



Castle Rock Water Commission Meeting Minutes - Draft

Todd Warnke Chair
John Wright Vice Chair
Wyn Barrett
Clark Hammelman
Bill Leung
Katherine Redmond
Carol Selos

Wednesday, April 28, 2021

6:00 PM

Castle Rock Water
175 Kellogg Ct., Bldg. 183
Castle Rock, CO 80109

This meeting is open to the public and will be held in a fully virtual format in accordance with Town Council Meeting Special Procedures During Declared Disasters. This meeting will be hosted online and can be accessed at:

<https://crgov.webex.com/crgov/j.php?MTID=m3c2d9195a1be15370bc122f873d15dc8>

the meeting password is: Tut243 (69637888) from video systems or phone in by calling (720) 650-7664, meeting code #187 937 4602 Three or more Council members may also attend this meeting, during which the items listed herein will be discussed.

CALL TO ORDER / ROLL CALL

- Present** 7 - Chair Todd Warnke, Vice Chair John Wright, Commissioner Wyn Barrett, Commissioner Clark Hammelman, Commissioner Bill Leung, Commissioner Katherine Redmond, and Commissioner Carol Selos
- Attendance** 9 - Caryn Johnson, Mark Marlowe, Tim Friday, Anne Glassman, Jennifer Thompson, Jeanne Stevens, Sandra Aguilar, Walt Schwarz, and MaryJo Woodrick

COUNCIL UPDATE

Time was allowed for Council Member Johnson to share an update on Town Council items

COMMISSIONER COMMENTS

Time was allowed for Commissioner Comments.

ADMINISTRATIVE BUSINESS

[WC 2021-037](#)

Approval of the March 24, 2021 Meeting Minutes Town Council Agenda Date: NA

It was moved by John Wright and seconded by Kathy Redmond to approve the meeting minutes for March 24, 2021 as written. The motion passed with a vote of 7-0.

- Yes:** 7 - Chair Warnke, Vice Chair Wright, Commissioner Barrett, Commissioner Hammelman, Commissioner Leung, Commissioner Redmond, and Commissioner Selos

[WC 2021-038](#)

Update on Water Commission Interviews Town Council Agenda Date: NA

Mr. Marlowe shared a reminder that interviews for the open Water Commission board positions will be on May 11, 2021. At the last meeting Commissioner Barrett

volunteered to be on the interview panel, since Chariman Warnke is up for re-appointment, but it was discovered after that time that Commissioner Barrett had filled a partial term and is also up for re-appointment so Commissioner Leung has agreed to serve on the interview panel.

ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)

[WC 2021-039](#)

Resolution Approving a Service Agreement between the Town of Castle Rock and Burns & McDonnell Engineering Company to complete Design and Bid Phase Services for the Parker MidSection Pipeline Project.

Town Council Agenda Date: May 18, 2021

Mr. Schwarz explained that this is an intergovernmental agreement with Parker Water & Sanitation Dist. (PWSD) for the construction of a pipeline that will move WISE water from PWSD's water distribution system to Castle Rock Water's (CRW) existing water distribution system. The new pipeline will be 42" diameter and 2.5 miles long. This project will also increase the capacity at the pump station to 8.8 million gallons day (MGD).

Staff received four proposals. Burns and McDonnell Engineering provided the preferred bid both in price and quality, with a bid of \$450,951. Staff proposes a Town managed contingency of \$45,095. The design phase of services should be completed by March 2022. With the plan to award the construction contract in April of 2022 and for work to start shortly after that time.

Commissioner Selos asked for clarification on the percentage of pipeline capacity that will be used by each utility. Mr. Schwarz explained that PWSD will receive 59% of the pipeline capacity, CRW will receive 27.7% and Dominion Water & Sanitation Dist. will receive 13.2%.

Commissioner Leung asked for clarification on the percentage of the costs that CRW will actually pay. It was explained that we are the only entity that needs the upgraded pumping capacity so we are fully funding that piece and our total percentage of cost will exceed the pipeline capacity percentage because of that.

Bill Leung moved to recommend Town Council approval of the Resolution as presented. Clark Hammelman seconded the motion.

Yes: 7 - Chair Warnke, Vice Chair Wright, Commissioner Barrett, Commissioner Hammelman, Commissioner Leung, Commissioner Redmond, and Commissioner Selos

[WC 2021-040](#)

Resolution Approving the 2021 Town of Castle Rock/Centennial Water & Sanitation District Spot Water Lease Agreement *[Chatfield Reservoir, Douglas County]*

Town Council Agenda Date: May 4, 2021

Mr. Marlowe shared that this item is similar to other agreements staff have shared

recently. Currently, CRW owns 590 acre feet (AF) of storage in the Chatfield Reservoir with the right to purchase up to a total of 2,000 AF. The state has offered free access to that additional storage until May 2021. CRW entered into an agreement with the state that allows CRW to rent the additional space at \$50 per AF. At this time CRW has 1,500 AF stored there with modeling that shows additional amounts in the future. If CRW goes over the 2,000 AF, that additional water has to be released and continues downstream. The Water Resources team has been working on short term water leases that CRW can utilize to take advantage of the water in storage. This is the largest short term water lease to date. Centennial Water & Sanitation Dist. (CWSD) would lease 1,000 AF during the coming irrigation season. The agreement states that CRW will receive 200 AF paid for upfront (whether they use it or not) then if they need additional water after that point we book it over to them in the reservoir. The water lease rate at this time is \$340 AF.

Commissioner Wright asked about the costs. Mr. Marlowe explained how the rates are determined based on the market value.

Clark Hammelman moved to recommend Town Council approval of the Resolution as presented. John Wright seconded the motion.

Yes: 7 - Chair Warnke, Vice Chair Wright, Commissioner Barrett, Commissioner Hammelman, Commissioner Leung, Commissioner Redmond, and Commissioner Selos

[WC 2021-041](#)

Ordinance Approving the Fifth Amendment to the Intergovernmental Agreement between the Town of Castle Rock and Dominion Water and Sanitation District for the Option to Purchase and the First Right of Refusal Regarding Groundwater Rights, Easements and Related Improvements - Second Reading [*Cherokee Ranch, Douglas County, CO*]

Town Council Agenda Date: May 4, 2021

Mr. Marlowe explained the 1st Reading of this Ordinance went to Town Council on April 20, 2021. CRW is sharing this with Commission prior to the 2nd Reading.

In 2017 CRW purchased renewable water infrastructure from United Water & Sanitation Dist. (United). As part of that purchase, CRW received all of the ground water rights underneath the Cherokee Ranch. At the time of purchase CRW did not plan to use this groundwater as it is difficult to access since it doesn't connect to CRW's other groundwater sources or groundwater well system. At the time of the overall purchase, CRW talked with Dominion about the possibility of them purchasing the groundwater. Subsequently, the Town of Castle Rock and Dominion created an intergovernmental agreement for purchase of this water.

This item is an amendment to the intergovernmental agreement. The purpose of this amendment will allow for the exchange of some of Dominion's WISE infrastructure capacity in exchange for some of the groundwater rights at Cherokee Ranch.

Dominion has also decided to let the remainder of their option to purchase remaining groundwater rights lapse as they feel that they have enough groundwater at this time.

John Wright moved to recommend Town Council approval of the Resolution as presented. Carol Selos seconded the motion.

Yes: 7 - Chair Warnke, Vice Chair Wright, Commissioner Barrett, Commissioner Hammelman, Commissioner Leung, Commissioner Redmond, and Commissioner Selos

DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS

[WC 2021-042](#)

2021 Rates & Fees Study Deliverables Town Council Agenda Date: NA

Ms. Glassman shared what happened in 2020 and what is planned for 2021.

2020 Review

2020 Revenue

- Revenues exceeded the budget by \$4.3M. A lot of this was in the metered water sales. It was a dry year and with the Pandemic more residents were working from home and using more water.
- System development fees were another area that exceeded the budget. System development fees are collected for new development. Castle Rock is still seeing strong development.
- Another area of note is that \$3.1M was received for other revenue such as cash in lieu and the sales of assets.

2020 Expenses

- Capital Projects were down by \$44.8M. When the Pandemic started, CRW decided to hold on any projects that were not critical. This included the new Administration & Customer Service Bldg. A lot of these projects have already been started in 2021 or planned to be started in late 2021.
- Professional Services was another area that was down.

Ms. Glassman also shared that at this time the fund balances are very strong and positive.

Other items Ms. Glassman wanted to share included that staff have just updated CIP Plans, the high priority projects for 2022 and the 2022 Business Cases of which there are four.

Commissioner Hammelman asked if any other departments within town have a wheeled excavator? He also asked if CRW would share it with other town departments if needed. Mr. Marlowe explained that he was not aware of any other departments with one and that CRW would definitely be willing to help out other departments.

Commissioner Leung asked why the Meter Tech position is so much higher in cost the first year and then the costs go down. Ms. Glassman explained that there will be an additional cost the 1st year for a truck.

[WC 2021-043](#)**Community Survey Results****Town Council Agenda Date: NA**

Mr. Marlowe explained that the Town of Castle Rock does a Community survey every few years. The results are scientifically obtained and statistically significant. The full community survey will be going to Town Council on May 4, 2021.

Mr. Marlowe shared the items specific to water. He explained that Water did fairly well in the survey. CRW stayed statistically even in 5 of the seven areas. Of the two additional items, the value of service for rates paid showed an increase, and the keeping residents informed regarding Castle Rock Water services and projects showed a decrease.

Mr. Marlowe also shared that there were several comments that involve growth. Some residents shared a resentment about the fact that CRW is asking them to use conservation efforts while they perceive that large amounts of growth are still being approved. This growth is related however primarily to existing entitlements. Another item of concern is the long term renewable water plans and whether CRW has adequate plans to meet growth and infrastructure.

Commissioner Hammelman asked if there is a plan to educate the community on the long term renewable water plans? Mr. Marlowe explained yes that more community education will be forthcoming and that there will also be extensive outreach as a result of the planned update to the Water Resources Strategic Master Plan.

Commissioner Barrett asked how CRW compares to other utilities using just the variable water rate and just the fixed fees. CRW staff promised to supply that information at the next board meeting.

[WC 2021-044](#)**Upcoming Town Council Items****Town Council Agenda Date: NA**

Mr. Marlowe explained that this will be an on-going item on the Water Commission Agendas. The purpose is to share items that may be time critical or sensitive in nature that staff may not be able to bring to Water Commission but that staff would like to make you aware of.

This month we have two items, Sublette Water Lease Agreement and River View Farms Water Lease Agreement. They are both small water lease agreements less than a total of 70 AF.

[WC 2021-045](#)**My Water Pledge, Mayor's Challenge Reminder****Town Council Agenda Date: April 6, 2021**

Ms. Aguilar reported that the My Water Pledge is still open. CRW has participated in this conservation challenge the past six years. At this time CRW is in 9th place. It was stated to the Commissioners if you have not gone onto the website and made your pledge, please do so before the end of the month.

[WC 2021-046](#)**Spring Up the Creek Event - May 1, 2021****Town Council Agenda Date: NA**

Ms. Aguilar also shared that the Spring Up the Creek event is scheduled for May 1, 2021. The event will look a little different this year. Instead of everyone meeting at Festival Park and being shuttled to the different trails, staff will meet volunteers at their designated location and go from there. At this time, we have about 175 volunteers. This is a higher number of volunteers than in the past.

COMMISSIONER MEETING COMMENTS

Time was allowed for Commissioner Comments.

ADJOURN TO EXECUTIVE SESSION

Chairman Warnke adjourned the regular meeting at 7:40 p.m.

[WC 2021-047](#)**Executive Session: Legal Advice on Matters Concerning
Castle Rock Water****Town Council Agenda Date: April 20, 2021**