



Castle Rock Water Commission Meeting Minutes - Draft

Todd Warnke, Chair
Bill Leung, Vice Chair
Angie Brown
Kathryn Gienger
David Hammelman
Kevin McHugh
Tony Rathbun

Wednesday, April 26, 2023

6:00 PM

Castle Rock Water
175 Kellogg Ct., Bldg. 171
Castle Rock, CO 80109

This meeting is open to the public and will be held in a hybrid format in accordance with Town Council Electronic Participation, Connected, and Hybrid Meeting Policy. The in-person meeting will be held at 175 Kellogg Ct. Bldg. 171 Castle Rock CO 80104 or this meeting can be accessed online at:

<https://crgov.webex.com/crgov/j.php?MTID=m74503bfc0954f286113fd3a996bf862>
the Meeting password: Gf3MUJrEd86 (43368573 from video systems) or phone in by calling (720) 650-7664, meeting code #24964978966#. One or more Council members may also attend this meeting, during which the items listed herein will be discussed.

CALL TO ORDER / ROLL CALL

- Present** 6 - Chair Todd Warnke, Vice Chair Bill Leung, Angie Brown, Kathryn Gienger, David Hammelman, and Tony Rathbun
- Not Present** 1 - Kevin McHugh
- Attendance** 7 - Mark Marlowe, Nichol Bussey, Roy Gallea, Paul Rementer, David Van Dellen, MaryJo Woodrick, and Scott Tait

COUNCIL UPDATE

Time was allowed for Mayor Gray to share a council update.

COMMISSION COMMENTS

Time was allowed for Commissioner Comments.

ADMINISTRATIVE BUSINESS

[WC 2023-039](#)

Approval of the March 22, 2023 Meeting Minutes Town Council Agenda Date: NA

It was moved by Angie Brown and seconded by Bill Leung to approve the meeting minutes as presented. The motion passed 6-0

Yes: 6 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, and Rathbun

Not Present: 1 - McHugh

[WC 2023-040](#)

Update on Water Commission Interviews Town Council Agenda Date: NA

Mr. Marlowe shared that Mayor Gray, Chair Warnke, and Director Marlowe would be conducting interviews for the Water Commission on May 10th here at the Castle Rock Water (CRW) Admin and Customer Service building. Currently, the team is planning to interview 15 residents (at the time of interviews they spoke with 18 residents). Mr. Marlowe also explained that there are two Commission members that are up for renewal and two vacant seats.

ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)

[WC 2023-041](#)

Resolution Approving an Intergovernmental Agreement with Douglas County for the Highway 85 Wastewater Collection and Treatment System *[Located along the Highway 85 Corridor North of E. Happy Canyon Rd to W Titan Rd in northern Douglas County]*

Town Council Agenda Date: May 2, 2023

Mr. Marlowe shared that this project has been briefed with the Water Commission previously. It is the Highway 85 Wastewater Collection and Treatment System. Mr. Marlowe explained that this item is the intergovernmental agreement between the Town of Castle Rock and Douglas County. The goal of the project is to help Douglas County put in place a wastewater collection system along the Hwy 85 Corridor (just north of Castle Rock to Titan Rd.). This project will be funded with Douglas County American Rescue Plan Act (ARPA) Funds. In order for this to be a successful project it needs to be completed in phases. The key terms of the IGA with Douglas County are:

- Provide CRW with \$26.8 Million in Douglas County ARPA funds to design and construct the system with funds needing to be spent by December 31, 2026;
- Allows CRW to charge a 1% project management fee for these services;
- Dedicates the constructed system assets in the corridor to CRW for long term operation, maintenance, repair and replacement;
- Makes CRW the retail and wholesale wastewater provider in the Service Area;
- Requires CRW to develop rates and fees for the Service Area;
- Allows CRW to charge a 10% extraterritorial surcharge for all aspects of this service; and
- Ensures that new development in the corridor beyond the first 200,000 gallons of wastewater can only occur if renewable water supplies are available.

Mr. Marlowe also explained what benefits the Town of Castle Rock will see:

- Improves water quality in Chatfield Reservoir (drinking water source for CRW) by removing untreated or poorly treated wastewater sources in the corridor (e.g. Louviers);
- Allows all reusable water supplies used in the corridor to be captured for reuse by CRW and Dominion Water and Sanitation District (DWSD) with DWSD only taking those supplies where they are the supplier;
- Creates wastewater solutions for existing communities in the corridor (e.g. Louviers and Sedalia) and existing businesses (e.g. CORE a big employer in the region);
- Improves the economic viability and vitality of this key transportation corridor (good location for primary jobs) by ensuring that wastewater service is available;
- Provides opportunities for additional water quality and environmental projects along Plum Creek utilizing easements obtained from this project;
- Gives the opportunity for consolidation of some of the small underfunded water and sanitation districts into more sustainable systems like CRW; and
- Allows for collaboration on a trail system running from Castle Rock all the way to Chatfield Reservoir by co-locating the sewer system with trails on easements obtained in the corridor.
- Ensures that CRW has oversight of water and wastewater development in this critical CRW water resources corridor;
- Contributes to economies of scale for CRW's operations over the long term helping to spread our costs amongst a larger customer base;
- Gives CRW more financial resources from the extraterritorial surcharge to accomplish our core mission and vision; and
- Provides ARPA funding for a pump station that will pump reuse water back to CRW's reservoirs in Sedalia and help offset the cost of our Chatfield Pump Back system (at least a \$2 to \$4 million benefit for our long term water plan)

Phase 1 will focus on:

- Louviers Lift Station
- Louviers Force Main
- Chatfield Basin Water Reclamation Facility
- Titan Road Lift Station

Commissioner Hammelman asked how many additional full time employees will be needed in the first phase of the project? Mr. Marlowe explained it will probably be a full time project for one of our Project Managers and we may need additional project management help, but we will not need additional

operational or other staff during the first phase. Once the infrastructure is built additional staff will be needed.

Commissioner Hammelman asked why the small subdivision on the map is being excluded? Mr. Marlowe is not sure as Douglas County made the decision about boundaries for the service area.

Commissioner Warnke asked what the next steps will be? Mr. Marlowe indicated that once the IGA with Douglas County is signed, an IGA with Dominion Water and Sanitation District will be needed. Subsequently, the engineering for the project will begin in earnest.

Bill Leung moved to recommend to Town Council approval of the Resolution as presented. David Hammelman seconded the motion. Passed unanimously 6-0.

Yes: 6 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, and Rathbun

Not Present: 1 - McHugh

[WC 2023-042](#)

**Resolution Approving the 2023 Water Master Plan [Entire
Castle Rock Water Service Area]
Town Council Agenda Date: May 2, 2023**

Mr. Gallea explained that staff have updated the Water Master Plan. He shared background on the current planning principles for the plan:

- Protect people, property, environment
- Plan for the Future
- Encourage coordination of infrastructure needs
- Operate the water enterprise fund as a business, balancing revenue and expenses
- Provide for effective long-term operation and maintenance
- Ensure water planning is part of a total water management approach
- Identify and implement changes to the water system which will improve long term sustainability through resource recovery and net zero energy use

Mr. Gallea gave an update on the current water distribution system:

- Served 80,000+ residents in 2022 with a Maximum Peak Day of 19.2 million gallons per day (MGD) in 2022
- 6 Treatment Plants
- 454 miles of Potable Water Mains
- 53 miles of Raw Water Mains
- 9 Pump Stations
- 16 Active Storage Tanks
- 119 Active Wells
- 79 Active Pressure Reducing Valves
- 14,800 System Valves

- 4,720 Active Fire Hydrants
- 29,000 Meters

To create the new Water Plan staff used hydrologic modeling to help decide what direction they wanted to go in. From this process the staff recommendations are:

Water Treatment/Water Quality

- Investigate whether the migration to direct potable reuse (DPR) from the current indirect potable reuse (IPR) scenario is the right path forward for CRW, looking at the cost, regulatory, technical and water quality implications to make an informed decision for its customers
- Evaluate water quality continuously, health advisories and maximum contaminant levels and continue to optimize water treatment to address these items as science and regulation develop
- Monitor our drinking water reservoirs and develop programs to ensure raw water quality in these reservoirs is maintained
- Expansion of PCWPF from 6MGD to 12MGD with an estimated cost of \$58.8 Million

Distribution System

- Complete Advanced Metering Infrastructure (AMI)
- Ramp up the Rehab and Replacement Plan with priorities being the Prestwick water line replacement in 2023 and Young American rehab and replacement in 2024 and 2025. Young American will be phased due to size and budget constraints of \$2 Million/year
- Utilize the interconnect with the Pinery to bring Cherry Creek Project Water Authority (CCPWA) renewable water back to Ray Waterman Regional Water Treatment Center (RWRWTC) for retreatment and distribution
- Integrate Bell Mountain into the Castle Rock Water service with the construction of a pump station, pipeline, and tank in 2023
- Construction of Tank 11B, a new 2.3 million gallons (MG) tank with an estimated cost of \$6,600,000
- Replacement of the aging Tank 3 with an estimated cost of \$2,200,000

Operations

- Execute the Supervisory Control and Data Acquisition (SCADA) Master Plan with a focus on continuing to improve our cybersecurity
- Fire Hydrant Inspections
- Flushing to maintain water quality
- Valve Inspection

- Leak Detection
- Pressure Reducing Valve Inspections
- Tank Cleaning and Inspections
- Treatment Plant Inspections
- Pump Station Inspection

Tony Rathbun moved to recommend to Town Council approval of the Resolution as presented. Angie Brown seconded the motion. Passed unanimously 5-0-1. Kathryn Gienger abstained.

Yes: 5 - Chair Warnke, Vice Chair Leung, Brown, Hammelman, and Rathbun

Not Present: 1 - McHugh

Abstain: 1 - Gienger

[WC 2023-043](#)

**Resolution Naming the Anderson Pump Station [1760
Meadows Blvd.]**

Town Council Agenda Date: May 16, 2023

Mr. Marlowe shared that CRW long time employee Monty Anderson passed away recently, and CRW staff would like to honor him by naming the Blue Zone Pump Station the Anderson Pump Station.

Angie Brown moved to recommend to Town Council approval of the Resolution as presented. Kathryn Gienger seconded the motion. Passed unanimously 6-0.

Yes: 6 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, and Rathbun

Not Present: 1 - McHugh

[WC 2023-044](#)

**Resolution Approving Changes to the Castle Rock Water
Grease Interceptor Assistance Program [Town-wide program]**

Town Council Agenda Date: May 16, 2023

Ms. Bussey explained that the Grease Interceptor program was created to help owners of older buildings with the cost of adding a grease interceptor. The original program was set up so that CRW would help with up to 50% of the cost of the project with the total being no more than \$15,000. The funding would come from three sources, a \$5,000 grant from the general fund, \$2,500 grant from CRW, and \$7,500 loan from CRW. The terms of the loan are a 5-year payback and 2.54% annual percentage rate.

Staff would like to suggest that the program be increased as the costs of equipment and installation has increased. The updated program would change to a max amount of reimbursement of \$35,000. The funding would still come from three sources, a \$5,000 grant from the general fund, a \$10,000 grant from CRW and up to a \$20,000 loan from CRW. The terms of the loan would stay the same.

The current budget includes \$40,000 for the assistance program. CRW will request a second quarter budget amendment to increase the available funds to \$60,000.

Commissioner Gienger asked if we know how many of these “non-compliant” properties exist? Mr. Marlowe explained that PCWRA has a list of those properties, and he wasn’t sure of the exact number but would say about 10 to 20.

Commissioner Gienger would like to see a more even split between the general fund and CRW rather than CRW “footing” most of the costs.

Commissioner Rathbun asked if most of the locations are in the downtown Castle Rock? Mr. Marlowe shared most of them are but there a few in other areas of town.

Kathryn Gienger moved to recommend to Town Council approval of the Resolution as presented. Tony Rathbun seconded the motion. Passed unanimously 6-0.

Yes: 6 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, and Rathbun

Not Present: 1 - McHugh

[WC 2023-045](#)

**Resolution Approving the 2023 Town of Castle Rock/Sublette Water Lease Agreement [Rothe/Sublette Recharge Project, Weld County, CO]
Town Council Agenda Date: May 2, 2023**

Mr. Marlowe explained that this is another agricultural water lease agreement for water in the Lost Creek Basin. Sublette is interested in leasing 134 acre feet (AF). The cost of the water is \$36.50 per acre foot (AF), which amounts to \$4891 in revenue.

Angie Brown moved to recommend to Town Council approval of the Resolution as presented. Bill Leung seconded the motion. Passed unanimously 6-0.

Yes: 6 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, and Rathbun

Not Present: 1 - McHugh

[WC 2023-046](#)

**Resolution Approving the 2023 town of Castle Rock/Colorado Parks & Wildlife Spot Water Lease Agreement [Chatfield Reservoir, Douglas County]
Town Council Agenda Date: May 2, 2023**

Mr. Marlowe shared that this is also a water lease agreement but is a little

different. Colorado Parks & Wildlife would like to lease 200 AF. This would be water from our Chatfield Reservoir water. This water costs \$385 per AF. The potential revenue for this lease would be up to \$77,000.

Angie Brown moved to recommend to Town Council approval of the Resolution as presented. David Hammelman seconded the motion. Passed unanimously 6-0

Yes: 6 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, and Rathbun

Not Present: 1 - McHugh

DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS

[WC 2023-047](#)

Update on Customer Characteristics

Town Council Agenda Date: NA

Mr. Rementer explained that this presentation is a sneak peek of what will be presented next month in the full Customer Characteristics report.

[WC 2023-048](#)

An Informational Item Pertaining to the Proposed Senate Bill SB23-267 Concerning Protecting Water Quality in Chatfield Reservoir and the Watershed

Town Council Agenda Date: April 18, 2023

Mr. Van Dellen shared that Chatfield Watershed Authority contracted with lobbyists to identify a funding source and introduce a fee bill during the 2023 Colorado Legislative Session to address a \$1.2 million shortfall over the next five years in Authority funding which is needed to address water quality issues at the reservoir and within the watershed.

Senate Bill SB23-267 was introduced on April 4, 2023. The bill proposed that a water quality fee be paid by visitors going to the Chatfield State Park in the amount of \$1 per vehicle per day or \$3 per annual pass, collected by Colorado Parks and Wildlife and distributed to the Authority on a quarterly basis. The proposed bill is anticipated to generate approximately \$250,000 annually and includes a repeal date of January 1, 2029 on the basis of the currently justified needs of the Authority.

WC 2023-050

Update on Drought Conditions

Town Council Agenda Date: May 2, 2023

Mr. Marlowe shared information on how much moisture the Town has received and the average daily temperature so far this year.

[WC 2023-049](#)

Upcoming Town Council Items

Town Council Agenda Date: NA

This is a standing item that will be used to share information about projects that are being worked on at the time of the meeting but that staff doesn't have information ready yet.

Mr. Marlowe explained that Heather Justus was the alternate board member for the CCPWA and since she no longer works at CRW, staff have nominated David Van Dellen to replace her.

COMMISSIONER MEETING COMMENTS

Time was allowed for Commissioner Comments.