



**Town of Castle Rock
100 North Wilcox Street
Castle Rock, CO 80104**

Mayor Paul Donahue
Mayor Pro Tem Jennifer Green
Mark Heath
Chip Wilson
Renee Valentine
George Teal
Brett J. Ford

Town Council Meeting Minutes

Tuesday, August 16, 2016

6:00 PM

Council Chambers

CALL TO ORDER / ROLL CALL

The meeting was called to order by Mayor Donahue at 6:03 PM

Present: 6 - Council Member Ford, Council Member Valentine, Mayor Donahue, Mayor Pro-Tem Green, Council Member Wilson, and Council Member Heath

Not Present: 1 - Council Member Teal

PLEDGE OF ALLEGIANCE

COUNCIL COMMENTS

Donahue presented Councilmembers with a copy of the State Statute which allows for an officer subject to recall, who is not recalled, to request the governing body provide reimbursement for certain eligible expenses. Stated it was his intention to make this request of the Council.

After introducing the topic, Donahue recused himself from the discussion and left the room.

Slentz reviewed the provisions of the Statute, and noted the Council would need to adopt an Ordinance authorizing this type of reimbursement. Noted whether or not to award some or all of the requested reimbursement was entirely at the discretion of Council. Noted the Ordinance could pertain specifically to Donahue's request, or could be more generic in nature. Acknowledged that public comment would be appropriate during consideration of the Ordinance on first and second readings.

It was the consensus of Council that the proposed Ordinance be generic in nature, establishing the procedure to be used when considering specific requests.

Heath moved, seconded by Ford, to direct staff to prepare an Ordinance for consideration on first reading on September 6, 2016 which would authorize the Council to consider a reimbursement request, as provided for under Statute.

The motion passed by the following vote:

Yes: 5 - Ford, Valentine, Green, Wilson, and Heath

Not Present: 1 - Teal

Recuse: 1 - Donahue

[APPT
2016-009](#)

**Appointment: Town Council Appointment to the Disposition of
Forfeited Property Committee**

Donahue returned to the meeting.

Donahue moved, seconded by Willson, to appoint Donahue to the Disposition of Forfeited Property Committee.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

UNSCHEDULED PUBLIC APPEARANCES

The following members of the public made comments or asked questions of the Council related to a variety of items that were NOT included on the regular agenda:

Stacey Rogers

TOWN MANAGER'S REPORT

[ID 2016-064](#) **Announcement: John Chrestensen, Castle Rock Water Field Services Superintendent, Water Distribution System Operator Award for 2016**

[ID 2016-065](#) **Update: 2016 Mid-year Financial Review, Period Ending June 30, 2016**

[ID 2016-066](#) **Update: Quasi-Judicial Projects**

[ID 2016-067](#) **Update: Monthly Department Reports**

TOWN ATTORNEY'S REPORT

None

ACCEPTANCE OF AGENDA

Green moved, seconded by Valentine, to accept the agenda as presented.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

CONSENT CALENDAR

Heath requested Ordinance No. 2016-018 be removed from the Consent Calendar.

[RES 2016-075](#) **Resolution Assigning and Transferring to Douglas County Housing Partnership All of the Town of Castle Rock's 2016 Private Activity Bond Volume Cap Allocation from the State Ceiling for Private Activity Bonds; and Authorizing the Execution and Delivery of an**

Assignment and Other Documents in Connection Therewith

Green moved, seconded by Valentine, to approve the Consent Calendar as amended to remove Ordinance No. 2016-018.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

ADVERTISED PUBLIC HEARINGS & DISCUSSION ACTION ITEMS

[ORD 2016-018](#) Ordinance Approving the Fourth Amendment to the 2016 Budget and Authorizing Changes in Appropriations for Year 2016 (Second Reading)

Heath noted the proposed budget amendment included funding for a project which was adjacent to property which he owned, and recused himself from the discussion and voting on the item.

Staff noted the Ordinance was presented on second reading with no changes from the prior submittal.

Wilson moved, seconded by Ford, to approve Ordinance No. 2016-018 as presented on second reading.

The motion passed by the following vote:

Yes: 5 - Ford, Valentine, Donahue, Green, and Wilson

Not Present: 1 - Teal

Recuse: 1 - Heath

[ORD 2016-020](#) Ordinance Submitting to the Electorate at the Regular Election on November 8, 2016 the Question of Authorizing the Retention and Expenditure of 2015 Excess TABOR Revenues for Police, Fire, Emergency Medical Services and Transportation Purposes (Second Reading)

Corliss stated Ordinance was presented on second reading with the change in language as approved by Council at the last meeting to limit the use of the funds to Police, Fire, Emergency Medical Services and Transportation.

Heath moved, seconded by Wilson, to approve Ordinance No. 2016-020 as presented on Second Reading.

The motion passed by the following vote:

Yes: 4 - Valentine, Donahue, Wilson, and Heath

No: 2 - Ford, and Green

Not Present: 1 - Teal

ORD 2016-021 Ordinance Requiring the Town of Castle Rock to Rebate its 2015 Revenue Excess Through Credits on Eligible Account Utility Bills (Second Reading)

Corliss noted the proposed Ordinance would only go into effect if the ballot question set forth in Ordinance No. 2016-020 were NOT approved by the voters. Ordinance set forth criteria for refunding the excess revenues through a credit on single family residential water accounts.

The following members of the public made statements or asked questions on this item:

Stacey Rogers

Ford moved, seconded by Green, to approve Ordinance No. 2016-021 as presented on Second Reading.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

ORD 2016-022 Ordinance Amending Title 19 of the Castle Rock Municipal Code Concerning Posting of Signs in the Public Rights-of-Way (First Reading)

Slentz reviewed proposed updates to the Town Code related to signage within the public right of way and on public property, noting the changes did not represent a change in policy, but were intended to clarify and strengthen certain provisions.

Ford moved, seconded by Valentine, to approve Ordinance No. 2016-022 as presented on First Reading.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

ID 2016-068 Presentation: Preliminary Proposed 2017 Budget

Corliss reviewed highlights of proposed 2017 budget. Noted main focus was in three main areas: surface transportation improvements, long term water, and public safety, along with other goals and priorities as established by the Council. Stated there were no tax increases included, although there were fee adjustments required in some areas.

Acknowledged that in 2017, overall expenditures would exceed revenues due to planned use of reserves and bond proceeds for several major capital projects;

however in terms of the operating budget, revenues exceed expenditures.

Reviewed outstanding issues including determining appropriate level of participation in the Rueter Hess recreational opportunities, impact fees, and the public safety training center needs.

ORD 2016-023 Ordinance Vacating a Portion of Valley View Drive (west of McMurdo Gulch); and Providing for Its Emergency Adoption on Second and Final Reading (First Reading)

Detweiler reviewed plans to vacate portions of Valley View Road covered in Ordinances 2016-023, 2016-024 and 2016-025.

Noted these easements were no longer needed based on re-engineering and realignment of the road. Noted the various sections of roadway were located in 3 separate recorded plats, and each contained different easement reservations, thus the need for three separate ordinances.

Donahue moved, seconded by Ford, to approve Ordinance No. 2016-023 on First Reading.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

ORD 2016-024 Ordinance Vacating Portions of Valley View Drive; and Providing for Its Emergency Adoption on Second and Final Reading (First Reading)

Ford moved, seconded by Heath, to approve Ordinance No 2016-024 as presented on First Reading.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

ORD 2016-025 Ordinance Vacating Portions of Valley View Drive and Rocky View Road; and Providing for Its Emergency Adoption on Second and Final Reading (First Reading)

Ford moved, seconded by Green, to approve Ordinance No 2016-025 as presented on First Reading.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

[RES 2016-076](#) Resolution Setting a Date for the Public Hearing on the Establishment

by Ordinance of the Proposed Miller's Landing Business Improvement District

Slentz state the Town has received a petition requesting the Town consider approval of a Business Improvement District related to the proposed Miller's Landing Project. By Statute, the Town Council must set a public hearing on the petition. Adoption of this Resolution did not obligate the Town to approve the BID, as the hearing on the merits of the District would be held at a later date.

Ford moved, seconded by Valentine, to approve Resolution No 2016-076 as presented.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

[DIR 2016-050](#)**Discussion/Direction: Draft Intergovernmental Agreement for Water Service between the Town of Castle Rock and Dominion Water and Sanitation District**

Marlowe reviewed key points of proposed intergovernmental agreement and benefits to Town. Noted this was an extension of the existing agreement between the Town and Dominion, and would work in conjunction with that agreement. Under the terms of the agreement the Town will take ownership of and treat and deliver 400 acre-feet (AF) per year (on average) of Denver Basin groundwater that Dominion currently owns as a backup to their renewable WISE supplies.

Donahue moved, seconded by Valentine, to direct staff to finalize the service agreement with Dominion Water and Sanitation District and bring the final agreement back to Council for approval.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

[RES 2016-077](#)**Resolution Approving the Town of Castle Rock and Parker Water and Sanitation District Intergovernmental Water Infrastructure Cost Sharing, Design, Construction and Capacity Allocation Agreement**

Marlowe presented request for Town Council approval of an Intergovernmental Agreement (IGA) with Parker Water and Sanitation District (PWSD) for the cost sharing of key WISE project infrastructure. This infrastructure consists of a 36-inch, 4-mile pipeline and a pump station that will deliver water from PWSD's water distribution system to the Town's planned WISE local transmission line that is currently under design. Stated Town's initial cost for participation in this IGA is \$10.5 million, a portion of which would be covered by Dominion Water and

Sanitation District under the separate License Agreement. Town is purchasing 8.8 million gallons per day (MGD) of capacity in the pipeline and 4 MGD of capacity in the pump station.

Ford moved, seconded by Wilson, to approve Resolution No. 2016-077 as presented, and including any non substantive changes approved by Legal and staff.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

[RES 2016-078](#) Resolution Approving the Town of Castle Rock / Dominion Water and Sanitation District Canyons Pipeline Capacity License Agreement

Marlowe noted this agreement was the companion agreement to the one approved by Resolution No. 2016-077. Reviewed key terms of proposed Capacity License Agreement with Dominion Water and Sanitation District (Dominion) to fund Dominion's share of the Canyons Infrastructure whereby the Town would purchase Dominion's capacity in the pump station, equipment, pipeline, and associated appurtenances and license it back to Dominion over a five year period. Reviewed benefits to the Town of the proposed agreement.

Green moved, seconded by Heath, to approve Resolution No. 2016-078 as presented, and including any non substantive changes approved by Legal and staff.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

[RES 2016-079](#) Resolution Approving the Contract for Purchase and Sale of PV, LLC Water Rights

Marlowe stated proposed Resolution authorized the Town to enter into a contract for purchase and sale of the PV, LLC water rights which would be used as an augmentation water source in conjunction with the Box Elder Creek well field for the Alternate Source of Water Supply Project hybrid solution. The nature of these water rights would even allow that they could be used as direct flow water supply given the fact that they have already been legally changed for municipal use and are exportable from the Lost Creek Basin.

The current purchase price in the agreement is \$9,750 per acre-foot equating to a total purchase price of approximately \$9,750,000 for 1,000 acre-feet of renewable water which includes the well permits, easements for the wells, and existing infrastructure as well as easements for collection pipelines. The final purchase price will be dependent on the final acre-feet purchased which will be determined based on the wells selected. Staff estimated the total will not exceed 1,100 acre-feet or \$10,725,000.

Green moved, seconded by Heath, to approve Resolution No. 2016-079 as presented.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

[RES 2016-080](#)

Resolution Approving the Execution of the Purchase and Sale for Water Line Capacity from Pioneer Metropolitan District No. 3

Marlowe reviewed proposed agreement to purchase of an interest in the Keenesburg pipeline, which has been identified as a potential key piece of existing infrastructure for the Box Elder project, particularly based on its proximity to the PV, LCC water rights the Town intends to purchase. The Town proposed to purchase a 67 percent stake in this pipeline (800 gallons per minute (gpm) capacity out of 1,200 gpm) for \$2.23 million plus annual payments of \$63,099 over the next 16 years. Reviewed benefits of the purchase to the Town.

The following members of the public made comments or asked questions on this item:

Stacey Rogers

Ford moved, seconded by Valentine, to approve Resolution No. 2016-080 as presented.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal

**TMP
2016-1385**

Discussion/Direction: Utilities 2016 Annual Rates and Fees Study Update

Marlowe reviewed the 2016 Rates and Fees Study which re-evaluated costs of service, and updated the financial plans to ensure revenue requirements were based on the best available current information, and provided the basis for proposed changes to rates and fees. Reviewed proposed Utility billing rates and system development fees (SDFs) for 2017. Noted recommendation included increases to the water resources fee and the stormwater fee for an overall rate increase of approximately 2.4% for the average bill.

For SDFs related to new development, Utilities recommends an increase between \$392 and \$489 (depending on which watershed in which the development is proposed) per single family equivalent (SFE), a 1.7 to 2.1 percent increase

The consensus of Council was to direct staff to finalize an ordinance increasing the rates and fees as presented, using the variable rate increase option for Council review and adoption.

ADJOURN TO EXECUTIVE SESSION (Not to Return)

[EXEC](#)
[2016-010](#)

Executive Session: Potential Acquisition of a Water Development Project

Donahue moved, seconded by Green, to adjourn to Executive Session at 8:03 PM (not to return) pursuant to C.R.S. §24-6-402(4)(e) for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations and instructing Town negotiators on a potential acquisition of a water development project.

The motion passed by the following vote:

Yes: 6 - Ford, Valentine, Donahue, Green, Wilson, and Heath

Not Present: 1 - Teal