

CASTLE PINES NORTH



METROPOLITAN DISTRICT

Castle Pines North Metro District (CPNMD) Board of Directors

RESOLUTION 2021-4-19-01

Concerning mail-ballot Question 6A on the proposed Inclusion of CPNMD's water & wastewater utilities with those of the Parker Water & Sanitation District (PWSD), the election of which commenced today and will conclude at 7:00 p.m., on Tuesday, May 4, 2021.

WHEREAS, Through the proposed Inclusion, Castle Pines residents west of I-25 will become full beneficiaries of PWSD's seventy-five percent renewable-water plan, and Rueter-Hess Reservoir, and the water stored therein, with confidence and peace of mind knowing renewable-water supplies will be readily available if and when we need them; and

WHEREAS, The proposed Inclusion constitutes our promise made and promise kept, delivers far more renewable water (seventy-five percent) at far less cost than the voter-rejected \$120-million plan of 2016 and the subsequent voter-rejected \$103-million plan of 2018, both of which sought to finance only fifty percent of our community's renewable-water needs; and

WHEREAS, The proposed Inclusion offers the people of Castle Pines west of I-25 distinct financial benefits, including:

- lower property tax rates;
- fewer and lower fees on monthly water bills;
- lower annual cost-of-service trajectories in future years; and
- the proposed \$34.8 million payment from CPNMD's reserves to PWSD means CPNMD customers will incur none of the above-referenced debt load and finance costs; and

WHEREAS, As a small, independent district of 3,500 customers, regional water economics make it impossible for CPNMD to offer cost-competitive on-demand renewable water and water service; and

WHEREAS, Under PWSD's water-rate structure, ninety-eight percent of CPNMD's residential customers would pay less for water service; and

WHEREAS, The cost of continuing to operate CPNMD as its own tiny *de facto* water fiefdom is prohibitively expensive and unsustainable; and

WHEREAS, CPNMD’s water customers now pay among the highest water rates and fees in the region and without Inclusion, those cost-escalation disparities will accelerate and intensify; and

WHEREAS, Many Colorado Front-Range communities, including Castle Pines, face sharply competitive races to secure renewable-water supplies; and

WHEREAS, Amid the historically arid, high-plains desert climate of our Front Range, demand for readily accessible renewable water has outstripped available supplies; and

WHEREAS, As desertification of Colorado’s Front Range and much of the American west and southwest accelerates and intensifies, the cost of reliable senior municipal-adjudicated renewable-water rights and supplies will continue climbing; and

WHEREAS, In 2000, the cost per acre-foot for senior, municipal-adjudicated, renewable-water rights in the South Platte River Basin was between \$10K and \$12K; and

WHEREAS, By 2010, buyers on the open market paid between \$23K and \$32K per acre-foot for comparable renewable-water rights; and

WHEREAS, In 2009, CPNMD paid \$21K per acre-foot for senior, municipal-adjudicated renewable-water rights that originate as snowpack at the Hock Hocking Mine in Colorado's Mosquito Mountain Range; and

WHEREAS, Today, those same rights are valued at \$35K and more; and

WHEREAS, As of March 2021, the State Demography Office forecasts the following **population growth** in Douglas County and statewide:

Year	Douglas County Population	Colorado Population
2020	357K people	5.81 million people
2030	408K people	6.54 million people
2040	448K people	7.31 million people
2050	463K people	7.89 million people

WHEREAS, Because PWSD is the water and wastewater utility provider for Castle Pines residents *east* of I-25, those residents are covered by PWSD’s seventy-five percent renewable-water plan, but *residents west of I-25 are not*; and

WHEREAS, Each CPNMD homeowner that irrigates a disproportionately large lot or uses more than 20,000 gallons of water per month may reduce the volume of water they use, and lower their monthly water bills during the spring, summer, and fall, and maintain a beautifully landscaped yard:

- First, by replacing their water-loving Kentucky Bluegrass lawn with xeric Dog Tuff™ Grass (*Cynodon* ‘PWIN04S’) featured in *Craig’s Corner* on CPNMD’s website at www.cpnmd.org, and featured on page four of the April 2021 edition of the *Castle Pines Connection*; and
- Second, by ensuring the garden areas and natural areas of their lot feature exclusively *xeric* plants, shrubs, and/or trees; and
- Third, by taking advantage of **CPNMD’s 2021 Water Conservation Rebates Program** at www.cpnmd.org; and
- Fourth, by participating in CPNMD’s 2021 **Free Irrigation Testing & Slow the Flow** program, and thereby receiving a professional performance assessment of their irrigation system’s efficiency; and

WHEREAS, Each HOA that irrigates one or more common areas may do the same; and

WHEREAS, State law C.R.S. § 1-45-117(1)(b)(III)(A)-(B) authorizes the board of directors to adopt, and publicly distribute, a resolution of support for Ballot Question 6A;

NOW THEREFORE BE IT RESOLVED:

1) For the renewable-water future and quality of life of every person, family, neighborhood, and small business in Castle Pines west of I-25 — we respectfully urge each eligible voter in CPNMD to please:

- Vote **IN FAVOR** of the proposed Inclusion (Ballot Question 6A);
- Promptly return your mail ballot; and
- Urge your family, friends, and neighbors in CPNMD to do the same.


- 2) If the proposed Inclusion fails on May 4th, then, of course, we and our successors would accept voters' direction and do our best to tackle the unfunded **renewable-water** challenge in good faith and without hesitation. Despite little-to-no availability of other readily accessible **renewable-water** supplies in our region — *and when available, despite their exorbitant cost* — we and our successors would have no responsible choice but to continue trying to secure **renewable-water** supplies for our Castle Pines constituents west of I-25. In the spirit of full disclosure, and by definition, doing so would require that we raise hundreds of millions of dollars in new revenue to pay for that **renewable water** and the infrastructure necessary to treat and transport those supplies to our distribution system.

The prospect of starting over on May 5th to secure our community's **renewable-water** future would be daunting, time-consuming, and astronomically expensive. Though we take no pleasure in disclosing it, if the proposed Inclusion fails, then, securing our community's renewable water future, *at a minimum*, would require:

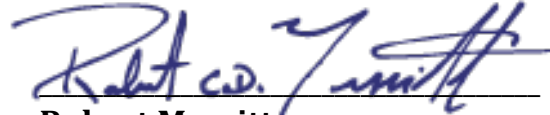
- *minimum* annual cost-of-service water-rate increases of four-to-five percent (and probably more) versus the 2.75% to 3% yearly cost-of-service increases PWSD forecasts in the proposed Inclusion; and
- substantial annual increases in CPNMD's monthly fee and service charges; and
- voter consideration of one or more large property tax increases.

- 3) **Bottom Line:** The proposed Inclusion delivers **more for less** — far more **renewable water** at far less cost than the ballot measures of 2016 and 2018, which voters overwhelmingly rejected. As fiscal conservatives, and after three years of diligent work, we have concluded it is unlikely that we, or any subsequent administration, could or would deliver for your consideration a more reliable, fiscally responsible, timely, and less-costly **renewable-water** future. In that context — and given the value of **renewable water** to the quality of life and property values we all share — *we cannot overstate the importance of every CPNMD resident and property owner wholeheartedly supporting the proposed Inclusion of CPNMD's water and wastewater utilities with those of PWSD.*

Adopted and unanimously approved this 19th day of April 2021.



David McEntire
President
Castle Pines North Metro District



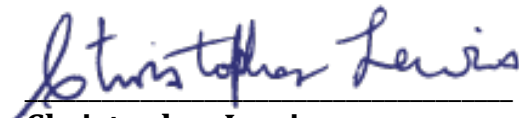
Robert Merritt
Vice President
Castle Pines North Metro District



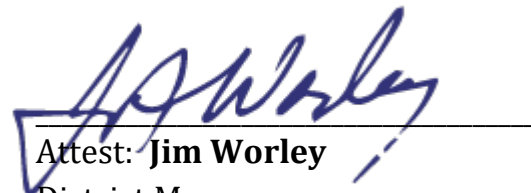
Denise Crew
Director
Castle Pines North Metro District



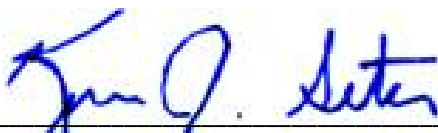
Chuck Lowen
Director
Castle Pines North Metro District



Christopher Lewis
Director
Castle Pines North Metro District



Attest: **Jim Worley**
District Manager
Castle Pines North Metro District



Approved as to form: **Kim J. Seter, Esq.**
Seter & Vander Wall, PC