



December 14, 2021

PWSD & CPNMD Temporarily Delay Water & Wastewater Utility Inclusion

The Castle Pines North Metro District (CPNMD) and the Parker Water & Sanitation District (PWSD) have temporarily delayed the inclusion of CPNMD's water and wastewater utilities several months past the original inclusion date of January 3, 2022.

Though both parties continue working diligently and in good faith to complete CPNMD's voter-approved Inclusion into PWSD, a handful of easily rectifiable but unforeseen, legal, financial, and supply chain issues will not be resolved by the original January 3, 2022, inclusion date. Most notably, the City of Brighton recently filed a lawsuit contesting CPNMD's award of water rights to the City of Aurora.

BACKGROUND: CPNMD owns water rights in northern Colorado, for which PWSD had no use or desire. To cover a substantial portion of the \$34.8 million payment PWSD requires for the inclusion, CPNMD put those water rights out for bid. *The City of Aurora submitted a bid package of \$865,500 higher than the City of Brighton's bid.* The City of Aurora's high-bid package, combined with fiduciary and stewardship responsibilities CPNMD has to its in-district customers, prompted the CPNMD board to award its water rights to the City of Aurora, thereby providing CPNMD's property owners and residents with the highest possible return on investment. The City of Brighton was unhappy with the outcome and filed a lawsuit contesting CPNMD's decision. Counsel and other knowledgeable water law and litigation observers are confident CPNMD and the City of Aurora will prevail in court. However, the lawsuit may drag on for some number of months, thereby tying up water-right proceeds CPNMD needs to fully execute the inclusion.

Consequently, CPNMD will continue to own and operate its water and wastewater utilities beyond January 3, 2022. However, PWSD will continue to assist with CPNMD's water and wastewater utility operations as planned.

We will share details of our 2022 water and wastewater billing and operations via FAQ on our respective websites shortly.

BOTTOM LINE: Though temporarily delayed, the inclusion is moving rapidly forward. In the meantime, rest assured the 17% property tax-rate reduction of 3.21 mills we approved in November will remain in effect throughout 2022, and possibly beyond. During our January board meeting, we are scheduled to consider adjusting CPNMD's 2022 water and wastewater rate-and-fee structures to mirror PWSD's.