

May 2, 2008

Message from the Manager

**RE: Renewable Water Plans**

Dear Castle Pines North Residents,

Last night the District completed its third public meeting discussing Castle Pines North's renewable water plan and financing plan. During the three presentations, which approximately 30 residents of the District attended, several key initiatives were presented. The presentation discussed the following topics:

- Update on the District's well production and water levels.
- Status of the Centennial Water and Sanitation District (Highlands Ranch) to Castle Rock Interconnect Pipeline.
- Agreements with Centennial Water and Sanitation to deliver water through Centennial Water and Sanitation District's storage, treatment, and distribution facilities.
- Castle Pines North's 2004 Plum Creek Water Right applications.
- The status of the Rueter Hess Environmental Impact Study and the District's acquisition of 1,500 acre-feet of storage space.
- Acquisition of pipeline capacity from East Cherry Creek Valley (ECCV).
- Acquisition of Water Rights on the Lower South Platte.
- Three financing options were presented and the impact on rates and fees were discussed.

Everyone that attended the meetings walked away impressed with what the District has been able to accomplish. One person in attendance described himself as a person who thought that the District was not doing anything. After listening to the presentation and asking probing questions, he came to the conclusion that the District has in fact been moving aggressively to bring renewable water to our community, and that both the water delivery plan and the financing plan were extremely well thought out.

The plan that was presented in the three open houses has been developed over the past three years thanks to the District's Board and District Staff. Each and every member of the Board, the staff, and the District's expert consultants has worked tirelessly using their collective expertise to formulate a very solid plan for the future. It is my hope that each and every one of you has an opportunity to visit the District's website at [www.cpnmd.org](http://www.cpnmd.org) and take a look at the many exciting initiatives we have undertaken.

We are beginning to achieve some very meaningful results not only as a District but also as a region. The South Metro Water Supply Authority and the Douglas County Water Resource Authority are making huge strides in the area of regional water supply and regional water conservation. I believe that, despite our size, Castle Pines North Metropolitan District has become a leader within the region. One Denver Water

employee has referred to the Castle Pines North Metropolitan District “as the biggest little District in the state”. This is indeed high praise from a manager of one of the largest water suppliers in the country. Commissioner Steve Boand summed up his feelings this way, “The Efforts of the Castle Pines North Metropolitan District over the past three years has been exemplary.”

I would encourage each and every one of you to take a few moments to visit our website and review the Open House Presentation:

[http://www.cpnmd.org/attachments/openHousePresentation041408B/FinancialPresentation041408\\_B\\_files/frame.htm](http://www.cpnmd.org/attachments/openHousePresentation041408B/FinancialPresentation041408_B_files/frame.htm)

I would also ask that you contact me directly with any questions. This is indeed an exciting time for the Castle Pines North Metropolitan District and the City of Castle Pines North. On behalf of the staff and the Board of the Directors of the District we thank you for your support over the years. We all look forward to serving you, our customers, in the years to come.

Sincerely,

James C. McGrady  
General Manger  
Castle Pines North Metropolitan District