



## Castle Rock Water Commission Meeting Minutes - Final

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

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Wednesday, June 24, 2020

6:00 PM

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

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**This meeting is open to the public. 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** 4 - Chair Todd Warnke, Vice Chair John Wright, Commissioner Bill Leung, and Commissioner Carol Selos
- Attendance** 6 - Caryn Johnson, Mark Marlowe, Tim Friday, Anne Glassman, Heather Justus, and MaryJo Woodrick

### COUNCIL UPDATE

Councilmember Johnson updated the commission on various Town Council topics from the June 2nd and June 16th Council Meetings. Topics included Historical zoning, approval of a new member to the design review board, sales tax update (down 8.6% - better than expected), hiring of the new Development Services Director, Tara Vargish as well as the new Town Attorney, Michael Hyman, extending the Disaster Declaration to Sept., CARES Funding, and approving the site development plan for the Caliber Apartments.

### COMMISSION COMMENTS

Commissioner Wright - commented on the Monthly Water Report. Big numbers of water used in May. Great report to receive. Staff does a great job.

Commissioner Selos asked if we have a disaster recovery plan or security plan. Mr. Marlowe explained that a Vulnerability Assessment Study was completed several years ago and from that an Emergency Response Plan was created. He also explained that this year we are working on a Risk and Resilience Plan. This plan is required by the Federal government and is due by the end of the year. This report will add additional Security practices.

Commissioner Leung - Appreciates all the information that he has received about the Commission as well as the information in the packet for the meeting.

Commissioner Warnke - Welcomed Bill and thanked him for joining the group.

### ADMINISTRATIVE BUSINESS

[WC 2020-052](#)

### Approval of the May 27, 2020 Meeting Minutes

It was moved by John Wright and seconded by Carol Selos to approve the meeting minutes for May 27, 2020 as written. The motion passed with a vote of 4-0.

### ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)

#### [WC 2020-053](#) Selection of Chair and Vice Chair

John Wright moved to have Todd Warnke continue as Chair. Carol Selos seconded the motion. Passed unanimously 4-0.

Todd Warnke moved to have John Wright serve as the Vice Chair. Carol Selos seconded the motion. Passed unanimously 4-0.

**Yes:** 4 - Chair Warnke, Vice Chair Wright, Commissioner Leung, and Commissioner Selos

#### [WC 2020-054](#) Ordinance to Change Cash in Lieu Code Town Council Agenda Date: To be Determined

Mr. Marlowe explained that this item is related to Code that has been in place since the yearly 1990's, which is the Groundwater Dedication Code. The purpose of this code is that when the Town has new annexations the developer is required to dedicate their groundwater to the Town. When the code was first created the guideline was for every acre of foot of groundwater demand, two acre feet of groundwater needed to be dedicated. Developments often want to build at a higher density or with more water demand than they have in groundwater supply. At that point, they have been allowed to bring groundwater from other properties to the Town and dedicate it to the Town. If this has not been an option, they have also been able to ask Council to approve cash in-lieu. Cash In-Lieu is where the developers could pay a certain amount for extra acre feet of water. Currently, that amount is set at about \$2,500 per acre foot. It has not been updated since it was created. At this time groundwater costs have not changed that much so this amount still works but CRW would like to add verbiage that would allow them to do a market study at any time to re-evaluate this amount.

The second code change is to address that at this time there is no additional groundwater within the Town limits that is available to purchase. The only place to purchase groundwater will be outside of Town. In order to do this CRW would need to build a deep groundwater well at the location, outside of Town limits and then bring that water back to Town. So the proposal is an increase in the Cash In-Lieu fee that is a calculation of an average transmission cost to properties where groundwater is available to the Town back to the Town. In addition, to this change, CRW would like to change that for groundwater that is outside of Town limits instead of developers dedicating 2 acre feet for 1 acre foot of demand, they would need to supply 3 acre feet for every 1 acre foot of demand.

The final change is to not allow Laramie Fox Hill groundwater to be used as groundwater to meet that demand. The reason is that Laramie Fox Hill is the deepest aquifer and the water quality is not very good and the supply is not very reliable.

**It was moved by Carol Selos and seconded by John Wright to recommend Council approve this item. The motion passed 4-0.**

**Yes:** 4 - Chair Warnke, Vice Chair Wright, Commissioner Leung, and Commissioner Selos

[WC 2020-055](#)

**Resolution Approving a First Amendment to the Services Agreement for the Plum Creek Diversion Pump Station Project, Construction Phase Engineering Services with Dewberry Engineers, Inc.**

**Town Council Agenda Date:** July 7, 2020

Mr. Marlowe explained that this item is related to the construction engineering services for the Sedalia Pump Station project. When CRW bid this project RN Civil was the low bidder by almost \$2M. Staff was concerned that it was under bid or that staff would receive a lot of change orders. Due to those concerns CRW hired Dewberry (the design engineers) to provide construction oversight and inspection. The good news is that everything has gone well and the project should be completed at the end of July. Unfortunately, there were delays, mainly due to COVID so CRW staff approved an additional 47 day extension to finish the project. Dewberry did not have the additional time accounted for in their contract so they will need additional time as well and additional dollars to cover that time. The additional cost is \$20,000 which would not usually need to go to Water Commission or Town Council. But, due to the fact that the original contract with Dewberry was for \$534,000 and did not contain a contingency amount any additional amount above the contract cost must go back to Town Council for approval.

**It was moved by Carol Selos and seconded by John Wright to recommend Council approve this item. The motion passed 4-0.**

**Yes:** 4 - Chair Warnke, Vice Chair Wright, Commissioner Leung, and Commissioner Selos

## **DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS**

[WC 2020-056](#)

**2020 Rates & Fees Study Deliverables - June 2020**

Mr. Marlowe shared that this is the five year financial plan. The starting point for this is where we end at 2020. At this time the biggest question is where we will end with the system development fees the growth related charges. April was a little low; May did really well; and June so far is looking strong. Staff will continue to monitor these numbers since it has a big impact on the financial plan as well as whether we go forward with the two projects we have on hold (the PV LLC and Cherry Creek Water Rights).

Other important items to note are that we have placed the Administration Building on hold as well as the Liberty Village Tank. Both items have been moved to 2021.

The biggest items to note are that in 2019 CRW got a \$9.5M bank loan. CRW received \$4.5M at the beginning of the year and will receive the other \$4.5M in September. Due to these funds, the Stormwater Capital Expenses are much higher in 2020 and

2021.

Another item to note, is that in 2021-2025, there is a slow increase in the operational costs. That is due to the growth that CRW is projecting.

In 2021 and 2023 we will have some revenue bonds that will mature. Which is good news.

At this time we are still working on the personnel costs. Personnel cost projections are a joint project with the human resources and finance departments. At this time they are still working on projected numbers. Once we receive them, CRW staff will be able to complete the personnel cost projections.

### [WC 2020-057](#)

#### **Update: Chatfield Reservoir Reallocation Project Town Council Agenda Date: July 7, 2020**

Mr. Benak explained that we are currently storing water in the Chatfield Reservoir. Castle Rock is the first entity to be storing water. We currently have 161 acre feet of water stored. In addition, CRW recently purchase an additional 129 acre feet of storage. Staff recently received information from Colorado Water Conservation Board that they have enjoyed working with CRW so much that they are going to allow CRW to store water all the way up to our 2,000 acre feet for free even though we have not purchased all of this space yet. This is great news.

Other good news is the project came in 2.3% under budget. The original cost for the project was \$171M and the project finished at \$167M. The \$4M difference will be used for the various management obligations that the Chatfield Management Co (CRMC) will have over the next several years. These items will include tree mitigation, weed management and other items that will make sure ecological benefits are met.

Mr. Benak also shared that CRW has partnered with Dominion Water, Centennial Water and Sanitation (CWS), South Metro Water Supply Authority (SMWSA) and Denver Water on a study to look at infrastructure to pump that water directly out of Chatfield and back to the Town in the future.

Another exciting item that will be coming to Commission this fall is that CRW, Denver Water, Parker Water and Sanitation Dist. (PWSD), along with East Cherry Creek Valley Water and Sanitation Dist. (ECCVWSD) are working on a partnership where CRW would be able to move some of the water from Chatfield and put that water in Rueter-Hess Reservoir without needing any additional infrastructure utilizing paper trades with PWSD and Denver Water.

### [WC 2020-058](#)

#### **Resolution Approving an Equipment and Services Acquisition Agreement between the Town of Castle Rock and Garney Construction to Construct the Plum Creek Water Purification Facility (PCWPF) Ammonia Conversion Project *[1929 Liggett Rd.]***

**Town Council Agenda Date:** June 16, 2020

Mr. Marlowe explained that this item is a huge safety improvement to the PCWPF. Currently, we disinfect our water with chlorine that is mixed with ammonia to create chloramines which stay in the water from the plant to your home to keep the water safe. When the PCWPF was first designed and built we did not have a good option for Liquid Ammonium Sulfate (LAS) (this item is very easy and safe to handle). It was also very expensive in 2013. Therefore, we used Ammonium Hydroxide. Now there are two manufacturers of LAS on the Front Range and the cost has gone down, so it now makes sense to use in PCWPF. This item was approved by Council at the last Council meeting.

[WC 2020-046](#)**Aquifer Storage and Recovery Program Update****Town Council Date:** July 7, 2020

Ms. Justus provided an update on the overall Aquifer Storage and Recovery (ASR) program. Ms. Justus explained that ASR is the ability to store water in aquifers in time of plenty and then recover with pumping when needed. This program was started in 2008. Some of the benefits are less evaporative loss, as well as being more cost affect. One of shortfalls is that we have to treat the water going into storage to drinking water standards and then when recovered must retreat the water.

One of the biggest concerns has been the permitting process. CRW started the permitting process with the Environmental Protection Agency (EPA) in 2017 and in the last few months have worked extensively to work through EPA concerns. At this time CRW feels that an agreement has been reached that both the EPA and CRW can accept. CRW expects to receive the permit by Fall of 2020.

Ms. Justus also explained that CRW has an IGA with Dominion which states that Dominion will reimburse CRW for the ASR equipment that is being installed at Ray Waterman. Once the permit has been received the goal is to have the Ray Waterman ASR added to the permit and online in the spring of 2021.

CRW staff will continue to evaluate what storage options are available and where it makes the most sense to place new ASR storage.

[WC 2020-059](#)**Senior Discount Program Update**

Mr. Marlowe explained that this is a follow-up to a question that was asked by the Water Commission members at the June 2020 meeting.

The Senior Discount offers a \$3.00 per month discount for a total of \$36.00 per year. We currently have 707 active customers receiving the senior discount out of 20,890 residential customers. This equates to approximately \$25K annual reduction of revenue for CRW.

[WC 2020-060](#)**Proclamation Smart Irrigation Month****Town Council Agenda Date:** June 16, 2020

Mr. Marlowe shared that this item was on the Consent agenda June 16th and will go to Council July 7th for reading. July is Smart Irrigation Month. The purpose is to get customers to pay attention to irrigating efficiently.

Mr. Marlowe explained that CRW has not been doing disconnects but is looking to start them up again in July or August.

Mr. Marlowe also stated that the Consumer Confidence Report will be out next week and he will send it to everyone.

**COMMISSIONER MEETING COMMENTS**

Commissioner Wright commented that this meeting covered a lot of information and was very educational. Great meeting

Commissioner Selos shared that this was a great meeting.

Commissioner Warnke would like to remind everyone that the Water Commission will meet in person again at some point. Mr. Marlowe recommended that we have the July meeting via WebEx and then look at August to meet in person.