

# 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



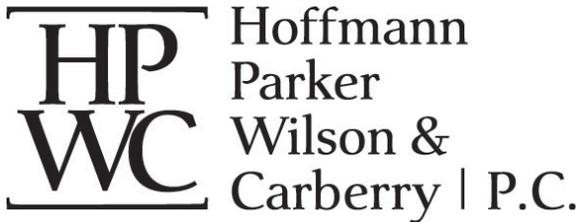
**Christopher Lewis**  
Director  
Castle Pines North Metro District



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



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



Corey Y. Hoffmann  
Kendra L. Carberry  
Jefferson H. Parker  
M. Patrick Wilson

511 16<sup>th</sup> Street, Suite 610  
Denver, CO 80202-4260  
(303) 825-6444

Daniel P. Harvey  
Ruthanne H. Goff  
Katharine J. Vera  
Elizabeth G. LeBuhn  
Austin P. Flanagan

Of Counsel  
J. Matthew Mire  
Hilary M. Graham  
Kathryn M. Sellars

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](mailto: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 22<sup>nd</sup> 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:

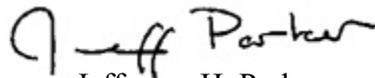
- Resolution of the CDPHE violations
- Determination of missing property rights for facilities and the acquisition of those rights
- Determination and resolution of ground water rights ownership
- Dedication of appropriate well sites
- Fully operational system (wells, lift stations, and water treatment 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](mailto:jhparker@hpwclaw.com)

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