

**CASTLE PINES NORTH METROPOLITAN DISTRICT  
SPECIAL MEETING MINUTES  
FEBRUARY 8, 2021 – 6:00 p.m.**

**HELD:** Monday, February 8, 2021 at 6:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Pines, Colorado.

**ATTENDEES:** Directors David McEntire, Charles Lowen, and Denise Crew were present. Directors Chris Lewis and Robert Merritt were present virtually. Also present virtually was District Legal Counsel, Kim J. Seter, Esq. Approximately 15 district residents were present virtually. District Manager, Jim Worley; Ken Smith, Director of Communications; Corby Wise and Terrence Lovett, Communications Team were present. All virtual participants were present via Zoom.

**CONFLICTS:** None.

**QUORUM:** Present.

**PRESENTATION OF THE PROPOSED INCLUSION OF CPNMD’S WATER & WASTEWATER UTILITIES WITH THOSE OF PARKER WATER & SANITATION DISTRICT:**

District legal counsel, Kim Seter, presented regarding the proposed inclusion of CPNMD’s water and wastewater utilities with Parker Water & Sanitation District (“PWSD”). He discussed that a near final inclusion agreement was distributed to the Board and proceeded to outline the specifics of the Inclusion Agreement. He discussed the financial costs for both parties of a potential inclusion, and the necessity of an election of Castle Pines North voters to approve the inclusion.

Steve Hellman, CFO of PWSD, Ron Redd, District manager of PWSD, and Meleia Good, administration manager of PWSD, presented concerning the joint effort for inclusion. They discussed the infrastructure that would be necessary to provide water and wastewater service to CPNMD. They noted the goal of lowering the current bills for CPNMD water and wastewater customers. They discussed the results of the unification study, which showed that customers of CPNMD and PWSD would achieve benefits through unification.

**DIRECTOR QUESTION AND COMMENT PERIOD REGARDING POTENTIAL INCLUSION:**

Director McEntire discussed that a “Frequently Asked Questions” section regarding the inclusion would be posted to the CPNMD website. He also highlighted a bill conversion calculator that would enable customers to calculate their bills should the water and wastewater utilities be provided by PWSD.

**PUBLIC COMMENT:** District resident, Betsy Steelman, inquired regarding the timeframe for construction of certain infrastructure. Mr. Hellman noted that January 3, 2022 is slated for day one of the inclusion, if approved by the voters. He noted that construction would take place over the next two-three years with minimal disruption to residents. Ms. Steelman applauded the Board for the work completed on this matter, but inquired regarding the cost and time to achieve the merger. Director McEntire discussed that it took years to consider the options and complete the legal, financial, and engineering reviews and water rights evaluations.

District resident, Thomas Kellogg, complimented the Board on the presentation. He inquired concerning the status of the other services provided by the metropolitan district. Director McEntire noted that he wished to defer a conversation on remaining district services until after the inclusion election.

District resident, Jean Henry, thanked the board for the incredible amount of work performed on behalf of the District constituents.

District resident, Kris Sims, inquired concerning the status of the district's remaining assets if the inclusion was approved. Director McEntire noted that he wished to defer a conversation on remaining district assets until after the inclusion election.

District resident, Susan Johnson, thanked everyone involved with the study and noted her support of the effort.

District resident, Nikolay Garusov, noted the high water bills at CPNMD, and that he supports the inclusion effort if it will achieve lower costs. He inquired which customers may not experience lower water bills. Director McEntire noted that those customers with very large lots and very high water usage may not experience lower costs from the inclusion. Mr. Hellman noted that some preliminary planning will take place prior to day one of the inclusion, but many projects will be undertaken after the official inclusion date of January 3, 2022. Director McEntire noted that CPNMD is not waiting to move the Castle Pines Parkway water line and that work should be completed over the Summer.

District resident, Bill Dalton, inquired regarding the projected two percent of users whose rates will not decrease. Director McEntire noted that AMI meters will assist customers in analyzing their data to make determinations regarding water use for irrigation and encouraged Mr. Dalton to utilize the rate calculator to determine the effect on his property.

District resident, Lisa Kane, inquired regarding the status of the existing employees of CPNMD should the inclusion occur. Mr. Seter noted that the Inclusion Agreement contemplates that employees of CPNMD will be given offers of employment with PWSD.

District resident, Michael Giardina, asked what happens if the inclusion election fails? Director McEntire noted that if the election fails CPNMD will continue business as usual. Mr. Giardina noted that AMI devices are very accurate and noted that these devices could lead to an increase in rates. Mr. Hellman noted that customers have been happy with the AMI meters because they pick up leaks quickly and lead to earlier detection resulting in less costs due to water leaks. Mr. Hellman also noted that PWSD has not anticipated an increase in bills due to the new meters in its planning. Director McEntire noted that the meter devices will not cause an increase in rates, but rather an increase in usage or will better capture usage.

Mr. Redd noted that there are no pending litigation matters against PWSD. He noted that PWSD currently serves 55,000 accounts.

District resident, Phillip Glynn, inquired concerning the proposed surcharge if the funds transferred to PWSD don't cover all costs of the inclusion. Director McEntire reported that a surcharge was initially anticipated, but the newest calculations are showing that a surcharge will likely be unnecessary as the District is in a position to pay the amount pre- inclusion.

District resident, Paul Hartigan, inquired regarding the risks to both sides if the inclusion proceeds and/or fails to proceed. He also inquired concerning the installation of turf grass. Director McEntire responded that the CPNMD Board will not waiver in its stewardship over the District, but they have teed up the opportunity to achieve more renewable water for less money. He noted the inclusion is a win-win for all parties. Mr. Redd noted that the risk from the standpoint of PWSD is the challenge of bringing renewable water successfully to another community and the condition of inherited CPNMD infrastructure. Mr. Redd noted that the City will govern artificial turf, but PWSD does provide incentives to conserve water. Mr. Redd noted that PWSD will benefit from lower property taxes for its customers and the new revenue stream.

#### **DIRECTOR'S CONSIDERATION OF PROPOSED INCLUSION WITH PWSD:**

Director Lewis thanked the public for its questions. He noted that this effort has been ongoing for over two years and this option is a win for all. He urged all residents to vote in favor of the inclusion.

Director Crew stated she is excited about the AMI meters. She noted that the phone alert technology will save customers thousands of dollars in the event of a leak. She thanked CPNMD communications director, Ken Smith, for all his work addressing the questions of the community.

Director Lowen noted that it has been rewarding to be a part of the potential positive changes of the inclusion. He noted that real estate prices will be positively affected and stated that at this time he does not perceive any risks with moving forward on the inclusion.

Director Merritt thanked the PWSD representatives for their work on this matter. He encouraged all constituents to submit any questions to the board.

Director McEntire noted that the promise of more renewable water for less will be achieved through the inclusion.

District manager Worley thanked all PWSD representatives for their professionalism throughout this process.

Director Lewis moved to continue the pursuit of inclusion with PWSD as proposed. The motion was seconded by Director Lowen and was approved 5-0.

**ADJOURN:** With all other business to come before the Board having been addressed, Director Lewis moved that the meeting be adjourned at 8:02 p.m. The motion was seconded by Director Lowen and was approved 5-0.