

**Water Commission Mtg.  
June 25, 2025**

**Present:** Commissioners David Hammelman, Melanie Penoyar-Perez, Ole Gjerde, Brian Gaddie, Kevin Snow, Edward Egnatios and Tony Rathbun

**Absent:** Mayor Jason Gray

**Guests:** Chuck Kocher

**Staff:** Mark Marlowe, Mark Henderson, Nichol Bussey, Paul Rementer, Emily Huth, Matt Benak and MaryJo Reese

**Start: 6:01 pm**

**End: 8:10 pm**

**Council Report**

Time was allowed for Mr. Marlowe to share a council update.

**Commissioner Comments**

Time was allowed for Commissioner Comments.

**1. WC 2025-052 Selection of Chair & Vice Chair**

***I move to appoint Tony Rathbun as the Chair of the Castle Rock Water Commission.***

*It was moved by David Hammelman and seconded by Edward Egnatios to appoint Tony Rathbun as the Chair of the CRW Commission for the 2025-2026 year. The motion passed (7-0).*

***I move to appoint Melanie Penoyar-Perez as the Vice Chair of the Castle Rock Water Commission.***

*It was moved by Tony Rathbun and seconded by Brian Gaddie to appoint Melanie Penoyar-Perez as the Vice Chair of the CRW Commission for the 2025-2026 year. The motion passed (7-0).*

**2. WC 2025-053 Approval of the May 28, 2025 Meeting Minutes**

***I move to approve the Minutes as presented.***

*It was moved by Brian Gaddie and seconded by Ole Gjerde to approve the May 28, 2025 meeting minutes as presented. The motion passed (5-0-2). Kevin Snow and Edward Egnatios abstained.*

**3. WC 2025-054 November/December Meeting Date**

***I move to cancel the regularly scheduled Water Commission meetings for November and December and schedule a Special meeting on December 10, 2025.***

*David Hammelman moved to approve the Resolution as presented, Melanie Penoyar-Perez seconded the motion. Motion passed unanimously (7-0).*

**4. WC 2025-055 Resolution Approving the Construction Contract between the Town of Castle Rock and Garney Companies Inc. for the Ray Waterman Raw Water Treatment Center (RWRWTC) and Bell Mountain Ranch (BMR) LAS Conversion Project – Work Package 1 [Ray Waterman Regional Water Treatment Center and Bell Mountain Ranch Water Treatment Plant]**

Ms. Huth shared the purpose of this project is to convert both the Ray Waterman Regional Water Treatment Center (RWRWTC) and the Bell Mountain Ranch Water Treatment Plant (BMR) to liquid ammonium sulfate. This project will be split up into two work packages and this is the first work package.

Work Package #1 will include:

- Procurement of long lead equipment such as chlorine analyzers, programmable logic controller (PLC) panels, variable frequency drives (VFDs) for chemical feed pumps, and chemical storage tanks.

Work Package #2 will include:

- Installation of new liquid ammonium sulfate (LAS) chemical feed system at BMR
- Conversion of the existing anhydrous ammonia chemical system to liquid ammonium sulfate (LAS) at RWRWTC.
- Upgrade of the SCADA systems

By upgrading the BMR facility it will then align with the rest of the CRW system and can be connected to the CRW system anytime at a later date as needed.

The purpose of upgrading the RWRWTC is to modify the clearwell at the facility from free chlorine to chloramines, this will improve operational flexibility and allow the Town to receive WISE flows even when RWRWTC is taken offline. This is important to CRW because the WISE program has a take the water or pay for what is not taken contract requirement. This will give CRW the ability to accept WISE during low demand season and will minimize any take or pay fees that have to be paid. These fees could be as high as several hundred thousand dollars per month.

Work Package #1 will be taken to Town Council on July 15<sup>th</sup>. Work Package #2 is scheduled to go to Town Council in August. Both projects are scheduled to be started in October 2025 and be completed by April 2026.

Work Package #1 is estimated at \$1,199,966 with a 10% contingency for a total estimated budget of \$1,319,628. The total estimated budget for both work packages is \$3,250,000.

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

*Tony Rathbun moved to approve the Resolution as presented, Ole Gjerde seconded the motion. Motion passed unanimously (7-0).*

**5. WC 2025-056 Resolution Approving an Amendment to the 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]*

Mr. Marlowe explained that we are receiving \$14M in American Rescue Plan Act (ARPA) funds from Douglas County to building a Lift Station in Sedalia. At this time the design is 30% complete and indicates the project may cost as much as \$18.8M. Therefore, the purpose of this amendment is to define how the potential funding gap will be covered.

Key terms of the proposed amendment with Douglas County include:

- Castle Rock Water will fund any funding shortfall for construction of the project up to a maximum of \$4.8 million.
- System development fees (SDFs) collected for connectors to the project will pay off the Castle Rock Water contribution to the project first before any of that funding goes back to Douglas County or for improvements or expansions of the sewer system.
- A 25% surcharge will be added to the portion of the system development fee reimbursing any funding gap covered by Castle Rock Water, and this surcharge will be for use by Castle Rock Water to benefit its existing customers and system.
- Interest will accrue to the balance of the funding provided by Castle Rock Water at a rate of 5% per year until the funds provided by Castle Rock Water have been fully reimbursed.
- System development fees will be handled consistent with the original agreement once Castle Rock Water has been reimbursed, except for the 25% surcharge which will continue to be collected and used for improvements or expansions to the system.

Benefits of the Amendment to the IGA to CRW include:

- Ensures the benefits from the original Amended and Restated IGA still apply;
- Gives CRW more financial resources from the additional 25% surcharge over and above the additional financial resources provided by the current extraterritorial surcharge to accomplish our core mission and vision; and
- Ensures that the \$14M in ARPA funding will still be used for a lift station and force main that will allow CRW to bring reusable supplies directly back to the Plum Creek Water Reclamation Authority Wastewater Treatment Plant where those supplies can easily be accessed using CRW's existing infrastructure.

Commissioner Egnatios suggested adding a chart to the packet showing the best-case scenario vs. worst-case scenario.

Commissioner Snow asked if there was a potential for the costs to come in even higher? Mr. Marlowe explained that he expects them to come down. This estimate is the maximum amount expected by the contractor and design engineer and includes significant contingencies.

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

*Ole Gjerde moved to approve the Resolution as presented, Tony Rathbun seconded the motion. Motion passed unanimously (6-0).*

**6. WC 2025-057 Resolution Approving a Professional Services Agreement with W.W. Wheeler and Associates, Inc. to Support the Fremont Butte Water Court Application as part of the Platte Valley Water Partnership [To serve entire Castle Rock Water service area]**

Mr. Marlowe shared that this agreement is to hire support for the Fremont Butte Water Court Application that CRW is filing as part of the Platte Valley Water Partnership, and it was approved by Council at the last Council meeting in accordance with the general support from Water Commission.

**7. WC 2025-058 Update: Spring Up the Creek & South Metro Water Festival**

Mr. Marlowe shared that the Spring Up the Creek event was very successful again this year. 248 residents volunteered for the event.

Mr. Marlowe also shared that the South Metro WISE Authority held the 1<sup>st</sup> Annual Water Festival, and the Town of Castle Rock was happy to host it at the Phillip S. Miller Park. Everyone involved was extremely happy with the turn out. Approximately, 1,000 people attended the event, and there were 40 vendor booths. At 6 pm, CRW transitioned for the Water Festival to an after party with a band and beer made from reuse water. CRW is very excited to participate in the event again next year which will be held in Highlands Ranch.

**8. WC 2025-059 Update: Lost Canyon Groundwater Management District**

Mr. Henderson gave a presentation on what the Lost Canyon Groundwater Management District is, how CRW is connected to them and what is going on in the district.

**9. WC 2025-060 Update: Douglas County Water Commission Meeting**

Mr. Marlowe gave an update on the June Douglas County Water Commission Meeting.

**10. WC 2025-061 Update: Tallgrass Project**

Mr. Benak shared an update on the Tallgrass project. He shared that 91% of the overall mechanical construction is completed and 98% of pipe is installed and backfilled. Surface reclamation work is in progress where possible.

**11. WC 2025-062 Community Survey Results**

Mr. Marlowe reported that the Town of Castle Rock sent out a survey in early 2025. The overall results of the survey were generally good. Mr. Marlowe shared the CRW specific results.

**12. WC 2025-063 American Water Works Association (AWWA) Benchmarking, Finance KPIs, 5-Year Capital Plan and impacts of the proposed CORE Rate Increases**

Mr. Rementer shared a presentation on current rates and fees as well as the American Water Works Association (AWWA) Benchmarking report. He highlighted a few high areas and a couple of areas that on which CRW will continue to try to improve.

**13. WC 2025-064 Upcoming Town Council Items**

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.