



## 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, October 25, 2023

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 Castle Rock CO 80104 or this meeting can be accessed online at: <https://crgov.webex.com/crgov/j.php?>

MTID=m4fb5db27b0909fec9467e13c5ab50bf0 the Meeting password: CRWCommMtg102523 (27926666 from video systems) or phone in by calling (720) 650-7664, meeting code 2485 032 5853. 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, Brian Gaddie, KiKi Miller, Melanie Penoyar-Perez, and Cortland Wolfe
- Attendance** 9 - Jason Gray, Mark Marlowe, David Van Dellen, Nichol Bussey, Paul Rementer, Roy Gallea, Matt Hayes, John Chrestensen, 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.

### ADMINISTRATIVE BUSINESS

[WC 2023-089](#)

#### Recognition of Bill Leung & Information on New Commission Member Selection Town Council Agenda Date: NA

Mr. Marlowe recognized and thanked Bill Leung for serving on the Water Commission for the last three years.

The Town will advertise the open Water Commission position on the website. Once applications are received staff will set up interviews. David Hammelman, Chair, Mark Marlowe, Director of CRW and Mayor Jason Gray will interview applicants and make a suggestion to Town Council for approval.

**[WC 2023-090](#) Approval of the September 27, 2023 Meeting Minutes**

It was moved by Melanie Penoyar-Perez and seconded by Tony Rathbun to approve the September 27, 2023 meeting minutes as presented. The motion passed 6-0-1 (KiKi Miller abstained).

**Yes:** 5 - Chair Hammelman, Vice Chair Rathbun, Gaddie, Penoyar-Perez, and Wolfe

**Abstain:** 1 - Miller

**[WC 2023-091](#) Selection of Vice Chair  
Town Council Agenda Date: NA**

David Hammelman nominated Tony Rathbun to be the new Vice Chair. Cortland Wolfe seconded the motion. Motion passed unanimously.

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

**[WC 2023-092](#) November/December Meeting Dates  
Town Council Agenda Date: NA**

Mr. Marlowe explained that the November and December meetings fall on or close to holidays and asked if the Commissioners would like to move the meetings.

David Hammelman moved to cancel the regularly scheduled Water Commission meetings for November and December and to schedule a Special meeting on December 13, 2023. Melanie Penoyar-Perez seconded the motion. Motion passed unanimously.

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

**ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)****[WC 2023-093](#) Resolution Approving a Spot Water Lease Agreement  
between the Town of Castle Rock and Bow Mar [*Chatfield Reservoir, Douglas County*]  
Town Council Agenda Date: November 7, 2023**

Mr. Van Dellen explained that this water lease is in reference to water that is stored in Chatfield Reservoir. Castle Rock Water (CRW) currently has approximately 1,996-acre feet (AF) of water stored in Chatfield Reservoir. Bow Mar is currently requesting to lease some of the Town's water that is not currently being utilized. The leased water will be used by Bow Mar to replace inflow diversions made to the Patrick, Upper Tule, and Lower Tule Reservoirs from the South Platte River. The release would occur between June 1, 2024 and October 31, 2024.

The cost will be \$405 per AF with a minimum lease of 20 AF. With the initial payment being due 30 days after the approval of the lease. The potential revenue for this lease is up to \$46,575.

Commissioner Gaddie asked how staff comes up with the \$405 amount? Mr. Marlowe explained that the number comes from a study that is done on the prices of water in that area. This rate is re-evaluated each year.

Commissioner Gaddie asked if there are any additional costs associated with the lease, such as legal fees or operational fees? Mr. Marlowe shared that there are no additional costs for CRW.

Commissioner Hammelman asked if the funds are used only for capital improvement projects (CIP) accounts or can it be used for operating expenses? Mr. Marlowe explained that the funds are always used for CIP projects as CRW purchased these water rights for our long-term water supply and interim use of them will be for the purpose to help fund CIP projects associated with long term water supply.

**Brian Gaddie moved to recommend Town Council approval of the Resolution as presented. Melanie Penoyar-Perez seconded the motion. Motion passed unanimously 6-0.**

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

[WC 2023-094](#)

**Resolution Waiving Formal Written Bidding Requirement on the Basis of Sole Source and Approving an Equipment and Services Agreement with Pall Corporation for the Plum Creek Water Purification Facility Pall Membrane Filter #2 Module Replacement Project** [*Serves entire Castle Rock Water Service Area with project occurring at Plum Creek Water Purification Facility, 1929 Liggett Road*]  
**Town Council Agenda Date:** November 7, 2023

Mr. Chrestensen explained that part of the filtration system at Plum Creek Water Purification Facility (PCWPF) is the Pall Membrane system. The average life of the membranes in this system is 10-15 years and this system was put into place in 2013 so the membranes are now reaching the end of their life and need to be replaced. There are six racks at PCWPF, five are for operational purposes and one for redundancy. The modules in the first rack were replaced in the fall of 2023 and racks 2, 3, and 4 are due for replacement over the next three years. CRW staff would like to replace the next module in the fall of 2024. The purpose of ordering now is due to long lead times to receive the modules.

This is being done as a sole source due to the propriety technology involved. The cost is \$369,985.53 plus a 10% contingency for a total budget of \$406,984.08. The schedule is to order the parts in November/December 2023 and install the system in the fall of 2024.

Commissioner Hammelman asked if staff have looked into a multi-year agreement to help protect the costs from increasing too much? Mr. Chrestensen agreed that staff could look into that.

Commissioner Wolfe asked what happens over time or what can happen? Mr. Chrestensen explained that the membranes become permanently fouled and the cost to run them increases and the amount of water produced decreases significantly which would impact the overall capacity of the PCWPF

**Tony Rathbun moved to recommend Town Council approval of the Resolution as presented. Cortland Wolfe seconded the motion. Motion passed unanimously 6-0.**

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

[WC 2023-095](#)

**Resolution Approving a Construction Contract Between the Town of Castle Rock And 53 Corporation, LLC for the Tank 6B Site Restoration [2803 S. Ridge Rd.]**

**Town Council Agenda Date:** November 7, 2023

Mr. Gallea shared that during a routine inspection of Tank 6B, in 2010, the operations team noted deterioration of the roof. Later that year a structural inspection was conducted and the cause of the deterioration was determined to be an Alkali Silica Reaction (ASR). Due to the high risk of structural failure the tank was emptied and taken off line. CRW staff decided to demolish the tank in early 2023. Staff selected Western Wrecking as the contractor. The scope included removal of the tank, as well as capping the existing fill and drain line. The contract did not include backfill of the space because at that time staff planned to replace the tank in the next few years. Staff has since decided to leave the site empty for a longer period of time and need to backfill the site for safety reasons. Western Wrecking's price to backfill the site seemed high to staff, so they reached out to additional contractors to see if they could find a better price.

53 Corporation was selected for this part of the project. The bid is for \$34,650 with a staff requested 10% contingency for a total budget of \$38,115.

Even though the cost of this agreement doesn't need to be approved by Town Council, this in addition to the other contract does make the project above the \$250,000 cost so CRW staff will be presenting this to Town Council.

Commissioner Gaddie asked why it needed to be backfilled? Mr. Gallea explained that there are both safety and erosion concerns if the hole is not backfilled.

**Melanie Penoyar-Perez moved to recommend Town Council approval of the Resolution as presented. Brian Gaddie seconded the motion. Motion passed**

unanimously 6-0.

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

## DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS

### [WC 2023-096](#)

#### **Financial Updates & KPI's**

**Town Council Agenda Date:** NA

Mr. Rementer and Ms. Bussey shared a presentation on some additional information on Rates and Fees as well as Key Performance Indicator's (KPI).

### [WC 2023-097](#)

#### **Introduction to the Five-Year Strategic Plan (2024-2028)**

**Town Council Agenda Date:** December 5, 2023

Mr. Marlowe explained that the Strategic Plan is designed for staff, to help identify strategies, goals and tactics. These items can be related back to all of the Master Plans that water has, as well as, the mission and vision for CRW and the Town of Castle Rock values.

The first plan was created in 2013 and has been re-evaluated and revised every five years. This will be the 3rd version of the plan.

Mr. Marlowe shared a couple of the items that staff plan to work on in early 2024. Some of these include:

- Buy out Cottonwood and Inverness interests in the Cherry Creek Project Water Authority.
- Finalize agreement with Parker Water and Sanitation District for participation in the Platte Valley Water Partnership Project.
- Several Water Right purchases.
- Complete Town Code change to require 0.8 toilets for new residential construction.
- Upgrade Plum Creek Diversion and CR1 Diversion.

### [WC 2023-098](#)

#### **Update: Water Court Cases** *[Cases located in Douglas County, Weld County and other areas near the Lower South Platte River]*

**Town Council Agenda Date:** October 17, 2023

Mr. Van Dellen shared an update on the current Water Court Cases. Currently, the Town has seven active cases where we are the applicant. Three of the cases are part of our long-term renewable water plan. One of the cases is for a change in the point of quantification and one case is to change tributary (renewable) underground water rights. For the remaining two new cases, one is for absolute water rights and the other case is for exchanges of water rights.

The Town is involved in one case as an intervenor and another that we are a plaintiff.

There are nine cases that the Town is or was opposing that could injure our water rights.

[WC 2023-099](#)

**Update on County Partnerships**

**Town Council Agenda Date:** October 17, 2023

Mr. Marlowe gave an update on the projects that CRW is working on with County partners.

[WC 2023-100](#)

**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.

**Plum Creek Water Purification Facility (PCWPF) - CMAR**

Mr. Marlowe shared that CRW is working on finalizing the PCWPF-CMAR agreement. This item is scheduled to go to Town Council in December.

Mr. Marlowe also explained that staff are working on a couple of water rights agreements that may go to Town Council in December.

**COMMISSIONER MEETING COMMENTS**

Time was allowed for Commissioner Comments.