



## Castle Rock Water Commission Meeting Minutes - Draft

David Hammelman, Chair  
Tony Rathbun, Vice Chair  
Angie Brown  
Brian Gaddie  
KiKi Miller  
Melanie Penoyar-Perez  
Cortland Wolfe

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Wednesday, May 22, 2024

6:00 PM

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

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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 171 Kellogg Ct. Castle Rock CO 80109 or this meeting can be accessed online at:

<https://crgov.webex.com/crgov/j.php?MTID=m1c4152be8878a7c48653a68b5d413936>  
the Meeting password: May22CRWC (62922279 from video systems) or phone in by calling (720) 650-7664, meeting code 2489 009 6246. 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 David Hammelman, Vice Chair Tony Rathbun, Angie Brown, Brian Gaddie, Melanie Penoyar-Perez, and Cortland Wolfe
- Not Present** 1 - KiKi Miller
- Attendance** 9 - Jason Gray, Mark Marlowe, Nichol Bussey, David Van Dellen, Roy Gallea, Hannah Branning, Walt Schwarz, Paul Rementer, and MaryJo Woodrick

### COUNCIL UPDATE

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

### COMMISSION COMMENTS

Time was allowed for Commissioner Comments.

### UPDATE ON DOUGLAS COUNTY WATER COMMISSION

Mr. Marlowe shared an update on the April DC Water Commission meeting.

### ADMINISTRATIVE BUSINESS

[WC 2024-042](#) Approval of the April 24, 2024 Meeting Minutes  
Town Council Agenda Date: NA

I move to approve the Minutes as presented.

**Yes:** 6 - Chair Hammelman, Vice Chair Rathbun, Brown, Gaddie, Penoyar-Perez, and Wolfe

**Not Present:** 1 - Miller

[WC 2024-043](#)

Update on the Interview Process and Selection of New

**Commission Members****Town Council Agenda Date:** May 21, 2024

Chair Hammelman reported that the interview committee met and interviewed thirteen individuals who applied to the Water Commission. The committee was excited to see the quality candidates that applied. The committee recommended Angie Brown, Tony Rathbun and Cortland Wolfe be re-appointed to the Commission.

Town Council approved the appointments at the May 21, 2024 meeting.

**ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)**[WC 2024-044](#)

**Resolution Approving a Spot Water Lease Agreement  
between the Town of Castle Rock and Castle Pines  
Metropolitan District [Castle Rock, Douglas County]  
Town Council Agenda Date:** June 4, 2024

Mr. Marlowe explained that in accordance with the Plum Creek Water Reclamation Authority Establishing Agreement (Jan 1990) and an Intergovernmental Agreement (Mar 2022) between the Town of Castle Rock and Castle Pines Metro District (CPMD), CRW is required to provide certain amounts of reusable water to be used by the Castle Pines Golf Courses. In 2024 CRW is required to deliver up to 93 acre-feet (AF) of reusable effluent. CPMD has determined that an additional amount of water may be necessary due to anticipated drought conditions as well as the upcoming PGA Tour golf tournament. Castle Rock has offered up to an additional 522 AF. If approved the additional water would be pumped directly from PCWRA to the Castle Pines Golf Club.

The release of water may occur between May 1, 2024 and December 31, 2024. The first 160 AF will be assessed at \$202.50 per AF price since Castle Rock gets this water back from CPMD in the winter (per the 2022 IGA). Any water needed above the 160 AF will be assessed at \$405 per AF (the current rate for leased water). The potential revenue for this lease is up to \$179,010. Commissioner Hammelman asked if the amount CRW is charging is a fair amount? Mr. Marlowe explained that the reduced rate for the first 160 AF is due to the fact that we are using our infrastructure to deliver them water during the irrigation season in exchange for water in the winter. The \$405 per AF is the same price we charge all customers so yes the price is fair in staff's opinion.

**I move to recommend to Town Council approval of the Resolution as presented.**

**Yes:** 6 - Chair Hammelman, Vice Chair Rathbun, Brown, Gaddie, Penoyar-Perez, and Wolfe

**Not Present:** 1 - Miller

[WC 2024-045](#)

**Resolution Approving the 2024 Water Lease Agreement**

**between the Town of Castle Rock and the Town of Wiggins***[Morgan County, Colorado]***Town Council Agenda Date:** June 4, 2024

Mr. Marlowe reported that this water lease agreement is in conjunction with the Rothe property that the Town of Castle Rock owns in Northern Colorado. CRW has leased water several times to the Town of Wiggins and this is another such lease. In the past CRW has worked with Wiggins on multi-year agreements but this agreement will be for only one year.

The Town of Wiggins is interested in leasing 584 AF. CRW will lease this water at \$135 per acre-foot for a total price of up to \$78,840.00.

Commissioner Hammelman asked if Wiggins will be upset that it is only a one-year lease? Mr. Marlowe explained that Wiggins is currently working on finishing up a water court case and will no longer need the water. CRW has also been very clear that the water will only be available for a year at a time.

**I move to recommend to Town Council approval of the Resolution as presented.**

**Yes:** 6 - Chair Hammelman, Vice Chair Rathbun, Brown, Gaddie, Penoyar-Perez, and Wolfe

**Not Present:** 1 - Miller

[WC 2024-046](#)**Resolution Approving an Amended and Restated 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:** June 18, 2024

Mr. Marlowe shared that Water Commission reviewed and approved the original agreement with Douglas County for the Highway 85 Wastewater Collection and Treatment System Project in 2023. At this time CRW would like to amend and restate the terms of the agreement. Below are some highlights from the amended agreement:

- DC will provide CRW with \$14 Million in Douglas County American Rescue Plan Act (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 can only occur if renewable water supplies are available.

Mr. Marlowe explained the benefits of the agreement related to Chatfield Reservoir, Douglas County, CRW and homes/businesses along the Hwy 85 Corridor.

Commissioner Rathbun asked if this is being considered as part of the Rates & Fees Study? Mr. Marlowe explained that this item should not adversely affect the budget.

Commissioner Hammelman asked if the current Town Council is ok with going outside of Town limits to help with water needs? Mayor Gray said that Town Council understands the need to be good neighbors and assist when possible.

**I move to recommend to Town Council approval of the Resolution as presented.**

**Yes:** 6 - Chair Hammelman, Vice Chair Rathbun, Brown, Gaddie, Penoyar-Perez, and Wolfe

**Not Present:** 1 - Miller

[WC 2024-047](#)

**Resolution Approving a Termination Agreement Between the Town of Castle Rock Acting Through Its Water Enterprise and Dominion Water & Sanitation District Acting Through Its Sterling Ranch Wastewater Activity Enterprise and The Sterling Ranch Community Authority Board to Terminate the E-85 Wastewater Intergovernmental Agreement dated July 18, 2023 [Located in Northwestern Douglas County with the use of Douglas county's American Rescue Plan Act Funding for this project]**

**Town Council Agenda Date:** June 18, 2024

Mr. Marlowe explained that this a termination agreement with Dominion Water and Sanitation District in relation to the Highway 85 Wastewater Project.

**I move to recommend to Town Council approval of the Resolution as presented.**

**Yes:** 6 - Chair Hammelman, Vice Chair Rathbun, Brown, Gaddie, Penoyar-Perez, and Wolfe

**Not Present:** 1 - Miller

[WC 2024-048](#)

**Resolution Approving a Construction Contract between the Town of Castle Rock and FNF Construction, Inc. for the 6400 East Tributary at Paintbrush Park Phases 1 and 2 Project [3492 Meadows Blvd, Castle Rock, CO 80109]**

**Town Council Agenda Date:** June 18, 2024

Mr. Marlowe explained that the bids for this project came in double what the engineer's estimate. Staff would like to re-evaluate the project and bids to determine where the inconsistencies are. Therefore, staff recommends tabling the item.

**I move to table this item.**

**Yes:** 6 - Chair Hammelman, Vice Chair Rathbun, Brown, Gaddie, Penoyar-Perez, and Wolfe

**Not Present:** 1 - Miller

[WC 2024-049](#)

**Resolution Approving a Construction Phase Engineering Services Agreement between the Town of Castle Rock and Burns & McDonnell Engineering for the PCWPF Expansion Project [1929 Liggett Road Castle Rock, CO]**  
**Town Council Agenda Date:** June 18, 2024

Mr. Schwarz shared that this agreement is for Burns & McDonnell (BMcD) to provide engineering services during construction and startup of the PCWPF Expansion. BMcD was retained as the design consultant for this project through a competitive process and they have prepared plans and specifications for the construction of this facility. As engineering consultant for the project, they have direct knowledge and experience with the specialized components designed for this project. Their continued support during construction is important to maximize value and to ensure a quality-constructed facility, built in accordance with the facility plans and specifications.

The cost for the engineering services is \$3,824,954 plus a 5% contingency. The total for this will be \$4,016,202.

**I move to recommend to Town Council approval of the Resolution as presented.**

**Yes:** 6 - Chair Hammelman, Vice Chair Rathbun, Brown, Gaddie, Penoyar-Perez, and Wolfe

**Not Present:** 1 - Miller

**DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS**[WC 2024-050](#)

**Resolution Approving an Amended Agreement between the Town of Castle Rock and Garney for the Plum Creek Water Purification Facility Work Package #2**  
**Town Council Agenda Date:** June 18, 2024

Mr. Schwarz explained that Work Package #2 will consist of purchasing the ozone equipment for the advanced treatment system as well as high service and membrane feed pumps.

Work Package #1 was awarded to Garney in May 2024 and allows Garney to

purchase equipment systems with long lead times and to maximize earthwork and piping activities beginning later this year. The design team pulled the ozone system from WP#1 to allow Garney additional time to receive bids from Pinnacle Ozone Solutions, LLC (Pinnacle), another qualified ozone system provider. Garney also received additional bids for vertical turbine pumps.

At this time Garney and CRW are evaluating the viability of changing to the Pinnacle system and how that would affect current and future processes. Once a decision has been made Work Package #2 will be presented at Water Commission and Town Council for approval.

#### [WC 2024-051](#)

#### **Customer Characteristics**

**Town Council Agenda Date:** NA

Ms. Bussey explained that each year as part of the Rates & Fees study staff look at Customer Characteristics for current customers. Mr. Rementer then shared a presentation on the Customer Characteristics Analysis. Some interesting statistics that they shared included:

- Projected growth is 500 residential permits per year through 2029
- YTD Residential Permits
  - 2023: 175 permits (8 Macanta)
  - 2024: 230 permits (58 Macanta)
- SDF Revenue
  - 2019: \$22.6M
  - 2020: \$27.5M
  - 2021: \$37.9M
  - 2022: \$38.6M
  - 2023: \$22.0M
  -
- Average Monthly Consumption
  - 2021 - 7.44 kgal
  - 2022 - 7.63 kgal
  - 2023 - 6.34 kgal
- Irrigation Season
  - 2021 - 9.64 kgal
  - 2022 - 10.05 kgal
  - 2023 - 7.89 kgal

Irrigation Season Rainfall for April - October

- Ave Days of Rainfall Irrigation Season
  - 2013-2022: 73 days
  - 2023: 79 days
- Ave Inches of Rainfall Irrigation Season

- 2013-2012: 11.4"
- 2023: 20.4"

[WC 2024-052](#)**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.

There were no items at this time.

**COMMISSIONER MEETING COMMENTS**

Time was allowed for Commissioner Comments.