



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, February 24, 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>, the meeting password is: UGpWFwBt873 (84793928) from video systems) or phone in by calling (720) 650-7664, meeting code #18878671192#84793928#. 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** 8 - Caryn Johnson, Mark Marlowe, Tim Friday, Matt Benak, David Van Dellen, Anne Glassman, Jennifer Thompson, and MaryJo Woodrick

COUNCIL UPDATE

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

COMMISSION COMMENTS

Time was allowed for Commissioner Comments.

ADMINISTRATIVE BUSINESS

[WC 2021-012](#)

Approval of the January 27, 2021 Meeting Minutes Town Council Agenda Date: NA

It was moved by Clark Hammelman and seconded by Kathy Redmond to approve the meeting minutes for January 27, 2021 as written.

- Yes:** 6 - Chair Warnke, Vice Chair Wright, Commissioner Barrett, Commissioner Hammelman, Commissioner Leung, and Commissioner Redmond
- Abstain:** 1 - Commissioner Selos

ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)

[WC 2021-013](#)

Resolution for Extraterritorial Service Agreement with Castle

**Rock Cold and Storage LLC for Fire Flow Service
Town Council Agenda Date: March 16, 2021**

Mr. Friday explained that this is currently a vacant lot within the Castleton Water and Sanitation District. A new business development has been approved and is being built. The new business has two options for Fire Protection Service, a closed loop fire suppression system or to connect to the Town of Castle Rock's water supply. The business owners would like to connect to the Town's system. The property is within the Castleton Water and Sanitation district but this system doesn't have enough capacity to provide fire service for any of the businesses in this area. The Town of Castle Rock currently serves six existing businesses in this area for fire suppression. The only difference from those properties will be that Castle Rock Water (CRW) will have an agreement with this property owner. As part of the agreement the property owner will be required to pay fees and a 25% extraterritorial service surcharge for the service. This way costs for this service will be recouped. This will also provide a model for charging the six existing customers for the service they receive.

Bill Leung moved to recommend Town Council approval of the Resolution as presented. Clark Hammelman seconded the motion. Passed unanimously 7-0.

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

[WC 2021-014](#)

**Resolution Approving the Water Rights Lease
Between the Town of Castle Rock and H&H Farms
Town Council Agenda Date: March 16, 2021**

Mr. Benak shared that this is a continuation of an agreement that CRW has with a farmer in Weld County. This item refers to water that we own in the Lost Creek Basin. CRW will ultimately be using this water for augmentation and direct flow purposes. Currently, CRW doesn't have the infrastructure to use the water so staff would like to put these water rights to use. This agreement is with H&H Farms for the use of 275 acre feet of water. The one change for 2021 is that CRW increased the lease rate. It has been a few years since the lease rates have been studied or adjusted. In the past CRW has charged \$35.00 per acre foot and the new rate is \$36.50 per acre foot.

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

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

[WC 2021-015](#)

**Resolution Approving the Water Rights Lease Between the
Town of Castle Rock and Turnpike, LLC
Town Council Agenda Date: March 2, 2021**

Mr. Benak shared that this is a continuation of an agreement that Castle Rock Water (CRW) has with a farmer in Weld County. This item refers to water that we own in the Lost Creek Basin. CRW will ultimately be using this water for augmentation and direct flow purposes. Currently, CRW doesn't have the infrastructure to use the water so

staff would like to put these water rights to use. This agreement is with Turnpike LLC for the use of 780 acre feet of water. The one change for 2021 is that CRW increased the lease rate. It has been a few years since the lease rates have been studied or adjusted. In the past CRW has charged \$35.00 per acre foot and the new rate is \$36.50 per acre foot.

Clark Hammelman 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

[WC 2021-016](#)

Ordinance Amending Chapters 13.06 and 15.03 of the Castle Rock Municipal Code Regarding Clarification of the Registration Requirement for Backflow Prevention Assembly Testers

Town Council Agenda Date: March 16, 2021

Mr. Marlowe and Mr. Friday reported that this is mainly a clean-up item for the Cross Connection Control chapters. The purpose of the item is to streamline the registration process. In Chapter 13 it requires that all backflow testers register with CRW and provide proof of certification training (at no cost). In Chapter 15 (in the building code section) there is a catch all that backflow testers are included with all contractors and that they should register with Development Services and pay a fee. The goal is to take the backflow tester language out of Chapter 15 and only use the Chapter 13 language. Chapter 13 will reference back to Chapter 15 for purpose of the insurance information. The fee will be discontinued as it does not raise any significant revenue and costs to manage the registration are minor.

Carol Selos moved to recommend Town Council approval of the Ordinance as presented. Bill Leung seconded the motion. Passed unanimously 7-0.

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

[WC 2021-017](#)

Resolution Approving a Contract between the Town of Castle Rock and Hydro Resources for ASR Testing and Valve Replacement for Wells CR-223 & CR-224

Town Council Agenda Date: March 2, 2021

Mr. Marlowe shared that CRW has received the permit for Aquifer Storage and Recovery, from the United States Environmental Protection Agency (EPA), for wells CR-223 and CR-224. There are a couple of items that CRW needs to do to be in compliance with the permit.

Mr. Benak explained that it has taken several years to receive the permit. Subsequently, some of the equipment has failed due to lack of use while waiting for the permit. The first step will be to use a caliper rod which will go down hole and take a continuous measurement of the size of the bore hole as well as the curvature. The second step will be to take a well video.

Mr. Benak also shared that on Well 223 the Baski Valve failed which means that the valve must be removed and new valve put in. Instead of replacing with another Baski valve staff have decide to replace it with an R3 valve. Well CR 224 still has the Baski Valve, but staff will be checking it carefully to make sure it is in good working order. If there are concerns, this valve will be switched to a R3 as well.

Carol Selos moved to recommend Town Council approval of the Resolution as presented. Clark Hammelman seconded the motion. Passed unanimously 7-0.

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

[WC 2021-018](#)

**A Resolution Approving the Intergovernmental Agreement
Between the Town of Castle Rock and Parker Water and
Sanitation District**

(Parker MidSection Pipeline/Canyons Pump Station)

Town Council Agenda Date: March 16, 2021

Mr. Marlowe reported that this project is part of the WISE Project. He explained that CRW has been receiving WISE water since 2018. The WISE project is not completed and will continue for several years. In addition to the project being considered, WISE is currently building the Binney Connection. The Binney Connection project is a \$30M project, in which Castle Rock Water is 20% of the total cost. This project connects the Binney Water Treatment plant to the WISE water infrastructure. The next project is a desalinization plant that must be completed before 2030, and the third project will be the Denver International Airport (DIA) Interconnect.

Mr. Benak explained that this project, known as the Parker Midsection Pipe, is a pipeline that is about 2 miles long and will parallel the Parker Water and Sanitation District (PWSD) line. Currently, CRW has an agreement with PWSD to move WISE water through their system and then onto CRW's system. This line is currently a 24 inch section of pipeline which restricts the amount of water that CRW can take to 1 million gallons per day (MGD). In December of 2023, CRW will no longer be able to use this pipeline so CRW is going to build a 42 inch, 2 mile-long pipeline. The cost is estimated at a little over \$13.7M. PWSD will be using the pipeline beginning in 2027 but they have agreed to pay for their portion of the pipeline in 2024.

Clark Hammelman moved to recommend Town Council approval of the Resolution as presented. Carol Selos seconded the motion. Passed unanimously 7-0.

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

[WC 2021-019](#)

**Resolution Approving a Construction Contract with
Meridiam Partners, LLC for**

Hangmans Gulch Channel Improvements - Phase IV

Town Council Agenda Date: March 2, 2021

Mr. Van Dellen explained that this project is part of the \$9.5M bank loan funding for

legacy projects. He also shared that this is a continuation of work that has been done on Hangmans Gulch previously. This section of Hangmans Gulch is located just west of the Recreation Center and is actually on Douglas County School District property. Staff are working with the school district to get the appropriate easements. This section is highly erosive and feeds sediment downstream. The erosion is causing issues on the recreational trail that crosses both Hangmans Gulch and Plum Creek. Mr. Van Dellen explained that this project includes three drop structures and one preventative structure. CRW received nine bids for this project. Eight bids were below the engineer's estimated construction cost. This project will start in the Spring of 2021 and should be completed by July 2021.

Carol Selos moved to recommend Town Council approval of the Resolution as presented. John Wright seconded the motion. Passed unanimously 7-0.

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

[WC 2021-020](#)

Resolution Approving a Construction Contract with Applied Ingenuity, LLC. for the 2021 Denver Basin Wells Rehabilitation, Pumping Equipment Replacement, and Well Abandonment Project
Town Council Agenda Date: March 2, 2021

Mr. Benak shared that Water Resources has a program that shows all of the Denver Basin Wells as well as the alluvial wells on a spreadsheet. Staff can then see if there are any declines in well activity. This a leading indicator showing if a well needs to be taken out of service and rehabbed so that the well will be brought back to full productivity. Staff can expect that every 3 to 5 years an individual well will be out of service. In 2021, staff have selected 7 wells that need to be rehabilitated. Bids were received from several companies, but due to the timing of this (starting in early spring and finishing in time for irrigation season), staff felt that it would be better to split the project between two companies, Applied Ingenuity and Colorado Pump Service & Supply. CRW has worked successfully with these two companies in the past and have had good success. This item is the agreement with Applied Ingenuity.

John Wright moved to recommend Town Council approval of the Resolution as presented. Carol Selos seconded the motion. Passed unanimously 7-0.

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

[WC 2021-021](#)

Resolution Approving a Construction Contract with Colorado Pump Service & Supply Co. for the 2021 Denver Basin Wells Rehabilitation, Pumping Equipment Replacement, and Well Abandonment Project
Town Council Agenda Date: March 2, 2021

This item is the agreement for well rehabilitation with Colorado Pump Service & Supply Co.

Clark Hammelman moved to recommend Town Council approval of the Resolution as presented. Kathy Redmond seconded the motion. Passed unanimously 7-0.

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

[WC 2021-022](#)

Resolution Approving an Intergovernmental Agreement Between the Town of Castle Rock and Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2 Regarding the Monitoring and Enforcement of Town Conservation Regulations

Town Council Agenda Date: March 16, 2021

Mr. Friday explained that this item is part of the original intergovernmental agreement (IGA) and now that homes are starting to be built it is time to finalize this additional agreement. The agreement explains that the property will receive the same conservation monitoring and enforcement as though it is within the Town limits. The costs will be the same as property within the Town of Castle Rock with an additional 10% surcharge. This item is budget neutral.

Clark Hammelman moved to recommend Town Council approval of the Resolution as presented. John Wright seconded the motion. Passed unanimously 7-0.

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 2021-023](#)

Update on Proposed Changes to the Non-Tributary Groundwater Rules

Town Council Agenda Date: February 16, 2021

Mr. Marlowe reported that this item has come up recently and is of significance. Mr. Marlowe explained that CRW has groundwater decrees that are essentially water rights to use groundwater under the town. The ground water decrees establish an annual maximum amount of water that can be removed from each well per year. Those annual limits were established from a 1985 legislative action that states you will us an estimated 100 year supply of ground water to determine the maximum annual limits that can be removed from the ground. The state engineer now has decided to interpret that legislative action to mean that they need to put a total maximum volumetric limit on those decrees. This means that instead of having just the annual maximum limit utilities would have a total maximum limit which would be 100 x the annual limit. This would mean once this amount of water has been pumped out, the state would cancel the water decree and shut down the well, even if there is still water available in the basin.

Mr. Marlowe explained the problems that can occur because of this. CRW will be reliant on non-renewable groundwater for a significant amount of their water supply until at least 2050. Some of the wells went into production in the 70's or before. This

would mean that those wells could reach their limit as early as 2060 to 2070.

Without a solution or alternate supply, the state would be placing a dooms day clock on some towns or utilities that says if you don't get a new water supply by that time you will not have a water supply. That is regardless of whether there is still water available in the Denver Basin Aquifer.

There are towns within Douglas County that are 100% reliable on groundwater and do not have a renewable water plan.

CRW is not against having the discussion on what needs to be done to get everyone off of non-renewable groundwater and what needs to be done to protect the resources. But for the State engineer to place this in a rule making without taking into account that Counties and others are allowing development based off of non-renewable groundwater doesn't make any sense. Also, the water decrees are water rights that were given to the town many years ago, and the state would essentially be coming in and modifying those water rights outside of the water court system and water decree system.

CRW has asked the state to open up the hearing status so that other interested parties would be allowed to be part of the hearing process. CRW would be open to changes that would create a plan that would move everyone off of non-renewable groundwater, but CRW is against just setting a maximum and not taking any other action.

[WC 2021-024](#)

2021 Rates and Fees Timeline and 5 Year Rates and System Development Fees Increase History and 5 Year Forecast Town Council Agenda Date: NA

Ms. Glassman shared that CRW will be starting the Rates and Fees study and wanted to share the timeline for the deliverables. She also shared information on the history of rates versus what was projected. CRW has done a great job on what was expected verse what staff was actually able to offer.

COMMISSIONER MEETING COMMENTS

Time was allowed for Commissioner Comments.