



## Castle Rock Water Commission Meeting Minutes

Clark Hammelman, Chair  
Ernie Foerster, Vice Chair  
Amy Blackwell  
Amy Graziano  
Caryn Johnson  
Richard Morton  
Todd Warnke

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Wednesday, February 28, 2018

6:00 PM

Castle Rock Water  
175 Kellogg Ct., Bldg. 183  
Castle Rock, CO 80109

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This meeting is open to the public. 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: Mark Marlowe, Director; Tim Friday, Assistant Director; Matt Benak, Water Resources Manager; Anne Glassman, Business Solutions Manager; Jennifer Thompson, Enterprise Fund Analyst; Rick Schultz, Water Conservation Specialist; and Melinda Pastore, Sr. Office Assistant

**Present** 7 - Caryn Johnson, Chair Clark Hammelman, Richard Morton, Amy Graziano, Vice Chair Ernie Foerster, Todd Warnke, and Amy Blackwell

**Guest:** Danny Foster

### ADMINISTRATIVE BUSINESS

[WC 2018-012](#) Approve Minutes of January 24, 2018

**It was moved, seconded and approved to approve the minutes of Jan. 24, 2018.**

**Yes:** 7 - Johnson, Chair Hammelman, Morton, Graziano, Foerster, Warnke, and Blackwell

[WC 2018-013](#) Town Council Update

Mr. Marlowe provided this update and informed the Commission that Council recently approved the ballot questions for the May 15 special election. Council also approved the Miller's Landing Business Improvement District Consent and Waiver; the PL-1 zoning for Philip S. Miller Park; the PL-3 zoning for rezoning Rock Park; the site plans and architectural drawings of the Castle Rock Collaborative Campus; and the Meadows Parkway Reconstruction Project.

[WC 2018-014](#) Commission Comments

Chair Hammelman thanked staff for the commission appreciation dinner on February 2nd. He also thanked them for the February 7th open house, which was well attended and attended by some members of the Castle Rock Water Commission. Commissioner Blackwell mentioned an article that came out recently regarding the eleven cities most likely to run out of water next. Most were international, but Miami, FL was listed.

Chair Hammelman invited the meeting guest to speak. Mr. Danny Foster, Bell Mountain Ranch resident, had questions regarding the recent purchase of United Water and Sanitation assets by Castle Rock Water. Mr. Marlowe provided him with some information and it was agreed that staff would contact him after the meeting to address any additional questions he may have.

## **ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)**

### **Plans**

[WC 2018-015](#) 2018 Landscape and Irrigation Performance Standards and Criteria Manual  
Town Council Agenda Date: 3/6/2018

Mr. Marlowe presented the highlights of the proposed 2018 manual, which are designed to create more water efficient landscapes and significantly reduce water use for new development. Staff met with the Developers Roundtable group and received no negative feedback. They also presented this to the Planning Commission, and their response was positive. Chair Hammelman asked if any opposition is anticipated when this item goes to Town Council. Mr. Marlowe responded it is possible one change, primarily for new development, may have opposition. The Town will no longer allow developers to create turf strips along right-of-ways that homeowners are then required to maintain. This has created problems in the past, such as inconsistent maintenance.

**It was moved, seconded and approved to recommend Town Council approval of the 2018 Landscape and Irrigation Performance Standards and Criteria Manual.**

**Yes:** 7 - Johnson, Chair Hammelman, Morton, Graziano, Foerster, Warnke, and Blackwell

[WC 2018-016](#) 2018 Water Use Management Plan  
Town Council Agenda Date: March 6, 2018

Mr. Marlowe presented the proposed 2018 Water Use Management Plan, which sets rules on watering schedules and violations. Highlights of the changes include a three-day per week requirement for HOA and commercial irrigators and related fine increases; a five-year limit on Water Wiser (which can be renewed); a decreased number of days for sod and seed exemptions, and no longer issuing irrigation exemptions in July. Community outreach to landscapers has occurred. Following a concern expressed by Chair Hammelman, Mr. Marlowe said he would discuss the July irrigation exemption issue with Town Attorney Bob Slentz to see if there are necessary legal requirements or recommendations.

Chair Hammelman asked if he would receive a notice that his Water Wiser status needs to be updated, and Mr. Marlowe responded that we are going to work with residents on this starting with the oldest going forward. Chair Hammelman suggested spreading the renewal requirements for older program participants over two years, and Mr. Marlowe said staff could make that change. Commissioner Johnson asked why there were more violations in 2017 than previous years. Mr. Marlowe explained that last summer four water monitors were hired and previously there were only two. In addition, due to the flash drought last summer several Castle Rock Water employees were also writing violations.

**It was moved, seconded and approved to recommend Town Council approval of the**

**2018 Water Use Management Plan as presented.**

**Yes:** 7 - Johnson, Chair Hammelman, Morton, Graziano, Foerster, Warnke, and Blackwell

[WC 2018-017](#) 2018 Rebate / Incentive Program  
Town Council Agenda Date: 3/6/2018

Mr. Marlowe highlighted proposed changes to the 2018 Conservation Rebate / Incentive Program. HOA and commercial customers will now be included and the rebate for rain sensors will be discontinued, due to low participation. The program for HOA and commercial customers is proposed to be funded through the Water Resources fund in the amount of \$100,000. The rebate limit is proposed at \$10,000, on a first come, first served basis. Community outreach has occurred and feedback has been supportive.

**It was moved, seconded and approved to recommend Town Council approval of the 2018 Rebate/Incentive Program.**

**Yes:** 7 - Johnson, Chair Hammelman, Morton, Graziano, Foerster, Warnke, and Blackwell

[WC 2018-018](#) Drought Management Plan  
Town Council Agenda Date: 4/3/18

Mr. Benak presented this item and noted the Town Council date moved to April 3, 2018. The plan focuses on long-term drought management, and strategies that provide short-term responses to temporary drought-related water supply shortages. It provides an organized and conservative approach to declaring drought stages and communicating the needed actions by the community to protect the Town's water supplies. It includes a code change to provide the Director of Castle Rock Water with the authority to declare a drought. Town Council approval is currently required for drought declaration and it is important to take action early when there is a drought.

Chair Hammelman thanked Commissioners Warnke and Graziano for their participation on the Drought Committee, where they provided input on the plan. The Commission agreed to table this item until the March meeting.

[WC 2018-019](#) Bulk Water Code Changes  
Town Council Agenda Dates: March 6, 2018 and April 3, 2018

Mr. Marlowe informed the Commission that the only change to this item from when it was last presented to them was that a fixed water resources fee was added to the rates. This will help encourage developers to return hydrant meters. This is important due to backflow risk to Castle Rock Water's system when they are not returned. The rates are competitive to surrounding communities.

**It was moved, seconded and approved to recommend Town Council approval of the staff recommended changes to the Bulk Water Program, as presented.**

**Yes:** 7 - Johnson, Chair Hammelman, Morton, Graziano, Foerster, Warnke, and Blackwell

[WC 2018-020](#) Parker Water and Sanitation District Wheeling Agreement  
Town Council Agenda Date: 3/6/2018

Mr. Benak informed the Commission that this agreement is the last with Parker

Water regarding WISE water, and is for the transmission of WISE water (and other treated water, such as water from the Box Elder project) through their system and into infrastructure owned by the Town of Castle Rock. The agreement outlines how Parker Water will charge for the costs of maintenance, repair, replacement, and the operation of delivering Castle Rock's water through their system.

In response to a question from Commissioner Morton, Mr. Marlowe explained the asset recovery fee. It is a fee to ensure Castle Rock never has to invest any capital money into the infrastructure. Chair Hammelman suggested the budget section in the memo be re-worded so it is easier to understand.

**It was moved, seconded and approved to recommend Town Council approval of the Parker Water and Sanitation District Wheeling Agreement, as presented.**

**Yes:** 7 - Johnson, Chair Hammelman, Morton, Graziano, Foerster, Warnke, and Blackwell

[WC 2018-021](#)

Turnpike LLC Agricultural Water Lease Agreement  
Town Council Agenda Date: 3/6/2018

Mr. Benak informed the Commission that this agreement is the last with Parker Water regarding WISE water, and is for the transmission of WISE water (and other treated water, such as water from the Box Elder project) through their system and into infrastructure owned by the Town of Castle Rock. The agreement outlines how Parker Water will charge for the costs of maintenance, repair, replacement, and the operation of delivering Castle Rock's water through their system.

In response to a question from Commissioner Morton, Mr. Marlowe explained the asset recovery fee. It is a fee to ensure Castle Rock never has to invest any capital money into the infrastructure. Chair Hammelman suggested the budget section in the memo be re-worded so it is easier to understand.

**It was moved, seconded and approved to recommend Town Council approval of the Turnpike, LLC Agricultural Water Lease Agreement, as presented.**

**Yes:** 7 - Johnson, Chair Hammelman, Morton, Graziano, Foerster, Warnke, and Blackwell

[WC 2018-022](#)

H & H Farm Agriculture Water Lease Agreement  
Town Council Agenda Date: 3/6/2018

H & H Farms is located in Weld County, adjacent to the PV wells Castle Rock purchased in 2017. H & H Farms is interested in a one-year lease of Castle Rock's PV water rights, including up to 250 acre-feet (AF) of water at a rate of \$35 per AF, which could amount to \$8,750.00. The price is reasonable for agricultural leased water of this type, at this location, based on available data. The agreement terminates on November 15, 2018. Castle Rock does not plan to export these water rights in 2018, as the infrastructure is not yet in place to move the water. Staff feels it would be in the Town's best interest to lease this water to H & H Farms.

**It was moved, seconded and approved to recommend Town Council approval of the H & H Farms Agricultural Water Lease Agreement, as presented.**

**Yes:** 7 - Johnson, Chair Hammelman, Morton, Graziano, Foerster, Warnke, and Blackwell

**DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS****Financial**[WC 2018-023](#) 2018 Rates and Fees Calendar

Mr. Marlowe presented a draft timeline for the 2018 Rates and Fees study. Chair Hammelman wants to make sure the Commission has plenty of time to discuss rates and fees items before they go to Town Council, and suggested the Commission finish up with action items by 7:30 p.m., as they did this evening. Mr. Marlowe said that could be done.

[WC 2018-024](#) Update on Irrigated Area Sample Customers

Ms. Glassman provided an update on this topic. Castle Rock Water has partnered with Waterfluence, a consultant that specializes in identifying potential irrigation problems and then recommending solutions. The results of the initial study show that irrigated areas for HOAs and commercial customers are too large. Staff plans to do some field verification of the results. Ultimately, we want to correct these irrigated areas in the system.

[WC 2018-025](#) Update on the Proposed Irrigation Water Budget

Ms. Glassman presented this follow-up to a presentation made at the commission meeting last December. A high level summary analysis of the non-residential irrigation accounts' water budgets was done to determine if these accounts fell within the landscaping guidelines for using a hybrid grass versus Kentucky blue grass. Staff learned that the landscaping for the customers' property was designed and installed to meet a water budget significantly lower than the standard in 498 out of 876 accounts analyzed.

A proposal is being evaluated to adjust outdoor water budgets for these customer classes to match the landscapes being installed. Staff has completed a more detailed analysis of the 498 accounts impacted by this proposal to understand the estimated financial impact of this change, and presented the findings to the commission. Significant over watering is occurring, to the tune of \$119,553 in lost Tier 3 revenue in 2017. Financial impacts to customers can be avoided by using water appropriately for the landscape. Staff recommends adjusting the water budget to meet the criteria of a hybrid grass for these 498 accounts, as well as all new accounts in these categories going forward. The next steps are putting this into the rates and fees model, seeking Town Council approval with a Jan. 1, 2019 effective date, and community outreach.

**Other**[WC 2018-026](#) Douglas Lane Tributary  
Town Council Agenda Date: 2/20/2018

Mr. Marlowe presented an update on the Douglas Lane Tributary Stabilization Project, which was approved by Town Council on February 20, 2018. The contract was awarded to a local company, Lawrence Construction Co., and work is

scheduled to begin in March 2018.

[WC 2018-027](#)

Update on Water Legislation  
Town Council Agenda Date: 2/20/2018

Mr. Marlowe presented an update on water legislation, which was presented at the February 20, 2018 Town Council meeting as part of a legislative update. The Mussel-free Colorado Act (HB 1008) is important, as Castle Rock has water storage ownership in Chatfield and Rueter-Hess Reservoirs, as well as some smaller reservoirs. HB 1008 creates several new funding and enforcement mechanisms. It requires the purchase of a specific aquatic nuisance stamp for boat use in Colorado, costing \$25 for residents and \$50 for non-residents.

Staff recommends supporting HB 1199, which would have the State Groundwater Commission create rules to allow aquifer storage and recovery in designated groundwater basins. The Town owns water rights in Lost Creek that are in a designated groundwater basin and wishes to be able to store renewable water there, then use its wells to recover that water. Chair Hammelman suggested that the commission send a letter in support of these bills. Mr. Marlowe said that could be done, similar to the letter Mayor Green sent to local delegation in support of the bills.

**It was moved, seconded and approved that the Castle Rock Water Commission will send a letter to local delegation in support of HB 1008 and HB 1199, when the timing is right.**

**Yes:** 7 - Johnson, Chair Hammelman, Morton, Graziano, Foerster, Warnke, and Blackwell

[WC 2018-028](#)

Proposed Changes to Title 4.04 (No Memo)  
Town Council Agenda Date: 4/3/2018

Mr. Marlowe provided an update on the proposed changes to Title 4, which relates to annexations. Staff is looking into entitlements, SmartScape and other options to reduce water demands to allow annexations. Town Attorney Bob Slentz drafted proposed code changes relating to entitlements. Staff will meet with the Economic Development sub-committee on this again soon.

[WC 2018-029](#)

Update on the 24/7 Operations Plan (No Memo)

Mr. Marlowe updated the commission on the operations plan for 24/7 staff coverage. Three additional plant operator job positions were approved. The operators need to be trained, then worked into the schedule. The 24/7 operations will probably be rolled out by the end of this year; however, it may take longer.

[WC 2018-030](#)

Source Water Protection Plan Update (No Memo)  
Town Council Agenda Date: 3/6/2018

Mr. Marlowe told the commission at their last meeting, that he would let them know if any comments were received at the February open house in reference to the Source Water Protection Plan. There were no notable comments and this item is scheduled for the March 6, 2018 Town Council meeting.

## COMMISSIONER COMMENTS ON MEETING

Commissioner Morton thanked staff for the February 2 commission appreciation dinner.

Commissioner Blackwell said she read the 2017 Castle Rock Water year-in-review document, and commended staff for their fantastic work. Mr. Marlowe took this opportunity to announce that Castle Rock Water is being awarded the Gold Pursuing Excellence Award, for the third year in a row! This is the highest ranking by the Colorado Department of Public Health and Environment for actions taken for going above and beyond regulatory compliance.

**Adjournment 8:04 p.m.**