

CASTLE PINES NORTH



METROPOLITAN DISTRICT™

June 7, 2022

As our community welcomes Directors Jason Blanckaert and Tera Radloff to CPNMD's board, we bid fond farewell and extend a heartfelt 'thank you' to President David McEntire and Vice President Robert Merritt for their years of service to the people of Castle Pines. McEntire and Merritt worked hard to secure the Inclusion of CPNMD's water and wastewater utilities with the Parker Water & Sanitation District (PWSD). Both were enormously disappointed when PWSD terminated the agreement. Nevertheless, thanks in large part to their leadership and vision, we are poised to negotiate two future Inclusions.

- First, the Inclusion of CPNMD's water and wastewater utilities with a larger neighbor that can provide superior economies of scale, lower cost-of-service rates and trajectories, a renewable water portfolio, and ideally a lower mill levy; and



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.

- Second, the Inclusion of CPNMD’s 352 acres of community open space, fourteen miles of trails, and three parks (Coyote Ridge Park, Daniels Gate Park, and The Retreat Park) with the City of Castle Pines.

Each of us on the board are highly motivated to negotiate the best possible Inclusion agreements on your behalf as soon as practicable.

An outside independent public finance consulting firm, Bartle Wells Associates, recently completed a regional comparison of single-family residential monthly water and wastewater bills. The results, summarized in three bar charts (see attached), prompted CPNMD to issue a formal invitation last month to larger neighboring jurisdictions to assess their interest in discussing an Inclusion of CPNMD’s water and wastewater utilities (see RECENT NEWS section of our homepage at www.cpnmd.org). We are pleased to report PWSD, Centennial Water & Sanitation District, the Town of Castle Rock, and the City of Aurora responded promptly and expressed interest.

CPNMD’s multi-million infrastructure investments, its customer base, and its pay-off last month of \$18,805,000.00 in certificates of participation (COP) debt combine to make CPNMD a desirable Inclusion partner. Furthermore, the Chatfield Reservoir Expansion & Reallocation Project, combined with CPNMD’s \$11 million InterConnect Pipeline (our direct connection to the Centennial Water & Sanitation District in Highlands Ranch) mean that from October 1st through April 30th of each year ***our customers utilize CPNMD’s 1,006-acre feet of renewable water stored in Chatfield Reservoir.*** Though we seek an Inclusion partner with additional renewable water supplies, you, your family, and neighbors need to know our primary source of water for seven months of the year is, by definition, renewable.

In addition to securing service reliability, sustainability, and additional renewable water, our ***other primary considerations are Inclusion cost and timing (sooner being better than later).*** In that context, we are eager to pursue a win/win Inclusion scenario with each potential Inclusion partner. We will apprise you of our progress.



Chuck Lowen
President
Cell: (303) 898-3056
chuck@cpnmd.org



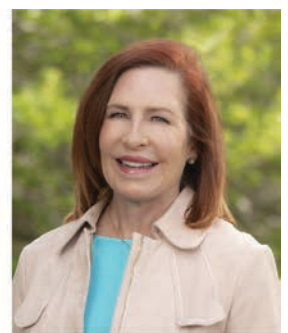
Christopher Lewis
Vice President
Cell: (303) 641-5249
clewis@cpnmd.org



Denise Crew
Director
Cell: (303) 523-8285
dcrew@cpnmd.org



Jason Blanckaert
Director
Cell: (720) 394-7679
jblanckaert@cpnmd.org

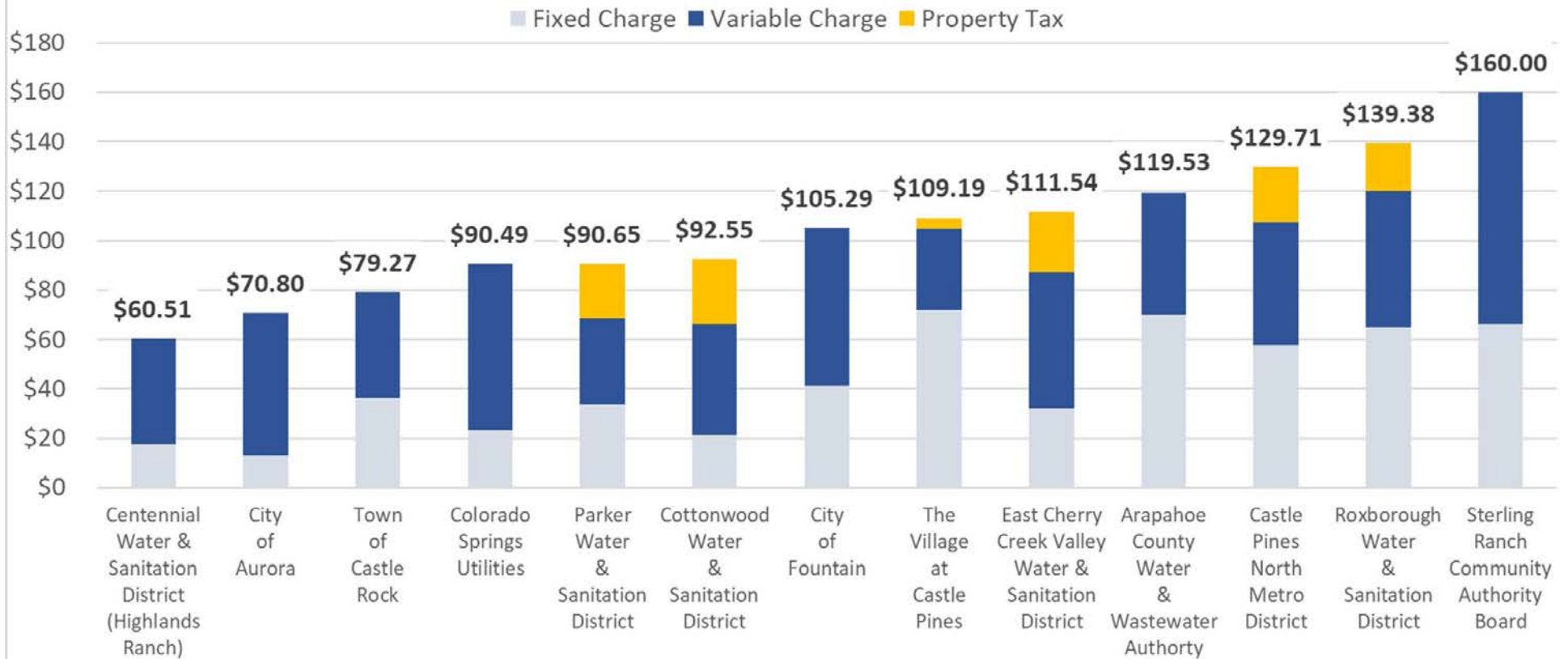


Tera Radloff
Director
Cell: (719) 331-0768
tradloff@cpnmd.org

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Regional Comparison: Single-Family Residential Monthly Water Bills

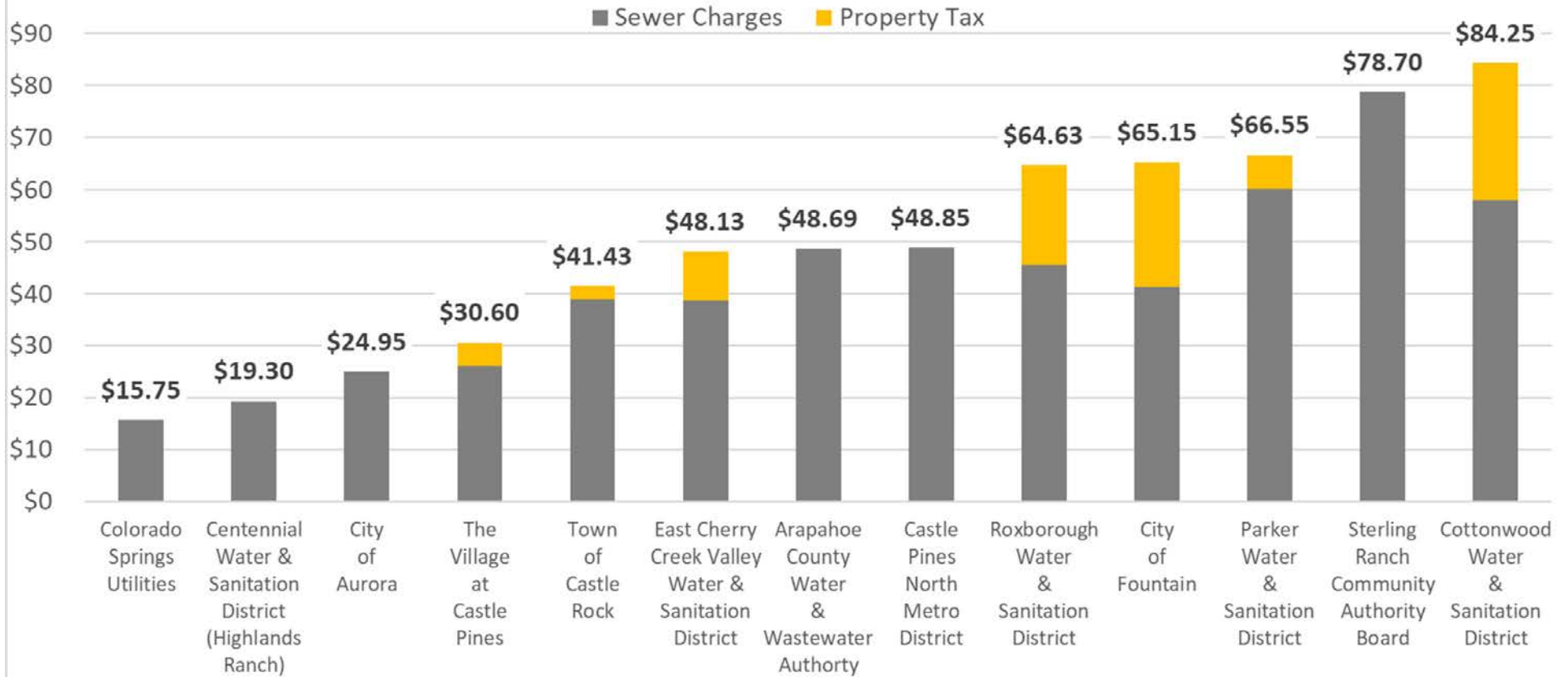


Notes:
 Note 1: Comparison based on rates effective 5/1/2022. Monthly water bills calculated for a ¾" meter with 10,000 gallons use (average CPNMD customer use).
 Note 2: Property tax based on a home value of \$700,000. All taxing agency budgets were reviewed and property tax estimates were adjusted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



BARTLE WELLS ASSOCIATES
 INDEPENDENT PUBLIC FINANCE ADVISORS

Regional Comparison: Single-Family Residential Monthly Sewer Bills

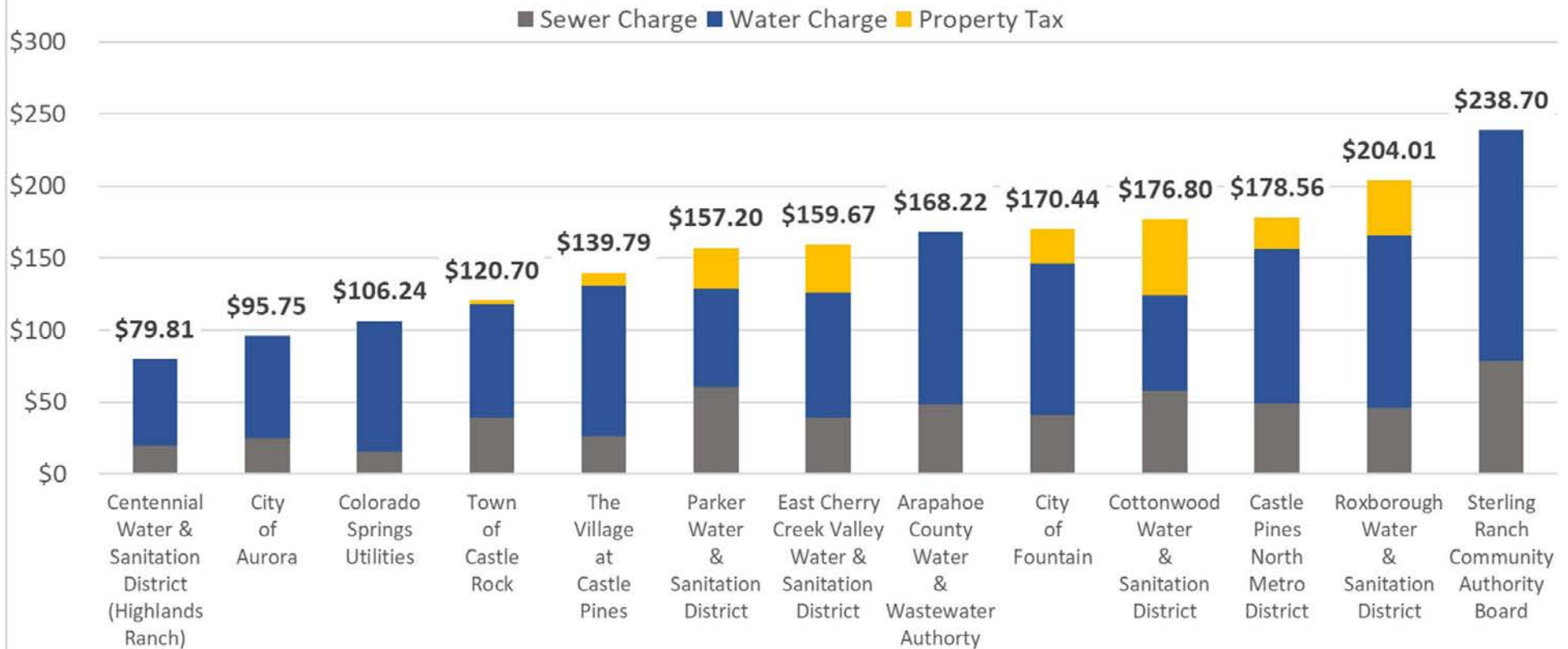


Notes:
 Note 1: Comparison based on rates effective 5/1/2022. Monthly sewer bills calculated for 5,000 gallons use (average winter CPNMD customer use).
 Note 2: Property tax based on a home value of \$700,000. All taxing agency budgets were reviewed and property tax estimates were adjusted to reflect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



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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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