



**ParkerWater**  
& SANITATION DISTRICT



**CASTLE PINES NORTH**  
  
METROPOLITAN DISTRICT™



**Synopsis of proposed Inclusion of  
CPNMD's water & wastewater utilities with those of PWSD.**

**What the proposed Inclusion would mean  
for Castle Pines residents & property owners west of I-25.**

**February 2021**

**See Inclusion Map provided  
separately on preceding pdf.**

February 2021

Dear Castle Pines Residents & Property Owners:

Two and a half years of diligent work and good-faith negotiations with our neighbor to the east, the Parker Water & Sanitation District (PWSD), will climax in a May 4, 2021 election on the proposed Inclusion (merger) of CPNMD's water and wastewater utilities with those of PWSD.

As fiscally conservative stewards of our community's water & wastewater utilities, infrastructure, and services — and as your neighbors — **securing our community's renewable water future wisely and at less cost** has always been, and continues to be, our primary motivation for serving on CPNMD's board of directors. The proposed Inclusion delivers **more for less**, constitutes a **promise kept**, and **offers distinct benefits** to the people of both CPNMD and PWSD.

We respectfully ask you, your family, and neighbors to thoroughly review the enclosed Inclusion synopsis. As you do, please know we will continue to communicate every facet of what CPNMD customers can reasonably expect as a result of Inclusion.

On Monday, February 8, 2021, at 6:00 p.m., via Zoom, we will host a special board meeting, during which PWSD representatives will join us in presenting the proposed Inclusion. Immediately following the presentation we will host a public comment period.

In the context of the COVID-19 pandemic, we urge residents to watch the proceedings via live video stream from our website homepage at [cpnmd.org](https://cpnmd.org). Alternatively, within 24 hours of adjournment, residents may watch the video recording of the meeting at [cpnmd.org/board-meetings](https://cpnmd.org/board-meetings).

To avoid the possibility of hundreds of residents attempting to address the board for three minutes each during the public comment period, **we respectfully ask residents to share their Inclusion-related comments and questions with us in advance**. Please click on the **E-MAIL US @** icon in the upper right of our website homepage at [cpnmd.org](https://cpnmd.org) and complete the online form. We will respond to each inquiry as quickly and substantively as possible. Residents who wish to address the board during the public comment period will need to complete the online Zoom registration form at



[cpnmd.org/cpnmd-zoom-meeting-sign-up](https://cpnmd.org/cpnmd-zoom-meeting-sign-up) before **10:00 a.m., Monday, February 8, 2021**; staff will email you a Zoom link and passcode that afternoon.

**Bottom Line:** The proposed Inclusion delivers **more for less** — more renewable water at less cost than offered in the voter-rejected ballot measures of 2016 and 2018. If CPNMD residents and property owners approve the proposed Inclusion in May, the vast majority of CPNMD’s existing customers would have lower monthly bills and property taxes — all within PWSD’s **comprehensive renewable water plan**. That is what we signed up for, and that is what we, along with our PWSD colleagues, are delivering for your consideration in May. Ultimately, the fate of our community’s water and wastewater utility services are in your hands; you and your fellow CPNMD neighbors will decide whether or not we move forward.

Serving you has been, and continues to be, a blessing. We thank you for your unwavering patience and support throughout the process of the Inclusion study and negotiations with PWSD. Onward and upward!

Sincerely,

Castle Pines North Metropolitan District Board of Directors



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President  
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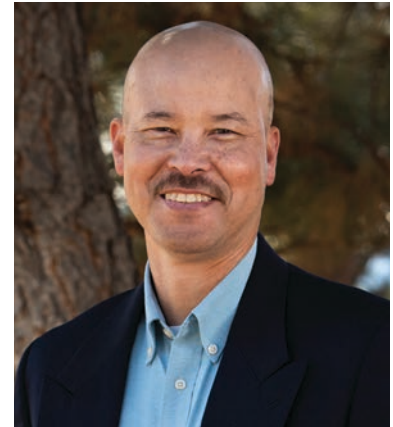
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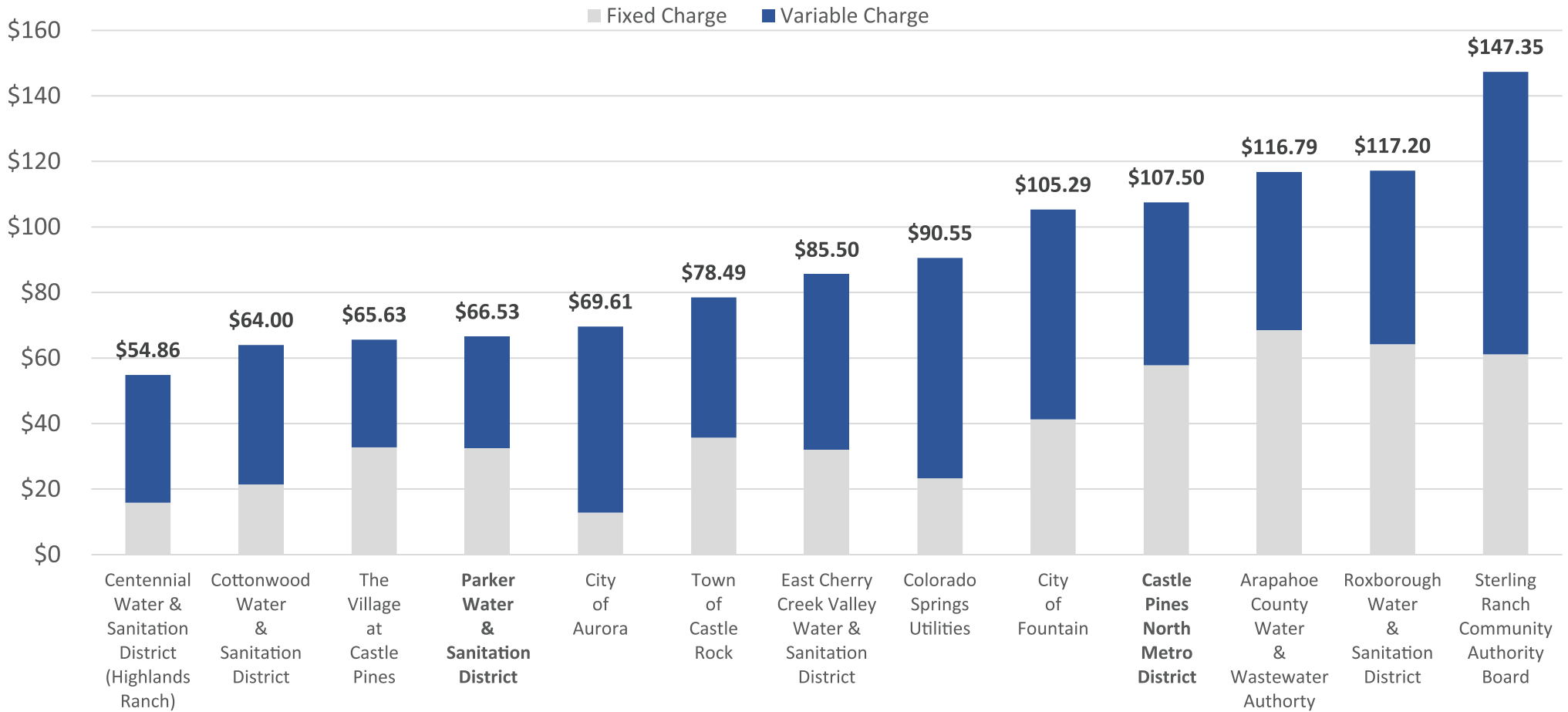


**Christopher Lewis**  
Director  
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- 1) Our neighbor to the east, the Parker Water & Sanitation District (PWSD), has a comprehensive renewable water plan in place. Consequently, we have an unprecedented opportunity to move beyond the **unfunded 50%** renewable water plans and divisive debates of 2016 and 2018, and enjoy sustainable, clean, on-demand drinking water and wastewater treatment services — **at less cost.**
- 2) Integral to its comprehensive renewable water plan, PWSD owns and operates Rueter-Hess Reservoir featuring an as-built, raw-water-storage capacity of 75,000 acre-feet. Inclusion would make CPNMD's existing property owners co-owners (along with every other PWSD property owner) of the reservoir and much of the water stored there.
- 3) PWSD **is** the water and wastewater services provider for what will soon become the larger and more populated half of the City of Castle Pines, in The Canyons development, east of I-25. (See enclosed map.)
- 4) If CPNMD voters approve the proposed Inclusion in May, then CPNMD would add approximately 3,500 customer accounts to PWSD's existing 17,500.
- 5) Beginning Monday, January 3, 2022, becoming one district under PWSD's jurisdiction would essentially spread the cost of designing, building, operating, maintaining, and financing our water and wastewater utility infrastructure and systems over 21,000 rooftops - and ultimately over 50,000 taps at PWSD's buildout. The result would enhance underlying economies of scale and lower cost-of-service trajectories and property taxes for all PWSD customers, including those CPNMD now serves.
- 6) If our residents approve the proposed Inclusion in May, then beginning in 2022, our customers will start paying the same water and wastewater rates and fees as other PWSD customers.

7) The following chart reveals City of Castle Pines residents **west** of I-25, in CPNMD, pay among the highest water rates and fees in the region. By contrast, City of Castle Pines residents **east** of I-25 in PWSD, pay lower rates and fewer fees. By taking a monumental step toward unifying our residents and commercial businesses under a single, well-established, lower-cost water and wastewater service provider, we will rectify those existing cost-burden inequities.

## Regional Comparison: Single-Family Residential Monthly Water Bills



(Note: Monthly bill comparison based on February 1, 2021 rates, a 3/4" meter, and average CPNMD customer water use of 10,000 gallons per month.)

- 8) Based on a comparison of 2020 rates, fiscally conservative forecasting reveals CPNMD customers would pay, in aggregate, about **\$1.38 million LESS** per year under PWSD's rate structure.
- 9) CPNMD provides water and wastewater services to the **Hidden Pointe neighborhood** via contract with the Hidden Pointe Metro District. PWSD will continue providing water and wastewater services to Hidden Pointe, until Hidden Pointe negotiates its own Inclusion with PWSD. Based on 2020 rate structures, Inclusion would result in approximately 81% of Hidden Pointe residents having lower monthly bills.

## Foundational Questions

- 1) **What is Inclusion?** In this context, Inclusion is the legal process of integrating CPNMD's water and wastewater services, infrastructure, and boundaries into those of PWSD, thereby expanding PWSD's service area and customer base. The proposed Inclusion encompasses all CPNMD's water and wastewater utility infrastructure, assets, and service responsibilities, but none of CPNMD's stormwater, parks, trails, and open space assets and service responsibilities.
- 2) **How and why did we get here?** In May 2016, seeking to fund **only half** of our community's renewable water, CPNMD leaders proposed Ballot Issue A, a **\$120-million** renewable water plan to be financed through the imposition of a substantial property tax increase and rate/fee hikes. CPNMD voters overwhelmingly rejected Ballot Issue A in 2016 by a 2-to-1 margin:

	<b>YES</b>	<b>=</b>	<b>659 (33.35%)</b>
<b>+</b>	<b>NO</b>	<b>=</b>	<b>1,317 (66.65%)</b>
<b>=</b>	<b>Total</b>		<b>1,976 votes cast</b>

Two years later, in May 2018, again seeking to fund **only half** of our community's renewable water, CPNMD leaders proposed another Ballot Issue A, a **\$103-million** renewable water plan to be financed via the imposition of 11.45 mills in new property taxes and annual, double-digit, water-rate increases. With higher voter participation, CPNMD voters rejected Ballot Issue A in 2018 by an even greater margin:



	<b>YES</b>	<b>=</b>	<b>1,017 (29.46%)</b>
<b>+</b>	<b>NO</b>	<b>=</b>	<b>2,434 (70.53%)</b>
<b>=</b>	<b>Total</b>		<b>3,451 votes cast</b>

In that same 2018 election, also by overwhelming margins, CPNMD voters removed all incumbent CPNMD board members up for election that year and replaced them with four reform-minded challengers. The message from voters in 2018 was unmistakable: First, ***no new taxes!*** Second, ***deliver more for less.***

That's what we've done. The net result is the proposed Inclusion of CPNMD's water and wastewater utility services with PWSD's.

3) **In proposing Inclusion with PWSD, what are CPNMD's core objectives?**

- To secure our community's renewable water future wisely and at less cost than the voter-rejected, renewable water plans of 2016 and 2018.
- To ensure our constituents continue to benefit from sustainable, clean, on-demand drinking water, wastewater, stormwater, parks, trails, and open space services at the lowest possible cost, in perpetuity.
- To maximize efficiencies and economies of scale in all service areas.

4) **What would Inclusion with PWSD cost and how would the financing work?** Assuming CPNMD residents approve the proposed Inclusion in May, CPNMD would transfer \$34.8 million of its capital project reserves and investment funds to PWSD. That cash payment means CPNMD would **incur no additional debt** and would pay for all upfront Inclusion-related costs, including:

- Buying into PWSD's **comprehensive renewable water plan** as **owners**, instead of **renters**, of water storage in Rueter-Hess Reservoir;

**See Inclusion Map provided separately on preceding pdf.**



- Expanding PWSD's existing state-of-the-art water-purification facility to serve our customer base;
- Designing and constructing a water pipeline to connect CPNMD's water system with PWSD's;
- Installing new, smart water meters ([Advanced Metering Infrastructure](#) or AMI) at each CPNMD service address; and
- Making essential improvements to CPNMD's existing water and wastewater infrastructure and systems.



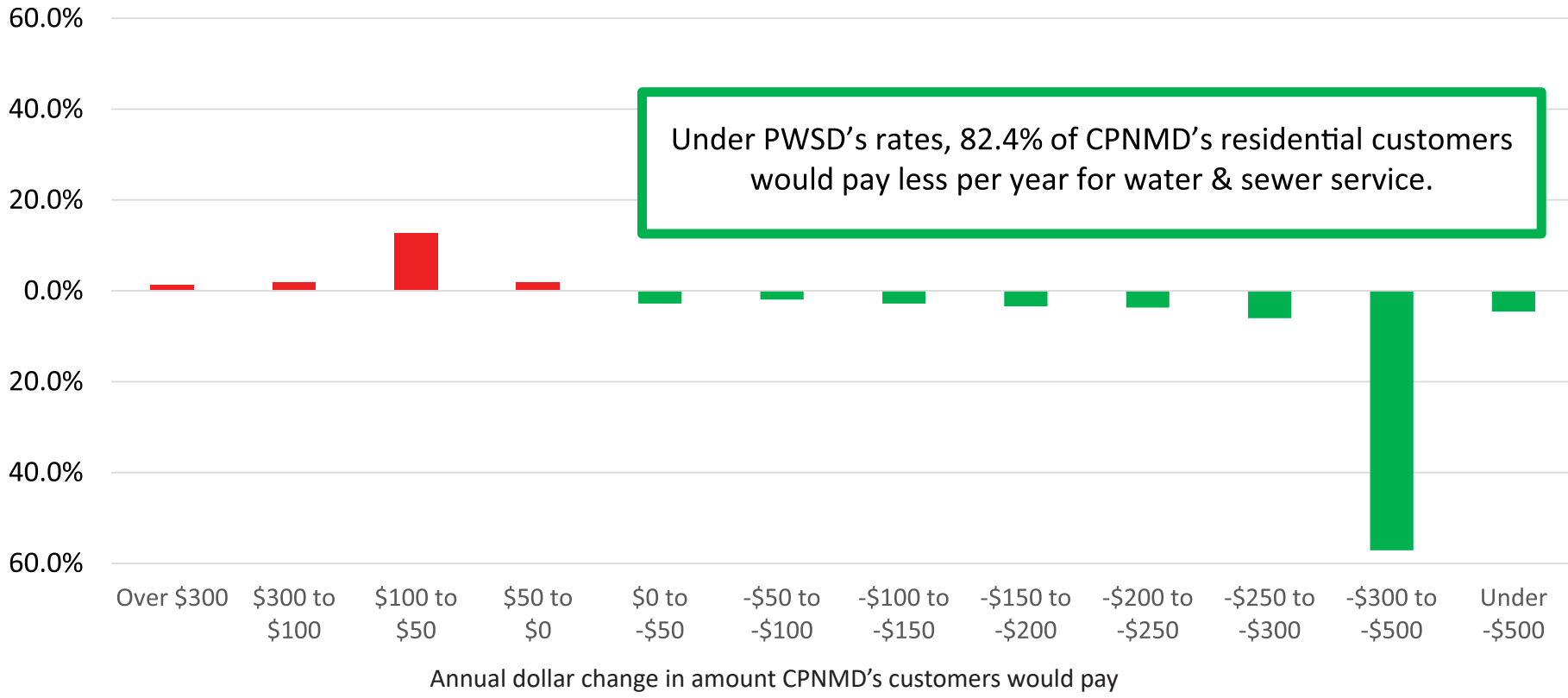


**If** CPNMD residents approve the proposed water & wastewater utility Inclusion with PWSD, **then**, beginning in 2022:

- 1) Under PWSD’s rate structure 82.4% of CPNMD’s existing residential customers would pay less per year for combined water & sewer service.

*Percent of CPNMD Customers*

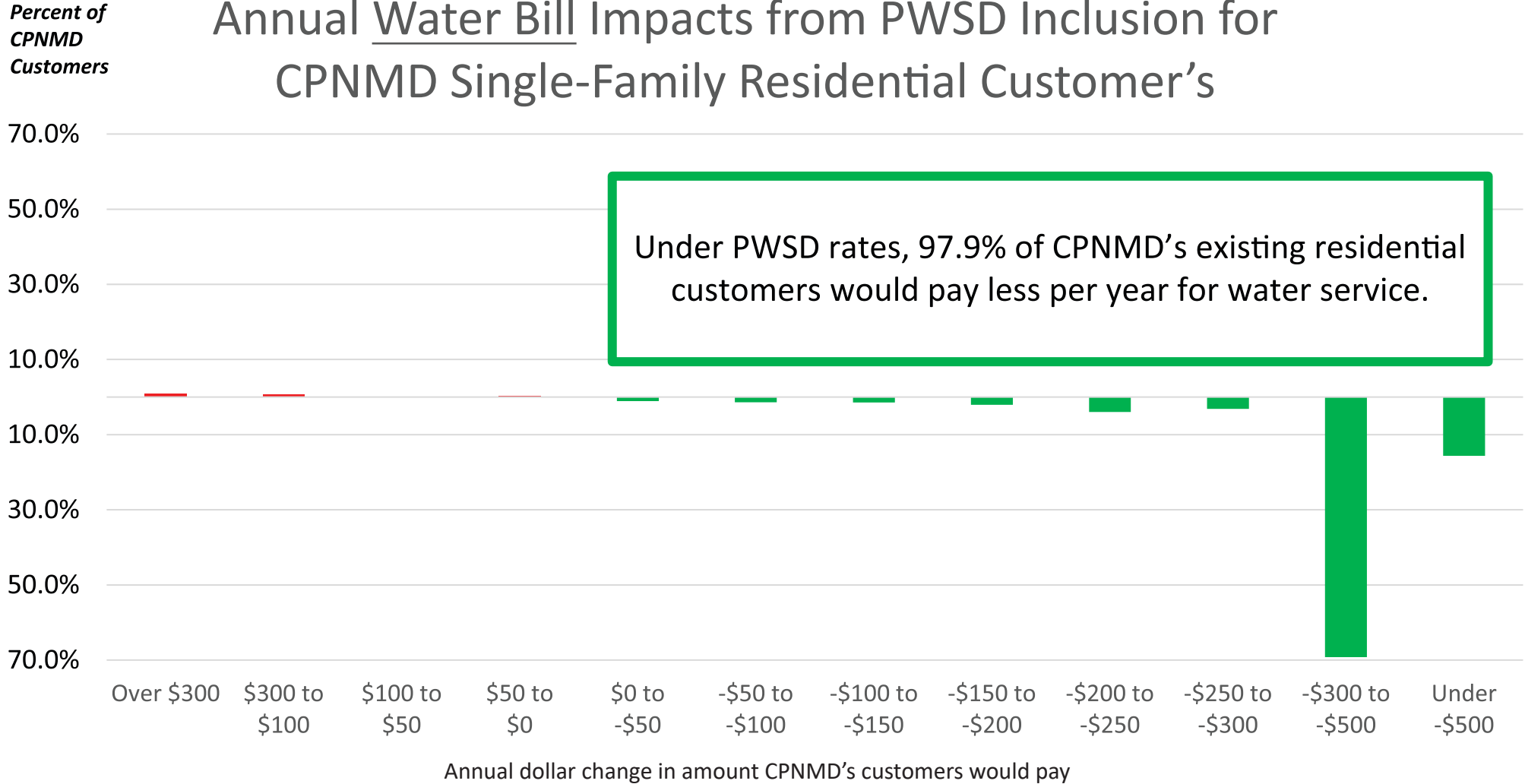
## Annual Combined Water & Sewer Bill Impacts for CPNMD’s Existing Single-Family Residential Customers



Under PWSD’s rates, 82.4% of CPNMD’s residential customers would pay less per year for water & sewer service.

(Note: Annual costs based on CPNMD and PWSD 2020 rate schedules. Annual bill impact analysis based on 2019 consumption.)

- 2) CPNMD's existing customers would benefit from PWSD's lower monthly water and wastewater cost-of-service **trajectories** in future years. Without Inclusion, CPNMD's forecasts annual rate increases of between **4% & 5%**. Under the proposed Inclusion, PWSD forecasts annual rate increases of only **2.75% - 3%**.
- 3) Under PWSD's rate structure, **97.9%** of CPNMD's existing residential customers would pay less per year for water service.



(Note: Annual cost based on CPNMD and PWSD 2020 rate structures. Annual bill impact analysis based on 2019 consumption.)

- 4) We would take a monumental step toward unifying City of Castle Pines residents and commercial businesses under a single, well-established, lower-cost water and wastewater service provider, thereby rectifying existing cost-burden inequities between City of Castle Pines residents on the east and west sides of I-25.
- 5) The following chart reveals, under PWSD’s jurisdiction, CPNMD’s single-family, residential customers with a ¾” meter would see the **permanent elimination of two fees** from each monthly water bill, resulting in annual cost savings of **\$302.76** per home.

<b>Monthly Fixed Charges</b>	<b>CPNMD</b>	<b>PWSD</b>
Water Service Fee	\$ 11.75	\$ 32.57
Capital Maintenance Charge	\$ 31.05	\$ 0.00
Renewable Water Investment Fee	\$ 15.00	\$ 0.00
Fixed Monthly Charges	\$ 57.80	\$ 32.57
<b>Monthly Savings</b>		<b>\$ 25.23</b>
<b>Annual Savings</b>		<b>\$ 302.76</b>

- 6) CPNMD’s residential property tax rate would automatically lower from **19.000 mills** to **18.790 mills** — **our lowest property tax rate since 1988 — the lowest in 33 years!**

Year	Annual Property Tax Rate (Expressed in Mills)
<b>Projected 2022</b>	<b>No greater than 18.790 Mills</b>
2021	19 Mills
2020	19 Mills
2019	19 Mills
2018	19 Mills
2017	30.7 Mills
2016	41 Mills

- 7) PWSD would install a new smart water meter ([Advanced Metering Infrastructure](#) or AMI) at each existing CPNMD service address. Once installed, the new AMI meters will collect and transmit hourly water usage information over a secure network several times each day. CPNMD customers will also have access to an online water-use monitoring and control website.
- 8) PWSD's current headquarters is located NW of Parker Road and E-470 at 18100 East Woodman Drive, Parker, 80134. PWSD plans to relocate its headquarters to a more centrally located new building it intends to construct just north of Rueter-Hess Reservoir along the Hess Road corridor.

## Governance

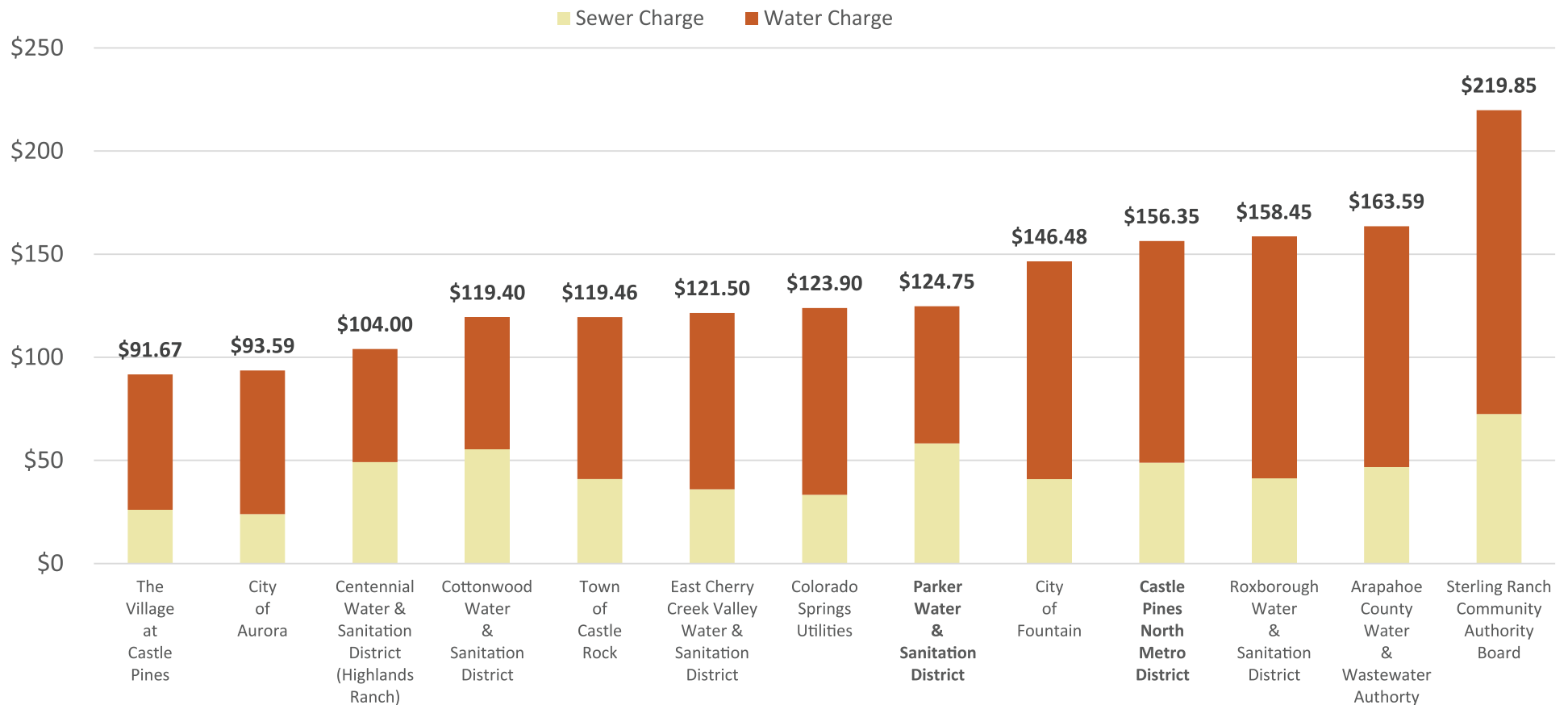
As is the case in CPNMD, a five-member board of directors governs PWSD and appoints a district manager to handle day-to-day operations, manage staff/consultant teams, and carryout the board's vision and policies. Currently, each PWSD director is elected, at-large (district wide) to a three-year term. In 2024, term length will revert to four years. As is the case in CPNMD, if a vacancy on the PWSD board were to occur, the remaining PWSD directors would appoint a qualified applicant (a PWSD resident or property owner) to fill that vacancy until the next regularly scheduled PWSD election. PWSD residents and property owners, including those CPNMD now serves, would be eligible to run for any of the five at-large seats on the PWSD board of directors.



# Inclusion Delivers More For Less

Because PWSD has a comprehensive renewable water plan in place, as one water & wastewater utility district under PWSD’s jurisdiction, we can finally move beyond the **unfunded 50%** renewable water plans and divisive debates of 2016 and 2018, and enjoy the benefits of sustainable, clean, on-demand drinking water and wastewater treatment services — at less cost.

## Regional Comparison: Single-Family Residential Monthly Combined Water & Sewer Bills



(Notes: Monthly bill comparison based on February 1, 2021 rates, a ¾” meter, and average CPNMD customer water use of 10,000 gallons per month. Monthly sewer bills calculated based on average CPNMD customer winter use of 5,000 gallons per month.)

- Step 1: **Late January 2021:** Post synopsis of Inclusion to CPNMD’s website homepage at [cpnmd.org](http://cpnmd.org) and mail synopsis of Inclusion to CPNMD residents and property owners.
- Step 2: **Monday, February 8, 2021 at 6:00 p.m.:** CPNMD board of directors will host a special board meeting during which CPNMD and PWSD representatives will present Inclusion facts. Following the public comment period, the CPNMD board will consider the proposed Inclusion.
- Step 3: **Thursday, February 11, 2021:** PWSD board of directors will hold a public hearing to consider and vote on the proposed Inclusion.
- Step 4: **Week of April 12, 2021:** PWSD’s Designated Election Official (DEO) will mail a ballot to each legally registered voter and property owner in CPNMD, thereby beginning a three-week ballot-return period.

NOTE: To receive a mail ballot and vote, CPNMD’s snowbirds and others planning to be out of town during the three-week voting period should, before the end of March 2021, confirm or update all three applicable addresses, including **residential address**, **mailing address**, and **mail my ballot to** address. Visit [GoVoteColorado.gov](http://GoVoteColorado.gov) and click on **Find my registration**. Follow the prompts. Then click **Edit** to confirm/update all three addresses. Please direct all voter registration-related questions to:

Douglas County Elections Office  
Phone: (303) 660-7444  
Email: [elections@douglas.co.us](mailto:elections@douglas.co.us)  
Website: [douglas.co.us/elections/](http://douglas.co.us/elections/)

Colorado Secretary of State Elections  
Phone: (303) 894-2200, press 3  
Email: [elections@sos.state.co.us](mailto:elections@sos.state.co.us)  
Website: [govotecolorado.gov](http://govotecolorado.gov)

- Step 5: **Tuesday, May 4, 2021:** Pending a decision by the District Court, this tentative **Election Day** will conclude a three-week election period. All ballots returned via mail and hand delivery must be in the physical possession of the DEO or inside an officially designated ballot box before 7:00 p.m. Ballots received after 7:00 p.m. will **not** count. (Sorry folks, but postmarks are irrelevant.)
- Step 6: Beginning in the **Third/Fourth Quarters of 2021:** If CPNMD voters approve the proposed Inclusion, then PWSD would begin planning the transition of CPNMD’s billing and customer service programs.
- Step 7: **Beginning January 3, 2022 (Day 1):** If CPNMD voters approve the proposed Inclusion, then PWSD would assume ownership, maintenance, and operational responsibilities for all CPNMD’s water and wastewater utility infrastructure and associated services, including all water rights, seven water wells, 1,500 acre-feet of raw-water storage rights in Rueter-Hess Reservoir, 1,006 acre-feet of raw-water storage in Chatfield Reservoir, seven lift stations, and CPNMD’s interest in the Plum Creek Water Reclamation Authority Plant. Thereafter, PWSD would:
- a) Begin installing a new smart water meter (Advanced Metering Infrastructure or AMI) at each CPNMD service address;
  - b) Begin making capacity improvements to PWSD’s water-treatment facility for the benefit of its new 3,500 customers from CPNMD; and
  - c) Begin the multi-year process of connecting the two water systems.





# CASTLE PINES NORTH



METROPOLITAN DISTRICT™

7404 Yorkshire Drive  
Castle Pines, CO 80108

(303) 688-8550

We respectfully ask residents to please share their Inclusion-related comments and questions with us by clicking on the **E-MAIL US @** icon in the upper right of our website homepage at [cpnmd.org](https://cpnmd.org) and completing the online form. We will respond to each inquiry as quickly and substantively as possible.

