

CASTLE PINES NORTH



METROPOLITAN DISTRICT

AGENDA

Board of Directors Meeting

Monday, May 16, 2022, at 6:00 p.m.

7404 Yorkshire Drive, Castle Pines, CO 80108

CPNMD residents are welcome to Zoom in or participate in person. To Zoom in, please sign up before 12:00 noon on the day of the board meeting and follow the step-by-step instructions at cpnmd.org/cpnmd-zoom-meeting-sign-up.

- I. Welcome. Call meeting to order. Pledge of Allegiance.
- II. Roll call. Determination of quorum. Disclosure of potential conflicts.
- III. Consider approving May 16, 2022 board meeting agenda.
- IV. Consider approving special board meeting minutes of April 6, 2022.
- V. Consider approving regular monthly board meeting minutes of April 18, 2022.
- VI. First public comment period. (Three-minute maximum per person).



David McEntire
President
Cell: (702) 303-8081
dmcentire@cpnmd.org



Robert Merritt
Vice President
Cell: (303) 717-2852
rmerritt@cpnmd.org



Denise Crew
Secretary/Treasurer
Cell: (303) 523-8285
dcrew@cpnmd.org



Chuck Lowen
Director
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Christopher Lewis
Director
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clewis@cpnmd.org

The Castle Pines North Metro District provides clean, safe, reliable, on-demand drinking water, wastewater, stormwater, parks, trails, and open space services to the people of Castle Pines, west of I-25.

Board meetings are available for viewing via live video stream and video recording at cpnmd.org.

- VII. Parker Water & Sanitation District's response to CPNMD's formal invitation to return to the negotiating table regarding the potential Inclusion of CPNMD's water and wastewater utilities.
 - A. CPNMD's invitation to PWSD, dated April 22, 2022. (See attached.)
 - B. PWSD's response, dated April 22, 2022. (See attached.)
- VIII. Review regional comparison of residential water and wastewater bills and property tax rates. (See three bar charts attached.)
- IX. Parks, Trails & Open Space Manager's report.
- X. Water & Wastewater Operations Manager's report.
 - A. Status of CPNMD's water treatment plant and annual transition to well water.

(NOTE: From October 1st through April 30th of each year, CPNMD utilizes its water stored in Chatfield Reservoir that travels through the Centennial Water & Sanitation District's water-treatment system, through CPNMD's existing interconnect pipeline, and into CPNMD's water distribution system. During this time, CPNMD's water wells are typically out of service for routine maintenance. From May 1st through September 30th of each year, CPNMD utilizes its deep-water wells in the Denver Basin Aquifer System.)
- XI. Finance Director's report.
 - A. Consider approving financial report, payables, and claims for payment, including Check Nos. 26862 – 26936 (April 9, 2022 – May 6, 2022).

| | Approve | Ratify | Totals |
|---------------------------------|-------------|-----------------|-----------------|
| General Fund & Debt Service | — | \$ 81,423.53 | \$ 81,423.53 |
| Enterprise Funds | \$ 3,181.10 | \$ 1,498,804.77 | \$ 1,501,985.87 |
| Electronic Payments (all funds) | — | \$ 61,052.45 | \$ 61,052.45 |
| Total Expenditures | — | — | \$ 1,644,461.85 |

- XII. District Manager's report.
 - A. The City of Castle Pines delays CPNMD's pickleball courts.
- XIII. Legal Counsel's report.
 - A. Election results.
- XIV. Directors' matters.
 - A. Recognizing District Manager Jim Worley.
 - B. Comments from outgoing Directors David McEntire & Robert Merritt.
 - C. Filing oaths of office, swearing-in, and seating of newly elected Directors Jason Blanckaert and Tera Radloff.
 - D. Election of officers.
 - E. Consider authorization to negotiate new district manager contract for board consideration at June 2022 board meeting.
- XV. Second public comment period. (Three-minute maximum per person).
- XVI. Adjourn.

CPNMD's next regular monthly meeting is scheduled for Monday, June 20, 2022.

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CASTLE PINES NORTH



METROPOLITAN DISTRICT

Parker Water & Sanitation District
Attn: Ron Redd, Jeff Parker & Board of Directors
18100 East Woodman Drive
Parker, CO 80134

April 22, 2022

Dear Ron Redd, Jeff Parker & Directors:

CPNMD's vastly improved financial and infrastructure conditions and progress on PWSD's eight concerns about inclusion prompt us to reach out with an invitation to jumpstart negotiations **during the first week of May 2022** on the inclusion of CPNMD's water and wastewater utilities.

We have always supported unifying City of Castle Pines residents under a single water and wastewater utility, namely PWSD, as long as doing so constitutes the most reliable and fiscally prudent option for our customers.

We strongly prefer the new inclusion election occur no later than November 8, 2022. If PWSD is interested in CPNMD's inclusion, we are compelled to jumpstart the required inclusion negotiations for the following reasons:

- First, this week we are paying off all \$18.8 million in COP debt we inherited, which makes CPNMD a far more desirable inclusion partner.
- Second, the City of Brighton settled its lawsuit against CPNMD and Aurora Water; the closing will occur on or before May 31, 2022.
- Third, we've executed multi-million dollar investments in our infrastructure and have made substantial progress on the other concerns you cited as reasons for terminating CPNMD's voter-approved inclusion. Our infrastructure investments include overhauling, upgrading, and refurbishing our water-treatment plant, which will be available for guided tours shortly.
- Fourth, our water and wastewater infrastructure investment costs are averaging 17% less than PWSD calculated, further enhancing CPNMD's financial appeal as an inclusion partner.

- Fifth, to comply with the State of Colorado's 2022 November election ballot-access requirements, we have only three-to-four months in which to negotiate an inclusion agreement and secure our respective board approvals for the same.
- If PWSD is uninterested in the inclusion of CPNMD's water and wastewater utilities, it's fair and reasonable that we and our other potential inclusion partners know immediately.

Though PWSD and CPNMD will each seat two new board members next month, ***in no way do we see that altering our board's commitment to fast-track an inclusion.*** If PWSD intends to be CPNMD's inclusion partner, we believe now is the time to reengage.

If PWSD is interested in negotiating the Inclusion of CPNMD's water and wastewater utilities, then we respectfully ask that you respond to this letter, in writing, by close of business on April 29, 2022.

Sincerely,



David McEntire
President
Castle Pines North Metro District



Robert Merritt
Vice President
Castle Pines North Metro District



Denise Crew
Director
Castle Pines North Metro District



Chuck Lowen
Director
Castle Pines North Metro District



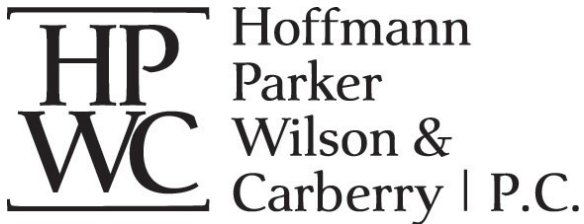
Christopher Lewis
Director
Castle Pines North Metro District



Jim Worley
District Manager
Castle Pines North Metro District



Kim J. Seter, Esq.
Castle Pines North Metro District
Seter & Vander Wall, PC



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April 29, 2022

Kim Seter
Seter & Vander Wall, P.C.
7400 E. Orchard Road, Suite 3300
Greenwood Village, Colorado 80111

Sent via electronic mail to: kseter@svwpc.com

**Re: Castle Pines North Metropolitan District / Parker Water and Sanitation
District Inclusion**

Dear Kim:

This letter responds to the April 22, 2022 letter from CPNMD concerning renewing the above-referenced inclusion efforts. The progress made by CPNMD as set forth in the April 22, 2022 letter is encouraging. Parker Water remains interested in completing the inclusion. However, Parker Water believes completion of the inclusion will stand a better chance of success if the following occur:

- Seat new board members for both districts and brief them on inclusion-related matters to determine the degree of support by both boards for renewed efforts
- Resolve all outstanding issues that led to the termination of the inclusion before setting the inclusion election date
- Complete the inclusion immediately after a successful election

If this process is agreeable to CPNMD, Parker Water will discuss renewing the inclusion efforts with its new board of directors after they are seated. Parker Water would like to know whether the new CPNMD board of directors supports renewing the inclusion efforts as this will be a factor in deciding whether to re-engage. If the newly constituted boards strongly support renewed inclusion efforts, we would then commence further efforts to complete the inclusion.

April 29, 2022

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That said, despite the progress set forth in CPNMD's April 22nd letter, Parker Water does not believe the November election date is feasible. Specifically, the following matters among others must be fully resolved prior to the inclusion election:

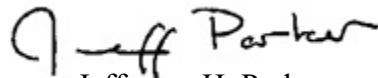
- Resolution of the CDPHE violations
- Determination of missing property rights for facilities and the acquisition of those rights
- Determination and resolution of ground water rights ownership
- Dedication of appropriate well sites
- Fully operational system (wells, lift stations, and water treatment plant)

Parker Water believes the time needed to fully resolve these matters will require an election date later than November of 2022.

Finally, a successful completion of the inclusion is not guaranteed. Although Parker Water believes it would be beneficial to the constituents of both districts, Parker Water encourages CPNMD to explore other options with other providers. Ultimately, the inclusion should be the best possible deal for both CPNMD and PWSD. If partnering with another water and wastewater provider is more beneficial to CPNMD, Parker Water has no interest in interfering with any such arrangement.

Please let me know if CPNMD is amendable to the general concepts set forth in this letter. I am available to discuss this further at your convenience.

Sincerely,

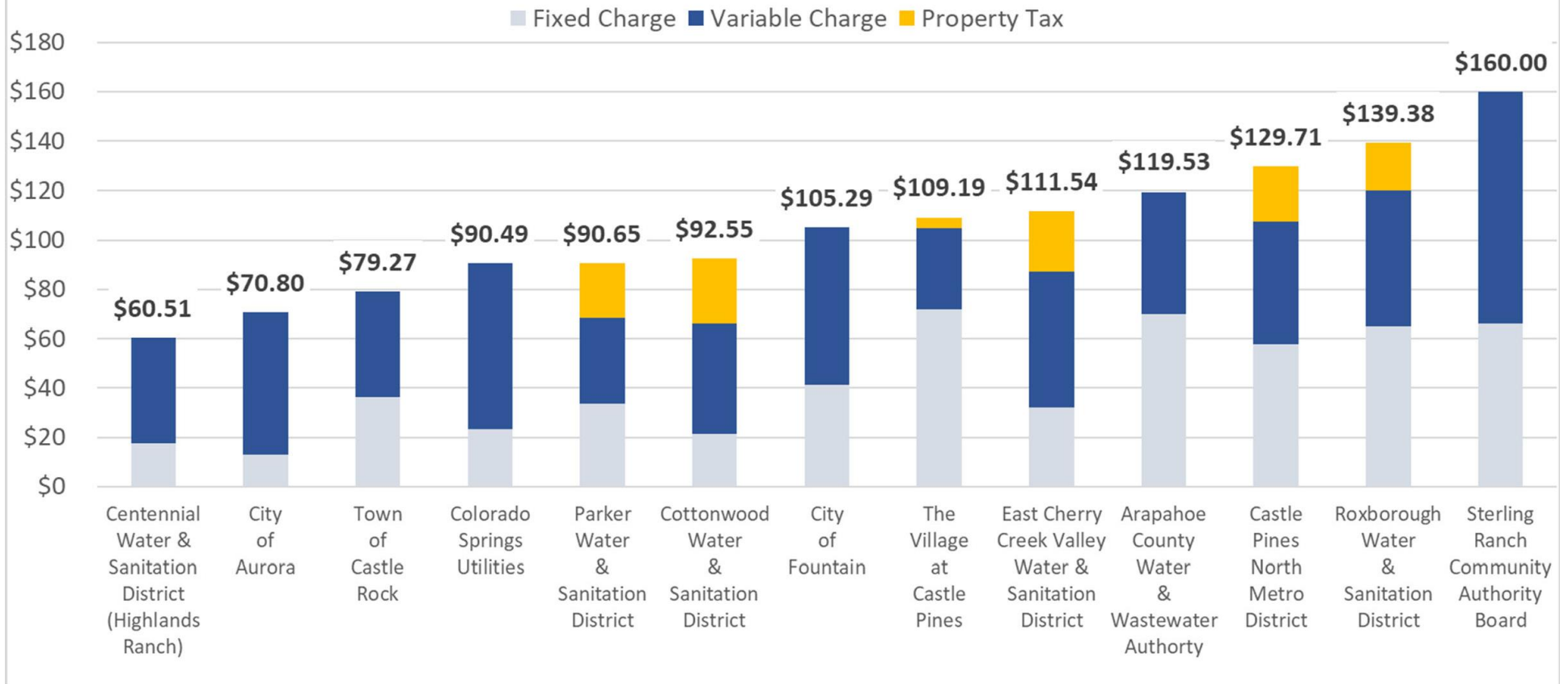


Jefferson H. Parker

jhparker@hpwclaw.com

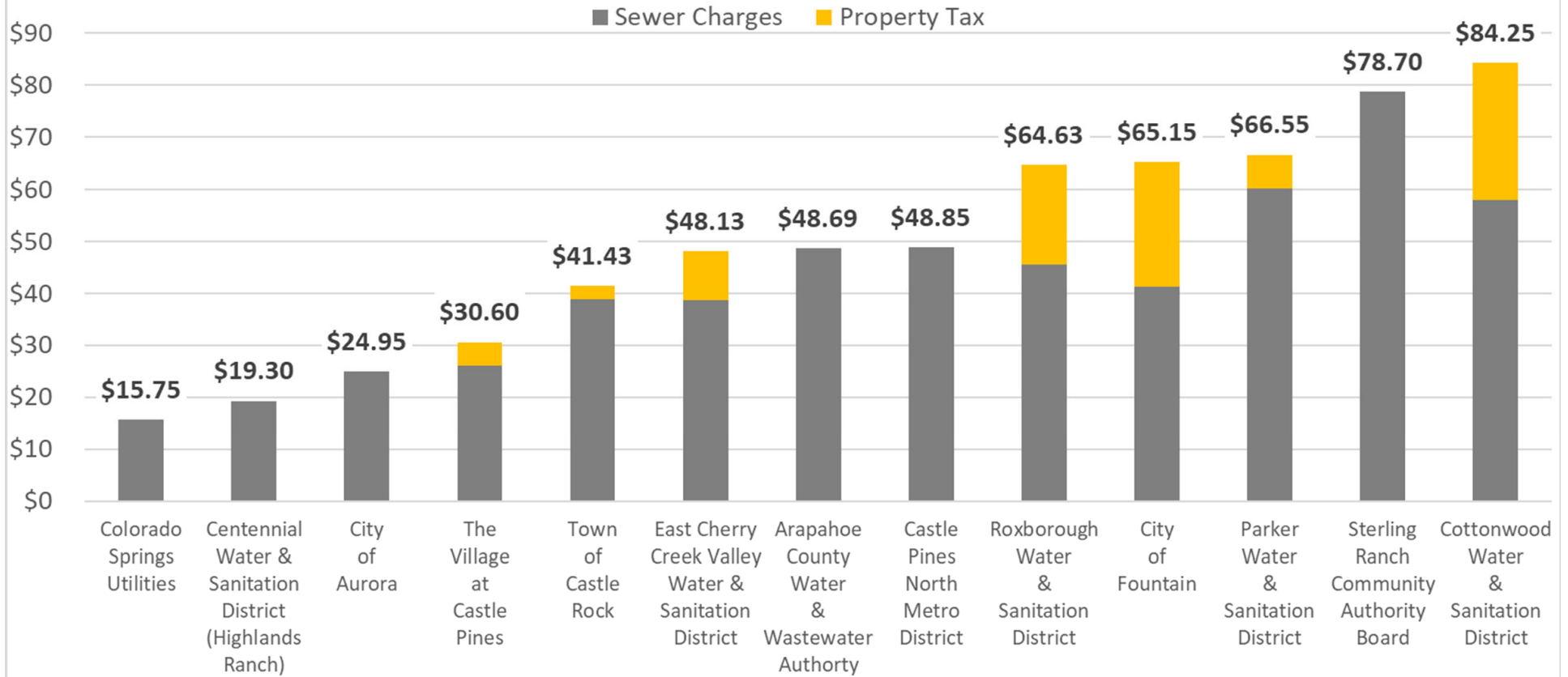
Cc: Ron R. Redd, P.E., District Manager
Board of Directors, Parker Water and Sanitation District

Regional Comparison: Single-Family Residential Monthly Water Bills



Notes:
 Note 1: Comparison based on rates effective 5/1/2022. Monthly water bills calculated for a ¾" meter with 10,000 gallons use (average CPNMD customer use).
 Note 2: Property tax based on a home value of \$700,000. All taxing agency budgets were reviewed and property tax estimates were adjusted to reflect only portion of tax used for to benefit the water enterprise.

Regional Comparison: Single-Family Residential Monthly Sewer Bills

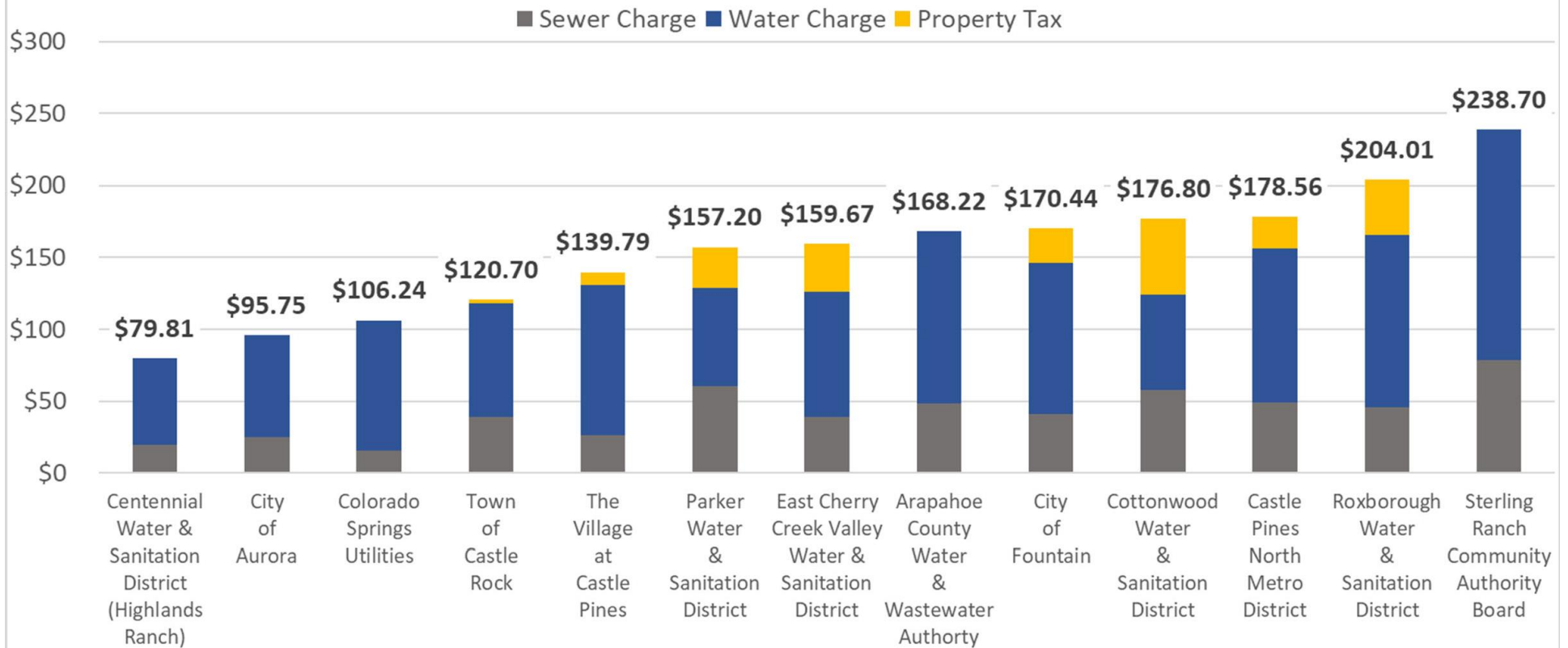


Notes:
 Note 1: Comparison based on rates effective 5/1/2022. Monthly sewer bills calculated for 5,000 gallons use (average winter CPNMD customer use).
 Note 2: Property tax based on a home value of \$700,000. All taxing agency budgets were reviewed and property tax estimates were adjusted to reflect only portion of tax used for to benefit the sewer enterprise.



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 INDEPENDENT PUBLIC FINANCE ADVISORS

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



Notes:

Note 1: Comparison based on rates effective 5/1/2022. Monthly water bills calculated for a 3/4" meter with 10,000 gallons use (average CPNMD customer use). Note 2: Monthly sewer bills calculated for 5,000 gallons use (average winter CPNMD customer use). Note 3: Property tax based on a home value of \$700,000. All taxing agency budgets were reviewed and property tax estimates were adjusted to reflect only portion of tax used for to benefit the water and sewer enterprises.



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