much better condition than expected, and Mr. Travis hopes that line may not require full replacement for another 20 to 30 years. The assessment will present capital program options ranging from approximately ten \$1 million projects over ten years to a single larger project.

In response to Director Krell, Mr. Travis described the excavation method: the crew will backhoe alongside the pipe and hand dig to expose it. Director Mulvey urged coordination with the City to avoid excavating streets twice. Mr. Travis reported that staff has been coordinating with City staff on the City's side-street projects and will meet with the City once the assessment is complete to align the District's work with the City's roadway program. Some conflicts with recently resurfaced streets may be unavoidable, but he is not aware of any full street reconstructions affected. In response to Director Mulvey's question about ongoing fiber optic installations, Mr. Travis explained that the fiber is being installed principally by directional boring. Staff has coordinated with the City's Public Works Director and identified no direct conflicts with District water lines, and the City is notifying the District of planned installations. Prior conflicts on Castle Pines Parkway and Monarch Boulevard were resolved by relocating the water line into the right-of-way. In response to Director Krell, Mr. Travis explained that the District restores excavations with flowable fill to avoid compaction problems, and completes asphalt repairs with a milled six-inch ledge and infrared patching.

Discuss: Opportunities for Demonstration Turf Partnerships

Mr. Santin reported that staff met with the Brambleridge HOA and Buffalo Ridge Elementary about a demonstration garden comparing the water use of Tahoma 31 grass, Dog Tuff grass, and xeriscape. The Brambleridge site, an approximately 3,000-square-foot park behind the HOA clubhouse near Monarch Boulevard, would allow approximately 1,000 square feet for each planting type, but is not readily accessible to the public. At Buffalo Ridge Elementary, near Shoreham Drive and Monarch Boulevard, the school has added an outdoor classroom, and three areas of approximately 500 square feet each could be planted, with xeriscape filling in as needed. Staff recommends the Buffalo Ridge site because of its central location and educational value; the principal is enthusiastic about using the garden to teach students about conservation. Each area would be separately metered so water use can be compared directly. Staff anticipates including the project in the 2027 budget.

Mr. Travis noted that coordination with the school district, and possibly an intergovernmental agreement, will be needed. Staff's initial concept is for the District to fund installation and metering, with ongoing maintenance possibly provided through student programs. Director Radloff supported the proposal and urged a written agreement that addresses maintenance responsibilities and exit terms, noting that a prior community garden at the school was not sustained. In response to Director Mulvey, Mr. Santin explained that staff would engage a landscape architect for design and install in March. The Dog Tuff grass is installed by plugs and takes about a year to establish, and the other grasses would be sodded. Mr. Travis stated that the goal is to maintain the demonstration for many years, since the value of the comparative meter data grows over time. Director Mulvey suggested sharing the results with other water providers.

Other Updates

Mr. Travis's written report, included in the Board packet, also provided updates on other projects. Director Krell approved the South Tank Rehab pre-construction services proposal from Myers & Sons, totaling \$199,270, and the agreement has been reviewed by counsel and executed. The additional Castle Pines Parkway waterline and roadway work is estimated at \$799,890, within the \$900,000 previously approved by the Board. The report also covered the Stantec regional water supply study, the conservation rebate program, the lift station renovation program, the filter rehabilitation project, the PCWRA reuse pond project, and the Jam Ranch inclusion matter.

OPERATIONS & ENGINEERING REPORT

The operations and engineering reports were included in the Board packet. There were no questions. Director Radloff complimented the new visual format of the operations report.

EXECUTIVE SESSION REGARDING WELL A-2

Upon motion duly made by Director Krell, seconded, and unanimously carried (3-0; President Blanckaert and Director Enquist absent), the Board convened in executive session pursuant to § 24-6-402(4)(b) and (4)(e)(I), C.R.S., to receive legal advice on specific legal questions and to determine positions on matters that may be subject to negotiation regarding an equipment failure at Well A-2. Following the executive session, Mr. Polito stated for the record that the only matters discussed were those within the announced purpose of the executive session. The Board returned to open session, and no action was taken.

DIRECTOR'S MATTERS

There were no Director's matters.

ADJOURNMENT

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