CASTLE PINES NORTH METROPOLITAN DISTRICT
REGULAR BOARD MEETING MINUTES
May 26, 2026 – 6:00 p.m.

HELD: Tuesday, May 26, 2026, at 6:00 p.m. All attendees participated via videoconference.

ATTENDEES: Directors Jason Blanckaert, James Mulvey, Tera Radloff, and Jana Krell were present. Director Leah Enquist was absent. Also present were: Eric Harris and Molly Janzen, Elevated Clarity; Nathan Travis, District Manager; Rene Santini, Deputy District Manager; Paul Polito, Seter, Vander Wall & Mielke, P.C.; Bryn Webster, Sigler Communications; Stephanie Miller, Andrew Sauer, and Zac Claeys, InBank; Steve Dawes, Resident; and other members of the public.

CONFLICTS: None.

QUORUM: Present.

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

PUBLIC COMMENT PERIOD

President Blanckaert opened the public comment period.

Steve Dawes, 5703 Jasper Point Circle, addressed the Board on two items. First, regarding the InBank proposal, Mr. Dawes reiterated his recommendation that the District obtain three bids for banking services, noting that bank fees are often negotiable. Second, regarding the unauthorized water connection discussed at the May 18 work session, Mr. Dawes commented that statutes of limitations frequently begin to run when the injured party either knows or, in the exercise of reasonable diligence, should have known about the violation. He recommended the District assess the full amount of unpaid usage on the basis that the violation was only reasonably discovered recently, and then negotiate the amount with the resident.

There being no further public comment, the public comment period was closed.

CONSENT AGENDA

The Board reviewed the following items on the Consent Agenda:

A. Approve April 27, 2026, Regular Board Meeting Minutes

B. Approve April 20, 2026, Work Session Minutes

C. Ratify claims for payment including check numbers 29652–29691 and electronic payments issued from April 16, 2026, to May 12, 2026, totaling $1,966,413.96

D. Adopt a resolution to open a CSAFE LGIP account and authorize the assignment of designated signers

Upon motion duly made by Director Radloff, seconded by Director Mulvey, and unanimously carried (4–0; Director Enquist absent), the Board approved the items as presented in the Consent Agenda.

COMMUNICATIONS DIRECTOR PRESENTATION

Bryn Webster of Sigler Communications presented the Spring 2026 quarterly communications report. Ms. Webster reported approximately 18 social media posts across the District's three major platforms covering rates, capital projects, conservation, the watering schedule, and community events. She noted three monthly ads in the Castle Pines Connection highlighting the turf replacement program, Garden in a Box, hydrant flushing, and the Drug Take Back Day event, as well as two bill inserts with conservation and watering schedule information. A spring e-newsletter achieved a 20% open rate, within the District's typical range.

Ms. Webster presented the 2026 Annual Water Quality Report (Consumer Confidence Report), which includes a message from the District Manager, an introduction of Deputy District Manager Rene Santini, and several new infographics. The infographics depict the District's system overview and key statistics, current capital projects, and a regional water cost comparison based on the Bartle & Wells rate survey. Ms. Webster noted that the infographics will be divided into standalone pieces for use on social media and the website.

Ms. Webster also reviewed communications efforts related to the lift station renovation project, including new physical address signs at each lift station, social media and text updates via Daupler, maps of trail and road impacts, and progress posts for affected neighborhoods. Director Mulvey asked about the form of the new lift station signs, and Mr. Travis confirmed they are physical signs on gates or sign posts replacing existing signage. Ms. Webster also reviewed the updated 2026 watering schedule based on even and odd address numbering, which has been shared on all platforms.

Regarding upcoming efforts, Ms. Webster highlighted continued wastewater project outreach, promotion of summer events including the South Metro Water Supply Authority Water Festival and Party in the Park, conservation-focused stories in the Castle Pines Connection, a crisis communications tabletop exercise planned for later in the summer, a social media campaign to increase sign-ups for text notifications and the e-newsletter, and a water treatment plant completion open house planned for late summer or early fall. Mr. Travis noted that the plant will be functionally operational by June 8 but that safety railings and HVAC upgrades will need to be completed before hosting the public.

FINANCE REPORT

Review District Finance Report

Molly Janzen of Elevated Clarity presented the financial report, including the first quarterly financial statements for 2026 through March 31. Ms. Janzen provided updates on current projects, noting that the UB4 billing system implementation is expected to go live in July 2026 due to potential rate structure revisions, that Blackbaud Advisory consultants are working on report groupings and vendor master file updates, and that auditor fieldwork for the 2025 audit was completed the prior week with a draft report expected for management review by June 22 and distribution to the Board by June 30.

Ms. Janzen reviewed the balance sheet, noting that total assets stand at $49.1 million as of March 31, 2026, down from $52.1 million at year-end 2025, primarily due to capital project expenditures. Cash and investments total approximately $47.9 million. Property taxes receivable declined from $971,000 to $514,000, reflecting normal first-quarter collections through Douglas County. Retainage payable increased due to ongoing construction activity.

For the General Fund, Ms. Janzen reported that the beginning fund balance carried forward from 2025 was $365,654, compared to the $197,782 projected in the adopted budget. Total expenditures through March 31 are trending approximately $11,000 under budget in the aggregate. The projected ending fund balance is $645,658, higher than the adopted budget primarily due to the stronger beginning balance. Ms. Janzen noted a projected shortfall in oil and gas royalty revenues ($108,448 projected versus $266,500 budgeted), partially offset by lower projected professional services expenditures. Director Mulvey asked about a $40,000 unfavorable variance in property and liability insurance. Ms. Janzen explained that the 2026 budget had anticipated a significant reduction following the transfer of properties to the City of Castle Pines, but the actual premium did not decrease as expected. Staff will review the matter with the insurer.

For the Conservation Trust Fund, Ms. Janzen noted that the fund operates as a pass-through to the City of Castle Pines for parks-related lottery proceeds. Revenue and the corresponding payment to the City are both trending above budget. She noted that once the Service Plan amendment is completed, the District expects to eliminate this fund by having lottery proceeds flow directly to the City.

For the Water Enterprise Fund, Ms. Janzen reported that the beginning fund balance was approximately $1.5 million higher than budgeted. Operating revenues are projected at $4.9 million versus the $4.1 million budget, with billed water usage through March up 15.38% year-over-year. The projected operating loss is $1.2 million, compared to $1.8 million budgeted, resulting in a higher projected ending fund balance.

For the Wastewater Enterprise Fund, Ms. Janzen reported that operating revenues are tracking close to budget. Operating expenditures are trending higher than budgeted. Mr. Travis explained that the variance is primarily due to front-loaded collection system maintenance, including manhole condition assessments and rehabilitation that identified more repair needs than anticipated. He noted that collection system costs should decrease in future years as a result of this work. The projected ending fund balance remains higher than the adopted budget.

Introduction and Presentation of InBank

Stephanie Miller (Vice President, Commercial Banking), Zac Claeys (Vice President, Treasury Management), and Andrew Sauer (Senior Vice President, Market President) of InBank presented to the Board. Ms. Miller described InBank as a community bank with over 100 years of history, headquartered in Colorado with approximately $1.5 billion in assets. She noted that the InBank team previously served as the District's banking team at Citywide Bank, that the team has worked together for over 20 years, and that InBank's customer base includes other water districts and utilities.

Mr. Claeys stated that InBank's analysis projects approximately 30% savings on the District's monthly banking fees, in addition to a premium rate on deposit balances. He highlighted the local lockbox capability, which would keep payment processing in the Denver area rather than out of state, and the ability to automate payment posting files to streamline accounting. Ms. Janzen noted that the District's current monthly bank fees are approximately $1,300 to $1,400.

Director Mulvey asked about compatibility between InBank's systems and the District's Blackbaud accounting platform. Mr. Claeys confirmed that InBank's system is flexible and can produce various file types and formats to integrate with different accounting systems. Ms. Miller added that InBank operates on a single FIS platform, which provides seamless integration across all services.

President Blanckaert raised InBank's 1.7 out of 5.0 rating on Trustpilot based on 31 reviews. Mr. Sauer explained that the reviews are predominantly associated with an acquisition of a bank in InBank's southern region approximately two years ago and the integration process that followed, and are not specific to the northern Colorado team that would serve the District. Ms. Miller encouraged the Board to contact InBank's utility and government references, including United Power, Clear Creek County, Poudre Valley REA, Guzman Energy, and Mountain Parks Electric.

Consideration of a Resolution to Open District Checking and Treasury Sweep Accounts with InBank

Director Radloff expressed support for the recommendation, citing cost savings, local presence, and improved service. Director Krell agreed, acknowledging the Trustpilot concern but noting that negative reviews are more common than positive ones. Director Mulvey asked Ms. Janzen whether she had tested data compatibility; Ms. Janzen indicated she had not yet seen the details but expressed confidence based on InBank's representations and compatibility with Blackbaud. Mr. Travis suggested the Board could approve contingent on verification of references and system compatibility, but Mr. Polito noted that a conditional approval of that nature may be procedurally difficult and suggested the Board could delegate verification to staff.

Upon motion duly made by Director Radloff, seconded, and unanimously carried (4–0; Director Enquist absent), the Board approved the resolution authorizing the opening of District checking and treasury sweep accounts with InBank and designating official custodians.

WATER RATE TIER PRESENTATION AND DISCUSSION

Deputy District Manager Rene Santini presented a framework for restructuring the District's water rate tiers to promote conservation. Mr. Santini noted that the District's current rate structure is based on lot size and individual water budgets, resulting in over 600 individual billing codes and residents paying different per-gallon rates depending on their lot size. He explained that the current system lacks an effective conservation mechanism and that the Board had previously expressed interest in using rate structure rather than fines to encourage reduced water use.

Mr. Santini presented a usage analysis based on percentile data for all three-quarter-inch meter accounts. The 50th percentile peak usage is approximately 30,000 gallons per month, the 75th percentile is approximately 44,000 gallons, and the 95th percentile is approximately 90,000 gallons. He proposed replacing the current structure with a simplified tier system of four or five tiers based on percentile-derived usage thresholds, with tier one set at indoor-use levels (approximately 7,000 gallons based on the 90th winter percentile) and higher tiers capturing increasing levels of outdoor irrigation use.

Mr. Santini reviewed approaches used by peer water providers, including Parker Water (three tiers), Denver Water (three tiers with drought pricing), Aurora Water (four tiers with a drought surcharge), and Highlands Ranch Water (four tiers with drought pricing). He explained that the District could implement conservation through either adjusting tier budgets during drought stages or applying drought surcharges on top of existing tier rates. Mr. Polito clarified that a surcharge is applied on top of a base rate while drought pricing replaces the rate entirely.

Mr. Travis noted that under the proposed structure, tier one would function as an indoor-use tier and could be priced lower than current rates, with irrigation water in tier two and above priced to encourage conservation. He observed that the simplified structure would also enable an online water cost calculator for residents, which is not feasible under the current 600-code system.

Director Krell expressed strong support for the simplified structure, noting that all residents would pay the same rate for irrigation regardless of lot size. She suggested that staff prepare case studies comparing actual 2025 bills against projected costs under the new structure to illustrate the impact on different household types. Director Mulvey agreed and asked that the tier thresholds be set to minimize surprise billing increases for residents during typical non-drought usage, particularly for retirees and those on fixed incomes. Director Radloff expressed support for aligning the District's approach with surrounding communities. Director Krell also suggested that five tiers may be appropriate for the District given the presence of large-lot, high-use properties, and Director Mulvey concurred.

Mr. Santini proposed forming a Board subcommittee to workshop the tier structure and provide ongoing feedback. Director Krell and Director Mulvey volunteered to serve on the subcommittee. Mr. Travis confirmed the subcommittee would be limited to two Board members. Ms. Janzen confirmed that Elevated Clarity would perform a revenue analysis once a proposed structure is developed. Mr. Santini indicated that next steps include refining the tier structure with the subcommittee and completing the revenue analysis with Elevated Clarity.

LEGAL COUNSEL STATUS REPORT

Mr. Polito presented the Legal Counsel Status Report. No questions were raised on the matters in progress.

Consider Adoption of Resolution re Smart Meter Data Disclosure

Mr. Polito presented Resolution No. 2026-5-1, adopting policies and procedures governing the disclosure of customer metered water use data to law enforcement agencies. He explained that the resolution establishes a general policy requiring a warrant or valid legal process before the District will voluntarily disclose customer smart meter data to any law enforcement agency. He noted that the District's deployment of advanced metering infrastructure records consumption at frequent intervals that could reveal information about household occupancy and routines that customers may reasonably expect to remain private.

Mr. Polito reviewed the exceptions to the warrant requirement, including exigent circumstances involving imminent threats to life or safety, written customer consent, aggregate or anonymized data, the District's own utility operations and enforcement purposes, non-investigatory governmental coordination, and compliance with overriding federal law. He also described operational provisions addressing the District's response to compelled legal process, the treatment of administrative subpoenas and informal requests as insufficient absent judicial supervision, customer notification prior to disclosure, CORA compliance, designation of the District Manager as the single point of contact, maintenance of a disclosure log, and a clause clarifying that the resolution creates no private right of action against the District.

Upon motion duly made by President Blanckaert, seconded by Director Mulvey, and unanimously carried (4–0; Director Enquist absent), the Board adopted Resolution No. 2026-5-1.

Consider Approval of Easement Agreement with City of Castle Pines for Foundry Church Sewer Main Extension

Mr. Polito presented an easement agreement with the City of Castle Pines for the Foundry Church sewer main extension. He explained that the Foundry Church is developing a new church property in the Lagae Ranch area and requires sanitary sewer service from the District. The connection requires installation of a new eight-inch sewer main that crosses a parcel of land owned by the City, necessitating a 50-foot nonexclusive easement. Mr. Polito noted that he added several protective provisions to the agreement, including construction and installation rights for the District, narrowing certain reserved rights of the City, and extending the replacement window from 90 days to 365 days. The City accepted all revisions.

Director Mulvey asked whether the Foundry Church connection creates any exposure regarding the District's renewable water resolution. Mr. Travis confirmed that the property is within the District's existing service area boundaries and is not seeking inclusion, so the renewable water dedication requirement does not apply. Mr. Polito concurred.

Upon motion duly made by Director Radloff, seconded, and unanimously carried (4–0), the Board approved the easement agreement with the City of Castle Pines for the Foundry Church sewer main extension.

DISTRICT MANAGER REPORT

Mr. Travis presented the District Manager's report.

Update: South Tank Rehab Capital Project

Mr. Travis reported that the District received two proposals for pre-construction services for the South Tank Rehabilitation project, from Structural Preservation Systems and Myers & Sons Construction. Eight firms held plans. A selection committee review is underway, and a recommendation will be presented to the Board at the June meeting. Construction is anticipated to begin in October or November 2026. Due to the project's location adjacent to the Country Club of Castle Pines, the rehabilitation is expected to be a prolonged effort, with the first tank completed this year and the second tank completed in early 2028.

Update: Interconnect Pump Station Surge System Modifications

Mr. Travis reported that pricing has been solicited from multiple vendors for the surge system modifications at the Interconnect Pump Station, with a deadline in early June. One proposal has been received to date. A recommendation will be presented to the Board at the June meeting. Mr. Travis noted that a $25,000 PRV valve has been pre-procured due to long lead times, and the project remains on track for the October 1, 2026, completion deadline.

Discussion: Potential Conservation Collaboration

Mr. Travis reported that the Castle Pines North II Homeowners Association has approached the District about partnering on a demonstration installation of low-water-use turf grasses, including Tahoma 31 and Dog Tuff grass, which are eligible under the District's conservation rebate program. Mr. Travis noted that the demonstration would need to be in a publicly accessible and visible location, with a clear agreement addressing cost-sharing, maintenance standards, and future use. He also reported that Mr. Santini has identified a potential partnership with Buffalo Ridge Elementary School, which is developing an outdoor classroom that could incorporate a water conservation demonstration.

Director Mulvey suggested installing both grass types side by side for comparison and recommended time-lapse photography to document growth patterns. Mr. Travis and Mr. Santini discussed the possibility of sub-metering individual turf zones to track actual water usage differentials between grass types. Director Krell expressed enthusiasm for the demonstration garden concept. The Board expressed general interest in both opportunities and directed staff to gather additional details, including installation pricing and design options, for a future presentation.

OPERATIONS & ENGINEERING REPORT

Mr. Travis noted that the Operations and Engineering reports are included in the OnBoard packet. No questions were raised by the Board.

DIRECTOR'S MATTERS

Director Mulvey raised the possibility of placing public artworks within the District through the Scientific and Cultural Facilities District (SCFD), noting his role as chair of the Douglas County Community Funding Division. He mentioned the potential for murals on District lift stations. Director Radloff noted that artwork placement may fall under the City's purview rather than the District's. No formal action was taken.

ADJOURNMENT

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned.