

Castle Pines North METROPOLITAN DISTRICT

Providing the people, families, neighborhoods and small businesses of Castle Pines with clean, safe, reliable drinking water, renewable water, wastewater, storm water, parks and open space services in the most fiscally responsible manner, while serving as stewards of the community's water-related assets and Standard & Poor's AA and Moody's A1 bond ratings.

— February 2013 —

Friendly Reminder: New Drinking Water & Wastewater Rates...

... but, before we get to that, please know that we are eager to help you conserve water and lower your monthly bill. To help you limit unintended excursions into higher rates associated with Tiers 2, 3 and 4, please participate in the following water conservation opportunities, which we describe on our website:

- 1) Xeric / WaterWise Landscape Design Contest;
- 2) Xeric / WaterWise Workshop & Lecture Series w/ Master Gardener, Harriette Einolf, and a line-up of renowned authors and experts;
- 3) Xeric / WaterWise Garden-In-A-Box;
- 4) Outdoor Irrigation Efficiency Audit & Recommendations for both HOAs and individual homeowners alike; and
- 5) Indoor Water Use Efficiency Audit & Recommendations for individual homeowners.



Harriette Einolf
Master Gardener

Simply visit www.cpnmd.org and click on the blue button titled Water Conservation Opportunities located in the upper left of our homepage, above Latest News.

Per the yellow, legal-sized insert in the bill you received last month (January 2013), the District has avoided scheduled drinking water and wastewater rate increases each of the last two years. Renewable water infrastructure, electric and system maintenance cost increases led your District Board to adopt 2013 drinking water and wastewater rate structures that will likely result in a combined monthly drinking water and wastewater bill **increase of \$4 or less for 71% of residential homeowners**. Of the remaining 29% of homeowners, 11% will see a combined bill increase of between \$2 and \$4, while 19% will see a combined bill increase of over \$6. Storm water rates will remain unchanged for 2013.

Background. Last year we retained StepWise Utility Advisors/MWH Global to evaluate the District's drinking water, wastewater, and storm water rates — and the underlying rate structures. The StepWise/MWH Global analysis revealed that:

- 1) Without adjusting 2013 rates, the District's annual revenues would fall short of covering annual District expenses;
- 2) The District Board should consider adopting Cost-of-Service rate structures for each customer classification (see charts on following page); and
- 3) The District Board should consider adjusting rates so that each customer classification pays its fair share of the full cost of each service.

Following the StepWise/MWH Global presentation in December, we adopted a transparent Cost-of-Service model and the corresponding drinking water, wastewater, and storm water rate structures. After seriously considering multiple alternatives, we concluded that the proposed rate structures are necessary, responsible, fair, and equitable.



Steven Labossiere
President



Dwight Zemp
Vice President



Keith Dodd
Treasurer



Kathy Rosenkrans
Director



Stephen Allen
Director

We believe that the new rate structures will help the District maintain its highly coveted and recently reaffirmed Standard & Poor's AA and Moody's A1 ratings, while encouraging water conservation. Consequently, you will find the new rate structures, which took effect January 1, 2013, reflected in the enclosed bill. For additional information, we highly recommend that you review the StepWise/MWH Global *Drinking Water, Wastewater & Storm Water Findings* posted under Latest News on our website homepage at www.cpnmd.org.

Core values imbedded in new rate structures

- 1) Fiscal responsibility — total user-fees (rates) equal total cost of providing service;
- 2) Fair and equitable rate structures — each customer classification will pay its fair share of each service; and
- 3) Water conservation.

Water Conservation. Because from November through March residential **indoor** water-use in our District averages about 4,700 gallons per household per month, the District's new rate structures now allow each household an indoor monthly subsistence (Tier 1) water-use allowance of 5,000 gallons. (In drought-stricken communities like Santa Fe, New Mexico and Loveland, Colorado, the average residential **indoor** water use is only 4,000 gallons per household per month. In Castle Rock that figure is 4,500 gallons.) Your **outdoor** water allowance will continue to vary month-to-month, during the irrigation season, based on your lot size.

Previous Drinking Water Rates Per 1000 Gallons By Customer Classification (3/4-inch meter)

Customer Classification	Customer Charge	Capital Improvement Fee	Tier 1 Up to 100% of Monthly Allocation	Tier 2 100.01% to 120% of Monthly Allocation	Tier 3 120.01% to 140% of Monthly Allocation	Tier 4 More than 140% of Monthly Allocation
Residential	\$7.00	\$23.00	\$3.53	\$4.58	\$6.56	\$12.52
Irrigation	\$7.00	\$23.00	\$3.53	\$4.58	\$6.56	\$12.52
Commercial	\$7.00	\$23.00	\$3.53	\$4.58	\$6.56	\$12.52
Indoor Use	\$7.00	\$23.00	\$3.53	\$4.58	\$6.56	\$12.52
Out-of-District	\$8.75	\$28.75	\$4.41	\$5.73	\$8.20	\$15.65

2013 Drinking Water Rates Per 1000 Gallons By Customer Classification (3/4-inch meter)

Customer Classification	Customer Charge	Capital Improvement Fee	Tier 1 Up to 100% of Monthly Allocation	Tier 2 100.01% to 120% of Monthly Allocation	Tier 3 120.01% to 140% of Monthly Allocation	Tier 4 More than 140% of Monthly Allocation
Residential	\$ 8.00	\$24.00	\$3.37	\$4.38	\$6.56	\$12.52
Irrigation	\$ 8.00	\$24.00	\$4.10	\$5.33	\$7.63	\$14.56
Commercial	\$ 8.00	\$24.00	\$3.53	\$4.58	\$6.56	\$12.52
Indoor Use	\$ 8.00	\$24.00	\$3.53	\$3.53	\$3.53	\$ 3.53
Out-of-District	\$10.00	\$30.00	\$4.20	\$5.46	\$8.20	\$15.65

Previous Wastewater Rates Per 1000 Gallons By Customer Classification

Customer Classification	Customer Charge	Capital Improvement Fee	Volume Charge
Residential	\$7.30	\$1.83	\$4.72
Townhome	\$7.30	\$1.31	\$4.72
Commercial	\$7.30	\$5.03	\$4.72
Out-of-District	\$9.13	\$2.29	\$5.90

2013 Wastewater Rates Per 1000 Gallons By Customer Classification

Customer Classification	Customer Charge	Capital Improvement Fee	Volume Charge
Residential	\$ 9.15	\$0.00	\$5.20
Townhome	\$ 9.15	\$0.00	\$5.20
Commercial	\$12.35	\$0.00	\$5.20
Out-of-District	\$11.43	\$0.00	\$6.50