



Castle Rock Water Commission Special Meeting Agenda - Final

Todd Warnke
Bill Leung
Kathryn Gienger
David Hammelman
Tony Rathbun
Kevin McHugh

Tuesday, February 28, 2023

6:00 PM

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

SPECIAL MEETING

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

6:00 pm CALL TO ORDER / ROLL CALL

COUNCIL UPDATE

COMMISSION COMMENTS

ADMINISTRATIVE BUSINESS

1. [WC 2023-013](#) Interviews & Selection of New Water Commission Board member

Attachments: [Attachment A: Ms. Brown's Resume](#)

2. [WC 2023-014](#) Introduction of New Castle Rock Water Assistant Director

3. [WC 2023-015](#) Approval of the January 25, 2023 Meeting Minutes

Attachments: [Attachment A: January Meeting Minutes](#)

ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)

4. [WC 2023-016](#) A Resolution Approving the 2023 Conservation Rebate Incentive Program [Entire Castle Rock Water Service Area]

Attachments: [Attachment B: Conservation Rebates vs Surcharge Violation Revenues](#)
[Attachment C: 2023 Conservation rebate funding summary](#)

5. [WC 2023-017](#) A Resolution Approving the 2023 Water Efficiency Master Plan (WEMP) [Entire Castle Rock Service Area]

Attachments: [Attachment B: WEMP Survey Results](#)

6. [WC 2023-018](#) A Resolution Approving the 2023 Water Use Management Plan (WUMP) [Entire Castle Rock Service Area]

Attachments: [Exhibit 1: 2023 WUMP](#)
[Attachment B: Summary of Changes](#)
[WUMP Attachment C - Five year Watering Violation summary 2018 through 2022](#)

7. [WC 2023-019](#) A Resolution Approving a Water Rights Lease Agreement between the Town of Castle Rock and Turnpike, LLC. [Weld County, Co]

Attachments: [Exhibit 1: Agreement](#)
 [Attachment B: Location Map](#)
8. [WC 2023-020](#) A Resolution Approving a Water Rights Lease Agreement between the Town of Castle Rock and Ruppel Farms, LLC. [Weld County, Co]

Attachments: [Exhibit 1: Agreement](#)
 [Attachment B: Location Map](#)
9. [WC 2023-021](#) Resolution Approving a Water Rights Lease Agreement between the Town of Castle Rock and Dove Meadow Dairy Inc. [Weld County, Co]

Attachments: [Exhibit 1: Agreement](#)
 [Attachment B: Location Map](#)
10. [WC 2023-022](#) A Resolution Approving a Water Rights Lease Agreement between the Town of Castle Rock and H&H Farms [Weld County, Co]

Attachments: [Exhibit 1: Agreement](#)
 [Attachment B: Location Map](#)
11. [WC 2023-023](#) A Resolution Approving Castle Rock's Portion of the Capital Assessments for the Wells Associated with the Walker Reservoir Construction Project [Located in Douglas County near Franktown, CO]

Attachments: [Attachment B: Project Participation Agreement](#)
 [Attachment C: Location Map](#)

DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS

12. [WC 2023-024](#) A Resolution Approving the First Amendment to the 2022 Town of Castle Rock/Central Colorado Water Conservancy District Spot Water Lease Agreement [Chatfield Reservoir, Douglas County]

Attachments: [Attachment A: TC Memo & Staff Report](#)
13. [WC 2023-025](#) Update on Timing of 2024 Budget Planning and Re-prioritization of Capital Improvement Projects (CIP) due to Reduction in SFE's
14. [WC 2023-026](#) Update on Lake Nutrient Criteria
15. [WC 2023-027](#) Upcoming Town Council Items

COMMISSIONER MEETING COMMENTS



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 1. **File #:** WC 2023-013

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water

Interviews and Selection of New Water Commission Board member
Town Council Agenda Date: NA

Executive Summary

On January 31, 2023, interviews were held for the open seat on the Water Commission Board. Mayor Gray, Chair Todd Warnke, and Director Mark Marlowe were on the interview panel. The panel interviewed five candidates.

The committee recommended Angie Brown to fill the position.

The item was presented to Town Council on February 2, 2023. Town Council approved the selection of Angie Brown to complete the open term. Ms. Brown will be eligible for re-appoint during the May 2023 selection process.

Attachments

Attachment A: Ms. Brown's Resume



ANGELA M. BROWN

Water Resources Manager

Contact

Castle Rock, CO 80104

(425) 218-8047

angiemaebrown@gmail.com

[LinkedIn Profile](#)

Education

Master of Environmental Science

College of Charleston

3.4 GPA • Thesis: Comparative Case

Study of [Coordinated Collaborative](#)

[Partnerships in Western Water](#)

Bachelor of Science in Physics

The Citadel, Charleston, SC

NCAA Academic Achievement Award •

Dean's List • Thomas Hemingway

Leadership Award

Communication

Physics Teacher at Porter-Gaud

School • Physics Lab TA at College of

Charleston • **Author** of Aquifer

Storage and Recovery Article •

Presenter at Sub-Surface Storage

Symposium • **Guest Speaker** for the

Colorado Groundwater Association •

Panelist for local church event

Objective

Industrious water resources professional seeking a position in which I can use my unique skill set, diverse experience, and passion for water to serve local and global communities. As a team member I value building relationships to create a productive and positive working environment.

Experience

2021 – 2022

Water Resources Manager • Dominion Water & Sanitation District

- Optimized water deliveries and associated financial impacts.
- Facilitated difficult discussions and negotiations of complex intergovernmental agreements.
- Collaborated with partner utilities on regional and local infrastructure and water supply projects.
- Made recommendations for timing future infrastructure and projects based on identification and analysis of projected demands in relation to Dominion's water supply portfolio.
- Developed iterative water resources annual planning process and related monthly Board report.
- Provided expert opinion regarding intergovernmental agreement obligations, intent, operations, and accounting.

2018 – 2021

Water Resources Analyst • Castle Rock Water

- Managed water rights project requiring an understanding of pertinent regulations, utilization of ArcGIS to identify optimal sampling sites, and relationship-building with permitting agencies, HOA's, and end-users.
- Revamped Town's water availability tracking system for new development.
- Established and facilitated inter-departmental and inter-agency groups for enhanced communication and coordination.
- Developed memos and presentations for Town Council meetings.
- Supported development of Supply-Demand model, analysis of daily water accounting, and optimization of water rights.

Key Skills

- Planning & project management
- Strategic & analytical thinking
- Written & verbal communication
- Collaboration & teamwork
- Creative problem solving
- Internal & external customer service
- Public Speaking & presenting
- Organization
- Adaptability
- Analysis
- Forward thinking
- Innovation
- Research

Strength Finders

Restorative • Adaptable • Ideation
• Futuristic • Belief • Learner

Volunteerism

Water Mission • Campus Crusade
for Christ • Habitat for Humanity •
City Church • Front Range Christian
Church • Southeast Christian Church

Experience (Continued)

2015 - 2018

Operations & Systems Analyst • South Metro Water Supply Authority

- Supported Design-Build CIP projects.
- Coordinated water delivery operations with partnering utilities while ensuring compliance with intergovernmental agreements.
- Collaborated on and managed a complex water accounting system including an online ordering tool and Excel-based invoicing.

2013- 2015

Director of Retirement Services • The Solomon Foundation

- Drove retirement department YoY growth of 200% through improvement of departmental transactional efficiency and education of sales personnel.
- Spearheaded efforts for and implemented an optimal solution to a highly sought-after multi-church retirement plan product unique to The Solomon Foundation.
- Streamlined quarterly processes, conserving days of work.

Technical Experience

Excel Development & maintenance of complex models utilizing formulas such as *Sumifs*, *Index*, *Match*, *VLookup*, etc. • Pivot Tables • Development & maintenance of account management tools • Creation of charts & graphs • Utilization of sorting & filtering functions • Capture & recordation of important data

ESRI ArcGIS ArcMap • ArcGIS Online • [StoryMaps](#) • Data Extraction • Model building • Data collection • Georeferencing • KML files • Vector & Raster data • Shapefile creation • Geodatabases

Skill Level

Expert or Advanced

- Microsoft Office Suite including Word, PowerPoint, Outlook, Publisher, and OneNote
- Office 365 including Teams, SharePoint, OneDrive, Planner, and PowerApps
- Adobe Suite
- Google Suite including Docs, Sheets, and Forms

Novice or Proficient

- GoldSim
- MODFlow
- HAZUS
- WordPress
- C++ and Java
- Raiser's Edge
- Microsoft Access

REFERENCES AVAILABLE UPON REQUEST

Angela M. Brown • (425) 218-8047 • angiemaebrown@gmail.com • [LinkedIn](#)



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 2. **File #:** WC 2023-014

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water

Introduction of the New Castle Rock Water Assistant Director
Town Council Agenda Date: NA



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 3. **File #:** WC 2023-015

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water

Approval of the January 25, 2023 Meeting Minutes
Town Council Agenda Date: NA

Executive Summary

Attached are the meeting minutes for the January 25, 2023 Water commission Board Meeting.

Proposed Motion

"I move to approve the Minutes as presented"

Attachments

Attachment A: January 25, 2023 Meeting Minutes



Castle Rock Water Commission Meeting Minutes - Draft

Todd Warnke
Bill Leung
Kathryn Gienger
David Hammelman
Tony Rathbun
Kevin McHugh

Wednesday, January 25, 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 virtual format in accordance with the Town Council Electronic Participation, Connected and Hybrid Meeting Policy. Public may choose to attend in person at Castle Rock Water or electronically or by phone if preferred. This meeting will be hosted online, or phone by calling 720-650-7664, meeting code 2493 361 9319 (if prompted for a password enter Jan25WCMtg).

CALL TO ORDER / ROLL CALL

- Present** 6 - Chair Todd Warnke, David Hammelman, Tony Rathbun, Kevin McHugh, Commissioner Bill Leung, and Commissioner Kathryn Gienger
- Attendance** 5 - Jason Gray, Mark Marlowe, Nichol Bussey, Roy Gallea, and David Van Dellen

COUNCIL UPDATE

Time was allowed for Mayor Gray to share an update on Town Council items.

COMMISSION COMMENTS

Time was allowed for Commissioner Comments.

ADMINISTRATIVE BUSINESS

[WC 2023-001](#)

Approval of the December 14, 2022 Meeting Minutes Town Council Agenda Date: NA

It was moved by Kathryn Gienger and seconded by Kevin McHugh to approve the meeting minutes for the December 14, 2022 meeting as written. The motion passed 6-0.

- Yes:** 6 - Chair Warnke, Hammelman, Rathbun, McHugh, Commissioner Leung, and Commissioner Gienger

[WC 2023-002](#)

David Hammelman moved to appoint Bill Leung as the Vice Chair. Kathryn Gienger seconded the motion. Motion passed unanimously 6-0.

- Yes:** 6 - Chair Warnke, Hammelman, Rathbun, McHugh, Commissioner Leung, and Commissioner Gienger

ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)[WC 2023-003](#)**Resolution Approving Updates to the 2022 Wastewater Master Plan [Entire Castle Rock Water Service Area]
Town Council Agenda Date: February 7, 2023**

Mr. Gallea presented the 2022 Wastewater Master Plan (WWMP). The last update was done in 2016. The planning principals for 2022 were the same as the 2016 plan with the exception of one addition. Mr. Gallea shared the statistics for the wastewater system. This includes:

- Served 80,000+ residents in 2022
- 314 miles of gravity & force mains collection pipes
- 10,300 manholes
- Averaged 4.5 million gallons a day to treatment
- 9 lift stations
- Future lift stations
- Aging infrastructure

Mr. Gallea also shared that CRW currently works with two wastewater treatment plants, Plum Creek Water Reclamation Authority and Pinery Water and Sanitation District.

Staff performed some hydraulic modeling to help determine the Capital Improvement Project (CIP) recommendations thru 2055. Staff also looked at rates and fees for the same period of time.

The top five highlighted recommendations are:

- Expand the use of acoustic surveying
- Complete projects identified in the 2022-2027 planning horizon
- Continue SCADA upgrades at wastewater facilities
- Improve security at facilities
- Work with Douglas County and PCWRA to implement the SH-85 Regional Wastewater project
- Participate with PCWRA on the update to the PCWRA Utility Plan

The new planning principal was to implement changes to the wastewater system which will improve long term sustainability through resource recovery and net zero energy use.

Kevin McHugh 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, Hammelman, Rathbun, McHugh, Commissioner Leung, and Commissioner Gienger

[WC 2023-004](#)**Resolution Approving the 2023 Town of Castle Rock/Bow Mar Owners, Inc. Spot Water Lease Agreement [Chatfield Reservoir, Douglas County]****Town Council Agenda Date:** February 7, 2023

Mr. Marlowe reported that this is one of our spot water leases that utilizes the water in Chatfield. These water leases help until CRW can utilize the water. The cost to lease water did increase this year to \$385 an acre foot. This agreement is for up to 115 acre feet (AF). The release would occur from June 1, 2023 to October 31, 2023. The potential revenue for this lease is up to \$46,775.

Commissioner Hammelman asked how the total revenue from 2022 compared to previous years and if staff plans for it to continue? Mr. Marlowe indicated that revenues were at record levels for 2022. It is hard to predict if this will continue because of the many factors that influence leasing.

Commissioner Gienger asked what is the estimated current average amount that it would take to develop an acre foot of water? Mr. Marlowe indicated \$45,000 an acre foot is close to what we currently see.

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

Yes: 6 - Chair Warnke, Hammelman, Rathbun, McHugh, Commissioner Leung, and Commissioner Gienger

[WC 2023-005](#)**Resolution Approving the Second Amendment to the Services Agreement with AECOM Technical Services, Inc. for the Craig and Gould North Infrastructure Improvements Project [Located in Historic Downtown Castle Rock]****Town Council Agenda Date:** February 7, 2023

Mr. Van Dellen explained that this has been a big rehabilitation project in the downtown area of Castle Rock. Construction was started in October 2021 with an estimated completion of August 2023. This item is to add additional time to the design groups agreement. The goal is to continue to have the ability to consult with the design group until the project has been completed.

Commissioner Rathbun asked why this agreement wasn't originally set to expire in 2023 when the project was to be completed? Mr. Van Dellen explained that we were shooting for completion earlier but a number of delays pushed us into 2023.

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

Yes: 6 - Chair Warnke, Hammelman, Rathbun, McHugh, Commissioner Leung, and Commissioner Gienger

DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS

[WC 2023-006](#)

Demonstration of Silver Blaze (the new customer portal)

Town Council Agenda Date: NA

Ms. Bussey shared a presentation on the new customer pay portal (Silver Blaze).

[WC 2023-007](#)

Castle Rock Water 2022 Year In Review

Town Council Agenda Date: NA

Mr. Marlowe shared a presentation on the 2022 Year In Review.

[WC 2023-008](#)

Resolution Approving a Service Agreement with Olsson, Inc., for the East Plum Creek/Sellers Gulch Confluence Project

Town Council Agenda Date: January 17, 2023

Mr. Van Dellen shared a brief presentation on this project.

[WC 2023-009](#)

Resolution Approving an Agreement between the Town of Castle Rock and AMC Dawson Trails VIII JV LLC. Accepting the Judicial Decree for Quiet Title to the Water Rights

[Dawson Trails]

Town Council Agenda Date: January 17, 2023

Mr. Van Dellen shared a brief presentation on this project.

[WC 2023-010](#)

Resolution Approving a Construction Contract between the Town of Castle Rock and 53 Corporation, LLC., for the East Plum Creek Reach 6 Stabilization Project

Town Council Agenda Date: January 17, 2023

Mr. Van Dellen shared a brief presentation on this project.

[WC 2023-011](#)

Resolution Approving a Service Agreement with Anderson Consulting Engineers, Inc., for the Mitchell Gulch Retention Pond Improvements Project *[Mitchell Gulch just north of Mikelson Boulevard]*

[Mikelson Boulevard]

Town Council Agenda Date: January 17, 2023

Mr. Van Dellen shared a brief presentation on this project.

[WC 2023-012](#)**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 for this meeting.

COMMISSIONER MEETING COMMENTS

Time was allowed for Commissioner Comments.



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 4. File #: WC 2023-016

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager
Rick Schultz, Water Efficiency Supervisor

A Resolution Approving the 2023 Conservation Rebate Incentive Program *[Entire Castle Rock Water Service Area]*

Town Council Agenda Date: March 7, 2023

Executive Summary

The purpose of this memorandum is to request Town Council approval by resolution (**Attachment A**) of the 2023 Conservation Rebate Incentive program. The program is proposed to be funded at a level of \$200,000 this year with rebates being awarded in any of the proposed categories below on a first come first served basis until the funds have been exhausted.

The core rebate categories remain intact, with only a few proposed changes for 2023.

The proposed rebates and recommended changes for 2023 are:

- Residential ColoradoScape Renovation - Increase the rebate amount from \$1.20 to \$1.50/square foot. Maintain the existing minimum area required of 400 square feet, or entire front yard. Maintain the existing 1,500 square foot maximum.
- Non-Residential ColoradoScape Renovation - Increase the rebate amount from \$1.20 to \$1.50/square foot. Maintain the existing minimum area required of 1,500 square feet. Maintain the existing 15,000 square foot maximum.
- Smart Irrigation Controller - Discontinue this rebate category.
- Rotary Nozzle Retrofit Rebate - Up to \$5 per nozzle; maximum rebate of \$2,000 for non-residential customers.
- Toilet Retrofit Rebate - Increase the rebate amount from \$100 to \$150 per toilet; maximum rebate of \$600 or four (4) toilets for residential and non-residential customers.

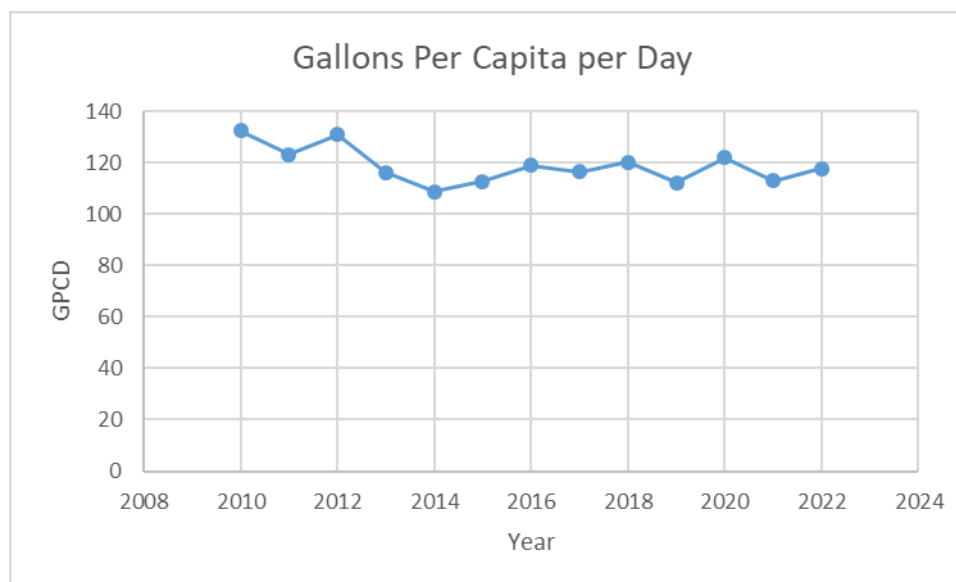
- Whole-home Water Monitoring System Rebate - fifty (50) percent of the cost of the system up to \$200 for residential and non-residential customers.

Notification and Outreach Efforts

This information will be available on CRconserve.com and promoted through Community Relations' outreach avenues, such as Facebook, Twitter, Town Talk, and press releases.

Discussion

The original Water Conservation Master Plan (WCMP) was adopted in 2006, with an overall goal of achieving a water savings of 18% (165 to 135 gallons per capita per day) through various programs. The Castle Rock community, with the help of the Castle Rock Water team, has exceeded this goal. In 2015, the Water Resources / Conservation Division of Castle Rock Water updated this document as the Water Efficiency Master Plan (WEMP) which received approval from the Colorado Water Conservation Board (CWCB) in February 2016. The WEMP is again being updated in 2023. The 2023 WEMP maintains a goal for per capita water use of 100 Gallons Per Capita Per Day (GPCD) by 2050. Progress on the GPCD water use is shown in the Figure below.



The figure indicates excellent progress over the last thirteen years (2010 - 2022), with per capita water use going as low as 112 GPCD. Ongoing water conservation and efficiency efforts are required in order to continue reductions achieved and meet our future goal of 100 GPCD.

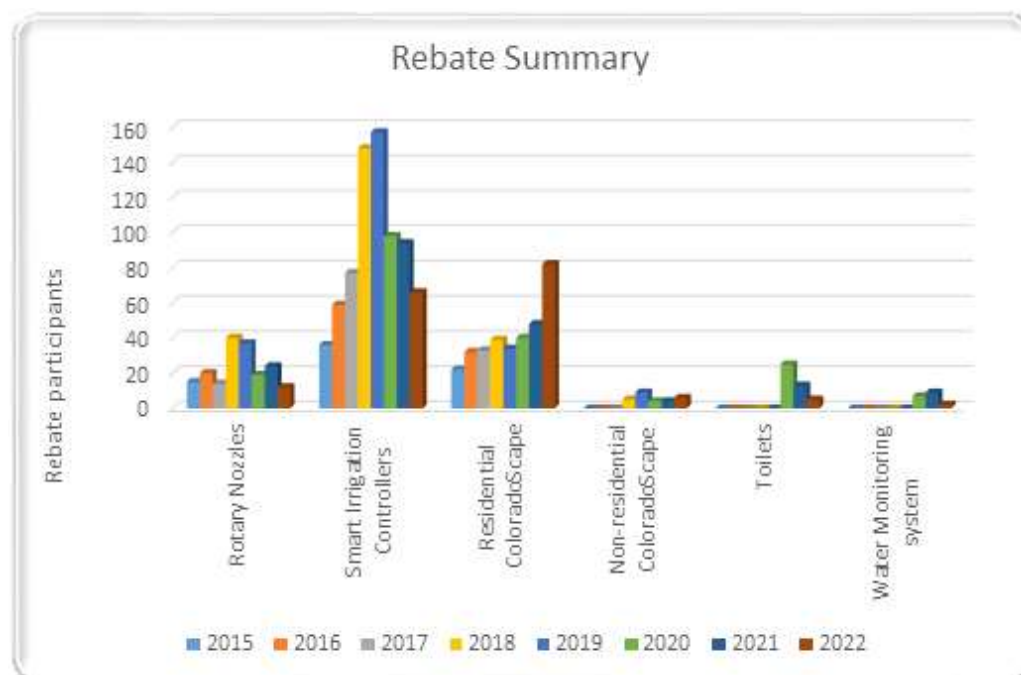
One-way Castle Rock Water continues to work toward sustaining and building on the conservation goals outlined in the original WCMP and the new 2023 WEMP is by offering water efficiency rebates to the community. The WEMP calls for evaluating options to update and expand this rebate program on an annual basis.

After evaluation of the 2022 program, staff is recommending the rebate for smart irrigation controllers be discontinued. Similar to rain sensors, smart irrigation controllers have been required on new homes for several years. Additionally, a thorough analysis of consumption data confirms smart controllers have not saved water. The way smart controllers are designed, when properly programmed and managed, a smart controller will estimate and replace the amount of water lost from the lawn or landscape. When the weather is hot and dry, a properly operating smart controller will water more, attempting to replace this increased water lost. Conversely, during cooler wetter periods, when the moisture lost is lower, the smart controller will water less, or not at all.

Staff is recommending an increase from \$1.20 to \$1.50 per square foot for residential (400 square feet minimum, or the entire front yard, 1,500 square feet maximum) and non-residential (1,500 square feet minimum, 15,000 square feet) ColoradoScape rebate participants. Castle Rock Water hopes to encourage increased levels of participation and help offset rising labor and material costs.

Turf reduction through the ColoradoScape renovation rebate continues to be the most effective conservation rebate. The residential ColoradoScape program began in 2013 and the non-residential program began in 2018. Water use for both programs is tracked two years before the rebate and a minimum of two years after the rebate. The residential consumption data indicates a 16% reduction when comparing post rebate water use to that before the rebate. A similar analysis of the non-residential ColoradoScape program shows a 28% savings.

The rebate program undergoes continuous evaluation, and adjustments are recommended as needed. The figure below shows a graphic representation of the number of participants we have had with the various rebate categories over the last five years.



Budget Impact

The 2023 program will continue to be funded from revenue generated during the 2022 watering schedule violations and a portion of funds from the Block 4 surcharge rate. The average revenues generated and estimated costs for the violations program are shown on **Attachment B**. The total proposed rebate budget amount for 2023 is \$200,000, which based on 2022 violations and Block 4 surcharge revenues will cover the program.

Attachment C summarizes the rebate activity for the previous three years, and sets the starting point for the budget for the current year program.

Proposed Motion

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

Attachments

Attachment A:	Resolution (Not Attached)
Attachment B:	Rebates vs Surcharge Violation Revenues
Attachment C:	Funding Summary

Conservation Rebates/Expenses vs. Violation/ Surcharge Revenues

Expenditures										Revenues										Variances											
Conservation Rebates 211-4330-443-81-10										Water Surcharge 211-4330-351-50-00										Water Violations 211-4330-351-51-00											
Original Budget		Revised Budget		Actual	Bud-Act Variance	Budget		Actual		Variance	Budget		Actual		Variance	Total Revenues		Actual		Variance	Budget		Actual		Variance						
2011	60,000.00	60,000.00	69,340.44	9,340.44	49,000.00	53,263.05	4,263.05	31,000.00	7,900.00	(23,100.00)	80,000.00	61,163.05	(18,836.95)	20,000.00		(8,227.38)					20,000.00			(8,227.38)							
2012	18,000.00	18,000.00	60,866.60	42,866.60	25,000.00	56,173.31	34,173.31	3,000.00	2,200.00	(800.00)	30,000.00	61,373.31	33,373.31	10,000.00		566.71					10,000.00			566.71							
2013	30,000.00	35,000.00	28,159.80	(6,840.20)	50,000.00	52,891.51	2,891.51	-	19,550.00	19,550.00	50,000.00	72,441.51	22,441.51	15,000.00		44,281.71					15,000.00			29,281.71							
2014	30,000.00	45,000.00	42,082.07	(2,917.93)	25,000.00	41,714.84	16,714.84	-	6,175.00	6,175.00	25,000.00	47,889.84	22,889.84	(20,000.00)		5,807.77					25,000.00			25,807.77							
2015	45,000.00	45,000.00	23,902.78	(21,097.22)	50,000.00	43,780.00	(6,219.98)	7,000.00	4,575.00	(2,425.00)	57,000.00	48,350.06	(8,649.94)	12,000.00		34,452.39					12,000.00			12,452.38							
2016	45,000.00	45,000.00	35,310.66	(9,689.34)	50,000.00	55,878.63	5,878.63	-	975.00	975.00	50,000.00	56,853.63	6,853.63	5,000.00		21,542.97					5,000.00			16,542.96							
2017	45,000.00	45,000.00	44,310.33	(69.67)	45,000.00	79,621.49	34,621.49	5,500.00	11,475.00	5,975.00	50,500.00	91,096.49	40,596.49	5,500.00		46,786.46					5,500.00			41,286.46							
2018	45,000.00	145,000.00	86,104.34	(58,895.66)	-	88,454.30	88,454.30	5,500.00	34,475.00	28,975.00	5,500.00	122,929.30	117,429.30	(139,500.00)		36,824.96					(139,500.00)			176,324.96							
2019	145,000.00	135,000.00	80,789.71	(64,210.29)	60,000.00	58,664.49	(1,335.51)	5,500.00	88,892.00	83,392.00	65,000.00	147,556.49	82,054.49	(89,500.00)		56,766.78					(89,500.00)			146,266.78							
2020	145,000.00	145,000.00	103,436.21	(41,563.79)	75,000.00	69,800.96	(5,199.04)	15,000.00	105,975.00	85,975.00	90,000.00	200,855.96	110,855.96	(15,000.00)		97,429.75					(15,000.00)			152,429.75							
2021	145,000.00	183,886.00	99,222.23	(84,763.77)	75,000.00	105,778.52	30,778.52	15,000.00	46,050.00	31,050.00	90,000.00	151,828.52	61,828.52	(93,886.00)		52,606.29					(93,886.00)			146,592.29							
2022	145,000.00	145,000.00	153,528.63	8,528.63	80,000.00	113,215.86	33,215.86	75,000.00	94,575.00	19,575.00	150,000.00	207,790.68	57,790.68	10,000.00		54,262.01					10,000.00			44,262.01							
2011 - 2022 Subtotal	\$ 898,000.00	\$ 1,066,986.00	\$ 837,031.80	\$ (229,972.20)	\$ 584,000.00	\$ 652,266.81	\$ 68,266.81	\$ 162,500.00	\$ 417,817.00	\$ 255,317.00	\$ 746,500.00	\$ 1,270,113.83	\$ 523,613.83	\$ (120,486.00)	\$ 433,100.00	\$ 15,000.00	\$ -	\$ -	\$ -	\$ 15,000.00	\$ -	\$ -	\$ -	\$ 15,000.00							
2023 Budget	\$ 145,000.00	\$ 145,000.00	\$ -	\$ -	\$ (145,000.00)	\$ 85,000.00	\$ -	\$ (85,000.00)	\$ 75,000.00	\$ -	\$ (75,000.00)	\$ 160,000.00	\$ -	\$ -	\$ (160,000.00)	\$ 15,000.00	\$ -	\$ -	\$ -	\$ 15,000.00	\$ -	\$ -	\$ -	\$ (15,000.00)							
2022 Water Surcharge Revenues Earned \$ 113,215.66 211-4330-351-50-00																															
2022 Water Violation Revenues Earned \$ 94,575.00 211-4330-351-51-00																															
2022 Total Revenues Earned \$ 207,790.66																															
Less 2022 Rebates Issued \$ 153,528.63 211-4330-443-81-10																															
Less 2022 Seasonal Water Violation Monitors																															
Salaries \$ 62,817.60 211-4330-443-10-30 2023 Budget \$ 56,016.00 211-4330-443-10-30																															
\$ 7,339.25 Seasonal salaries not related to water monitoring																															
\$ 55,288.35 Water Monitoring Program Salaries (Net of seasonal salaries not related to water monitoring program specifically).																															
2022 Revenues in Excess of Costs \$ (1,026.92)																															
Principal Only Payment for Metzler Park Turf Replacement Project for 2022 Unused Rebates \$ (6,528.63)																															

Conservation Rebates/Expenses vs. Violation/ Surcharge Revenues

Expenditures				Revenues												Variances		
Conservation Rebates 211-4330-443-81-10				Water Surcharge 211-4330-351-50-00			Water Violations 211-4330-351-51-00			Total Revenues			Revenue Expenditures			Variances		
Original Budget	Revised Budget	Actual	Bud-Act Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
2011	60,000.00	60,000.00	60,190.44	9,390.44	49,000.00	53,263.05	4,263.05	31,000.00	7,900.00	(23,100.00)	80,000.00	61,163.05	(18,836.95)	20,000.00	(8,227.38)	(28,227.38)		
2012	18,000.00	18,000.00	60,866.60	42,866.60	25,000.00	56,173.31	31,173.31	3,000.00	2,200.00	(800.00)	38,000.00	61,373.31	23,373.31	10,000.00	566.71	(9,433.29)		
2013	30,000.00	35,000.00	28,159.80	(6,840.20)	50,000.00	52,891.51	2,891.51	-	19,550.00	19,550.00	50,000.00	72,441.51	22,441.51	15,000.00	44,281.71	29,281.71		
2014	30,000.00	45,000.00	42,082.07	(2,917.93)	25,000.00	41,714.84	16,714.84	-	6,175.00	6,175.00	25,000.00	47,889.84	22,889.84	(20,000.00)	5,807.77	25,807.77		
2015	45,000.00	45,000.00	21,902.78	(23,097.22)	50,000.00	43,780.00	(6,219.98)	-	4,575.00	(2,425.00)	57,000.00	48,355.00	(8,644.98)	12,000.00	34,452.39	12,452.39		
2016	45,000.00	45,000.00	35,310.66	(9,689.34)	50,000.00	55,878.63	5,878.63	-	975.00	975.00	50,000.00	56,853.63	6,853.63	5,000.00	21,542.97	16,542.97		
2017	45,000.00	45,000.00	44,310.33	(689.67)	-	79,621.49	34,621.49	5,500.00	11,475.00	5,975.00	50,500.00	91,096.49	40,596.49	5,500.00	46,786.46	41,286.46		
2018	45,000.00	145,000.00	86,104.34	(58,895.66)	-	88,454.30	88,454.30	5,500.00	34,475.00	28,975.00	5,500.00	122,929.30	117,429.30	(139,500.00)	36,824.96	176,324.96		
2019	145,000.00	135,000.00	80,789.71	(64,210.29)	60,000.00	58,664.49	(1,335.51)	5,500.00	88,892.00	83,392.00	65,500.00	147,556.49	82,056.49	(89,500.00)	56,766.78	146,266.78		
2020	145,000.00	145,000.00	103,406.21	(41,593.79)	75,000.00	69,800.96	(5,199.04)	15,000.00	105,975.00	85,475.00	90,000.00	200,855.96	110,855.96	(55,000.00)	97,429.75	152,429.75		
2021	145,000.00	183,886.00	99,222.23	(84,763.77)	75,000.00	105,778.52	30,778.52	15,000.00	46,050.00	31,050.00	90,000.00	151,828.52	61,828.52	(93,986.00)	52,606.29	146,592.29		
2011- 2021 Subtotal	\$ 753,000.00	\$ 721,866.00	\$ 683,465.17	\$ (28,534.83)	\$ 504,000.00	\$ 779,081.17	\$ 235,081.17	\$ 87,500.00	\$ 321,242.00	\$ 233,742.00	\$ 591,500.00	\$ 1,062,323.17	\$ 470,821.17	\$ (180,496.00)	\$ 378,838.00	\$ 709,324.00		
2022 Budget	\$ 145,000.00	\$ 145,000.00	\$ -	\$ (145,000.00)	\$ 80,000.00	\$ -	\$ (80,000.00)	\$ 75,000.00	\$ -	\$ (75,000.00)	\$ 155,000.00	\$ -	\$ (155,000.00)	\$ 10,000.00	\$ -	\$ (10,000.00)		
2021 Water Surcharge Revenues Earned	\$ 105,778.52	211-4330-351-50-00																
2021 Water Violation Revenues Earned	\$ 46,050.00	211-4330-351-51-00																
2021 Total Revenues Earned	\$ 151,828.52																	
Less 2021 Rebates Issued	\$ 99,222.23	211-4330-443-81-10																
Less 2021 Seasonal Water Violation Monitors																		
Salaries	\$ 45,723.14	211-4330-443-10-30	2022 Budget	\$ 48,770.00	211-4330-443-10-30													
	\$ 6,915.77	Seasonal salaries not related to water monitoring																
	\$ 38,807.77	Water Monitoring Program Salaries (Net of seasonal salaries not related to water monitoring program specifically).																
2021 Revenues in Excess of Costs	\$ 13,798.52																	

Principal Only Payment for Metzler Park Turf Replacement Project for 2021 Unused Rebates \$ 84,763.77

Conservation Rebates/Expenses vs. Violation/ Surcharge Revenues

	Expenditures										Revenues										Variances			
	Conservation Revenues					Water Surcharges					Water Violations					Total Revenues					Revenue Expenditures			
	Original Budget	Revised Budget	Actual	Variance	Red-Act	Budget	Actual	Variance	Red-Act	Budget	Budget	Actual	Variance	Red-Act	Budget	Budget	Actual	Variance	Red-Act	Budget	Budget	Actual	Variance	
2011	60,000.00	60,000.00	69,300.44	9,300.44		49,000.00	52,163.51	2,163.51		31,000.00	75,500.00	73,100.00	(2,400.00)		80,000.00	61,133.06	18,866.94		20,000.00		8,227.38	(28,227.38)		
2012	60,000.00	60,000.00	66,886.66	6,886.66		49,000.00	54,243.33	5,243.33		3,000.00	14,173.33	13,773.33	(400.00)		80,000.00	61,373.33	18,626.67		20,000.00		10,413.33	(20,413.33)		
2013	60,000.00	60,000.00	75,159.88	15,159.88		49,000.00	51,963.55	2,963.55			19,500.00	19,500.00			80,000.00	72,441.51	7,558.49		20,000.00		15,298.75	(5,298.75)		
2014	60,000.00	60,000.00	42,082.07	(27,917.93)		25,000.00	41,718.84	16,718.84		7,000.00	6,175.00	6,175.00			25,000.00	47,889.84	2,288.84		20,000.00		5,807.77	(25,807.77)		
2015	45,000.00	45,000.00	49,962.78	4,962.78		25,000.00	49,962.78	24,962.78		7,000.00	12,462.78	12,462.78			25,000.00	49,462.78	4,462.78		20,000.00		14,462.78	(4,462.78)		
2016	45,000.00	45,000.00	33,310.46	(11,689.54)		25,000.00	55,878.63	30,878.63		7,000.00	9,750.00	9,750.00			25,000.00	58,683.63	3,683.63		20,000.00		1,562.77	(15,627.77)		
2017	45,000.00	45,000.00	44,332.33	(667.67)		45,000.00	79,464.33	34,464.33		5,000.00	14,250.00	14,250.00			25,000.00	59,296.67	4,296.67		20,000.00		15,296.67	(5,296.67)		
2018	45,000.00	45,000.00	48,104.34	(685.66)		45,000.00	88,454.34	43,454.34		5,000.00	34,475.00	29,975.00	(4,500.00)		25,000.00	86,249.68	4,249.68		20,000.00		17,249.68	(7,249.68)		
2019	145,000.00	145,000.00	90,789.71	(44,210.29)		50,000.00	58,664.49	(13,335.51)		5,000.00	38,892.00	83,392.00	45,000.00		65,000.00	147,556.49	82,056.49		(89,500.00)		146,786.76	(146,786.76)		
2020	145,000.00	145,000.00	143,488.21	(1,511.79)		50,000.00	143,860.00	143,860.00		5,000.00	37,972.00	37,972.00			65,000.00	143,439.39	143,439.39		(89,500.00)		142,439.39	(142,439.39)		
2011-2020 Subtotal	\$ 608,000.00	\$ 608,000.00	\$ 584,264.94	\$ (23,735.06)		\$ 429,000.00	\$ 633,802.65	\$ 240,802.65		\$ 72,500.00	\$ 277,972.00	\$ 204,649.00	\$ (73,323.00)		\$ 501,500.00	\$ 910,094.61	\$ 408,594.61		\$ (236,500.00)		\$ 326,231.71	\$ (62,718.29)		
2021 Budget	\$ 145,000.00	\$ 145,000.00	\$ 145,000.00	\$ 0.00		\$ 145,000.00	\$ 75,000.00	\$ 0.00		\$ 15,000.00	\$ 15,000.00	\$ 0.00	\$ (15,000.00)		\$ 0.00	\$ 0.00	\$ 0.00		\$ (90,000.00)		\$ 15,000.00	\$ 0.00	\$ 0.00	\$ 0.00

2020 Water Surcharge Revenues Earned	\$	99,860.96	211-4330-351-50-00
2020 Water Violation Revenues Earned	\$	100,975.00	211-4330-351-51-00
2020 Total Revenues Earned	\$	<u>200,835.96</u>	

FY2020 Seasonal Water Violation Monitoring Salaries	\$ 56,195.02	2021 Budget \$ 48,770.00	This does not include the salaries from department wide staff who helped with the water restrictions and water violation issuances.
	\$ 21,430.44		
	\$ 6,316.08		
	\$ 49,868.94		
2020 Revenues in Excess of Costs	\$ 47,560.81		

Principal Only Payment for Metzler Park Turf Replacement Project for 2020 Unused Rebates	\$ 41,593.79
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Conservation Rebates/Expenses vs. Violation/ Surcharge Revenues

		Expenditures				Revenues				Variances							
		Conservation Revenues		211-4330-443-81-00		Water Surcharge		211-4330-51-50-00		Water Violations		211-4330-51-51-00		Total Revenues		Revenue Expenditures	
		Budget	Actual	Budget	Variance	Budget	Actual	Budget	Variance	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance
2011	Original Budget	60,000.00	60,000.00	69,390.44	9,390.44	49,000.00	53,263.06	4,263.06	31,000.00	7,500.00	13,500.00	80,000.00	61,161.06	(18,838.94)	20,000.00	(8,227.58)	(8,227.58)
2011	2011 Actual	15,000.00	15,000.00	42,806.60	42,806.60	50,000.00	50,373.11	34,173.11	1,000.00	2,900.00	18,000.00	26,000.00	61,373.11	31,373.11	(6,413.50)	64,137.11	(6,413.50)
2011	2011 Variance	30,000.00	30,000.00	26,583.80	(8,806.20)	50,000.00	52,891.51	2,891.51	-	15,500.00	15,500.00	54,000.00	44,288.11	(9,711.89)	29,288.11	29,288.11	(9,711.89)
2011	2011 Subtotal	45,000.00	45,000.00	42,802.00	(2,197.99)	25,000.00	41,714.84	16,714.84	6,175.00	6,175.00	6,175.00	57,000.00	47,800.00	(22,800.00)	5,807.71	25,807.71	(22,800.00)
2011	2011 Variance	45,000.00	45,000.00	23,002.78	(21,997.22)	50,000.00	45,780.06	(6,219.94)	7,000.00	4,375.00	(2,625.00)	57,000.00	48,355.06	(8,644.94)	12,000.00	21,452.28	(12,452.28)
2011	2011 Subtotal	45,000.00	45,000.00	23,110.66	(6,889.34)	50,000.00	55,878.63	5,878.63	9,750.00	975.00	975.00	50,000.00	56,853.63	6,853.63	5,000.00	25,442.97	(15,542.97)
2011	2011 Variance	45,000.00	45,000.00	16,811.33	(6,889.67)	45,000.00	79,621.49	34,621.49	5,500.00	11,471.00	5,971.00	50,000.00	60,786.36	4,286.36	5,000.00	46,786.36	42,286.36
2011	2011 Subtotal	45,000.00	45,000.00	16,814.34	(6,885.66)	45,000.00	88,454.30	43,454.30	5,500.00	34,471.00	28,975.00	5,500.00	122,929.30	117,429.30	(139,500.00)	36,824.96	176,249.96
2011	2011 Variance	155,000.00	155,000.00	164,722.99	9,722.99	165,000.00	250,664.49	11,135.53	1,500.00	88,892.00	87,261.00	147,504.49	92,504.49	(89,000.00)	56,796.75	146,266.75	146,266.75
2011	2011 Subtotal	\$ 463,000.00	\$ 463,000.00	\$ 529,000.00	\$ 66,000.00	\$ 512,143.37	\$ 534,441.69	\$ 17,441.69	\$ 57,500.00	\$ 178,121.00	\$ 118,770.00	\$ 415,000.00	\$ 709,656.00	\$ 298,156.00	\$ (139,942.00)	\$ (930,604.00)	\$ (930,604.00)
2020	2020 Budget	\$ 145,000.00	\$ 145,000.00	\$ -	\$ -	\$ (145,000.00)	\$ 75,000.00	\$ -	\$ (75,000.00)	\$ 15,000.00	\$ -	\$ (15,000.00)	\$ -	\$ (15,000.00)	\$ (55,000.00)	\$ -	\$ 55,000.00
2019	2019 Water Surcharge Revenues Earned	\$ 58,664.49	211-4330-51-50-00	\$ -	\$ -	\$ 89,851.00	211-4330-51-51-00	\$ -	\$ -	\$ -	\$ -	\$ (90,000.00)	\$ (55,000.00)	\$ -	\$ 55,000.00	\$ -	\$ -
2019	2019 Water Violation Revenues Earned	\$ 147,556.49	211-4330-51-51-00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	2019 Total Revenues Earned	\$ 206,220.98	211-4330-51-51-00	\$ -	\$ -	\$ 89,851.00	211-4330-51-51-00	\$ -	\$ -	\$ -	\$ -	\$ (90,000.00)	\$ (55,000.00)	\$ -	\$ 55,000.00	\$ -	\$ -
2019	2019 Less Rebates Issued	\$ 90,789.71	211-4330-443-81-00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	2019 Seasonal Water Program Salaries	\$ 54,710.01	211-4330-443-10-00	\$ 48,772.00	\$ 48,772.00	\$ 211-4330-443-10-00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	2019 Seasonal Salaries not related to water monitoring	\$ 4,606.75	211-4330-443-10-00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	2019 Water Monitoring Program Salaries (Net of seasonal salaries not related to water monitoring program specifically).	\$ 60,676.75	211-4330-443-10-00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	2019 Revenues in Excess of Costs	\$ 16,703.03	211-4330-443-10-00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Principal Only Payment for Municipal Park Turf Replacement Project for 2019 Union Park

\$ 64,210.29

This does not include the salaries from department wide staff who helped with the water restrictions and water violation issuances.

Conservation Rebates/Expenses vs. Violation/ Surcharge Revenues

	Expenditures										Revenues										Variances																		
	Conservation Rebates 211-4330-443-81-10					Water Surcharge 211-4330-351-50-00					Water Violations 211-4330-351-51-00					Total Revenues		Revenue-Expenditures																					
	Original Budget	Revised Budget	Actual	Bud-Act Variance	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance																			
2011	60,000.00	60,000.00	69,390.44	9,390.44	49,000.00	53,263.06	4,263.06	31,000.00	7,900.00	(23,100.00)	80,000.00	61,163.06	(18,836.94)	20,000.00		(8,227.38)				(8,227.38)																			
2012	18,000.00	18,000.00	60,806.60	42,806.60	25,000.00	59,173.31	34,173.31	3,000.00	2,200.00	(800.00)	28,000.00	61,373.31	33,373.31	10,000.00		566.71				9,413.29																			
2013	30,000.00	35,000.00	28,119.80	(6,840.20)	50,000.00	52,891.51	2,891.51				19,550.00	19,550.00	50,000.00	72,441.51	22,441.51	15,000.00				29,281.71																			
2014	30,000.00	45,000.00	42,082.07	(2,917.93)	25,000.00	41,714.84	16,714.84	-			6,175.00	6,175.00	25,000.00	47,889.84	22,889.84	(20,000.00)				5,807.77																			
2015	45,000.00	45,000.00	23,902.78	(21,097.22)	50,000.00	43,780.06	(6,219.94)	7,000.00	4,575.00	(2,425.00)	57,000.00	48,355.06	(8,644.94)	12,000.00		24,452.28				12,452.28																			
2016	45,000.00	45,000.00	35,310.66	(9,689.34)	50,000.00	55,878.63	5,878.63				975.00	975.00	50,000.00	56,853.63	6,853.63	5,000.00				15,542.97																			
2017	45,000.00	45,000.00	44,310.33	(689.67)	45,000.00	79,621.49	34,621.49	5,500.00	11,475.00	5,975.00	50,500.00	91,096.49	40,596.49	5,500.00		46,786.16				41,286.16																			
2018	45,000.00	145,000.00	86,104.34	(58,895.66)	-	86,454.30	86,454.30	5,500.00	34,475.00	28,975.00	5,500.00	122,929.30	117,429.30	(139,500.00)		36,824.96				176,324.96																			
2011- 2018 Subtotal	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$																			
		318,000.00	438,000.00	390,907.02	47,092.98	294,000.00	478,777.20	180,777.20	52,000.00	87,325.00	35,325.00	346,000.00	562,102.70	216,102.70	(1,280,441.00)		(897,338.99)			293,073.95																			
2019 Budget	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$																			
		145,000.00	145,000.00	-	-	145,000.00	60,000.00	-	-	(60,000.00)	5,500.00	-	(5,500.00)	65,500.00	-	(65,500.00)		(79,500.00)		79,500.00																			
2018 Water Surcharge Revenues Earned																					\$	88,454.30	211-4330-351-50-00																
2018 Water Violation Revenues Earned																					\$	34,475.00	211-4330-351-51-00																
2018 Total Revenues Earned																					\$	122,929.30																	
Less 2018 Rebates Issued																					\$	86,104.34	211-4330-443-81-10																
Less 2018 Seasonal Water Violation Monitors																																							
Salaries																					\$	47,337.72	211-4330-443-10-30	2019 Budget	\$	48,772.00	211-4330-443-10-30												
																					\$	12,070.19																	
																					\$	35,267.53																	
2018 Revenues in Excess of Costs																					\$	1,557.59																	
Principal Only Payment for Mettler Park Turf Replacement Project for 2018 Unused Rebates																					\$	58,895.66																	

@BCL@C010A784/01-9-19 2019 Rebate Pool

Conservation Rebates/Expenses vs. Violation/ Surcharge Revenues

	Expenditures										Revenues										Variances		
	Conservation Rebates 211-4330-443-81-10					Water Surcharge 211-4330-351-50-00					Water Violations 211-4330-351-51-00					Total Revenues			Revenue-Expenditures				
	Original Budget	Revised Budget	Actual	Bud-Act Variance		Budget	Actual	Variance		Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance					
2011	60,000	60,000	69,390.44	9,390.44		49,000	53,263.06	4,263.06		31,000	7,900	(23,100)	80,000	61,163.06	(18,836.94)	20,000		(8,227.38)					
2012	18,000	18,000	60,806.60	42,806.60		25,000	59,173.31	34,173.31		3,000	2,200	(800)	28,000	61,373.31	33,373.31	10,000		(9,433.29)					
2013	30,000	35,000	28,159.80	(6,840.20)		50,000	52,891.51	2,891.51		-	39,550	39,550	50,000	72,443.51	22,443.51	15,000		44,281.71					
2014	30,000	45,000	42,082.07	(2,917.93)		25,000	41,714.84	16,714.84		-	6,175	6,175	25,000	47,889.84	22,889.84	(20,000)		5,807.77					
2015	45,000	45,000	23,902.78	(21,097.22)		50,000	43,280.06	(6,719.94)		7,000	4,575	(2,425)	57,000	48,355.06	(8,644.94)	12,000		24,452.28					
2016	45,000	45,000	35,310.66	(9,689.34)		50,000	55,878.63	5,878.63		-	975	975	50,000	56,853.63	6,853.63	5,000		15,542.97					
2017	45,000	45,000	44,310.33	(689.67)		45,000	77,898.62	32,898.62		5,500	11,475	5,975	50,500	89,373.62	38,873.62	5,500		39,563.29					
2011- 2017 Subtotal	\$ 273,000	\$ 293,000	\$ 303,962.68	\$ 10,962.68		\$ 294,000	\$ 384,600.03	\$ 90,600.03		\$ 46,500	\$ 52,850.00	\$ 6,350.00	\$ 340,500	\$ 437,458.03	\$ 96,958.03	\$ 47,500		\$ 133,487.35					
2018 Budget	\$ 45,000	\$ 45,000	\$ -	\$ (45,000)		\$ -	\$ -	\$ -		\$ 5,500	\$ -	\$ (5,500)	\$ 5,500	\$ -	\$ (5,500)	\$ (39,500)	\$ -	\$ 39,500					
2017 Water Surcharge Revenues Earned	\$ 77,898.62	211-4330-351-50-00																					
2017 Water Violation Revenues Earned	\$ 11,475.00	211-4330-351-51-00																					
2017 Total Revenues Earned	\$ 89,373.62																						
Less 2017 Rebates Issued	\$ 44,310.33	211-4330-443-81-10																					
Less 2017 Seasonal Water Violation Monitors																							
Salaries	\$ 45,957.51	211-4330-443-10-30	2018 Budget	\$ 48,772.00	211-4330-443-10-30	This does not include the salaries from department wide staff who helped with the water restrictions and water violation issuances.																	
	\$ 28,207.59	Seasonal salaries not related to water monitoring (Linda's Salary outside of Seasonal Months and 75% of her Salary in June and 50% in July and Aug not for Water Monitoring)																					
	\$ 17,749.92	Water Monitoring Program Salaries (Net of seasonal salaries not related to water monitoring program specifically).																					
2017 Revenues in Excess of Costs	\$ 27,313.37	(589,373.62-\$44,310.33-\$17,749.92)																					
2018 Rebate Budget	\$45,000																						

		Conserva
Original Budget		
2008	-	
2009	636,566.00	
2010	7,398.00	
Funding Redirection to CIP for 2010 Rates		
2011	60,000.00	
2012	18,000.00	
2013	30,000.00	
2014	30,000.00	
2015	45,000.00	
2016	45,000.00	
2011- 2016 Subtotal	\$ 228,000.00	
2017 Budget	45,000.00	
2016 Water Surcharge Revenues Earned	55,878.63	
2016 Water Violation Revenues Earned	975.00	
2016 Total Revenues Earned	56,853.63	
Less 2016 Rebates Issued	35,310.66	
Less 2016 Seasonal Water Violation Monitors		
Salaries	33,628.93	
	23,063.16	
	\$ 10,565.77	
2016 Revenues in Excess of Costs	\$ 10,977.20	

2017 Rebate Budget \$45,000

Conservation Rebates vs. Violation & Surcharge Revenues

Expenditures				
Conservation Rebates 211-4330-443-81-10			Water Surcharge 211-4330-351-50-00	
Revised Budget	Actual	Bud-Act Variance	Budget	Actual
-	-	-	-	-
1,332,398.00	189,977.76	(1,142,420.24)	119,198.00	50,602.78
123,622.00	110,032.10	(13,589.90)	49,000.00	49,978.81
-	1,000,000.00	1,000,000.00	-	-
60,000.00	69,390.44	9,390.44	49,000.00	53,263.06
18,000.00	60,806.60	42,806.60	25,000.00	59,173.31
35,000.00	28,159.80	(6,840.20)	50,000.00	52,891.51
45,000.00	42,082.07	(2,917.93)	25,000.00	41,714.84
45,000.00	23,902.78	(21,097.22)	50,000.00	43,780.06
45,000.00	35,310.66	(9,689.34)	50,000.00	55,878.63
\$ 248,000.00	\$ 259,652.35	\$ 11,652.35	\$ 249,000.00	\$ 306,701.41

45,000.00	-	(45,000.00)	45,000.00	-
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211-4330-351-50-00

211-4330-351-51-00

211-4330-443-81-10

211-4330-443-10-30 2017 Budget \$ 48,772.00 211-4330-443-10-30

Seasonal salaries not related to water monitoring (Linda's Salary outside of Seasonal Months and only 87% of total)
Water Monitoring Salaries

Revenues						
-50-00	Water Violations 211-4330-351-51-00			Total Revenues		
Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	-
(68,595.22)	68,380.00	27,200.00	(41,180.00)	187,578.00	77,802.78	(109,775.22)
978.81	31,000.00	12,825.00	(18,175.00)	80,000.00	62,803.81	(17,196.19)
-	-	-	-	-	-	-
4,263.06	31,000.00	7,900.00	(23,100.00)	80,000.00	61,163.06	(18,836.94)
34,173.31	3,000.00	2,200.00	(800.00)	28,000.00	61,373.31	33,373.31
2,891.51	-	19,550.00	19,550.00	50,000.00	72,441.51	22,441.51
16,714.84	-	6,175.00	6,175.00	25,000.00	47,889.84	22,889.84
(6,219.94)	7,000.00	4,575.00	(2,425.00)	57,000.00	48,355.06	(8,644.94)
5,878.63	-	975.00	975.00	50,000.00	56,853.63	6,853.63
\$ 57,701.41	\$ 41,000.00	\$ 41,375.00	\$ 375.00	\$ 290,000.00	\$ 348,076.41	\$ 58,076.41
(45,000.00)	5,500.00	-	(5,500.00)	50,500.00	-	(50,500.00)

ner Salary in those months)

Variances			Water Monitor Salaries Only
Revenue-Expenditures			211-4330-443-10-30
Budget	Actual	Variance	Actual
-	-	-	-
(1,144,820.00)	(112,174.98)	1,032,645.02	23,882.00
(43,622.00)	(47,228.29)	(3,606.29)	27,468.91
-	(1,000,000.00)	(1,000,000.00)	-
20,000.00	(8,227.38)	(28,227.38)	22,761.89
10,000.00	566.71	(9,433.29)	8,782.25
15,000.00	44,281.71	29,281.71	14,212.45
(20,000.00)	5,807.77	25,807.77	
12,000.00	24,452.28	12,452.28	
5,000.00	21,542.97	16,542.97	
\$ 42,000.00	\$ 88,424.06	\$ 46,424.06	\$ 97,107.50

5,500.00 - (5,500.00)

Conservation Rebates vs. Violation & Surcharge Revenues																
Expenditures					Revenues										Variances	
Conservation Rebates 211-4330-443-81-10					Water Surcharge 211-4330-351-50-00			Water Violations 211-4330-351-51-00			Total Revenues			Revenue-Expenditures		
	Original Budget	Revised Budget	Actual	Bud-Act Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
2011	60,000.00	60,000.00	69,390.44	9,390.44	49,000.00	53,263.06	4,263.06	31,000.00	7,900.00	(23,100.00)	80,000.00	61,163.06	(18,836.94)	20,000.00	(8,227.38)	(28,227.38)
2012	18,000.00	18,000.00	60,806.60	42,806.60	25,000.00	59,173.31	34,173.31	3,000.00	2,200.00	(800.00)	28,000.00	61,373.31	33,373.31	10,000.00	566.71	(9,433.29)
2013	30,000.00	35,000.00	28,159.80	(6,840.20)	50,000.00	52,891.51	2,891.51	-	19,550.00	19,550.00	50,000.00	72,441.51	22,441.51	15,000.00	44,281.71	29,281.71
2014	30,000.00	45,000.00	42,082.07	(2,917.93)	25,000.00	43,305.82	18,305.82	-	6,175.00	6,175.00	25,000.00	49,480.82	24,480.82	(10,000.00)	7,398.75	27,398.75
2015	45,000.00	45,000.00	23,902.78	(21,097.22)	50,000.00	44,716.05	(5,283.95)	7,000.00	4,575.00	(2,425.00)	57,000.00	49,291.05	(7,708.95)	12,000.00	25,388.27	13,388.27
2011- 2015 Subtotal	\$ 183,000.00	\$ 203,000.00	\$ 224,341.69	\$ 21,341.69	\$ 199,000.00	\$ 253,349.75	\$ 54,349.75	\$ 41,000.00	\$ 40,400.00	\$ (600.00)	\$ 240,000.00	\$ 293,749.75	\$ 53,749.75	\$ 37,000.00	\$ 69,408.06	\$ 32,408.06
2016 Budget	45,000.00	45,000.00	-	(45,000.00)	50,000.00	-	(50,000.00)	-	-	-	50,000.00	-	(50,000.00)	5,000.00	-	(5,000.00)
2015 Water Surcharge Revenues Earned	44,716.05	211-4330-351-50-00														
2015 Water Violation Revenues Earned	4,575.00	211-4330-351-51-00														
2015 Total Revenues Earned	49,291.05															
Less 2015 Rebates Issued	23,902.78	211-4330-443-81-10														
Less 2015 Seasonal Water Violation Monitors																
Salaries	39,787.66	211-4330-443-10-30	2016 Budget	\$ 48,772.00	211-4330-443-10-30											*\$39.7K in salaries include Linda Gould for entire season which is more than just water violation expense.
	11,868.50	Seasonal salaries not related to water monitoring														
	\$ 27,919.16	Water Monitoring Salaries														
2015 Costs in Excess of Revenues	\$ (2,530.89)															
Original 2016 Budget	45,000.00	211-4330-443-81-10														
2015 Costs in Excess of Revenues	(2,530.89)															
	\$ 42,469.11															
2016 Rebate Budget \$45,000																

Conservation Rebates vs. Violation & Surcharge Revenues																
Expenditures					Revenues										Variances	
Conservation Rebates 211-4330-443-81-10					Water Surcharge 211-4330-351-50-00			Water Violations 211-4330-351-51-00			Total Revenues			Revenue Expenditures		
	Original Budget	Revised Budget	Actual	Bud-Act Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
2011	60,000.00	60,000.00	69,390.44	9,390.44	49,000.00	53,263.06	4,263.06	31,000.00	7,800.00	(23,100.00)	80,000.00	61,163.06	(18,836.94)	20,000.00	18,277.38	(18,277.38)
2012	18,000.00	18,000.00	60,806.60	42,806.60	25,000.00	59,173.31	34,173.31	3,000.00	2,200.00	(800.00)	28,000.00	61,373.31	33,373.31	10,000.00	566.71	(9,433.29)
2013	30,000.00	35,000.00	28,159.80	(6,840.20)	50,000.00	52,891.51	2,891.51	-	19,550.00	19,550.00	50,000.00	72,443.51	22,443.51	15,000.00	44,283.71	29,283.71
2014	30,000.00	45,000.00	45,532.76	532.76	25,000.00	43,305.82	18,305.82	-	6,175.00	6,175.00	25,000.00	49,480.82	24,480.82	(20,000.00)	3,948.06	23,948.06
2011- 2014 Subtotal	\$ 138,000.00	\$ 158,000.00	\$ 203,889.60	\$ 45,889.60	\$ 149,000.00	\$ 208,633.70	\$ 59,633.70	\$ 34,000.00	\$ 35,825.00	\$ 1,825.00	\$ 183,000.00	\$ 244,458.70	\$ 61,458.70	\$ 25,000.00	\$ 40,569.10	\$ 15,569.10
2015 Budget	45,000.00	45,000.00	-	(45,000.00)	50,000.00	-	(50,000.00)	7,000.00	-	(7,000.00)	57,000.00	-	(57,000.00)	12,000.00	-	(12,000.00)
2014 Water Surcharge Revenues Earned 43,305.82 211-4330-351-50-00																
2014 Water Violation Revenues Earned 6,175.00 211-4330-351-51-00																
2014 Total Revenues Earned 49,480.82																
Less 2014 Rebates Issued 45,532.76 211-4330-443-81-10																
Less 2014 Seasonal Water Violation Monitors																
Salaries 20,627.56 211-4330-443-10-30 2015 Budget \$ 47,000.00 211-4330-443-10-30																
2014 Costs in Excess of Revenues \$ (16,679.50)																
Original 2015 Budget 45,000.00 211-4330-443-81-10																
2014 Costs in Excess of Revenues (16,679.50)																
\$ 28,320.50																

Conservation Rebates vs. Violation & Surcharge Revenues																
Expenditures					Revenues								Variances			
Conservation Rebates 211-4330-443-81-10					Water Surcharge 211-4330-351-50-00			Water Violations 211-4330-351-51-00			Total Revenues		Revenue-Expenditures			
	Original Budget	Revised Budget	Actual	Bud-Act Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
2011	60,000.00	60,000.00	69,390.44	9,390.44	49,000.00	53,263.06	4,263.06	31,000.00	7,900.00	(23,100.00)	80,000.00	61,163.06	(18,836.94)	20,000.00	8,227.38	(28,227.38)
2012	18,000.00	18,000.00	60,806.60	42,806.60	25,000.00	59,173.31	34,173.31	3,000.00	2,200.00	(800.00)	28,000.00	61,373.31	33,373.31	10,000.00	566.71	(9,433.29)
2013	30,000.00	35,000.00	28,159.80	(6,840.20)	50,000.00	52,347.73	2,347.73	-	19,550.00	19,550.00	50,000.00	71,897.73	21,897.73	15,000.00	43,737.93	28,737.93
2011 - 2013 Subtotal	\$ 108,000.00	\$ 113,000.00	\$ 158,356.84	\$ 45,356.84	\$ 124,000.00	\$ 164,784.10	\$ 40,784.10	\$ 34,000.00	\$ 29,650.00	\$ (4,350.00)	\$ 158,000.00	\$ 194,434.10	\$ 36,434.10	\$ (1,143,442.00)	\$ (1,123,326.01)	\$ 20,115.99
2014 Budget	30,000.00	30,000.00	-	(30,000.00)	25,000.00	-	(25,000.00)	-	-	-	25,000.00	-	(25,000.00)	(5,000.00)	-	5,000.00
2013 Water Surcharge Revenues Earned	52,347.73	211-4330-351-50-00														
2013 Water Violation Revenues Earned	19,550.00	211-4330-351-51-00														
2013 Total Revenues Earned	71,897.73															
Less 2013 Rebates Issued	28,159.80	211-4330-443-81-10														
Less 2013 Seasonal Water Violation Monitors Salaries	14,212.45	211-4330-443-10-30														
2013 Revenues in Excess of Costs	\$ 29,525.48															
Original 2014 Budget	30,000.00	211-4330-443-81-10														
Additional allocation of budget due to 2013 excess run rates	15,000.00	Budget Transfer/Amendment Needed														
Total Amount for 2014 Rebate Program	\$ 45,000.00															

Conservation Rebates vs. Violation & Surcharge Revenues														
	Expenditures				Revenues						Variances			
	Conservation Rebates 211-4330-443-81-10				Water Surcharge 211-4330-351-50-00		Water Violations 211-4330-351-51-00		Total Revenues		Revenue-Expenditures			
	Original Budget	Revised Budget	Actual	Bud-Act Variance	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance	Variance
2008														
2009	636,566.00	1,332,398.00	189,977.76	(1,142,420.24)	119,198.00	59,602.78	(68,595.22)	68,380.00	27,200.00	(41,180.00)	187,578.00	77,802.78	(109,775.22)	(1,144,820.00)
2010	7,398.00	123,622.00	110,032.10	(13,589.90)	49,000.00	49,978.81	978.81	31,000.00	12,825.00	(18,175.00)	80,000.00	62,803.81	(17,196.19)	(43,622.00)
Funding Redirection to CIP for 2010 Rates	-	-	1,000,000.00	1,000,000.00	-	-	-	-	-	-	-	-	-	(1,000,000.00)
2011	60,000.00	60,000.00	69,990.44	9,990.44	49,000.00	53,263.06	4,263.06	31,000.00	7,900.00	(23,100.00)	80,000.00	61,163.06	(18,836.94)	(1,000,000.00)
2012	18,000.00	18,000.00	60,806.60	42,806.60	25,000.00	59,173.31	34,173.31	3,000.00	2,200.00	(800.00)	28,000.00	61,373.31	33,373.31	(8,227.38)
2013	30,000.00	35,000.00	28,159.80	(6,840.20)	50,000.00	52,347.73	2,347.73	-	19,550.00	19,550.00	50,000.00	71,897.73	21,897.73	(566.71)
2008 - 2013 Subtotal	\$ 751,964.00	\$ 1,589,020.00	\$ 1,458,866.70	\$ (130,653.30)	\$ 292,198.00	\$ 265,865.89	\$ (26,332.11)	\$ 133,380.00	\$ 69,675.00	\$ (63,705.00)	\$ 425,578.00	\$ 335,040.89	\$ (90,537.11)	\$ (1,143,442.00)
2014 Budget	30,000.00	30,000.00	-	(30,000.00)	25,000.00	-	(25,000.00)	-	-	-	25,000.00	-	(25,000.00)	(5,000.00)
2013 Water Surcharge Revenues Earned	52,347.73	211-4330-351-50-00												
2013 Water Violation Revenues Earned	19,550.00	211-4330-351-51-00												
2013 Total Revenues Earned	71,897.73													
Less 2013 Rebates Issued	28,159.80	211-4330-443-81-10												
Less 2013 Seasonal Water Violation Monitors														
Salaries	14,212.45	211-4330-443-10-30												
2013 Revenues in Excess of Costs	\$ 29,525.48													

Conservation Rebates vs. Violation & Surcharge Revenues

		Expenditure			Revenues						
		Conservation Rebates 4330-443-81-10			Water Surcharge 4330-351-50			Water Violations 4330-351-51-00			
		Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Variance
<= 2008 in ADG											
2009	1,332,398.00	189,977.00	1,142,421.00	119,198.00	50,602.78	(68,595.22)	68,380.00	27,200.00	(41,180.00)		
Funding Redirection to CIP for 2010 Rates	-	1,000,000.00	(1,000,000.00)	-	-	-	-	-	-		
2010	123,622.00	110,032.10	13,589.90	49,000.00	49,978.81	978.81	31,000.00	12,825.00	(18,175.00)		
2011	60,000.00	69,390.44	(9,390.44)	49,000.00	53,263.06	4,263.06	31,000.00	7,900.00	(23,100.00)		
2009 - 2011 Subtotal	1,516,020.00	1,369,399.54	146,620.46	217,198.00	153,844.65	(63,353.35)	130,380.00	47,925.00	(82,455.00)	812.11	
2012 unaudited, as of 2/25/13	18,000.00	59,124.00	(41,124.00)	25,000.00	59,173.00	34,173.00	3,000.00	2,200.00	(800.00)	(7,751.00)	
2009 - 2012 Subtotal							Cumulative SubTotal			(6,938.89)	
2013 Budget Request, 8/24/12	30,000.00	-	30,000.00	25,000.00	-	25,000.00	-	-	-	(5,000.00)	
understated surcharge budget?											
2009 - 2013 Subtotal							Cumulative SubTotal			(11,938.89)	
2013 <u>Potential</u> Budget Amendment, April 2013	35,000.00	-	35,000.00	50,000.00	-	50,000.00	-	-	-	15,000.00	
<u>Potential</u> 2009 - 2013 Subtotal	Increase expenditures to utilize revenues			increase reveue for historical trend - valid?			Cumulative SubTotal			3,061.11	

Conservation Rebates vs. Violation & Surcharge Revenues

		Expenditure			Revenues						
		Conservation Rebates 4330-443-81-10			Water Surcharge 4330-351-50			Water Violations 4330-351-51-00			
		Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Variance
<= 2008 in ADG											
2009	Funding Redirection to CIP for 2010 Rates	1,332,398.00	189,977.00	1,142,421.00	119,198.00	50,602.78	(68,595.22)	68,380.00	27,200.00	(41,180.00)	
		-	1,000,000.00	(1,000,000.00)	-	-	-	-	-	-	
2010		123,622.00	110,032.10	13,589.90	49,000.00	49,978.81	978.81	31,000.00	12,825.00	(18,175.00)	
2011		60,000.00	69,390.44	(9,390.44)	49,000.00	53,263.06	4,263.06	31,000.00	7,900.00	(23,100.00)	
2009 - 2011 Subtotal		1,516,020.00	1,369,399.54	146,620.46	217,198.00	153,844.65	(63,353.35)	130,380.00	47,925.00	(82,455.00)	812.11
2012 unaudited, as of 1/14/13		18,000.00	59,124.00	(41,124.00)	25,000.00	57,826.00	32,826.00	3,000.00	2,200.00	(800.00)	(9,098.00)
2009 - 2012 Subtotal								Cumulative SubTotal			(8,285.89)
2013 Budget Request, 8/24/12		30,000.00	-	30,000.00	25,000.00	-	25,000.00	-	-	-	(5,000.00)
					understated surcharge budget?						
2009 - 2013 Subtotal								Cumulative SubTotal			(13,285.89)
2013 <u>Potential</u> Budget Amendment, April 2013		35,000.00	-	35,000.00	50,000.00	-	50,000.00	-	-	-	15,000.00
<u>Potential</u> 2009 - 2013 Subtotal		Increase expenditures to utilize revenues			increase reveene for historical trend - valid?			Cumulative SubTotal			1,714.11

Conservation Rebates vs. Violation & Surcharge Revenues

		Expenditure			Revenues						Variance
		Conservation Rebates			Water Surcharge			Water Violations			Expenditure vs. Revenues
		Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	
<= 2008 in ADG											
2009		1,332,398.00	189,977.00	1,142,421.00	119,198.00	50,602.78	(68,595.22)	68,380.00	27,200.00	(41,180.00)	
Funding Redirection to CIP for 2010 Rates				(1,000,000.00)	-	-	-	-	-	-	
2010		123,622.00	110,032.10	13,589.90	49,000.00	49,978.81	978.81	31,000.00	12,825.00	(18,175.00)	
2011		60,000.00	69,390.44	(9,390.44)	49,000.00	53,263.06	4,263.06	31,000.00	7,900.00	(23,100.00)	
2009 - 2011 Subtotal		1,516,020.00	369,399.54	146,620.46	217,198.00	153,844.65	(63,353.35)	130,380.00	47,925.00	(82,455.00)	812.11
2012, as of 10/30/12		18,000.00	59,124.00	(41,124.00)	25,000.00	58,220.00	33,220.00	3,000.00	2,200.00	(800.00)	(8,704.00)
2013 Budget Request, 8/24/12		30,000.00	-	30,000.00	25,000.00		25,000.00	-		-	(5,000.00)
					understated budget?						
								Cumulative Variance			(12,891.89)

Attachment C

Rebate and Customer Assistance Program Funding Summary								
Category	2020		2021		2022		Average %	2023 (pro)
	Total \$	% of Total	Total \$	% of Total	Total \$	% of Total	of Prior Years	\$ per Category
Residential ColoradoScape Renovation Rebate	\$34,027	35%	\$42,193	46%	\$80,941	54%	45%	\$80,000
Non-Residential ColoradoScape Renovation Rebate	\$42,290	43%	\$35,895	39%	\$60,665	40%	41%	\$60,000
Rotary Nozzle Retrofit Rebate	\$1,815	2%	\$1,653	2%	\$1,439	1%	2%	\$1,500
Smart Irrigation Controller Rebate	\$9,093	9%	\$8,364	9%	\$5,608	4%	7%	\$0
Toilet Retrofit Rebate	\$8,797	9%	\$2,700	3%	\$1,200	1%	4%	\$2,500
Whole Home Water Monitoring System Rebate	\$1,350	1%	\$1,697	2%	\$337	0%	1%	\$1,000
Total	\$97,372	100%	\$92,502	100%	\$150,191	100%	N/A	\$145,000

posed)
% of Total
55%
41%
1%
0%
2%
1%
100%

Attachment C

Rebate and Customer Assistance Program Funding Summary								
Category	2019		2020		2021		Average %	2022 (pro)
	Total \$	% of Total	Total \$	% of Total	Total \$	% of Total	of Prior Years	\$ per Category
Residential ColoradoScape Renovation Rebate	\$22,221	22%	\$34,027	35%	\$42,193	46%	34%	\$50,000
Non-Residential ColoradoScape Renovation Rebate	\$61,554	60%	\$42,290	43%	\$35,895	39%	47%	\$60,000
Rotary Nozzle Retrofit Rebate	\$3,029	3%	\$1,815	2%	\$1,653	2%	2%	\$2,000
Smart Irrigation Controller Rebate	\$16,238	16%	\$9,093	9%	\$8,364	9%	11%	\$20,000
Toilet Retrofit Rebate	N/A	N/A	\$8,797	9%	\$2,700	3%	6%	\$10,000
Whole Home Water Monitoring System Rebate	N/A	N/A	\$1,350	1%	\$1,697	2%	2%	\$3,000
Total	\$103,042	100%	\$97,372	100%	\$92,502	100%	N/A	\$145,000

posed)
% of Total
34%
41%
1%
14%
7%
2%
100%

Attachment C

Rebate and Customer Assistance Program Funding Summary								
Category	2018		2019		2020		Average %	2021 (pro)
	Total \$	% of Total	Total \$	% of Total	Total \$	% of Total	of Prior Years	\$ per Category
SmartScape Renovation Rebate	\$29,344	35%	\$22,221	22%	\$34,027	35%	30%	\$43,000
Rotary Nozzle Retrofit Rebate	\$6,946	8%	\$3,029	3%	\$1,815	2%	4%	\$2,000
Smart Irrigation Controller Rebate	\$15,411	18%	\$16,238	16%	\$9,093	9%	14%	\$20,000
Toilet Retrofit Rebate	N/A	N/A	N/A	N/A	\$8,797	9%	N/A	\$10,000
Whole Home Water Monitoring System Rebate	N/A	N/A	N/A	N/A	\$1,350	1%	N/A	\$3,000
Non-Residential SmartScape Renovation Rebate	\$30,566	36%	\$61,554	60%	\$42,290	43%	46%	\$67,000
Irrigation Assessments	\$2,339	3%	N/A		N/A		N/A	N/A
Total	\$84,606	100%	\$103,042	100%	\$97,372	100%	N/A	\$145,000

posed)
% of Total
30%
1%
14%
7%
2%
46%
100%

Attachment E

Rebate and Customer Assistance Program Funding Summary									
Category	2018		2019		2020		Average % of Prior Years	2020 (proposed)	
	Total \$	% of Total	Total \$	% of Total	Total \$	% of Total		\$ per Category	% of Total
SmartScape Renovation Rebate	\$29,344	35%	\$22,221	22%		#DIV/0!	#DIV/0!	\$25,000	17%
Rotary Nozzle Retrofit Rebate	\$6,946	8%	\$3,029	3%		#DIV/0!	#DIV/0!	\$4,000	3%
Rain Sensor Rebate, Residential	\$0	0%	\$0	0%		#DIV/0!	#DIV/0!	\$0	0%
Smart Irrigation Controller Rebate	\$15,411	18%	\$16,238	16%		#DIV/0!	#DIV/0!	\$16,000	11%
Irrigation Assessments	\$2,339	3%	\$0	0%		#DIV/0!	#DIV/0!	\$0	0%
Toilet Retrofit Rebate	N/A	N/A	N/A	N/A		N/A	N/A	\$10,000	7%
Whole Home Water Monitoring System Rebate	N/A	N/A	N/A	N/A		N/A	N/A	\$5,000	3%
Non-Residential SmartScape Renovation Rebate	\$30,566	36%	\$61,554	60%		#DIV/0!	N/A	\$90,000	60%
Total	\$84,606	100%	\$103,042	100%	\$0	#DIV/0!	N/A	\$150,000	100%



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 5. **File #:** WC 2023-017

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager
Rick Schultz, Water Efficiency Supervisor

A Resolution Approving the 2023 Water Efficiency Master Plan *[Entire Castle Rock Service Area]*

Town Council Agenda Date: March 7, 2023

Executive Summary

The purpose of this staff report is to seek Town Council approval by Resolution (see **Attachment A**) of the 2023 Water Efficiency Master Plan (WEMP).

Since the 2015 WEMP update, numerous conservation goals have been completed. These include:

- Water Budget Rate Structure changes;
- Public Right-of-Way and Town park landscape and irrigation retrofits. Retrofit areas include the Metzler Park ball fields, the Public Works Service Center, Centennial Park tennis courts, and Butterfield Park;
- ColoradoScape Retrofit Program expanded to non-residential customers with an increase in residential retrofits as well;
- Indoor conservation incentive program;
- Changes to Town Code allowing the use of graywater for toilet flushing;
- New residential landscape and irrigation fees for building permits;
- Water Wiser designation expiration and online course renewal;
- Complete removal of mono-culture Kentucky Bluegrass on new construction or renovations.

With the 2023 WEMP, new goals will be established. Some of these goals include:

- Implementation of Advanced Metering Infrastructure (AMI);
- Implementation of the Landscape and Irrigation Criteria Manual which includes the residential new construction program for ColoradoScape designs with no turf allowed in front yards and a maximum of 500 square feet of turf in back yards;
- Relocation and expansion of the Ray Waterman demonstration garden;
- Continued evaluation of alternative turf types;

- Implementation of 0.80 gallon per flush toilets required for all new construction;
- Expand irrigation criteria to include master valves and flow sensors for all new residential construction.

History of Past Town Council, Boards & Commissions, or Other Discussions

In June 1996, the Town of Castle Rock adopted a water conservation plan that set water conservation goals for the community. In December 2006, the Town of Castle Rock adopted the 2006 Water Conservation Master Plan, which was subsequently updated in 2015 as the Water Efficiency Master Plan.

On July 21, 2015, Town Council approved the Water Efficiency Master Plan Update.

Castle Rock Water conducted an online survey in 2022. A summary of survey results is available at <https://crgov.com/3425/Water-Efficiency-Master-Plan> and included as **Attachment B**.

Castle Rock Water held an open house on September 21, 2022 at Plum Creek Water Purification Facility. There were an estimated 500 residents in attendance. A high-level summary of the WEMP was available and the survey was promoted.

Discussion

The Colorado Water Conservation Board (CWCB), through the Office of Water Conservation and Drought Planning, requires that water providers with total demands of 2,000 acre-feet per year (AF/yr) or more develop and implement plans that encourage customers to use water efficiently. In December 2006, the Town of Castle Rock adopted the 2006 Water Conservation Master Plan, which was subsequently updated in 2015 as the Water Efficiency Master Plan. Numerous factors require the plan to be updated, including CWCB's efforts in developing and implementing the Colorado Water Plan, the Town's projected population growth and the need for securing a sustainable renewable water supply for the future. Furthermore, advancements in technology and a significant increase of residential and non-residential accounts helps to drive some of the changes in conservation goals and new programs.

Staff plans to submit a final draft of the WEMP to the CWCB by April 2023. Comments received from The State will be incorporated into the final plan.

Budget Impact

By implementing the various planned conservation initiatives, there will be an impact to the water conservation budget, however, specific costs have not yet been determined. Budget adjustments will be made before the conservation initiatives are implemented.

Proposed Motion

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

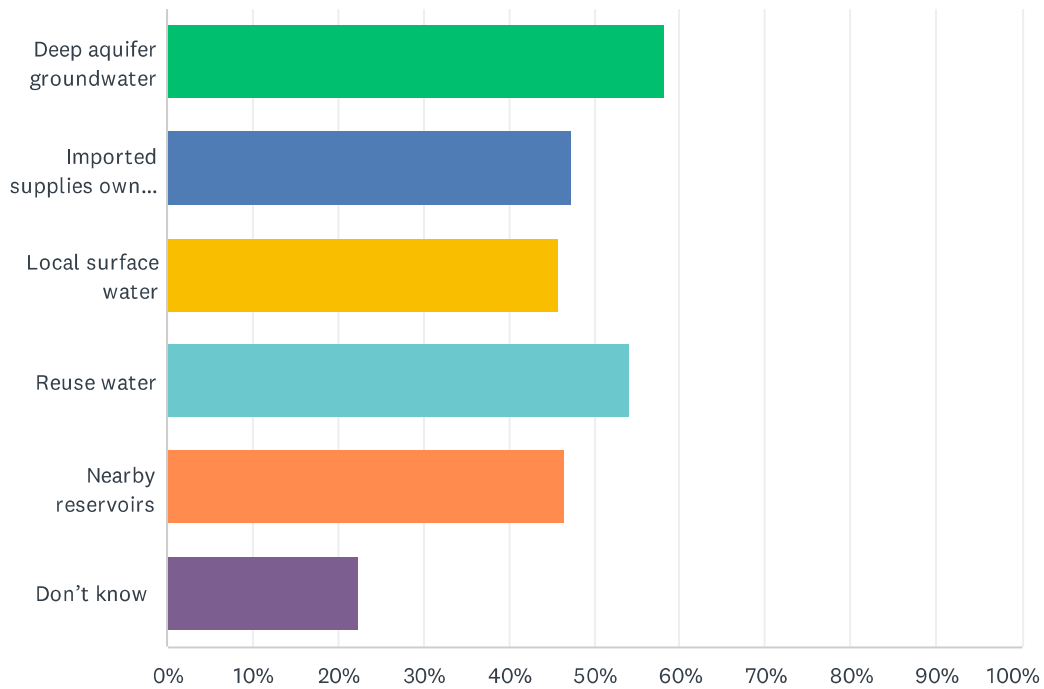
Item #: 5. File #: WC 2023-017

Attachments

Attachment A: Resolution (Not Attached)
Exhibit 1: Water Efficiency Master Plan (Not Attached)
Attachment B: Survey Results

Q1 Where does your water come from? (Check all that apply)

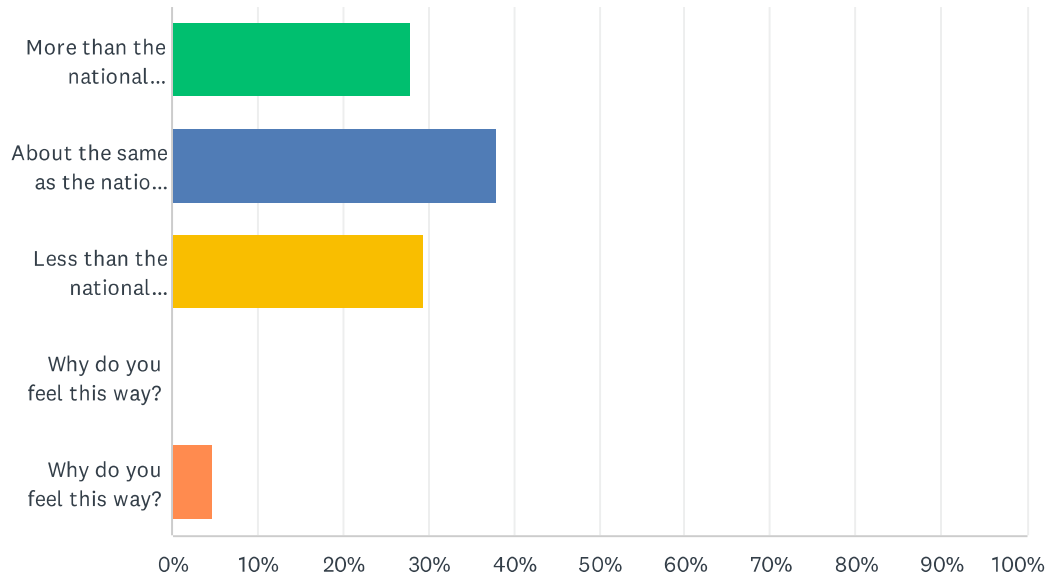
Answered: 129 Skipped: 2



ANSWER CHOICES	RESPONSES	
Deep aquifer groundwater	58.14%	75
Imported supplies owned by Town	47.29%	61
Local surface water	45.74%	59
Reuse water	54.26%	70
Nearby reservoirs	46.51%	60
Don't know	22.48%	29
Total Respondents: 129		

Q2 How do you think the Castle Rock average household (12,000 gallon/month) compares to the national average?

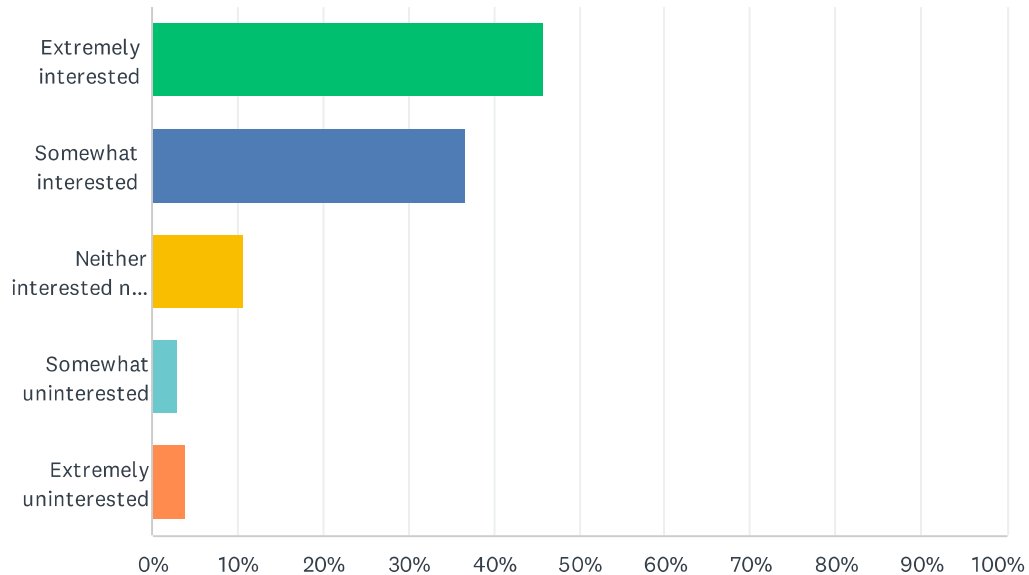
Answered: 129 Skipped: 2



ANSWER CHOICES	RESPONSES	
More than the national average	27.91%	36
About the same as the national average	37.98%	49
Less than the national average	29.46%	38
Why do you feel this way?	0.00%	0
Why do you feel this way?	4.65%	6
TOTAL		129

Q3 How interested are you in learning more about conservation and using water more efficiently?

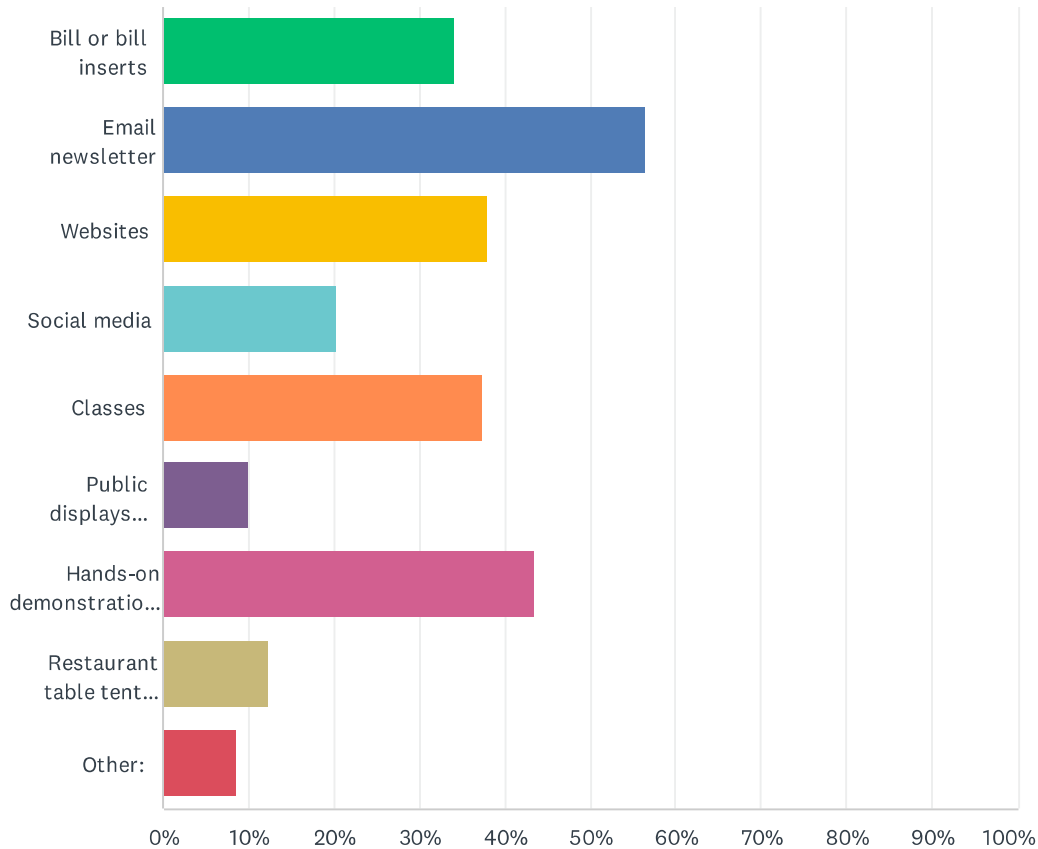
Answered: 131 Skipped: 0



ANSWER CHOICES	RESPONSES	
Extremely interested	45.80%	60
Somewhat interested	36.64%	48
Neither interested nor uninterested	10.69%	14
Somewhat uninterested	3.05%	4
Extremely uninterested	3.82%	5
TOTAL		131

Q4 In what ways would you prefer to learn about conservation? (Check all that apply)

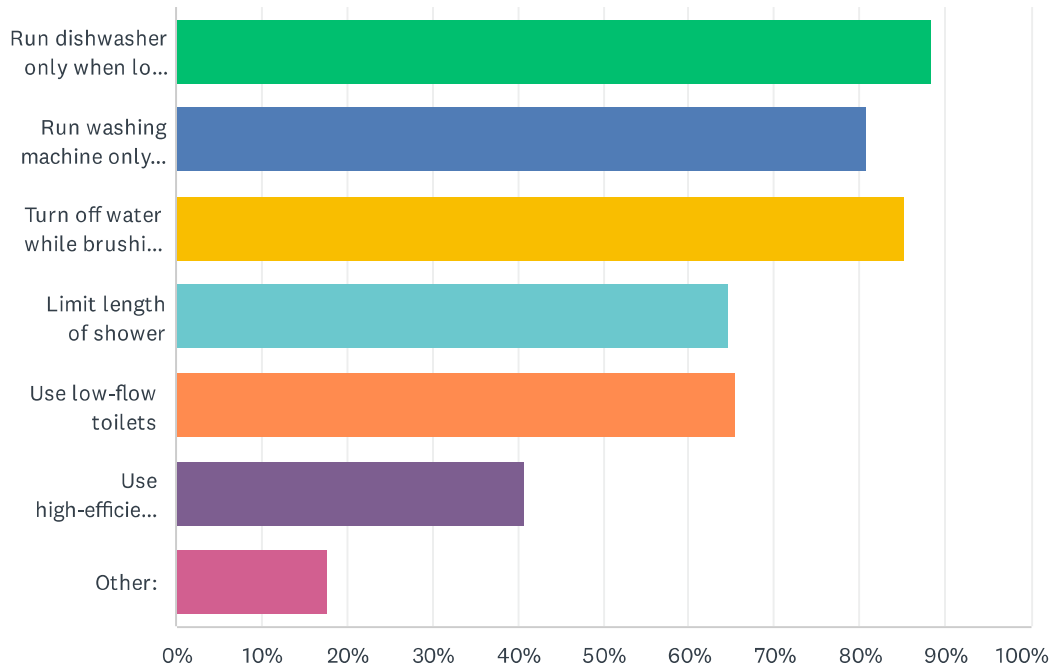
Answered: 129 Skipped: 2



ANSWER CHOICES	RESPONSES	
Bill or bill inserts	34.11%	44
Email newsletter	56.59%	73
Websites	37.98%	49
Social media	20.16%	26
Classes	37.21%	48
Public displays (billboards, ads)	10.08%	13
Hands-on demonstrations or demonstration gardens	43.41%	56
Restaurant table tent cards	12.40%	16
Other:	8.53%	11
Total Respondents: 129		

Q5 What indoor water conservation activities do you currently practice? (Check all that apply)

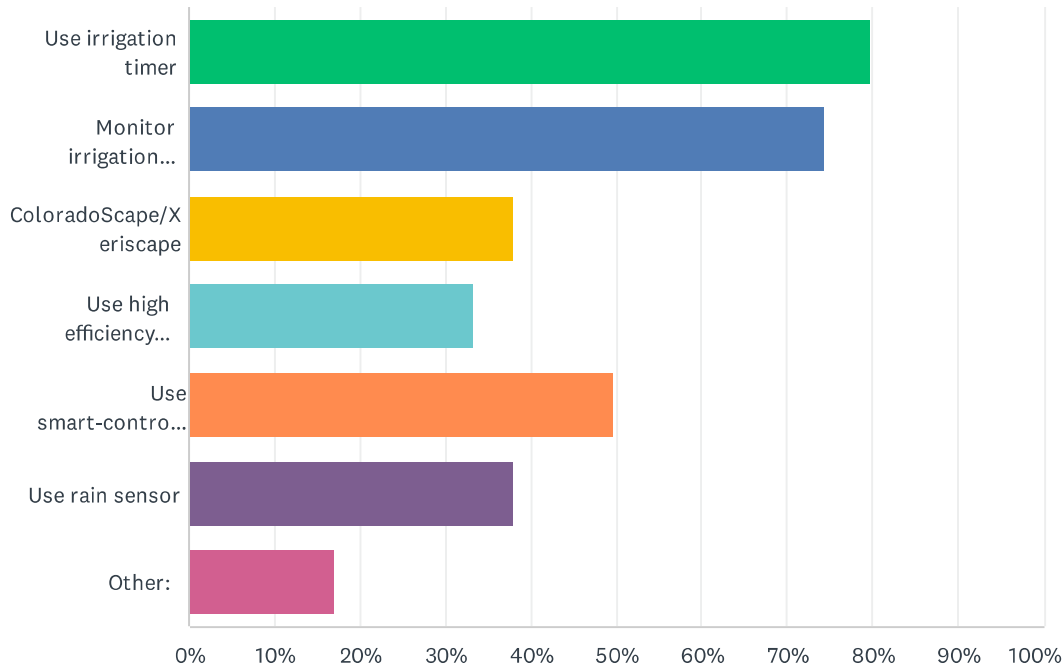
Answered: 130 Skipped: 1



ANSWER CHOICES	RESPONSES	
Run dishwasher only when load is full	88.46%	115
Run washing machine only when load is full	80.77%	105
Turn off water while brushing teeth	85.38%	111
Limit length of shower	64.62%	84
Use low-flow toilets	65.38%	85
Use high-efficiency faucets	40.77%	53
Other:	17.69%	23
Total Respondents: 130		

Q6 What outdoor water conservation activities do you currently practice? (Check all that apply)

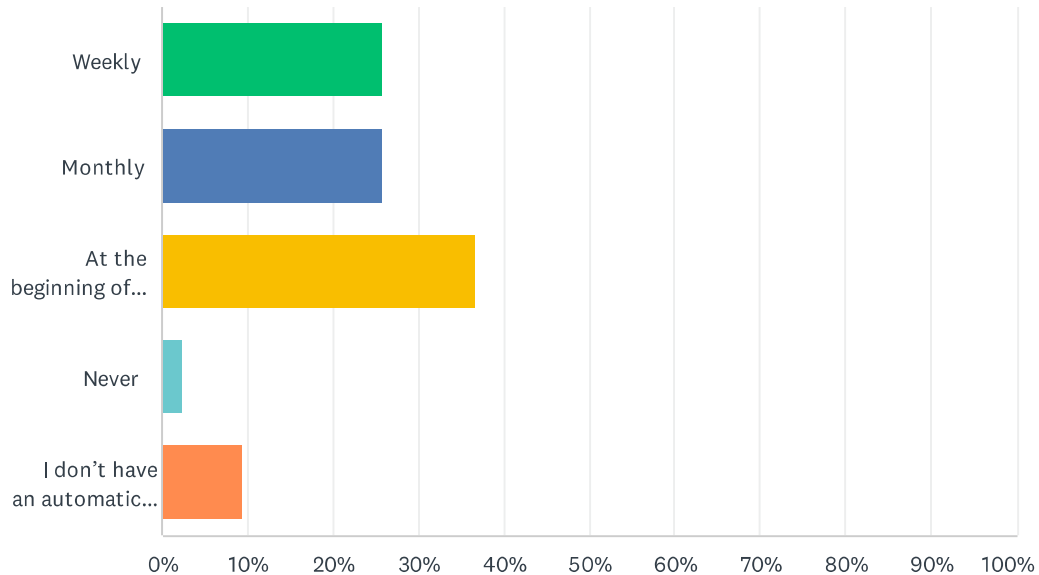
Answered: 129 Skipped: 2



ANSWER CHOICES	RESPONSES	
Use irrigation timer	79.84%	103
Monitor irrigation system for leaks and overspray	74.42%	96
ColoradoScape/Xeriscape	37.98%	49
Use high efficiency nozzles	33.33%	43
Use smart-controller	49.61%	64
Use rain sensor	37.98%	49
Other:	17.05%	22
Total Respondents: 129		

Q7 How often do you check your automatic sprinkler system for leaks and overspray?

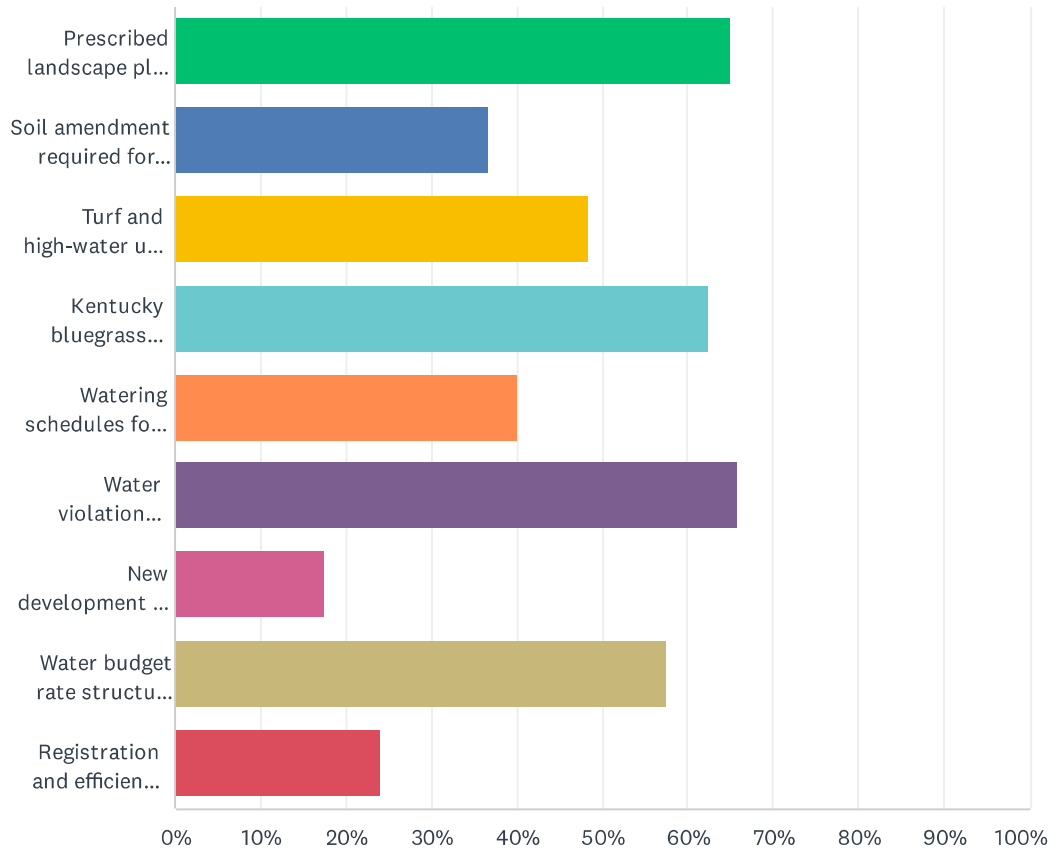
Answered: 128 Skipped: 3



ANSWER CHOICES	RESPONSES	
Weekly	25.78%	33
Monthly	25.78%	33
At the beginning of the season	36.72%	47
Never	2.34%	3
I don't have an automatic sprinkler system	9.38%	12
TOTAL		128

Q8 Which Town conservation requirements are you aware of? (Check all that apply)

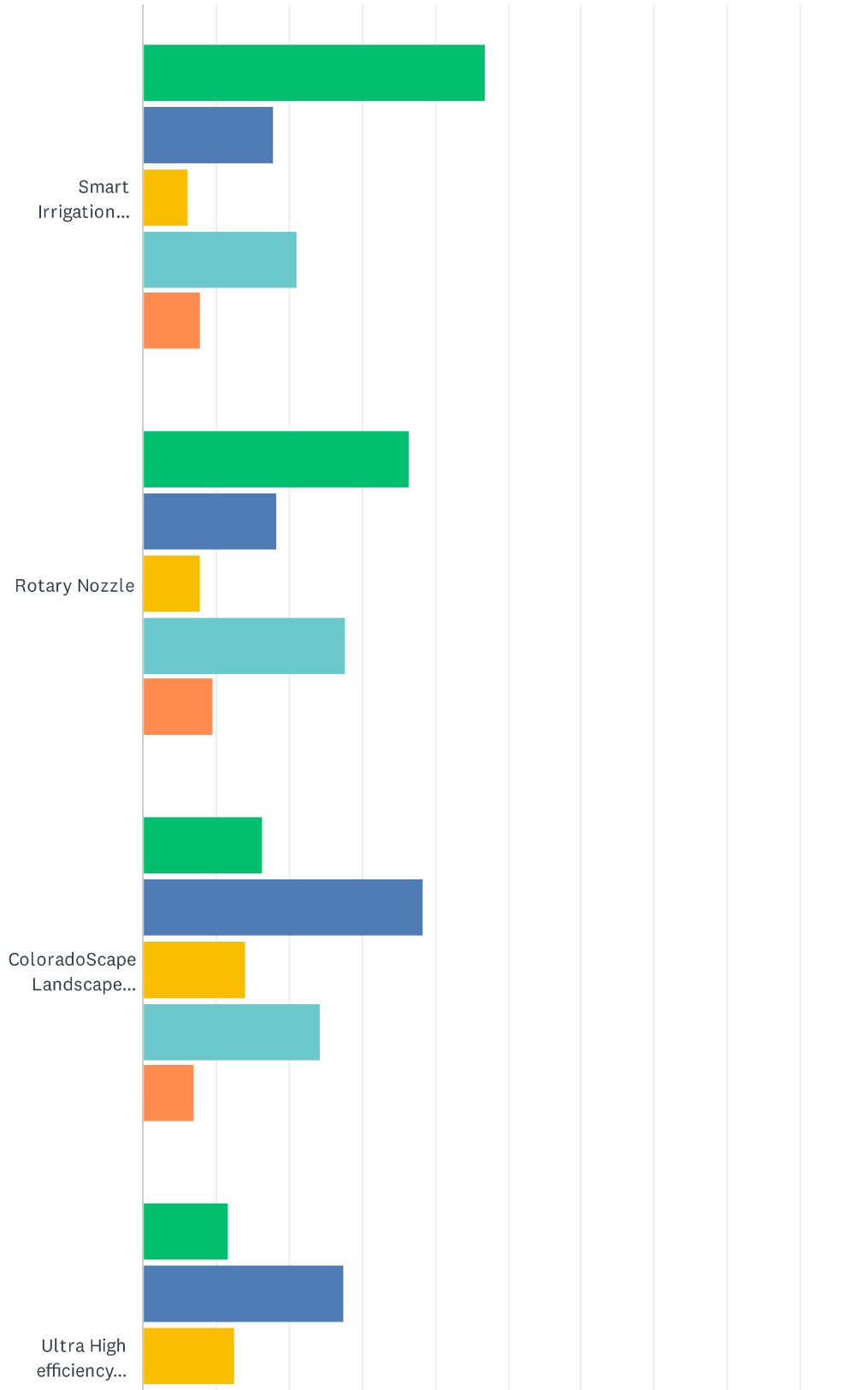
Answered: 120 Skipped: 11



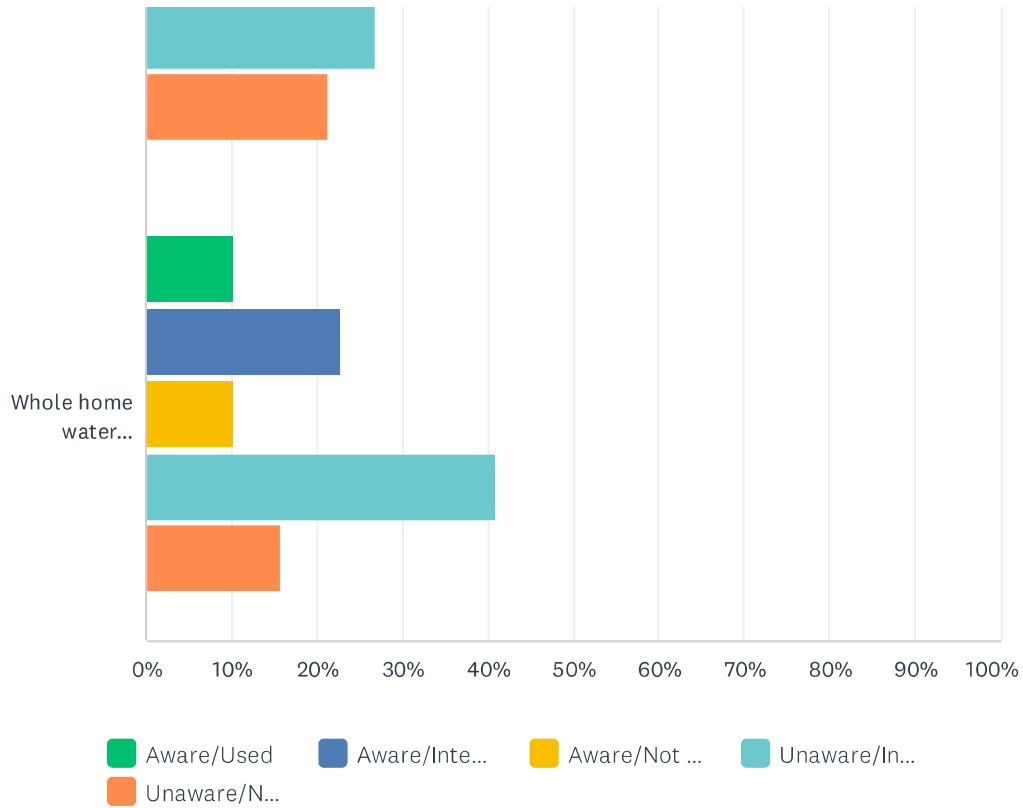
ANSWER CHOICES	RESPONSES	
Prescribed landscape plans and plants for new/renovated development	65.00%	78
Soil amendment required for any new development landscaping	36.67%	44
Turf and high-water use plant material not allowed on medians or round-a-bouts (since 2018)	48.33%	58
Kentucky bluegrass installation not allowed for new home construction (since 2018)	62.50%	75
Watering schedules for non-residential customers	40.00%	48
Water violation enforcement for water waste	65.83%	79
New development can apply for Neighborhood Water Efficiency Programs	17.50%	21
Water budget rate structure for all accounts	57.50%	69
Registration and efficiency education courses are required for any landscape professionals (working on commercial properties) operating in the Town	24.17%	29
Total Respondents: 120		

Q9 Please select the answer that reflects your position on each of the residential rebate programs.

Answered: 129 Skipped: 2



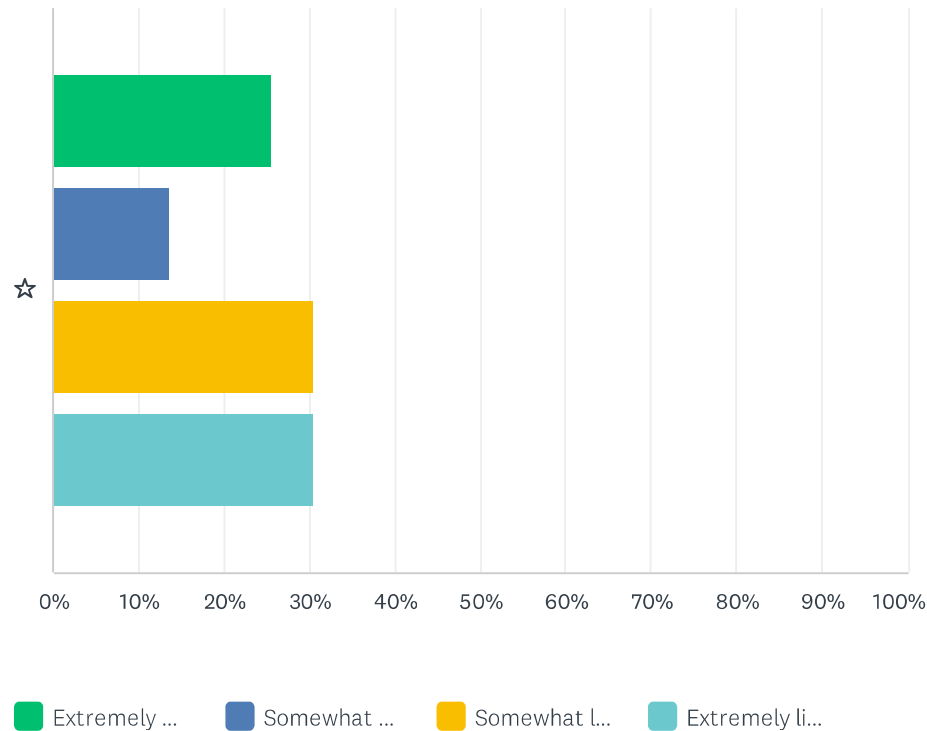
Water Efficiency Master Plan (WEMP) Survey



	AWARE/USED	AWARE/INTERESTED	AWARE/NOT INTERESTED	UNAWARE/INTERESTED	UNAWARE/NOT INTERESTED	TOTAL
Smart Irrigation Controller	46.88% 60	17.97% 23	6.25% 8	21.09% 27	7.81% 10	128
Rotary Nozzle	36.51% 46	18.25% 23	7.94% 10	27.78% 35	9.52% 12	126
ColoradoScape Landscape Renovation	16.41% 21	38.28% 49	14.06% 18	24.22% 31	7.03% 9	128
Ultra High efficiency toilet retrofit	11.81% 15	27.56% 35	12.60% 16	26.77% 34	21.26% 27	127
Whole home water monitoring system	10.24% 13	22.83% 29	10.24% 13	40.94% 52	15.75% 20	127

Q10 If the Town offered a one-on-one personalized sprinkler inspection (irrigation audit), knowing that the audit may save as much as 5,000 gallons of water over the course of the irrigation season for the average household, how likely are you to take advantage of the program for \$25?

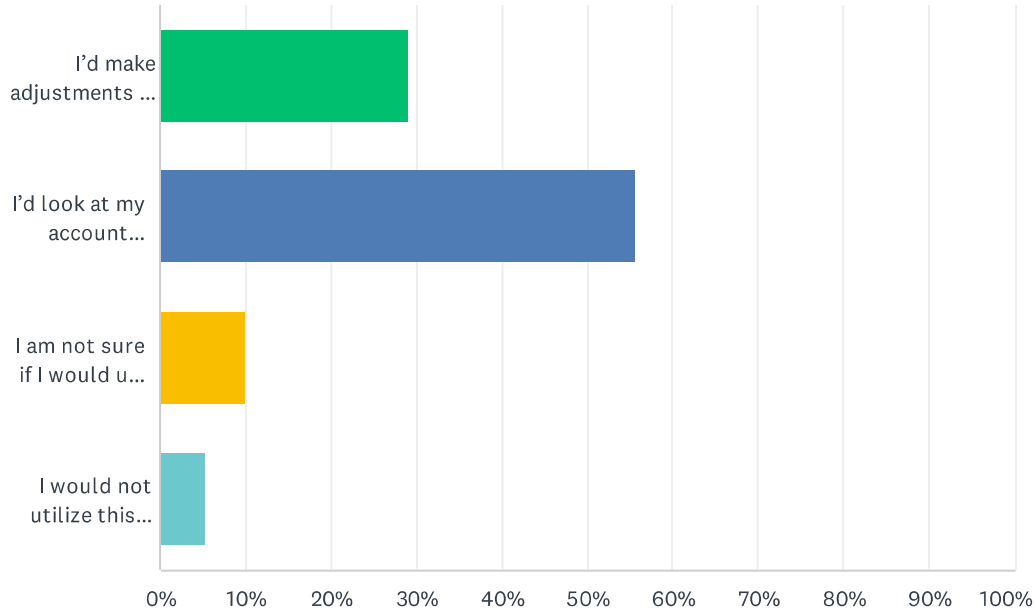
Answered: 125 Skipped: 6



	EXTREMELY UNLIKELY	SOMEWHAT UNLIKELY	SOMEWHAT LIKELY	EXTREMELY LIKELY	TOTAL	WEIGHTED AVERAGE
☆	25.60% 32	13.60% 17	30.40% 38	30.40% 38	125	2.66

Q11 If provided real-time water usage information on your account, accessed via an online website, how would you use this information?

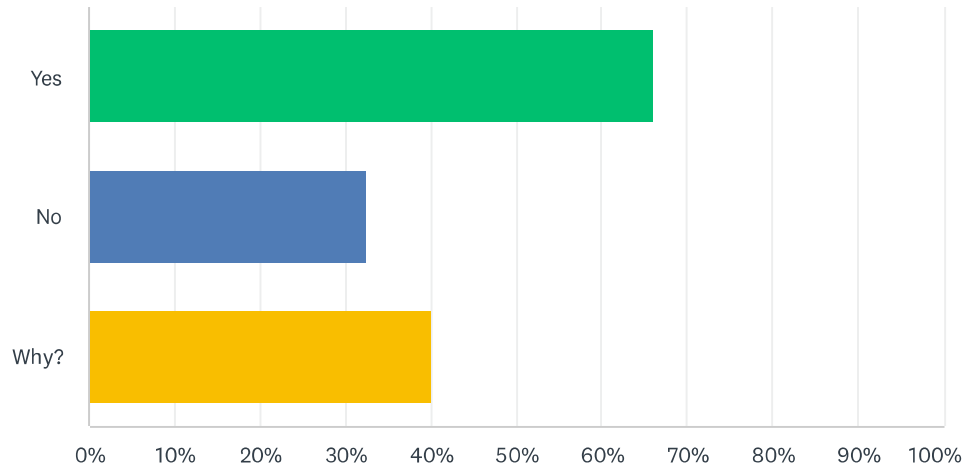
Answered: 131 Skipped: 0



ANSWER CHOICES	RESPONSES	
I'd make adjustments to my water usage on a daily or weekly basis.	29.01%	38
I'd look at my account information periodically to keep track of leaks or inconsistent usage.	55.73%	73
I am not sure if I would use this.	9.92%	13
I would not utilize this information.	5.34%	7
TOTAL		131

Q12 Would you support requiring all new building to be restricted from installing traditional turf grass in the front yard for residential homes?

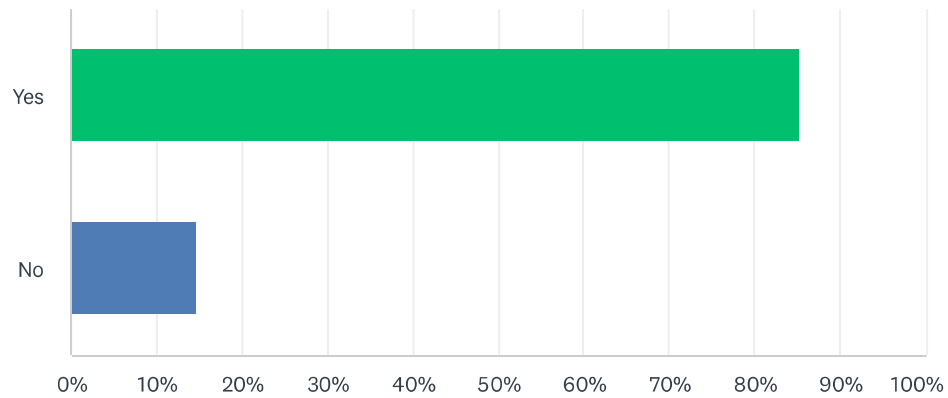
Answered: 130 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	66.15%	86
No	32.31%	42
Why?	40.00%	52
Total Respondents: 130		

Q13 Have you heard of the Water Wiser program?

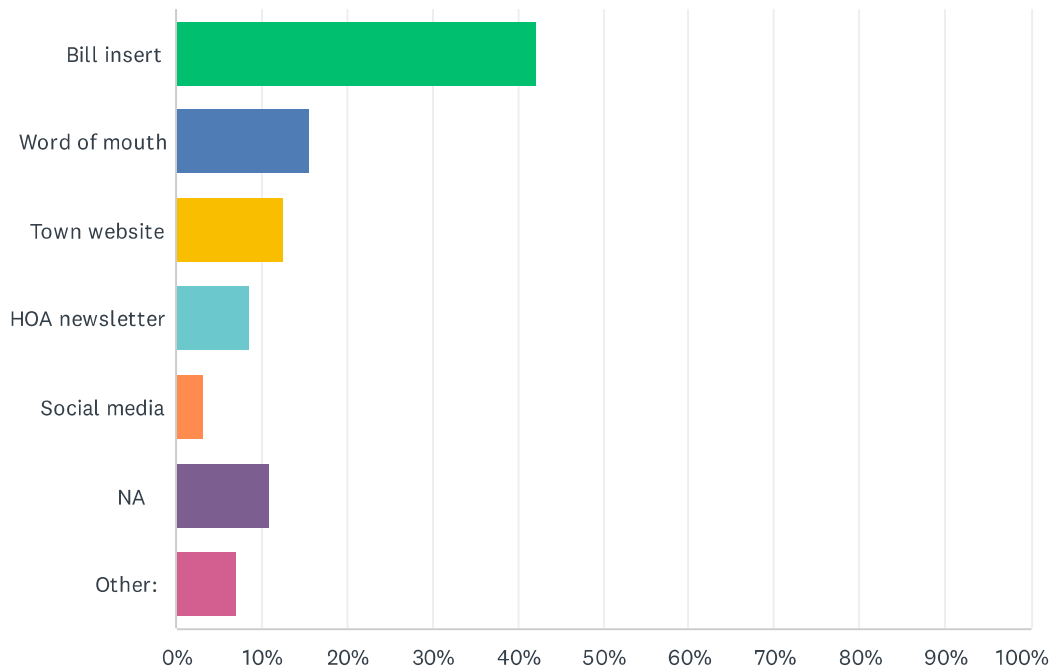
Answered: 130 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	85.38%	111
No	14.62%	19
TOTAL		130

Q14 How did you hear about the Water Wiser program?

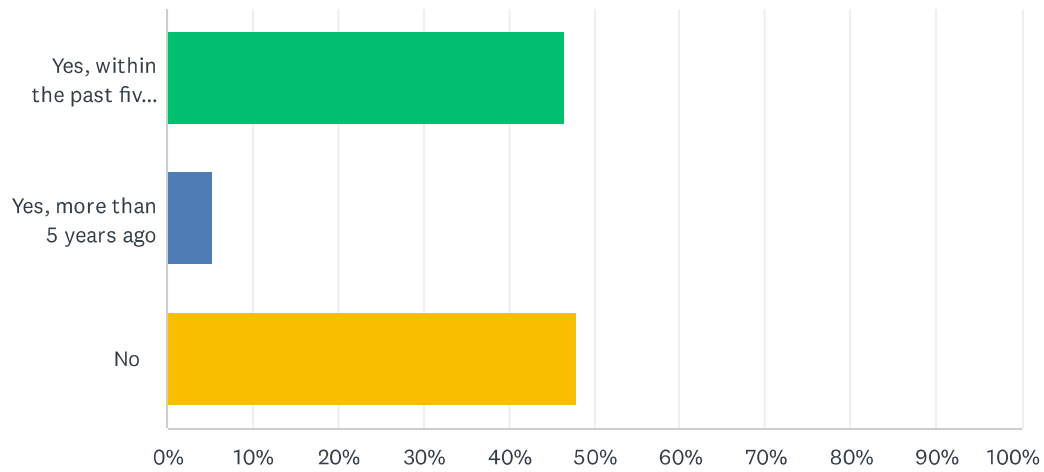
Answered: 128 Skipped: 3



ANSWER CHOICES	RESPONSES	
Bill insert	42.19%	54
Word of mouth	15.63%	20
Town website	12.50%	16
HOA newsletter	8.59%	11
Social media	3.13%	4
NA	10.94%	14
Other:	7.03%	9
TOTAL		128

Q15 Have you completed the Water Wiser program?

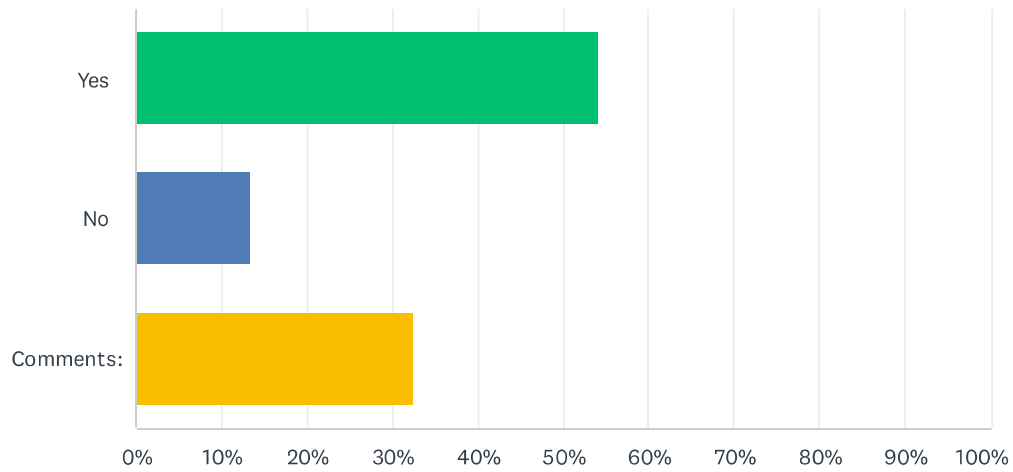
Answered: 129 Skipped: 2



ANSWER CHOICES	RESPONSES	
Yes, within the past five years	46.51%	60
Yes, more than 5 years ago	5.43%	7
No	48.06%	62
TOTAL		129

Q16 If so, did you find the Water Wiser program to be useful?

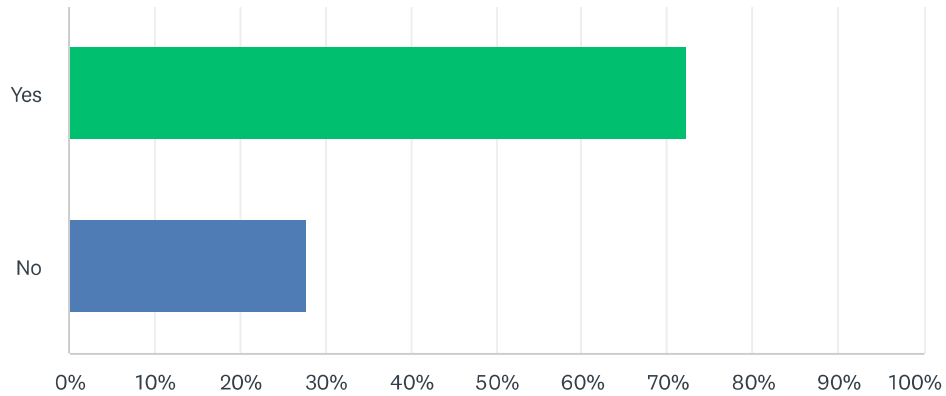
Answered: 111 Skipped: 20



ANSWER CHOICES	RESPONSES	
Yes	54.05%	60
No	13.51%	15
Comments:	32.43%	36
TOTAL		111

Q17 Have you ever heard of the Town's water conservation website at www.CRConserve.com?

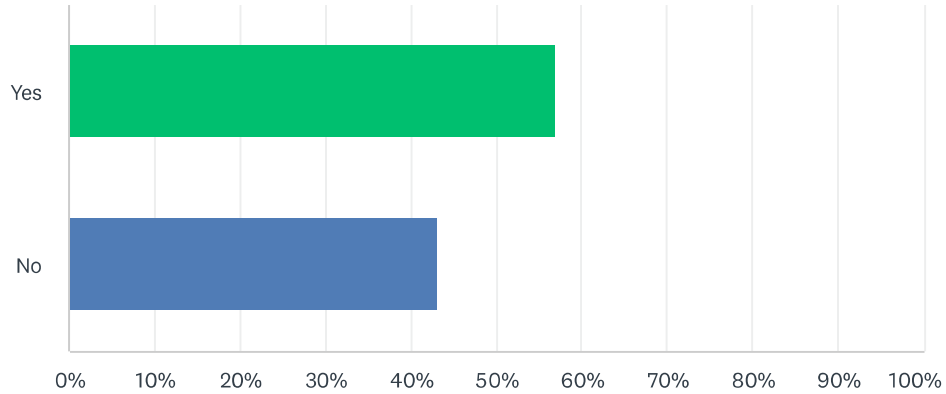
Answered: 130 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	72.31%	94
No	27.69%	36
TOTAL		130

Q18 Have you ever visited the Town's water conservation website, www.CRconserve.com?

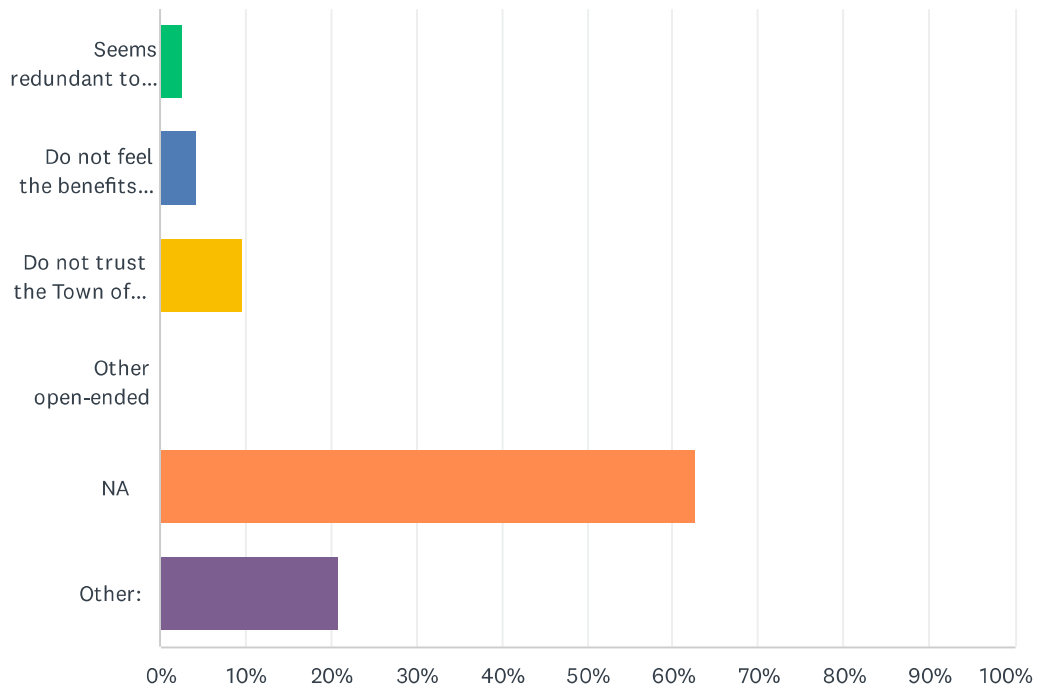
Answered: 130 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	56.92%	74
No	43.08%	56
TOTAL		130

Q19 If you have not visited, Why not?

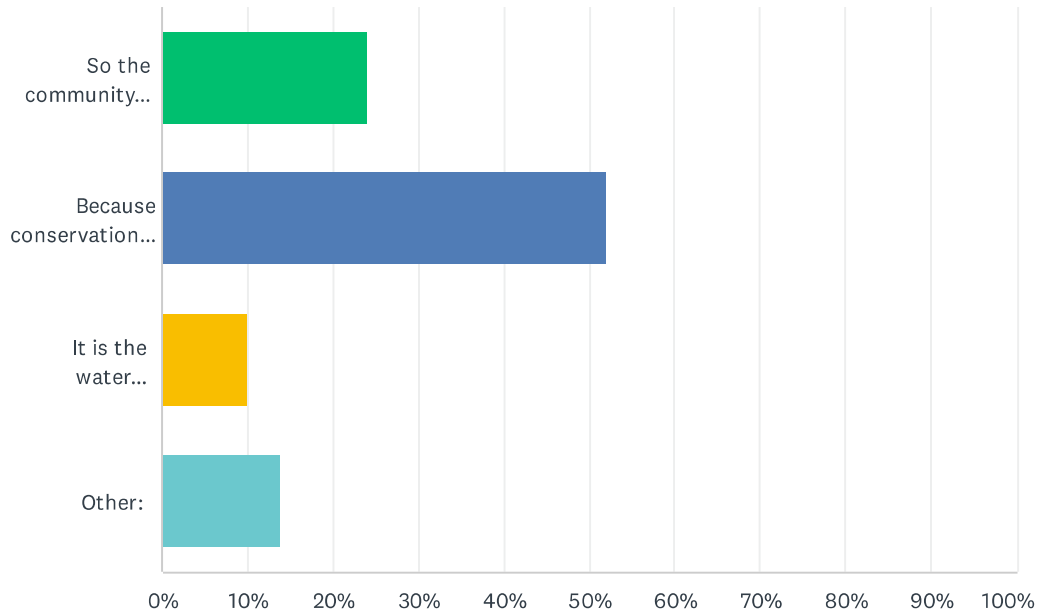
Answered: 115 Skipped: 16



ANSWER CHOICES	RESPONSES	
Seems redundant to other sites available.	2.61%	3
Do not feel the benefits would be worthwhile	4.35%	5
Do not trust the Town of Castle Rock for this information	9.57%	11
Other open-ended	0.00%	0
NA	62.61%	72
Other:	20.87%	24
TOTAL		115

Q20 Why do you feel that the Town focuses outreach, incentive programs and guidelines on conservation? (Check all that apply)

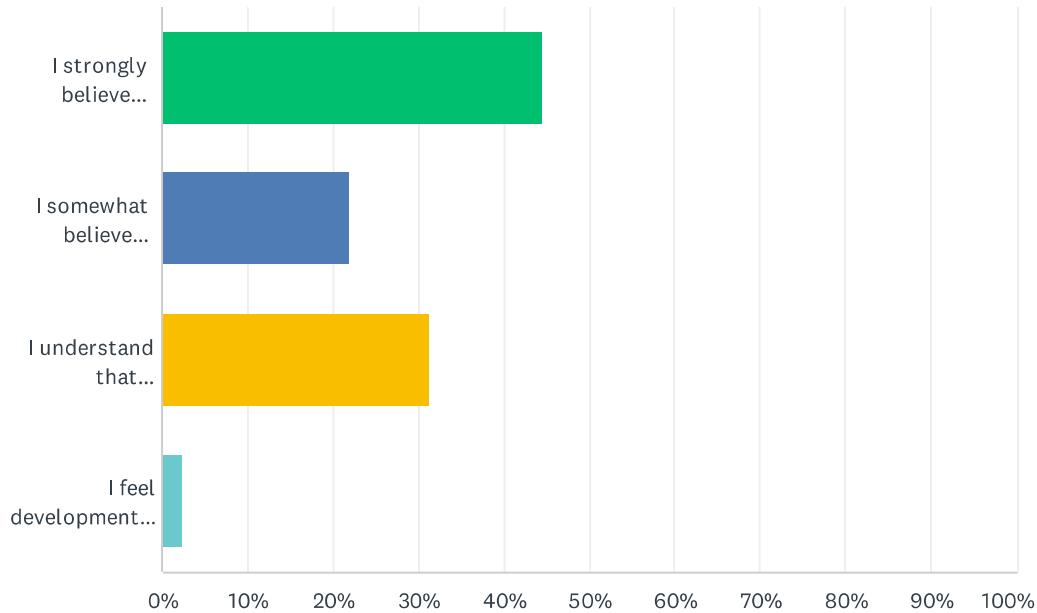
Answered: 129 Skipped: 2



ANSWER CHOICES	RESPONSES	
So the community doesn't run out of water	24.03%	31
Because conservation is an effective piece to ensuring long-term water supply	51.94%	67
It is the water customer's responsibility to help with conservation	10.08%	13
Other:	13.95%	18
TOTAL		129

Q21 How do you feel regarding growth and development? (Which one best fits your beliefs.)

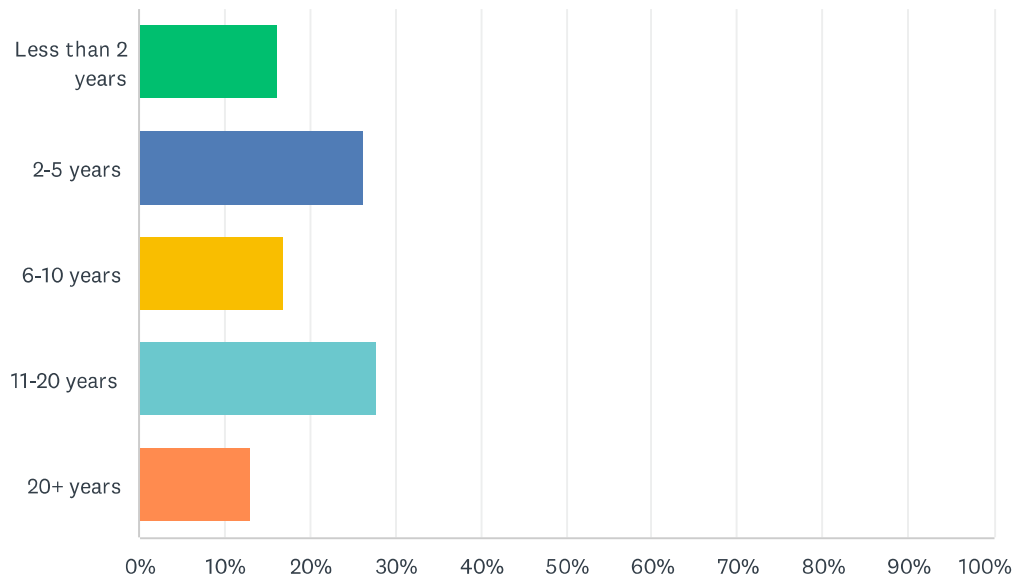
Answered: 128 Skipped: 3



ANSWER CHOICES	RESPONSES	
I strongly believe reducing or limiting growth will solve our water supply issues.	44.53%	57
I somewhat believe reducing or limiting growth will solve our water supply issues.	21.88%	28
I understand that development must bring in their own water supply in order to be approved and thus growth does not highly impact water supply.	31.25%	40
I feel development need only provide cash in lieu of water.	2.34%	3
TOTAL		128

Q22 How long have you lived in the Town of Castle Rock?

Answered: 130 Skipped: 1



ANSWER CHOICES	RESPONSES	
Less than 2 years	16.15%	21
2-5 years	26.15%	34
6-10 years	16.92%	22
11-20 years	27.69%	36
20+ years	13.08%	17
TOTAL		130

Q23 How many people live in your current household full-time?

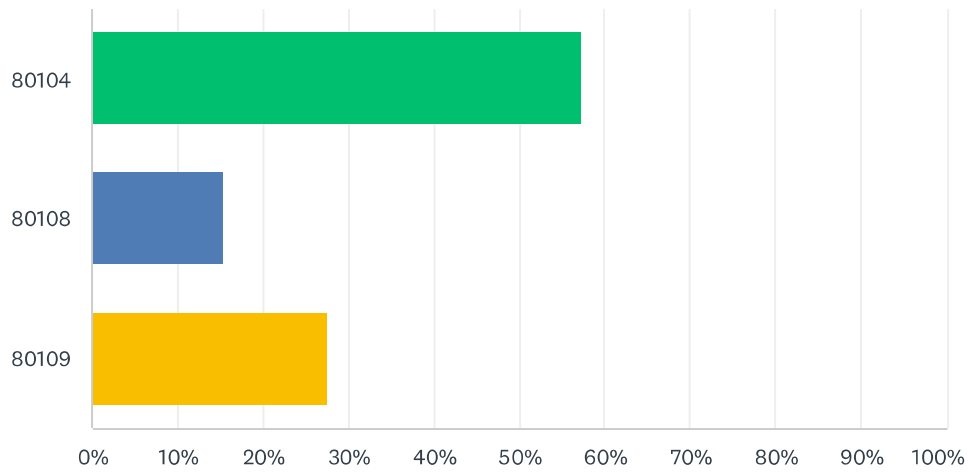
Answered: 130 Skipped: 1

Q24 What strategy would you recommend to implement for water conservation?

Answered: 115 Skipped: 16

Q25 In what zip code do you currently live?

Answered: 131 Skipped: 0



ANSWER CHOICES	RESPONSES	
80104	57.25%	75
80108	15.27%	20
80109	27.48%	36
TOTAL		131



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 6. **File #:** WC 2023-018

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager
Rick Schultz, Water Efficiency Supervisor

A Resolution Approving the 2023 Water Use Management Plan (WUMP)
Town Council Agenda Date: March 7, 2023

Executive Summary

The purpose of this memorandum is to request Town Council approval of a Resolution (**Attachment A**) adopting the 2023 Water Use Management Plan (WUMP). The WUMP is a demand management tool that identifies regulations, watering schedules to stagger demand, surcharges, and enforcement. The WUMP is referenced in Municipal Code 13.15.040 and 13.15.050. There are no substantial content changes proposed. Minor administrative updates are proposed to the 2023 WUMP (**Exhibit 1**), and those are summarized in **Attachment B**.

Notification and Outreach Efforts

As defined in Chapter 13.15 of the Town's Municipal Code, all customers will receive the 2023 watering schedule via United States Mail within thirty (30) days prior to the commencement of the schedule implementation period (May through September). Additionally, this information will be available on the Town's websites (CRgov.com and CRconserve.com) and promoted through Community Relations' outreach avenues, such as Facebook, Twitter, Town Talk, and press releases.

Discussion

The WUMP focuses on two areas critical to water use management including public education on how demand management works and impacts each customer and implementation of the actual demand management tools including watering schedules, enforcement, and other tools. The public education component has multiple opportunities for water conservation guidance. While Castle Rock Water employs a wide range of tools for public education on efficient water use and conservation, the primary tool for educating customers on demand management is the Water Wiser workshop. Successful completion of the workshop exempts a customer from the watering schedule (i.e. meaning they can water on any day necessary), but it does not exempt them from the restrictions on time of day or water waste. Public education through the Water Wiser workshop has been very successful. In 2022, 309 new customers attended the workshop, another 112 customers renewed

their Water Wiser designation online, and currently 3,507 customers are Water Wiser participants. Since 2018, customers are required to renew their participation every five years to stay current with the advancing conservation techniques and equipment. Renewals can be completed by taking an online course or retaking the in-person course. The ultimate goal is to get as many customers as possible to become Water Wiser. The chart below shows the trend in Water Wiser participants over the last five years.

Water Wiser Participants	
2017	3,020
2018	3,993
2019	3,187
2020	3,316
2021	3,497
2022	3,507

The Town of Castle Rock has used mandatory water demand management for landscape irrigation since 1985. Peak season demands for residential customers are staggered on an every-third-day format. This is the traditional circle, diamond, square watering schedule familiar to our customers. Consistent with the program adopted in 2019, the schedule period will remain May through September. Other than hand watering, no watering during the daytime hours of 8 a.m. - 8 p.m. is allowed. This format helps ensure our customers use irrigation water when it is most efficient and effective, ultimately saving customers money. In addition, it allows positive pressures and adequate fire flows to be maintained throughout the water distribution system. It also allocates time for the finished water storage tanks to recover volume.

For non-residential customers, the watering schedule is three days per week. Customers east of I-25 are designated Tuesday, Thursday, and Saturday. Customers west of I-25 can water on Monday, Wednesday, and Friday. Non-residential watering hours begin at 12 a.m. and must be completed by 8 a.m. on the designated day.

In order to accommodate park use and programmed activities, Town owned and managed parks can begin watering at 9:00 p.m. on their designated day and finish no later than 5 a.m. the following morning.

In addition to the watering schedules, the WUMP covers alternative schedules for customers with hardships that make complying with the standard schedules impossible and temporary irrigation exemptions from the standard schedules for things like establishing new plant material. Other items covered in the WUMP include special circumstances impacting compliance, rules for other types of water use besides irrigation, definitions of water waste, and monitoring and enforcement.

Monitoring and enforcement is a key item in the WUMP. This section covers surcharges for violations, a key item of importance to customers. No changes are proposed to the surcharges for violations. The surcharges for 2023 are shown in the table below.

<u>Residential</u>	<u>Non-residential</u>
1 st - Warning, no surcharge	1 st - Warning, no surcharge
2 nd - \$25 surcharge	2 nd - \$100 surcharge*
3 rd - \$50 surcharge	3 rd - \$200 surcharge*
4 th - \$100 surcharge	4 th - \$400 surcharge*
5 th - \$200 surcharge	5 th - \$800 surcharge*
Subsequent - \$200 surcharge*	Subsequent - \$800 surcharge*
*Subject to service discontinuance	*Subject to service discontinuance

The philosophy and focus of the watering schedule program is to educate customers and avoid issuing surcharges for violations. While the water monitors have always issued violations, their direction is to contact the customer, explain the problem, and provide a solution whenever reasonable and possible.

The total number of violations issued each year is variable, and there is no clear trend up or down. The largest factor influencing the quantity of violations is the number of monitors hired during any given season. More monitors hired means we get more thorough coverage of the town and this translates into more violations observed/issued. From a revenue perspective, even though the numbers of residential violations consistently exceed those of non-residential violations, the largest percentage of revenue comes from the non-residential violations. One final detail worth noting, 2018 was the last year we had a 3-month restriction season. In 2019 we added April and September and have maintained that 5-month season ever since. For a more in depth look, see the Watering Violations Summary, ***Attachment C***.

Revenues from violation surcharges are used to help cover the operating costs of the monitoring program and the conservation rebate program.

Seasonal water conservation staff will continue to be hired each year to help monitor and enforce the WUMP. While located in the County, not within the Town of Castle Rock, the Macanta neighborhood along Crowfoot Valley Road has added many new homes, and continues to grow. Also new for 2023 is the Bell Mountain Ranch neighborhood.

The full WUMP can be found at [CRgov.com/waterplans](https://crgov.com/waterplans) <<https://crgov.com/2323/Plans>>

Budget Impact

The budget for 2023 seasonal water conservation staff is \$56,014, and is covered under account number 211-4330-443.10-30. With the transition of the seasonal office assistant out of this fund, the seasonal water conservation salaries are not expected to exceed the budget amount.

Staff Recommendation

Staff recommends approval of the 2023 WUMP as presented.

Proposed Motion

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

Attachments

Attachment A: Resolution (Not Attached)
Exhibit 1: 2023 WUMP
Attachment B: Summary of proposed changes
Attachment C: Watering violations summary

WATER USE MANAGEMENT PLAN

March 7, 2023



Castle Rock Water
175 Kellogg Court
Castle Rock, CO 80109
720-733-6000
CRgov.com



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Section 1. Introduction

- 1.1 Policy Statement
- 1.2 Executive Summary
- 1.3 Definitions

1.1 Policy Statement

The Town of Castle Rock, through the implementation of the Water Use Management Plan (WUMP), is committed to the wise development and efficient use of water resources. The water use management program is designed as a demand management tool to control peak demand. This program operates in concert with the Town of Castle Rock Landscape and Irrigation Criteria Manual, the Water Efficiency Master Plan, and the Drought Management Plan, to encourage the wise use of a finite resource.

1.2 Executive Summary

The Town of Castle Rock has used mandatory water demand management for landscape irrigation since 1985. Peak season demands are managed through an alternating irrigation schedule.

Program administration and implementation has traditionally been accomplished through Castle Rock Water. The Town's restrictions, Chapter 13.15 of the Castle Rock Municipal Code, are included as **Exhibit 1**.

The water use management program implementation policy assists staff with implementation of the WUMP that deals with management of peak season related water use issues. The WUMP is reviewed and approved annually by Town Council.

The policy addresses:

- Identification of regular days and hours for landscape irrigation during designated peak demand months, i.e. irrigation schedule development.
- The need for alternative schedules due to various hardships and/or irrigation system limitations, and applicable criteria.
- Special watering circumstances, including hand watering.
- Enforcement of water use management strategies by issuance of warnings, surcharges, and ultimately the potential for discontinuance of water service.
- Appeals and variance issues.
- Further demand management tools.

1.3 Definitions

Alternative irrigation schedule: Schedules not meeting the regular criteria and have been approved by the program administrator.

ColoradoScape: A natural landscape, using low to very low water (less than 10-inches of water per growing season), plant material which blends in with the native Castle Rock landscapes. Plant material must be maintained in its natural, native form, utilizing a combination of hardscape and landscape materials, which provide a variety of colors, textures, sizes, shapes, and seasonal interest.

Common area: An area available for public use. May be publicly or privately owned, managed, or maintained.

Drought response: The stages of drought and the associated response as outlined in the Drought Management Plan.

Hand watering: Application of water to plant material while holding a hose in hand.

Irrigable area: The impervious area of a property that has the potential to be irrigated.

Irrigated area: The actual area of a property receiving regular/consistent supplemental irrigation.

Irrigation season: April 1 through October 31.

Landscape maintenance contractor: Designated by owner or responsible party to operate, manage, and maintain the landscape and irrigation of a defined property.

Monitor: A Town employee observing irrigation activities as defined and outlined in the WUMP.

Owner: Party identified by Castle Rock Water billing records.

Program administrator: As defined by municipal code, is the Town Manager or designee thereof, and for purposes of the WUMP, designated to Director of Castle Rock Water or designee thereof.

Public area: Town-owned, maintained, and managed properties and facilities.

Residential: Any dwelling unit that is individually metered.

Responsible party: Person or group identified in the Castle Rock Water billing or by owner as such, including owner, property manager, or homeowners' association representative.

Restriction period: Time period when designated watering days and hours are enforced. See current year calendar for specific details.

Special schedule: Approved alternative schedule designated for the current irrigation season.

Water budget: The water budget is the amount of water available to each account, each billing cycle. The average winter monthly consumption (AWMC) shall mean the AWMC calculated for each customer by averaging the total potable water consumption used by the customer in the months of November through February in accordance with standard operating procedures maintained by Castle Rock Water. The outdoor water budget is determined by the irrigated area, landscape type, and historical local evapotranspiration rate, April through October.

Water waste: Application of water that does not result in beneficial use. This includes:

- Continuous irrigation to any area resulting in ponding or pooling of water;
- Runoff of water not absorbed into the ground, which flows away from the area being irrigated;
- Any irrigation system that is leaking;
- Application of water intended for irrigation to any impervious surface;
- Letting water run unrestricted from a hose or faucet;
- Application of water to impervious surfaces such as street washing applications;
- Operation of any irrigation system when curtailment stages have been invoked



Section 2. Public Education

2.1 Education

Public education is a primary component of the WUMP. Outdoor water use during the April through October landscape irrigation season accounts for the largest demand on the system. Educating customers on industry best management practices, the need for adherence to the irrigation schedule, and the overall water use management program are the keys to success.

One of the primary educational opportunities for residential customers is the Water Wiser workshop. This program focuses on landscape preparation, efficient irrigation, water management, and indoor efficiency. The goal of the Water Wiser program is to provide the tools necessary to maintain a healthy landscape, while using less water. After completion of this workshop, residents are exempt from the every-third-day watering schedule. This exemption provides residents with the opportunity to take advantage of the weather and water only when necessary, not just because it's their scheduled watering day. Water consumption may be tracked through utility bills and program participants are expected to adhere to the program. The Town, at its discretion, reserves the right to return Water Wiser participants to the every-third-day watering schedule, at which time participants will be subject to enforcement as provided in the Town Municipal Code and Water Use Management Plan.

The Water Wiser designation will remain active for five (5) years and can be renewed by completion of another Water Wiser workshop or online renewal course with a passing score on the related test. The follow up workshop or renewal course must be completed prior to the expiration date.

The WUMP is designed for management of peak demand by designating days and hours for residential and non-residential customers to water. This reduces the necessary amount of water system infrastructure, water resource acquisition, treatment, storage, and distribution. Adherence to the designated schedule ensures peak demand is spread evenly throughout the irrigation season and allows for water storage tank recovery during non-irrigation periods. The designated watering hours also ensure customers irrigate at the times when watering is most effective and efficient.

Part of enforcement is to educate customers on these issues, and offer assistance with irrigation system problems and water use management when possible. This assistance is offered through newsletters, individual letters, and one-on-one communications. The Town of Castle Rock maintains two web sites (CRgov.com and CRconserve.com) where additional information about WUMP policies and water efficiency efforts can be found. Seasonal water monitors receive in-depth training on water efficiency and conservation.

Annual public education strategies are developed in relation to the Water Use Management Plan and water conservation programs. This includes providing water conservation information for residents, residential builders, property managers, and the non-residential community.



Section 3. Program Implementation

- 3.1 Annual Implementation Review
- 3.2 Regular Irrigation Schedules
- 3.3 Alternative Irrigation Schedules
- 3.4 Special Circumstances
- 3.5 Enforcement
- 3.6 Demand Management Tools

3.1 Annual Implementation Review

The WUMP is reviewed on an annual basis, and submitted to the Castle Rock Water Commission for review. Program and policy changes are forwarded to Town Council for adoption. Town Council may alter this program and its implementation as necessary.

3.2 Regular Irrigation Schedules

3.2.1 Residential Irrigation

1. *Day/Address Assignment:* Watering shall be limited to every-third-day in accordance with the following procedure:
 - a. Properties with addresses ending in zero (0) through three (3) are designated by a square.
 - b. Properties with addresses ending in four (4) through six (6) are designated by a circle.
 - c. Properties with addresses ending in seven (7) through nine (9) are designated by a diamond.
2. *Permissible Hours of Irrigation:* Permissible hours of irrigation are before 8 a.m. or after 8 p.m. on the designated day. These hours are for customers benefit as they ensure water is most efficiently applied to the landscape, minimizing evaporation and other losses. Under no circumstances, beyond hand watering, will irrigation be allowed between the hours of 8 a.m. to 8 p.m.
3. *Schedule Dissemination Criteria:* Schedules shall be distributed to water customers no later than thirty (30) days prior to the commencement of watering restrictions. See **Exhibit 2a**.
 - a. The watering schedule shall be distributed through the U.S. Postal Service to all Town of Castle Rock residents. See **Exhibit 2b**.
 - b. The Town Clerk shall receive a copy of the watering schedule.
 - c. The watering schedule shall be posted at Town Hall and Castle Rock Water offices.
 - d. The watering schedule and the general outline of the policy shall be published on CRconserve.com and in the official notice section of CRgov.com/notices.
 - e. Watering schedules shall be made available to all building permit applicants where the permit includes installation of an irrigation system, or when the building permit is for the sole purpose of installation of an irrigation system.
4. *New Customers:* All parties that become new customers will receive the watering schedule and educational materials through a new homeowner welcome packet.
5. *Residential Homebuilders:* Homebuilder landscape contractors that install and/or maintain residential landscaping shall be registered with Castle Rock Water to ensure those managing the properties are thoroughly versed on the Water Use Management Plan and the Landscape and Irrigation Criteria Manual. See Section 2 in the Landscape and Irrigation Criteria Manual for information regarding registration of landscape professionals.

3.2.2 Non-Residential/Common Area/Public Area Irrigation

Non-residential, common, and public irrigated areas shall be considered as any property managed or owned by the same group or individual and which is not a single family residential property. This includes apartments, condominiums, townhomes, and multi-family developments under the control of the builder, commercial customers, religious institutions, streetscapes, common areas, or private areas. The “property” shall be considered one entity for the purpose of water restriction administration and enforcement regardless of the number of metered services serving the property. See **Exhibit 3**.

1. *Day / Geographic Location Assignment:* Watering days for the entire property will be three days per week as assigned by geographic location. For properties west of I-25, designated watering days are Monday, Wednesday, and Friday. For properties east of I-25, designated watering days are Tuesday, Thursday, and Saturday. Watering shall begin on the designated day and must be completed within the specified window (*See 2. below*).
2. *Permissible Hours of Irrigation:* Permissible hours of irrigation for non-residential, common, and public areas shall begin no earlier than 12 a.m. and be completed no later than 8 a.m. on the designated day.
3. *Application Rates:* Total water application, during peak summer temperatures, shall not exceed one and one-half (1 ½) inches per week, per irrigation zone. Irrigation application during cooler spring and fall months shall be seasonally adjusted to lower levels.
4. *Leaking Irrigation Systems:* As deemed necessary, the Town has the ability to charge property owners for nighttime emergency call-outs that are attributable to malfunctioning, leaking irrigation systems. Three (3) or more call-outs of this type shall be considered excessive and the owner will be subject to incur the associated charges.
5. *Registered Landscape Professionals:* Landscape and irrigation installation and maintenance contractors working for non-residential customers shall be registered with Castle Rock Water to ensure those managing the properties are thoroughly versed on the Water Use Management Plan and the Landscape and Irrigation Criteria Manual. See Section 2 of the Landscape and Irrigation Criteria Manual for information regarding registration of landscape maintenance professionals.

3.2.3 Parks/Athletic Fields

The Town of Castle Rock Parks and Recreation Department utilizes an ET based computerized central control system. This system is monitored daily, and automatically adjusts based on changes in weather and soil moisture. The Parks Department will adhere to the established schedule as closely as possible, however, park size, level of activity, special events, and athletic programming will ultimately determine water needs.

3.3 Alternative Irrigation Schedules

Alternative irrigation schedules may be granted for hardship and/or special circumstances. Please contact Castle Rock Water to determine eligibility.

3.3.1 Exemptions

Irrigation exemptions may be issued to help establish new plant material or other exemptions as noted below. However, irrigation exemptions for establishing new plant material will not be issued or applicable between July 1 and July 31. This is typically the hottest month of the year and new plant material requiring an exemption should not be installed during this month. An administrative fee up to \$25 will be charged for processing of exemption applications.

Should the Program Administrator of the WUMP determine that granting an exemption would not significantly impact the water system, the Program Administrator may issue an exemption, stating appropriate conditions thereon. These conditions include the effective date, expiration date, designated address, required hours of irrigation, and any other special criteria associated with the exemption. The exemption allows for watering as needed, on any individual day; however, designated hours and water rates still apply. These exemptions may be revoked at any time should it be deemed necessary by Castle Rock Water. See ***Exhibits 4a (residential request), 4b (non-residential request), and 5 (exemption placard)***.

Exemptions may be granted for:

1. ***Establishment of New Plant Material:*** An exemption to the established watering schedule may be granted to establish new plant material not to exceed twenty-one (21) days for new sod and not to exceed thirty (30) days for seed or other plant material, provided an exemption is obtained through Castle Rock Water. Conditions for this exemption include:
 - a. Verification through site inspection by the Program Administrator or designee, through certification by accredited landscape architect or the builder, through documentation by receipt or invoice, or through other means deemed acceptable by the Program Administrator that prior to seeding or sodding of turf, organic soil amendment at a **minimum** of four (4) cubic yards per one thousand (1,000) square feet or deemed by soil analysis, and has been tilled to a minimum depth of six (6) inches.
 - b. Evidence that an irrigation system backflow prevention assembly has been installed, tested, and approved.
2. ***Disease Mitigation:*** Exemptions may be granted to assist with mitigation of diseased plant material. Exemptions of this type are reviewed on a case-by-case basis. Potential exemptions are related directly to the disease or issue to be mitigated. Irrigation, however, must occur within the regularly scheduled hours.
3. ***Fertilization:*** Exemptions may be granted to allow watering as needed on any individual day for application of fertilizer. Exemptions of this type are reviewed on a case-by-case basis. Potential exemptions are related directly to the type of fertilization process, and current weather conditions. Duration of additional irrigation shall be determined by staff and shall not exceed the manufacturer's recommendation for application. Irrigation must occur within the regularly scheduled irrigation hours.

4. *Hydro-seeding:* Installations in non-residential landscapes must be performed by a Castle Rock Water registered landscape contractor. Exemptions may be granted to allow watering as needed on any individual day for establishment of hydro-seeded areas. Staff may determine that irrigation may be allowed during identified water system recovery periods.
5. *Other:* Other exemptions may be granted should the Program Administrator determine a hardship or special circumstance exists for an applicant, due to irrigation requirements that cannot be met under previously outlined criteria, including but not limited to:
 - a. Residential customers that do not have programmable irrigation systems, have a family emergency, or similar demonstrated hardship may receive an exemption to alter their assigned watering day on a time-limited basis as approved by the Program Administrator.

Exemptions allowing watering as needed, on any individual day are applicable only to the areas designated on the exemption application. Non-applicable areas are not included under the exemption and may not be exempted from designated irrigation requirements.

3.4 Special Circumstances

3.4.1 Low Pressure Areas

Certain existing areas of Town have blocks of homes with addresses ending in the same digit. With the water system infrastructure being designed with the every-third day schedule, several residential addresses within a limited area, watering at the same time can create low-pressure situations. Assigning alternate symbols to the impacted homes mitigates this situation. Special schedules are given to these homeowners each year. for these impacted areas, as well as the letter (See *Exhibit 6a*) and special schedule (See *Exhibit 6b*) that is distributed to these homeowners in Founders Village.

3.4.2 Hand Watering

Watering plant material while holding a hose in hand is allowed at any time, on any day, as long as water waste is not occurring. Hand watering does not include irrigation with a hose and sprinkler, or manual operation of an automated irrigation system.

3.4.3 Water for Entertainment

Water used for entertainment purposes, e.g. children running through sprinklers, is allowed so long as persons are present and water waste does not occur.

3.4.4 Pressure Washing

Pressure washing may be allowed according to the following criteria:

1. High efficiency and low water use equipment is required.
2. Water waste shall not occur.
3. No excessive runoff shall leave site where water is being applied.
4. Equipment and application shall meet all Castle Rock Water Cross-Connection Control Program criteria.

3.4.5 Street Washing

1. *Streets in General:* Application of water to streets for the purpose of street washing shall occur by use of water efficient street sweeping equipment only. Use of fire hydrants is not allowed. Use of water trucks for the purpose of street sweeping is not allowed.
2. *Streets for Drive-Through Restaurants:* Application of water to impervious surfaces related to drive-through restaurant food service areas may be allowed under the following circumstances:
 - a. Water waste shall not occur.
 - b. No excessive runoff shall leave site where water is being applied. High efficiency and low water use equipment is required.
3. *Sidewalks/Driveways:* Application of water to sidewalks and driveways for the purpose of cleaning is discouraged, and may be considered water waste. Whenever possible, areas should be swept to eliminate site debris. Such water use may be allowed under the following circumstances:
 - a. Water waste shall not occur.
 - b. No excessive runoff shall leave the site where water is being applied.
 - c. Automatic shut off spray nozzles on hoses; such as pistol grip sprayers shall be used.
 - d. Cleaning of the surface cannot reasonably be accomplished without the use of water.
 - e. Sidewalk poses a safety hazard that cannot be resolved without water.

3.4.6 Car Washing

1. Commercial car wash installations shall meet the following criteria:
 - a. Newly constructed facilities, whether full-service, in bay, or self-serve shall use water recycling systems or weep recovery systems.
 - b. Demand management tools, consistent with curtailment identified in Section 3.6, shall apply to all commercial car wash systems.
 - c. Existing car washing systems that are being expanded, repaired, or rehabilitated shall conform to recycling requirements.
2. Homeowner car washing:
 - a. There are no limitations for hours or days a homeowner may wash vehicles.
 - b. Water waste shall not occur.
 - c. Require use of automatic shut off spray nozzles on hoses, such as pistol grip sprayers.

- d. Recommend parking on turf areas during car washing so all runoff is beneficially used by plant material.
- e. Recommend use of bucket and cloth/sponge to apply soaps, clean major portions of vehicle, and use hose for final rinse only.

3.4.7 Fountains

Decorative fountains shall be recirculating and designed to reduce water losses through evaporation. Use of fountains is subject to additional demand management tools identified in Section 3.6.

3.4.8 Irrigation System Maintenance and Repair

Operation of any irrigation system outside of its established watering schedule may be allowed for repairs or routine maintenance without incurring a violation under the following circumstances:

1. *Residential:* The owner or operator of the system must be present at all times when the system is in operation for routine maintenance or repair purposes outside of the established watering schedule.
 - a. It is the responsibility of the account holder to ensure all irrigation system components are properly maintained and fully operational. This includes but is not limited to replacement of batteries in controllers and rain sensors.
2. *Non-residential:* The owner/responsible party/landscape contractor may post an “Irrigation System Check in Progress” sign in the immediate vicinity of the water use. Operation of the system shall be for routine maintenance (i.e. checking zones for broken heads, timer operation, etc.) and shall be limited to the briefest time to observe and detect malfunctions. An operator must be present and visible at all times when the system is in operation for routine maintenance or repair purposes outside of the established watering schedule.
 - a. It is the responsibility of the account holder to ensure all irrigation system components are properly maintained and fully operational. This includes but is not limited to flow sensors, master valves, and replacement of batteries in controllers and rain sensors.

3.4.9 Water Waste

Water waste violations can be issued at any time and are independent of the watering restriction calendar. The following examples serve as illustrations of situations that shall be cited as violations of water waste. Similar situations as observed by Town of Castle Rock staff will also be cited at their discretion:

1. Continuous irrigation resulting in ponding, pooling, or runoff.
2. Failure to repair any irrigation system that is leaking.
3. Application of water intended for irrigation to an impervious surface, such as a street, sidewalk, or driveway.
4. Using potable water to wash outdoor impermeable surfaces.
5. Letting water run unrestricted from a hose or faucet.

6. Operation of any irrigation system when demand management tools of Section 3.6 of this policy have been invoked.
7. Irrigation during a storm event.
8. For water waste violations due to leaking or damaged irrigation components, the customer will be allowed a defined amount of time to repair the condition without incurring subsequent violations:
 - a. Residential customers shall complete necessary repairs within five (5) days of violation, or before the system is used again.
 - b. Non-residential areas shall complete necessary repairs within twenty-four (24) hours of notification or at a minimum before the system is used again.
 - c. Notwithstanding the enforcement provisions set forth in Town Code, extreme water waste may result in discontinuance of service. Associated service charges for disconnection and reconnection shall be applied to the account.

3.5 Enforcement

Enforcement of the watering schedule is for demand management, eliminating water waste, and promoting water conservation. This code enforcement is conducted to protect the interests of the public, and protect public health and safety. As the focus of the program is encouragement of compliance, first violations are issued as warnings with no surcharges applied, and subsequent violations are on a graduating scale.

3.5.1 Seasonal Water Monitors

Water monitors are employed as part-time temporary positions during the water restriction period, and are hired through standard Town of Castle Rock employment procedures.

Wages are budgeted through the Water Resources Enterprise Fund. Funds must be allocated at the identified wage for adequate coverage of the water system. Coverage may be required to include 24-hours, seven days per week, and is dependent on water system conditions.

Water monitors drive throughout the Town and monitor water use, including irrigation and water waste. Water monitors receive training, as defined in **Exhibit 7**, during their first week of employment: 1) in customer service, public education; 2) operation/care of Town equipment; 3) irrigation system operation training; 4) information logging and violation processing; and 5) safety training.

Water monitors note date, time, and type of watering violation. Monitors note if personal contact was made with the customer and what level of public education took place, including distribution of schedule, and water conservation materials. Personal contact in issuance of violations is encouraged if the monitor feels safe in approaching the customer during daylight hours only.

3.5.2 Evidence of Violation

Violations of the regular and approved alternative watering schedules are violations of municipal code and are subject to surcharges and potential discontinuance of service for non-compliance. Violation issuance

hierarchy is confined to the current irrigation year, January through December, and will not be carried over from one year to the next. New customers are not subject to pre-existing violations for that specific address.

The party issuing the affidavit must witness the violation. For example, the monitor must see the out of compliance irrigation or water waste.

Although not required by municipal code, monitors may take photographs and/or video of the violation, documenting date and time. Should the violation be appealed, this data may serve as additional evidence the violation actually occurred, and may be supplied to the customer upon request.

3.5.3 Warning/Surcharge Issuance Process

Violations requiring surcharge issuance are uploaded daily to Castle Rock Water Billing Division and will be applied to the appropriate water billing account.

Violations are noted as legal documents (see **Exhibit 8**). These forms are then processed on a daily basis, during regular business hours on standard forms that will be sent by U.S. Mail to the owner or responsible party.

Town staff makes every attempt to notify responsible parties of non-compliance so the situation may be corrected as soon as possible. It is, however, not the Town's responsibility to notify any individuals not listed on the water billing account information. At no time is bias applied in enforcement actions.

Private parties may contact Town staff to notify them a violation is occurring. As determined by staff availability, this may be immediately investigated and documented accordingly.

Due to the size, public exposure, and potential negative impact to the water system, common and/or public areas, responsible parties, i.e. landscape contractors, may be notified by telephone or email of the violation so it may be immediately addressed. This is accomplished during regular business hours. Should the violation be blatant and considered waste, a violation will be issued and the service may be discontinued until the responsible party or contractor addresses and/or repairs the cause of the violation, i.e. leaking heads or zones going off at a non-approved time. If/when Castle Rock Water is required to disconnect or reconnect irrigation services, a fee will be assessed. See CRgov.com for current fee schedule.

The warning/surcharge issuance process is as follows:

All violations are processed and mailed to the aforementioned parties within twenty-four (24) hours (during regular business hours) of the violation. Failure to do so however, does not impact the validity of the enforcement action. Surcharges shall be applied to customer accounts within one (1) week of the date of the violation.

1st Violation – Warning, no surcharge incurred

The enforcement form is processed with the appropriate violation and mailed via U.S. Mail, to the account holder. See **Exhibit 8** for the sample postcard mailed in case of warning issuance.

2nd Violation – Surcharge

The enforcement form is processed with the appropriate violation and mailed via U.S. Mail, to the account holder. Second violations will not be issued during the five (5) day period following the first violation, allowing the customer time to rectify the situation once they are notified of the problem.

3rd Violation – Surcharge

The enforcement form is processed with the appropriate violation and mailed via U.S. Mail, to the account holder. Third violations will not be issued during the five (5) day period following the second violation to allow the water customer time to rectify the situation upon notifications of the most recent violation.

4th Violation – Surcharge

The enforcement form is processed with the appropriate violation and mailed, via U.S. Mail to the account holder. The Program Administrator will attempt to notify the water customer.

5th Violation – Surcharge

The enforcement form is processed with the appropriate violation and mailed, via U.S. Mail with notice that irrigation service may be discontinued should non-compliance persist, and a copy is sent to the account holder.

Subsequent Violations

The enforcement form is processed with the appropriate violation and mailed, via U.S. Mail, with notice that irrigation service may be discontinued without immediate compliance, and a copy is sent to the account holder. *Exhibit 9* is a copy of the subsequent violation enforcement postcard.

3.5.4 Surcharge Values

Per Chapter 13.15.050 of Municipal Code, surcharges may be issued against owners or responsible parties for watering schedule non-compliance or water waste. The Town reserves the ability to immediately terminate irrigation or other water waste for due cause, and not to be reinstated until the system or use comes into compliance. Current policy guidelines outline the following charges to be applied to the appropriate Castle Rock Water billing account.

<u>Residential</u>	<u>Non-residential</u>
1 st – Warning, no surcharge	1 st – Warning, no surcharge
2 nd - \$25 surcharge	2 nd - \$100 surcharge*
3 rd - \$50 surcharge	3 rd - \$200 surcharge*
4 th - \$100 surcharge	4 th - \$400 surcharge*
5 th - \$200 surcharge	5 th - \$800 surcharge*
Subsequent - \$200 surcharge**	Subsequent - \$800 surcharge**
*Subject to temporary service disruption	** Subject to service discontinuance

For common areas where water charges are paid for by the Town of Castle Rock, yet landscape management is accomplished by a private entity such as a district or homeowner’s association, the private party that is managing the project is responsible for adhering to the criteria outlined in this policy and all charges incurred for non-compliance.

Public irrigated areas and facilities managed by the Town of Castle Rock are not exempt from surcharge issuance and are subject to all levels of enforcement.

3.5.5 Appeal Process

The appeal process does not apply to warning issuance. Appeals of violations with associated surcharges may be brought before the Program Administrator in written form. If a party believes that a surcharge has been assessed erroneously, the party may submit a letter of appeal. This appeal must be submitted, in writing, within ten (10) days of the mailing date of the violation notification to the Water Use Management Program Administrator at 175 Kellogg Ct., Castle Rock, CO 80109.

1. The appeal letter should include a thorough explanation of why the customer believes the surcharge is in error and any other reasons why the surcharge should be waived, and must include the following information:
 - a. Specific violation in question including violation number, date, and time.
 - b. Reason for the infraction proving it to be outside of the control of the owner, or responsible party.
 - c. Or why the party thinks the violation did not take place as identified on the violation notification.
 - d. Requested action by the Town.
 - e. Signature of owner or responsible party.
2. Timing of Appeal Request: Appeals must be received within ten (10) days of the mailing date of the violation notification. Any appeal received after that date will not be considered, and the associated surcharge will not be removed from the account.
3. Timing of Response to Applicant: The Town shall respond to the customer within ten (10) business days of receipt of an appeal request.
4. Crediting Criteria: Associated surcharges must be paid by the customer by the billing due date of their water bill. If the customer's appeal is approved, the related surcharge will be credited to their water billing account within the subsequent billing cycle.

Should the Water Use Management Program Administrator deny the appeal, the party may appeal to the Director of Castle Rock Water. Subsequent appeal requests may be reviewed by the Town Manager. As with other code violations, ultimate authority over such cases lies in the Municipal Court system. Timing of appeal notifications shall be consistent with Chapter 13.14.080 of municipal code.

3.5.6 Appeal Approval Criteria

Appeals may be approved and subsequent surcharges may be waived based on the following criteria:

1. Mechanical Failure. Evidence of a verifiable mechanical failure of programmable timer, or other irrigation system components. This type of appeal may only be used for a one-time appeal approval and may not be used for subsequent violations.

2. Hardship. Demonstration of extreme hardship as approved by the Program Administrator.
3. Special Condition. As deemed appropriate by Program Administrator.

Owners are responsible to ensure their properties meet the water use management regulations. When a homeowner is on vacation, or otherwise unable to make this assurance, it is recommended the owner designate a responsible party to oversee the property during their absence.

Irrigation during storm events is not allowed. Public, non-residential, and common areas will be cited for water waste under these circumstances, and shall have properly functioning moisture-sensing equipment on all systems.

3.5.7 Customer Assistance Programs

The Town of Castle Rock offers the community various opportunities to conserve water. Please see www.CRconserve.com for current program information.

3.6 Demand Management Tools

Under drought conditions, Castle Rock Water may implement one or more of the demand management tools shown below. See Town of Castle Rock Drought Management Plan for more information.

3.6.1 Curtailment/Discontinuance of Public/Common Area Irrigation

(As approved by the Director of Castle Rock Water)

3.6.2 Discontinuance of Line Flushing

(As approved by the Director of Castle Rock Water)

3.6.3 Discontinuance of Bulk Water Sales

(As approved by the Director of Castle Rock Water)

3.6.4 Alteration of Regular and Approved Alternative Irrigation Schedule

(As determined by the Director of Castle Rock Water, Town Manager, and Town Council)

1. Curtail issuance of exemptions for new seed/sod installation
2. Further limiting times and dates of irrigation.
3. Discontinuance of car washing, decorative fountains, and water used for entertainment.
4. Discontinuance of all exterior water usage, including irrigation.
5. Discontinuance of all non-essential water usage.



Section 4. Database Management

4.1 Database Management

The water use management program information is maintained and managed in the Castle Rock Water billing system, including alternative irrigation schedules, exemptions, and enforcement actions.

This information is managed on an annual basis. Alternative schedule requests must be submitted and approved for each applicable irrigation season. Enforcement action is accomplished on an annual basis as well, and water waste enforcement occurs throughout the year.



Section 5. Rain Water Collection

5.1 Rain Barrels

On Aug. 10, 2016, it became legal to capture rainwater. According to Colorado law, homeowners can have two fifty-five (55) gallon rain barrels to be used for outdoor purposes. For more information, visit:

<https://dwr.colorado.gov/services/water-administration/rainwater-storm-water-graywater>

A fact sheet is also included as *Exhibit 10*.

FREQUENTLY ASKED QUESTIONS

Who can collect water under this law?

Any single-family residence or multi-family residence with four (4) or fewer units. Each home in a row of homes joined by common sidewalls, such as duplexes, triplexes, or townhomes, is considered a single-family residence. See the Rainwater Collection Information Table for additional details.

Do I need a permit through the Division of Water Resources before I start collecting precipitation?

No permit or other approval is required for capture and use of precipitation in rain barrels with a combined storage capacity of one-hundred-ten (110) gallons in accordance with Section 37-96.5-103, C.R.S. (This section was established by House Bill 16-1005)

Where can I collect the water from?

From the roof of a building that is used primarily as a residence.

How much water can I collect?

You can fill and refill two (2) rain barrels with a combined storage capacity up to one-hundred-ten (110) gallons throughout the year.

What can I collect the water in?

Water must be collected in rain barrels, up to one-hundred-ten (110) gallon total capacity, with sealable lids.

What can I use the water for?

Outdoor uses, such as lawn and garden irrigation, on the property where the water was collected. Though the rainwater can legally be used for a variety of outdoor uses (car washing, livestock watering, hot tub filling, irrigation, etc.) rainwater users should evaluate the quality of the collected rainwater to ensure it is appropriate for the proposed outdoor use. The water cannot be used for drinking water or indoor



Appendices

Exhibit 1	Water Restriction Code – Chapter 13.15
Exhibit 2a	Sample Residential Communication
Exhibit 2b	Sample Water Schedule
Exhibit 3	Sample Non-Residential Communication
Exhibit 4a	Residential Irrigation Exemption Request
Exhibit 4b	Non-Residential Temporary Irrigation Exemption Request
Exhibit 5	Exemption Placard
Exhibit 6a	Founders Village Special Schedule Communication
Exhibit 6b	Founders Village Special Watering Schedule
Exhibit 7	Water monitor Training Guidelines
Exhibit 8	Sample Warning Postcard 1st Violation
Exhibit 9	Sample Subsequent Enforcement Postcard 2nd Violation
Exhibit 10	DWR Rainwater Collection Information Table

Chapter 13.15 - Water Restrictions

13.15.010 - Definitions.

Irrigation season means the period between April 1 and October 31, inclusive, of each year.

Owner means the person or entity who is the owner of the real property receiving utility services, as shown in the public records of the County Assessor; provided, however, that if title is held in representative capacity, or the right to possession, use, and control of the property has been judicially vested in another party, such equitable owner(s) shall have the rights and responsibilities afforded and imposed by this Chapter.

Program Administrator means the Director of Castle Rock Water, or his or her designee.

Responsible party means the person or group identified by the owner as such, including property manager, or homeowner's association representative.

Restriction period means the period of time during the irrigation season which restrictions on lawn and landscaping irrigation is restricted to a defined/designated irrigation schedule.

Utility bill means the periodic statement of utility charges issued in accordance with [Section 13.14.040](#).

(Ord. No. [2018-005](#), § 1, 4-3-2018; Ord. 2000-10 § 1(part), 2000; Ord. 97-18 § 1(part), 1997; Ord. 93-5 § 2(part), 1993)

13.15.020 - Regulations.

The following regulations shall apply to the time and date for use of water for lawn and landscaping irrigation during the restriction period:

A. Irrigation schedules shall be established by the Program Administrator prior to the commencement of the restriction period.

B. In order to stagger the demand on the Town's water delivery system during the restriction period, residential lawn and landscape irrigation shall be restricted to every third day in accordance with the following procedure:

1. Residential properties with an assignment address ending in digit zero (0) through three (3) is designated by a square (□), digit four (4) through six (6) by a circle (○) and digit seven (7) through nine (9) by a diamond (◇).
2. Those non-residential properties for which several taps, services and/or addresses exist, the appropriate designated schedule shall be determined by the Program Administrator prior to commencement of the restriction period.

C. Annually, not later than thirty (30) days prior to commencement of the restriction period, the Program Administrator shall designate in writing the permissible watering days for each circle, square and diamond address, which shall be kept on file with the Town Clerk, posted in a conspicuous place at the Town's

administrative offices and published on the Town of Castle Rock websites (CRconserve.com and CRgov.com); provided however, that the failure to make such timely designation shall not impair the enforceability of the ordinance codified in this Chapter .

(Ord. No. [2018-005](#), § 2, 4-3-2018; Ord. No. [2017-027](#), § 17, 9-19-2017; Ord. 2000-10 § 1(part), 2000; Ord. 99-10 § 1, 1999; Ord. 97-18 § 1(part), 1997; Ord. 93-5 § 2(part), 1993)

13.15.030 - Alternative schedules.

In the event the Program Administrator determines a hardship/special circumstance exists for any owner, due to an irrigation requirement which cannot be met under the provisions of this Chapter, alternative schedules may be approved by the Program Administrator.

- A. The owner shall request an alternative schedule, verbally or in writing, to the Program Administrator, detailing the purpose of the request for an alternative schedule.
- B. If, upon review, the Program Administrator determines that granting an alternative schedule will not significantly impact the water system, the Program Administrator will notify the requestor of its determination and identify any conditions to the grant of the alternative schedule, and specifically identify the effective date, and the expiration date.

(Ord. No. [2018-005](#), § 3, 4-3-2018; Ord. 2000-10 § 1(part), 2000; Ord. 97-18 § 1(part), 1997; Ord. 93-5 § 2(part), 1993)

13.15.040 - Surcharges.

- A. Waste of potable water shall not be permitted. Waste is defined as application of potable water not resulting in beneficial use of the water. Waste violations shall be those fines set forth in the Town's Water Use Management Plan in effect at the time of the use.
- B. Single-family surcharges are intended to reinforce the Town's conservation policies and discourage customers from consuming excessive amounts of water.

Single-family customers (as defined in [Section 13.12.111](#)) using more than forty thousand (40,000) gallons of water in a billable month shall be assessed a surcharge. See Crgov.com/water and click "Rates" on the left side of the page for the current year's applicable surcharge.

The surcharge shall be in addition to the monthly charges for water set forth in [Section 13.12.112](#).

(Ord. No. [2018-031](#), § 13, 9-18-2018; [Ord. No. 2017-027, § 18, 9-19-2017](#); [Ord. No. 2016-030, § 18, 9-20-2016](#); [Ord. No. 2015-46, § 14, 11-3-2015](#); [Ord. No. 2014-31, § 11, 11-18-2014](#); Ord. 2013-34 § 12, 2013; Ord. 2012-30 § 9, 2012; Ord. 2011-31 § 7, 2011; Ord. 2010-34 § 8, 2010; Ord. 2009-32 § 3, 2009; Ord. 2009-22 § 1, 2009; Ord. 2007-43 § 1, 2007; Ord. 2004-37 § 1, 2004; Ord. 2000-10 § 1(part), 2000; Ord. 97-18 § 1(part), 1997; Ord. 93-5 § 2(part), 1993)

13.15.050 - Enforcement.

- A. The owner or responsible party shall be responsible for compliance with the provisions of this Chapter and will be subject to surcharges for noncompliance. Surcharges for violations of Sections [13.15.020](#) and [13.15.030](#) shall be those surcharges set forth in the Town's Water Use Management Plan in effect at the time of the violation.
- B. The Town reserves the ability to immediately terminate irrigation or other wasting for due cause with the Program Administrator's approval, and not to be reinstated until the system or use comes into compliance with this Chapter.

(Ord. 2004-37 §2, 2004; Ord. 2000-10 §1(part), 2000; Ord. 97-18 §1(part), 1997; Ord. 93-5 §2(part), 1993)

13.15.060 - Appeals.

Appeals of such penalties may be brought before the Town Manager or such other person designated by the Town Manager to hear such appeals. The appeal process of [Section 13.14.080](#) shall apply to such appeals.

(Ord. 2000-10 §1(part), 2000; Ord. 97-18 §1(part), 1997; Ord. 93-5 §2(part), 1993)

- **13.15.070 - Other actions authorized.**

Nothing contained herein shall preclude the Town or its officials from pursuing further injunctive relief, requesting the court to issue a restraining order or injunction precluding an offender from further use of the Town's potable water system for outside irrigation, during the balance of the irrigation season.

(Ord. 2000-10 §1(part), 2000; Ord. 97-18 §1(part), 1997; Ord. 93-5 §2(part), 1993)

- **13.15.080 - Restrictive covenants.**

A. Definitions.

Restrictive covenant means any form of declaration of covenants, design guidelines, policies, conditions, restrictions or similar nongovernmental mechanisms for controlling land use on private property, including rules, regulations or guidelines implemented under the authority of restrictive covenants. Restrictive covenants shall not include any Town code or regulation.

Turf or turf grass means continuous plant coverage consisting of hybridized grasses that, when regularly mowed, form a dense growth of leaf blades and roots.

- B. No person shall enforce or seek to enforce any provision contained in any restrictive covenant that has the effect of requiring that an area of any lot, or any minimum percentage of a lot, be landscaped with turf grass. However, this prohibition shall not preclude the enforcement of restrictive covenants requiring the watering and regular maintenance of turf grass.
- C. Any person who violates Subsection 13.15.080.B shall be punished by a fine of not more than one thousand dollars (\$1,000.00). Each such person shall be guilty of a separate offense for each and every day during any portion of which any violation is committed, continued or permitted by any such person.
- D. Any new restrictive covenant that prohibits or limits the installation or use of drought-tolerant vegetative landscapes is prohibited.

(Ord. 2004-57 §1, 2004)

Example Residential Communication

Exhibit 2a



Conservation is simple. Smart and everyday decisions can add up to enormous water savings. Together, let's reduce our water use by another 20 percent!

Water used for outdoor landscaping accounts for the largest demand on our water system. Castle Rock incorporated water use management guidelines to help create a community culture that embraces water efficiency. Increasing water efficiency can save the Town and its rate payers millions of dollars in infrastructure, help stabilize future rate increases, protect property owners' investment, and most importantly, extend the life of the aquifers. And it works – Castle Rock residents have conserved 20 percent since implementation!

One tool in our water use management program is a watering schedule. This demand management tool allows us to manage adequate volume and pressures within the water distribution system during landscape irrigation season.

Watering schedule

Castle Rock residents have followed an every-third-day irrigation schedule since 1985, which has proven to reduce peak demand as well as increase conservation. This schedule is in effect May 1st – September 30th for all customers, and is based on the last number of your address.

Watering hours

For residential customers, watering is allowed on your designated day before 8 a.m. or after 8 p.m. During these hours humidity is higher, and there is a reduction in solar radiation, temperatures, and winds. Watering during these times reduces water loss through evaporation.

Water Wiser Workshops

With potentially 20 to 75 percent of our water wasted through inefficient irrigation and poor water management, these workshops show how to improve the efficiency of your sprinkler system, detect water waste, and better understand your landscape watering needs. Completion of this workshop earns you a "Water Wiser" designation and exempts you from the every-third-day watering schedule. There is no charge to attend these workshops. As introduced in 2018, your Water Wiser designation expires after five years, at which time you must retake the course. Register for workshops at CRconserve.com/waterwiser.

Rebates

All Castle Rock customers are eligible to apply for rebates. Those rebates include:

- ColoradoScape renovation
- Rotary nozzle retrofit
- Toilet retrofit
- Whole home / building water monitoring system

Visit CRconserve.com/rebates for full program details, eligibility requirements, and applications.

ColoradoScape

Residents are encouraged to integrate ColoradoScape designs. These designs use low to very-low water use plant material which blends in with the native Castle Rock landscapes. This type of landscape features hardscape and other landscape materials which provide a variety of colors, textures, sizes, shapes, and seasonal interest. Returning this summer, a Parade of ColoradoScapes and landscape make-over contest. Watch for more details!

Irrigation exemptions

When installing a new landscape, an irrigation exemption allows any day watering, as needed, 21 days for sod and 30 days for seed or other plant material. This exemption does not give you any more water; it simply removes the every-third-day watering schedule during the exemption period. Watering is not permitted between the hours of 8 a.m. and 8 p.m. Irrigation exemptions will not be issued or applicable during the month of July. See Crgov.com/water and click “Rates” on the left side of the page for the current year’s applicable exemption fee.



2023 WATERING SCHEDULE RESIDENTIAL

On your watering day, water only: **before 8 a.m. or after 8 p.m.**

Your schedule is determined
by your street address.

- Addresses ending in 0, 1, 2, 3
- Addresses ending in 4, 5, 6
- Addresses ending in 7, 8, 9

*Certain streets in Founders Village have a
special schedule, mailed separately.*

MAY

Sun	Mon	Tues	Wed	Thur	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE

Sun	Mon	Tues	Wed	Thur	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

JULY

Sun	Mon	Tues	Wed	Thur	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

AUGUST

Sun	Mon	Tues	Wed	Thur	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER

Sun	Mon	Tues	Wed	Thur	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30



The Town of Castle Rock is committed to the wise development and use of its water resources. Our goal is to create a community culture that embraces water efficiency with smart water management techniques, promotes the use of efficient irrigation equipment, and encourages the use of ColoradoScape design principles. Water efficiency can save the Town and its rate payers millions of dollars in infrastructure, help stabilize future rate increases, protect property owners' investment, and most importantly, extend the life of the aquifers.

One tool in our water use management program is a watering schedule. This demand management tool allows us to manage adequate volume and pressures within the water distribution system during landscape irrigation

Watering schedules

This watering schedule is in effect May 1st – September 30th.

- Non-residential properties must adhere to a fixed three-day per week watering schedule
- Properties west of I-25 are designated Monday, Wednesday, and Friday
- Properties east of I-25 are designated Tuesday, Thursday, and Saturday
- Irrigation shall begin no earlier than 12 a.m. and be completed no later than 8 a.m. on the designated day.

season.

Rebates

All Castle Rock customers are eligible to apply for rebates. Those rebates include:

- ColoradoScape renovation
- Rotary nozzle retrofit
- Toilet retrofit
- Whole home / building water monitoring system

Visit CRconserve.com/rebates for full program details, eligibility requirements, and applications.

Irrigation exemptions

When installing a new landscape, customers may apply for an irrigation exemption. Exemptions allows for daily watering, as needed up to 30 days, to allow for establishment of native seed or other plant material. This exemption does not give you more water; it simply removes the three-day per week schedule during the exemption period. Watering is not permitted between the hours of 8 a.m. and midnight. Irrigation exemptions will not be issued or applicable during the month of July. Soil inspections must be completed before issuance of the exemption. See Crgov.com/water and click "Rates" on the left side of the page for the current year's applicable exemption fee.

ColoradoScape

We encourage non-residential properties to incorporate ColoradoScape designs. These designs use low to very-low water use plant material which blends in with the native Castle Rock landscapes, incorporating hardscape and other materials, which provide a variety of colors, textures, sizes, shapes, and seasonal interest. Returning this summer, a Parade of ColoradoScapes and landscape make-over contest. Watch for more details!

New installation

All non-residential areas and open spaces are restricted from using Kentucky Bluegrass. New or renovated streetscapes (islands, medians, roundabouts, easements, planting strips) cannot have turf grass and plant material must be limited to 10" of water per growing season.

We appreciate your continued commitment to saving water to ensure a strong future. We look forward to working with you throughout the irrigation season and welcome any comments or questions.

**Application**

To apply for a temporary watering exemption, please complete the form.

An \$10 fee will be assessed on the water billing account associated with this property address.

Exemption Period

The exemption period for new sod is up to 21 days and seed and other plant material up to 30 days from the date of installation for the identified property and locations. You will receive your placard within approximately five business days. Place this placard in a location clearly visible from the street during the exemption period. This exemption does not give you any more water, just more time to apply the water. A temporary watering exemption allows for daily watering between the standard schedule hours of before 8 a.m. and after 8 p.m.

Please note: Exemptions are not issued or applicable in the month of July. Additional exemptions will not be issued for the same area within the same or consecutive growing season.

During the exemption period, Conservation Surcharges will not apply. Exemptions requested after the installation of new sod or other plant material will be effective from the date of installation, and only be retroactive to the most recent billing period.

First Name*

Last Name*

Address of Property Requiring Exemption*

City*

State*

Zip Code*

Phone Number*

xxx-xxx-xxxx

Email Address*

Mailing Address (if different from above)

City

State

Zip Code

Reason for Exemption Request*

- ☐ New sod
☐ New seed
☐ Other plant materials (such as trees, shrubs)

Location*

Check all that apply:

- ☐ Front
☐ Back
☐ Side

Date sod / seed
installed:*

Is sod being installed or contracted by the builder?*

- ☐ Yes
☐ No

Automatic irrigation system

- ☐ Yes
☐ No

Type of soil preparation materials used.

This material shall be tilled to a minimum 6-inch depth.

Notes

Hydro-seed installation requires "Special Schedule Submittal". Please call 720-733-2306

Application

To apply for a temporary irrigation exemption, please complete the form below.

The exemption period for new sod is up to 21 days and seed and other plant material up to 30 days from the date of installation.

An \$10 fee will be assessed on the water billing account associated with this property address.

Please note: Exemptions are not issued or applicable in the month of July.

Property Address Requiring Exemption:*

Company Name*

Company Phone*

xxx-xxx-xxxx

Company Email

Registered Landscaper*

Registration Number*

Reason for Exemption Request*

- ☐ New sod
- ☐ New seed
- ☐ Other plant materials (e.g. trees, shrubs)

Total square footage

Type of soil preparation materials used. This material should be tilled to a minimum 6" depth.*

Soil Inspection Date*

Date sod/seed installed:*

Backflow prevention test date (if applicable)*

If irrigation system was builder/developer installed, please list Building/Irrigation Permit

Hydro-seed installation requires "Special Schedule Submittal". Please call 720-733-2306.



TEMPORARY IRRIGATION EXEMPTION

Address/Location: _____

5/1-5/20

WATERING HOURS

Residential before 8 a.m. or after 8 p.m. Non-residential midnight - 8 a.m.

Irrigation, as needed, is allowed for the property and location as described in the exemption application. This placard shall be posted in a location which is visible from the street. Upon expiration of the exemption, please follow all restrictions currently in place. This exemption will not increase the amount of your monthly water budget. Conservation Surcharges will not apply during the exemption period only. Water waste is not allowed during the exemption period, and may be subject to a violation. Exemptions will not be issued or applicable during the month of July.



NOTICE: This exemption is issued pursuant to the provisions of Chapter 13.15 of the Municipal Code of the Town of Castle Rock, and is subject to revocation should conditions require.

Approved: _____ Date: _____

Authorized Staff Signature

General guidelines to establish a new lawn

Week 1: Water 2-3 times per night

Week 2: Water 1-2 times per night

Week 3: Water every other night

Week 4: Adjust according to Town watering schedule or every third day

These guidelines may need to be adjusted based on current weather conditions.

If establishing a new lawn during the restriction period, May through September, daytime watering between 8:00am and 8:00pm is **NOT** allowed. Hand watering can take place at any time.

Exemptions will not be issued or applicable during the month of July.

It's important to note, during the establishment period, with an irrigation exemption, your individual water budget is not increased. You are responsible for all water used during the establishment period. The irrigation exemption allows for watering as needed and will waive any conservation surcharges.

Water your lawn during evening, overnight, or early morning hours. Between 8pm and 8am there is less wind, lower temperatures, and higher humidity. These conditions allow for more effective application of water and reduced evaporation.

Use the cycle and soak method to prevent runoff. Multiple short cycles, with time in between, will allow water to soak into the root system without running off.



April 1, 2023

RE: FOUNDERS VILLAGE SPECIAL SCHEDULE AREA

This year's Watering Schedule was mailed to you during the first week of April. As many of you long-time Founders area residents know, each year you receive a "special watering schedule" assignment for your address.

The addresses in your area end in similar numbers, so the normal assignment, as indicated by the last digit in your address could create low pressure problems if watering is done on the same day. As we have done in the past, your watering day symbol has been assigned to an alternate watering day.

Please locate your address on the enclosed list and note the "special" assignment. Irrigation is allowed on the day that corresponds to the assigned symbol as shown on the attachment.

Watering is allowed on your assigned day before 8 a.m. or after 8 p.m. when watering is more efficient due to reduced evaporation, cooler temperatures, and less winds. These hours will help you take advantage of watering when it is most effective.

Thank you for your cooperation. If you have any questions regarding this special schedule, please, contact us at 720-733-2306.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Schultz".

Rick Schultz
Water Conservation Specialist

175 Kellogg Court, Castle Rock, Colorado 80109 / Office 720-733-6000 / CRgov.com/water



Founders Area Special Watering Schedule



Locate your address and note the assigned symbol which specifies your designated watering day.

<p><u>Aspen Ave.</u></p> <p>5220 = Circle</p> <p>5240 = Diamond</p> <p>5241 = Diamond</p> <p>5261 = Circle</p> <p>5280 = Circle</p> <p>5300 = Diamond</p> <p>5301 = Diamond</p> <p>5321 = Circle</p> <p>5340 = Circle</p> <p>5360 = Diamond</p> <p>5361 = Diamond</p> <p>5400 = Circle</p> <p>5401 = Circle</p>	<p><u>Cherry St. – cont.</u></p> <p>277 = Circle</p> <p>296 = Diamond</p> <p>306 = Square</p> <p>307 = Square</p> <p>327 = Circle</p> <p>346 = Diamond</p> <p>367 = Square</p>	<p><u>E. Kensington Ave.</u></p> <p>5233 = Circle</p> <p>5245 = Diamond</p> <p>5257 = Circle</p> <p>5270 = Circle</p> <p>5290 = Diamond</p> <p>5293 = Circle</p> <p>5305 = Diamond</p> <p>5317 = Square</p> <p>5330 = Circle</p> <p>5341 = Circle</p> <p>5350 = Diamond</p> <p>5371 = Circle</p> <p>5390 = Circle</p> <p>5391 = Diamond</p>	<p><u>Spruce Ave.</u></p> <p>5248 = Circle</p> <p>5257 = Square</p> <p>5258 = Square</p> <p>5277 = Circle</p> <p>5287 = Square</p> <p>5317 = Circle</p> <p>5357 = Square</p> <p>5358 = Circle</p> <p>5397 = Square</p> <p>5441 = Diamond</p> <p>5461 = Circle</p> <p>5462 = Diamond</p> <p>5501 = Diamond</p> <p>5502 = Circle</p> <p>5521 = Circle</p> <p>5532 = Diamond</p> <p>5561 = Diamond</p>
<p><u>Bristol St.</u></p> <p>15 = Circle</p> <p>25 = Square</p> <p>34 = Square</p> <p>35 = Diamond</p> <p>44 = Diamond</p> <p>55 = Square</p> <p>75 = Diamond</p> <p>104 = Diamond</p> <p>105 = Square</p> <p>135 = Diamond</p> <p>144 = Square</p> <p>174 = Diamond</p> <p>195 = Square</p> <p>205 = Diamond</p> <p>214 = Square</p> <p>235 = Square</p> <p>244 = Diamond</p> <p>245 = Diamond</p>	<p><u>E. Hamilton Ave.</u></p> <p>5126 = Square</p> <p>5166 = Diamond</p> <p>5186 = Square</p> <p>5216 = Diamond</p> <p>5226 = Square</p> <p>5246 = Diamond</p> <p>5256 = Square</p> <p>5276 = Diamond</p> <p>5286 = Square</p> <p>5306 = Diamond</p> <p>5326 = Square</p> <p>5366 = Diamond</p> <p>5386 = Square</p>	<p><u>E. Manchester Dr.</u></p> <p>5359 = Circle</p> <p>5379 = Square</p> <p>5407 = Circle</p>	<p><u>E. Weston Ave.</u></p> <p>5343 = Diamond</p> <p>5353 = Circle</p> <p>5373 = Diamond</p> <p>5383 = Circle</p> <p>5374 = Square</p>
	<p><u>Holcomb St.</u></p> <p>5270 = Diamond</p> <p>5271 = Diamond</p> <p>5290 = Circle</p> <p>5291 = Circle</p> <p>5301 = Diamond</p> <p>5321 = Diamond</p> <p>5340 = Circle</p> <p>5341 = Circle</p>	<p><u>Ponderosa St.</u></p> <p>154 = Diamond</p> <p>155 = Square</p> <p>174 = Square</p> <p>195 = Diamond</p> <p>214 = Diamond</p> <p>215 = Square</p> <p>234 = Square</p> <p>255 = Diamond</p> <p>274 = Diamond</p> <p>275 = Square</p> <p>295 = Diamond</p>	<p><u>Willow Ct.</u></p> <p>5304 = Diamond</p> <p>5305 = Square</p> <p>5324 = Square</p> <p>5325 = Diamond</p> <p>5364 = Diamond</p> <p>5365 = Square</p>
<p><u>S. Carlton St.</u></p> <p>815 = Diamond</p>	<p><u>N. Holcomb St.</u></p> <p>110 = Circle</p>	<p><u>Sandpiper Ave.</u></p> <p>5242 = Circle</p> <p>5262 = Diamond</p> <p>5263 = Diamond</p> <p>5283 = Circle</p> <p>5302 = Circle</p> <p>5322 = Diamond</p> <p>5323 = Diamond</p> <p>5343 = Circle</p> <p>5362 = Circle</p>	<p><u>Willow St.</u></p> <p>34 = Square</p> <p>54 = Diamond</p> <p>94 = Square</p> <p>114 = Diamond</p> <p>174 = Square</p> <p>194 = Diamond</p> <p>234 = Square</p> <p>254 = Diamond</p> <p>294 = Square</p> <p>314 = Diamond</p> <p>344 = Square</p> <p>364 = Diamond</p> <p>394 = Square</p>
<p><u>Cherry St.</u></p> <p>157 = Square</p> <p>176 = Diamond</p> <p>177 = Circle</p> <p>217 = Circle</p> <p>236 = Diamond</p> <p>237 = Circle</p> <p>256 = Square</p> <p>267 = Square</p>	<p><u>E. Howe St.</u></p> <p>5256 = Square</p> <p>5276 = Diamond</p> <p>5279 = Circle</p> <p>5306 = Square</p> <p>5326 = Diamond</p> <p>5329 = Circle</p> <p>5349 = Square</p> <p>5366 = Square</p>		



Program Background

- Water resource information
- Program history
- Overview of implementation policy contents

General Employee Information

- Personnel guideline distribution
- Employee identification (attire, identification card)
- Care of Town equipment (flashlights/video/photo equipment/laptops/tablets, etc.)
- Use of Town vehicles
- Interaction with other Town employees

General Duties

- Public education
- Violation logging

Safety

- Vehicle operation
- Driving hazards
- Customer contact

Customer Service/Public Outreach

- Logging customer issues and concerns for management review
- Calendar dissemination
- Water conserving landscaping fact sheets (CRconserve.com)
- Automatic sprinkler system operation
- General water conservation information
- Rebate program information
- FAQs from CRconserve website
- Supervisory referrals

Information/Data Management

- Logging all customer contacts
- Logging of violations
- Violation processing

Irrigation System Training

- Identification of automatic system components
- Use of hoses

Types of Irrigation Schedules

- Regular residential and non-residential areas

- Water Wiser every-third-day exemptions
- Exemptions

Exemptions

- How to obtain
- Reasons to obtain (new plant material, disease mitigation, fertilization, hydro-seeding)
- Placard display and information

Special Water Uses

- Low pressure areas (Founders Village special schedule)
- Hand watering
- Water for entertainment
- Car washing
- Fountains
- Irrigation system check and repair
- Water waste criteria

Non-residential Areas/Special Schedules

- Town managed properties
- HOA/District managed properties

Sample Warning Postcard 1st Violation

Exhibit 8

Date: Time: Account #

Efficient water use is part of living in Castle Rock's semi-arid, high desert climate where every drop of water counts - whether it's pumped fresh from a well or saved through reduced lawn irrigation.

Wise water use is something we value at the Town. It's the small, everyday decisions that add up to long term water savings.

We observed at your location, the following:

This year's watering schedule was distributed by mail at the beginning of the irrigation season. For additional copies or tips on how to conserve, visit CRconserve.com.

Your cooperation is greatly appreciated.

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

Questions? Call 720-733-2306



Sample Subsequent Enforcement Postcard 2nd Violation

Exhibit 9

Date: _____ Time: _____ Account # _____

Address: _____

Location: _____

Please be advised the above information constitutes a violation of the *Town of Castle Rock Municipal Code Chapter 13.15: Water Restrictions*. The information below indicates the amount your water bill will be surcharged. Subsequent violations will result in additional enforcement actions, including surcharges and potential termination of water service.

Water Violation Number _____

Surcharge Amount \$ _____

Requests for appeal must be received in writing at the address shown below within ten business days of the date of this notice.

(per *Town of Castle Rock Municipal Code Chapter 13.14.080*)

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

Questions? Call 720-733-2306





COLORADO
Division of Water Resources
Department of Natural Resources



Rainwater Collection Information Table

May, 2020

Pursuant to legislation passed in 2016 (House Bill 16-1005), many Colorado residents are able to collect rainwater in up to two rain barrels with a combined storage capacity not to exceed 110 gallons for outdoor uses. But did you know that residents with certain types of water wells may *also* be able to collect rainwater for the uses allowed on their well permit? These residents may be able to have *additional* rain barrels pursuant to Senate Bill 09-080.

The table below provides examples of how different residences in Colorado may be able to collect rainwater. Additional information about rainwater collection in Colorado can be found on the Rainwater Collection page on the Division of Water Resources' (DWR) website at: Colorado.gov/water

Your water supply scenario:	Can I use rain barrels as allowed under HB16-1005*? (Limit of two rain barrels with a combined storage capacity not to exceed 110 gal.)	Can I have <i>additional</i> rain barrels in accordance with SB09-080**? (Note that a Precipitation Collection Permit is required before you start collecting water in these additional rain barrels!)
A single family house on tap water	Yes	No
2 to 4 unit multi-family building (apartments or condominiums) with tap water	Yes, 110 gallons per building	No
5 or more unit multi-family building (apartments or condominiums) with tap water	No	No
Townhome (one residence in a row of residences joined by common side walls) on tap water	Yes, 110 gallons per residence	No

Questions can be submitted to Ask DWR by visiting the DWR homepage at: www.colorado.gov/water

Page 1/4

Your water supply scenario (continued):	Can I use rain barrels as allowed under House Bill 16-1005*? (Limit of two rain barrels with a combined storage capacity not to exceed 110 gal.)	Can I have <i>additional</i> rain barrels in accordance with Senate Bill 09-080**? (Note that a Precipitation Collection Permit is required before you start collecting water in these additional rain barrels!)
A single family house on an exempt/small capacity domestic well that has a permit for some combination of: inside uses in up to three single-family dwellings, up to one acre of residential lawn and garden, domestic animal watering (such as horses), and livestock watering	Yes	Yes, additional rainwater may be captured for those outdoor <i>and</i> indoor uses that are allowed on the well permit.
A single family house on an exempt/small capacity household use only well	Yes	Yes, additional rain barrels are allowed to capture water for household purposes <i>inside</i> the dwelling. However, only the 110 gallons allowed under HB16-1005 may be collected for outdoor uses.
A single family house on tap water- there is an old exempt/small capacity well (drilled prior to May 8, 1972) that we still use to water the lawn	Yes	No
A single family house on a well that is operated pursuant to a Plan for Augmentation (non-exempt/large capacity well)	Yes	No
A single-family house with an unpermitted well that has been in use since prior to May 8, 1972. The well continues to be used for the house and yard.	Yes	Maybe. You will need to apply to register your well first. If DWR is able to approve a residential well permit, and you are not in a water service area, you could capture water for purposes allowed by your new well permit.
A single-family house with a residential well but the permit number or permit type is unknown	Yes	Maybe. It will depend on the well permit and other sources of water supply. You can look up your well permit through DWR's Well Permit Search Tool. If you're having trouble finding your permit please contact DWR via the information on page 4.

Questions can be submitted to Ask DWR by visiting the DWR homepage at: www.colorado.gov/water

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Rainwater Collection Information Table: Additional Information

Exempt Wells versus Non-Exempt Wells

The table on pages 1 and 2 reference “exempt/small capacity wells” and “non-exempt/large capacity wells”. *What is an exempt/small capacity well versus a non-exempt/large capacity well and which type do I have?*

- Exempt/small capacity wells are often residential wells that serve no more than three single family dwellings.
- Exempt/small capacity wells typically have a five or six digit permit number and do not have a suffix (other than “-A” in the case of replacement wells).
- Non-exempt/large capacity wells often have a “-F” and/or “-R” at the end of the permit number.

For more details on exempt/small capacity and non-exempt/large capacity wells, see the Well Permitting page on the DWR website (Colorado.gov/water).

*House Bill 16-1005: Concerning the use of rain barrels to collect precipitation from a residential rooftop for non-potable outdoor uses (effective August 10, 2016)

Who can collect water under this law? Any single family residence or multi-family residence with 4 or fewer units. Each home in a row of homes joined by common side walls, such as duplexes, triplexes, or townhomes, is considered a single family residence.

Do I need a permit through DWR before I start collecting precipitation? No permit or other approval is required for capture and use of precipitation in rain barrels with a combined storage capacity of 110 gallons in accordance with HB 16-1005.

Where can I collect the water from? From the roof of a building that is used primarily as a residence.

How much water can I collect? You can fill and refill two rain barrels with a combined storage capacity up to 110 gallons throughout the year.

What can I collect the water in? Water must be collected in rain barrels (up to 110 gallon total capacity) with sealable lids.

What can I use the water for? Outdoor uses, such as lawn and garden irrigation, on the property where the water was collected. Though the rainwater can legally be used for a variety of outdoor uses (car washing, livestock watering, hot tub filling, irrigation, etc.) rainwater users should evaluate the quality of the collected rainwater to ensure it is appropriate for the proposed outdoor use. The water cannot be used for drinking water or indoor household purposes.

Will standing water in the rain barrels create a mosquito problem? Rain barrels must have sealable lids to prevent insects or other pests from using the stored water. See the [Colorado Department of Public Health and Safety](#)'s website for more information.

****Senate Bill 09-080: Concerning limited exemptions for water collected from certain residential rooftops**

Who can collect water under this law (SB 09-080)? Any residence that has, or can qualify for, an exempt/small capacity residential well permit through DWR. This law operates independently of HB16-1005.

If I do not have a well or well permit, how do I know if my property qualifies for a well permit? This will be determined by the Division of Water Resources when you apply for the required precipitation collection permit.

Do I need a permit through DWR before I start collecting precipitation? Yes, before you begin to collect precipitation in connection with an exempt/small capacity well permit, you need to obtain a rooftop precipitation collection permit. For more information, see the *Rooftop Precipitation Collection System* permit application (form GWS-78) and the Fact Sheet for *Rainwater Collection on Properties with Residential Wells*, located on the Rainwater Collection page on the DWR website at: Colorado.gov/water

Where can I collect the water from? From the roof of a building that is used primarily as a residence.

How much water can I collect? There is no limit to the amount of water you can collect, so long as you are collecting the water from the roof of a building that is used primarily as your residence.

What can I collect the water in? Rain barrels or other types of water storage structures. Be sure to still follow best practices for mosquito management.

What can I use the water for? Those residential uses that are allowed on the exempt/small capacity well permit, which may include both indoor and outdoor uses, depending on the well permit.

Other important information:

- If the residence is served by a water system (such as a water tap from a municipal provider or a shared well) that supplies more than three single family dwellings, then precipitation collection is not allowed under this law.
- Please review the above information on SB09-080 before completing and submitting an application for a Rooftop Precipitation Collection System permit (form GWS-78). If your well has not been permitted or registered, you will also need to register/permit your well before applying. See additional information on registration and permitting on the Well Permitting page on the DWR website at: Colorado.gov/water

2023 WUMP Summary of Changes

Section 5.1

- Corrected the Colorado Division of Water Resources website address.
- Frequently asked questions were updated to match the Colorado Division of Water Resources website.

Exhibit 2a (Residential communication)

- Rebate information has been updated to reflect the 2023 changes in the rebate program.
- Irrigation exemption fees have been corrected to match the 2023 rates and fees.

Exhibit 2b (Watering schedule)

- The watering schedule was updated to the current year.

Exhibit 3 (Non-residential communication)

- Rebate information has been updated to reflect the 2023 changes in the rebate program.
- Irrigation exemption fees have been corrected to match the 2023 rates and fees.

Exhibit 4a (Residential Temporary Irrigation Permit)

- This was updated with the current application / fees.

Exhibit 4b (Non-Residential Temporary Irrigation Permit)

- This was updated with the current application / fees.

Exhibit 10 (Rainwater Collection Information Table)

- This was updated to reflect the current information from the Colorado Division of Water Resources.

All exhibits were updated to include titles.

2022 Violation Summary: 5-month season, 6 water monitors

1st Residential Watering Violation: violations 2,053
2nd Residential Watering Violation: 309 violations, \$7,300.00
3rd Residential Watering Violation: 61 violations, \$3,000.00
4th Residential Watering Violation: 15 violations, \$1,400.00
5th Residential Watering Violation: 4 violations, \$800.00
Subsequent Residential Watering Violation: 1 violations, \$200.00
Total residential violations: 2,443 violations, \$12,700.00

1st Non-Residential Watering Violation: 210 violations
2nd Non-Residential Watering Violation: 98 violations, \$9,700.00
3rd Non-Residential Watering Violation: 73 violations, \$12,800.00
4th Non-Residential Watering Violation: 45 violations, \$16,800.00
5th Non-Residential Watering Violation: 25 violations, \$18,400.00
Subsequent Non-Residential Watering Violation: 42 violations, \$31,200.00
Total non-residential violations: 493 violations, \$88,900.00
Grand total: 2,936 violations, \$101,600.00

2021 Violation Summary: 5-month season, 2 water monitors

1st Residential Watering Violation: violations 1,731
2nd Residential Watering Violation: 255 violations, \$5,900.00
3rd Residential Watering Violation: 49 violations, \$2,250.00
4th Residential Watering Violation: 13 violations, \$1,200.00
5th Residential Watering Violation: 4 violations, \$800.00
Subsequent Residential Watering Violations: 4 violations, \$600.00
Total residential violations: 2,056 violations, \$10,750.00

1st Non-Residential Watering Violation: 171 violations
2nd Non-Residential Watering Violation: 60 violations, \$5,900.00
3rd Non-Residential Watering Violation: 34 violations, \$6,800.00
4th Non-Residential Watering Violation: 16 violations, \$6,400.00
5th Non-Residential Watering Violation: 7 violations, \$5,600.00
Subsequent Non-Residential Watering Violation: 17 violations, \$13,600.00
Total non-residential violations: 305 violations, \$38,300.00
Grand total: 2,361 violations, \$49,050.00

2020 Violation Summary: 5-month season, 4 water monitors

1st Residential Watering Violation: violations 3,278
2nd Residential Watering Violation: 641 violations, \$15,050.00
3rd Residential Watering Violation: 121 violations, \$5,500.00
4th Residential Watering Violation: 29 violations, \$2,600.00
5th Residential Watering Violation: 9 violations, \$1,600.00
Subsequent Residential Watering Violations: 0 violations, \$0.00
Total residential violations: 4,078 violations, \$24,750.00

1st Non-Residential Watering Violation: 218 violations
2nd Non-Residential Watering Violation: 103 violations, \$10,200.00
3rd Non-Residential Watering Violation: 51 violations, \$10,000.00
4th Non-Residential Watering Violation: 32 violations, \$12,000.00
5th Non-Residential Watering Violation: 21 violations, \$16,000.00
Subsequent Non-Residential Watering Violation: 35 violations, \$28,000.00
Total non-residential violations: 425 violations, \$76,200.00
2020 Grand total: 4,503 violations, \$100,950.00

2019 Violation Summary: 5-month season, 5 water monitors

1st Residential Watering Violation: violations 2,357
2nd Residential Watering Violation: 433 violations, \$10,825.00
3rd Residential Watering Violation: 100 violations, \$5,000.00
4th Residential Watering Violation: 36 violations, \$3,600.00
5th Residential Watering Violation: 13 violations, \$2,600.00
Subsequent Residential Watering Violation: 21 violations, \$4,200.00
Total residential violations: 2,960 violations, \$26,225.00

1st Non-Residential Watering Violation: 232 violations
2nd Non-Residential Watering Violation: 120 violations, \$12,000.00
3rd Non-Residential Watering Violation: 55 violations, \$11,000.00
4th Non-Residential Watering Violation: 37 violations, \$14,800.00
5th Non-Residential Watering Violation: 18 violations, \$14,400.00
Subsequent Non-Residential Watering Violation: 15 violations, \$12,000.00
Total non-residential violations: 477 violations, \$64,200.00
2019 Grand total: 3,437 violations, \$90,425.00

2018 Violations Summary: 3-month season, 4 water monitors, non-residential surcharges increased

1st Residential Watering Violation: violations 1,791
2nd Residential Watering Violation: 234 violations, \$5,300.00
3rd Residential Watering Violation: 34 violations, \$1,600.00
4th Residential Watering Violation: 8 violations, \$700.00
5th Residential Watering Violation: 1 violation, \$200.00
Total residential violations: 2,068 violations, \$7,800.00

1st Non-Residential Watering Violation: 154 violations
2nd Non-Residential Watering Violation: 61 violations, \$6,100.00
3rd Non-Residential Watering Violation: 20 violations, \$4,000.00
4th Non-Residential Watering Violation: 10 violations, \$4,000.00
5th Non-Residential Watering Violation: 6 violations, \$4,800.00
Subsequent Non-Residential Watering Violation: 10 violations, \$7,600.00
Total non-residential violations: 261 violations, \$26,500.00
2018 Grand total: 2,329 violations, \$34,300.00



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 7. **File #:** WC 2023-019

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager
Lauren Moore, Water Resources Program Analyst

A Resolution Approving a Water Rights Lease Agreement between the Town of Castle Rock and Turnpike, LLC. [Weld County, Co]
Town Council Agenda Date: March 7, 2023

Executive Summary

Castle Rock Water is seeking Town Council approval of a resolution (**Attachment A**) for a water rights lease agreement with Turnpike, LLC (Turnpike). Turnpike is a farmer located in Weld County adjacent to the Lost Creek Basin wells we purchased in 2017 as part of our Alternate Source of Supply Project. As part of their 2022 lease, the farmer used 476.23 acre-feet (AF) of water from these wells for irrigation and has paid the Town \$17,895.37. Turnpike is interested in an additional one-year lease of our Lost Creek Basin water rights. The Town of Castle Rock does not plan to export these water rights in 2023 as the infrastructure needed to move the water has not yet been designed or constructed. Turnpike wishes to lease up to 515 AF at a rate of \$36.50 per AF, which could amount to \$18,797.50 in revenue. The price is reasonable for agricultural leased water of this type at this location based on available data regarding other leases in the area. The agreement terminates on November 15, 2023. This lease agreement is consistent with Castle Rock Water's strategic plan. A key tactic in that plan is to maximize leasing opportunities for idle water rights.

History of Past Town Council, Boards & Commissions, or Other Discussions

February 28, 2018, Castle Rock Water Commission unanimously recommended that Town Council approve the 2018 water lease agreement.

March 6, 2018, Town Council unanimously approved the 2018 water lease agreement.

January 23, 2019, Castle Rock Water Commission recommended that Town Council approve the 2019 water lease agreement.

February 5, 2019, Town Council unanimously approved the 2019 water lease agreement.

October 23, 2019, Castle Rock Water Commission recommended that Town Council approve the

2020 water lease agreement.

November 5, 2019, Town Council unanimously approved the 2020 water lease agreement.

July 21, 2020, Town Council approved the First Amendment to the 2020 water lease agreement, increasing the water lease by 30 AF.

February 24, 2021, Castle Rock Water Commission recommended that Town Council approve the 2021 water lease agreement.

March 2, 2021, Town Council unanimously approved the 2021 water lease agreement.

January 26, 2022, Castle Rock Water Commission recommended that Town Council approve the 2022 water lease agreement.

February 15, 2022, Town Council unanimously approved the 2022 water lease agreement

August 23, 2022, Town Council unanimously approved the First Amendment to the 2022 Water Lease Agreement.

August 31, 2022, Castle Rock Water Commission was informed of the First Amendment to the 2022 Water Lease Agreement.

Discussion

As part of the Town's hybrid renewable water solution, the Town purchased several Lost Creek Basin wells in 2017 and 2021. These wells came with approximately 1,492 AF (annually) of fully exportable water rights which could be used for municipal and other purposes. Eventually, the Town intends to use these water rights directly or as an augmentation source. However, until infrastructure is built to transport this water to a treatment plant or place of augmentation, leasing this water for other purposes helps to generate some revenue for Castle Rock Water. In 2022, Turnpike used 476.23 AF of water from these wells for irrigation and has paid the Town \$17,895.37, with a lease rate of \$36.50/AF. The farmers are also planning to use this water in 2023.

The key terms of the 2023 water lease agreement are summarized below:

- Agreement will terminate November 15, 2023.
- Turnpike will lease up to 515 AF of water at a rate of \$36.50 per AF.

The following table outlines the wells (***Attachment B***) that will be used and the amount of water we will be leasing to Turnpike.

Well	Maximum Water to be Leased**, AF	Annual Water Rights, AF
31526	250	144.4
31527	150	139.1

Item #: 7. File #: WC 2023-019

31643	115	111.3
14860*	0	74.3
Total	515	469.1

*Well not operational

**Maximum water to be leased may exceed annual water rights of an individual well if banked water is available

As noted in the Executive Summary, maximizing the leasing of idle water rights is part of Castle Rock Water's strategic plan. Revenues from this leasing help to offset the costs for purchasing and developing long-term renewable water supplies. Total revenues from water leases with Turnpike over the last five years are shown in the table below.

Year	AF	\$/AF	Total Revenue
2018	343.28	\$ 35.00	\$ 12,014.80
2019	322.423	\$ 35.00	\$ 11,284.81
2020	466.22	\$ 35.00	\$ 16,317.70
2021	701.60	\$ 36.50	\$ 26,604.40
2022	476.23	\$ 36.50	\$ 17,895.37
Total			\$ 84,117.08

Budget Impact

If Council approves the agreement, Castle Rock Water would receive up to \$18,797.50 in revenue in 2023. The revenue will be deposited into Water Resources Fund Capital Leases account 211-4375-393.70-00 <WRAWL>.

Staff Recommendation

Staff recommends approval of the 2023 Water Rights Lease Agreement with Turnpike for 515 AF of water which will generate a revenue of up to \$18,797.50.

Proposed Motion

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

Attachments

Attachment A: Resolution (Not Attached)
Exhibit 1: Agreement
Attachment B: Location Map

WATER RIGHTS LEASE

THIS WATER RIGHTS LEASE (the “Lease”) is made and entered into as of the _____ day of _____, 2023, by and between the **TOWN OF CASTLE ROCK**, a Colorado home rule municipal corporation, acting by and through the **TOWN OF CASTLE ROCK WATER ENTERPRISE** (the “Lessor”), and **TURNPIKE, LLC**, a Colorado limited liability company (the “Lessee”) (collectively, Lessor and Lessee are referred to as the “Parties”).

RECITALS:

A. Lessor is the owner of certain Water Rights and Equipment as defined in Section 1, below.

B. Lessee desires to lease from Lessor, and Lessor desires to lease to Lessee, the Water Rights and Equipment, as defined in Section 1, below, on the terms and conditions set forth in this Lease.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

COVENANTS:

Section 1. Water Rights and Equipment Lease. Subject to the terms and conditions set forth in this Lease, Lessor hereby leases to Lessee the water rights associated with the following well permits:

<u>Well Permit No.</u>	<u>Power Consumption Coefficient</u> (KWh/AF)	<u>Acre Feet Leased</u> ("Permitted Maximum")
31526-FP	182.312	250
31527-FP	184.305	150
31643-FP	285.362	115
14860-FP	Not Operational	0

The water rights associated with the above-referenced well permits shall be referred to collectively as the “Water Rights.” The Water Rights, together with the wells, pumping equipment, electrical equipment and other equipment and facilities associated with the Water Rights (collectively referred to as the “Equipment”) are further described in the attached ***Exhibit A***.

Except as otherwise limited herein, Lessee shall use the wells in accordance with each well permit and prevent degradation of the quality of the ground water. While the wells are commingled as Well Permit Nos. 31526-FP and 31527-FP, and 31643-FP and 14860-FP, respectively, such commingling applies only to the area on which the water may be used. Lessee is required to use each well and no single well is to be used in excess of its Permitted Maximum; provided, however, that in no event shall the commingled wells be permitted to act as alternate points of diversion to one another.

Any use of the Water Rights in excess of the Permitted Maximum shall constitute a default under Section 9 of this Lease. Lessee shall be liable for any and all damages caused to Lessor as a result of Lessee exceeding the Permitted Maximum. Lessor, in its sole and absolute discretion, shall be entitled to immediately terminate this Lease. In addition, should Lessee's use of the Water Rights associated with any Well Permit exceed those quantities listed above, then Lessee shall pay to Lessor a \$60.00 per acre foot penalty.

Section 2. Rental Rate. The rental rate for the Water Rights and Equipment shall be \$36.50 per acre foot ("AF") of water (an acre foot being equal to 325,851 U.S. gallons) pumped from the wells associated with the Water Rights. As an upfront lease payment, Lessee shall pay to Lessor \$4,699.38, which represents 25% of the maximum total Rent due (\$36.50 x 515 AF) under this Lease ("Initial Rent Payment"). The Initial Rent Payment is due on April 1, 2023. The second and final rent payment shall be due on November 15, 2023, which will be calculated at \$36.50 per AF for all Water Rights pumped, less the Initial Rent Payment. In the event any payment required hereunder is not made within 30 days after the payment is due, a late charge in the amount of \$10.00 will also be paid by Lessee. All payments shall be made to the address set forth in Section 11, below, or such other address specified by Lessor.

A. In order to calculate the total of rental payments during the term of this Lease, Lessee shall report to Lessor the flowmeter reading or electric meter readings for each meter associated with the pump for each Well Permit on the reporting form attached as ***Exhibit B***. Reporting shall occur (i) at the commencement of this Lease with the initial meter reading, (ii) on the first of each month (usage from the previous month), and (iii) upon Lease termination on November 15, 2023. Lessee shall record the meter readings for each Well Permit number and shall report the readings to Lessor by emailing the completed reporting form to Lessor within 10 days of the reading to the email address listed in Section 11, below. Any failure to report use as outlined in this Section shall constitute a default under Section 9 of this Lease, and Lessor, in its sole and absolute discretion, may immediately terminate this Lease for such Default.

B. In the event of termination of this Lease for any reason, any unpaid rent shall be paid no later than 10 days from the date of termination. Any rent due for the volume of water used, but unpaid, shall be calculated using the monthly flowmeter readings or the KWh/AF conversion in Section 1, if flowmeter readings are not available.

Section 3. Term. This Lease will be for a term commencing on _____, 2023, and ending on November 15, 2023 ("Term"), unless terminated sooner pursuant to this Lease. The term of the Lease can only be extended or renewed in writing signed by both Parties, and there can be no implied renewal of this Lease.

Section 4. Use of Water Rights. Lessee shall use the Water Rights only for the irrigation of agriculture crops as historically done by Lessee in the North ½ of Section 23, T1N, R63W of the 6th P.M. (a.k.a. Parcel F) and the NW1/4 of Section 34, T1N, R63W of the 6th P.M. (a.k.a. Parcel L-2) (the "Property"). Lessee shall not exceed the Permitted Maximum of water allowed under the Well Permits or use of the Water Rights to irrigate any other real property than the Property.

Section 5. United States Department of Agriculture. Lessee shall deliver to Lessor

copies of all 2023 Farm Service Agency crop reports filed by Lessee, any 2023 aerial photos on record with the Farm Service Agency, and/or any other of Lessee's governmental farm records by no later than August 1, 2023. Lessee shall further deliver to Lessor any additional Farm Service Agency crop records filed by Lessee after such date and before expiration of this Lease.

Section 6. Maintenance of Equipment. Upon the effective date of this Lease, Lessee shall be solely responsible for the costs of operation, maintenance and repair of the Equipment and all other equipment necessary for the irrigation of the Property, which shall include the costs of all maintenance and repairs to the pumps and existing wells used for the Water Rights. During the term of this Lease, only the Lessee and/or its agents and employees shall use the Equipment, which Equipment shall only be used on the Property. In the event crops irrigated by the Water Rights are damaged because of Lessee's activities and/or failure to operate, maintain or repair the Equipment or any other equipment necessary for irrigation of the Property, Lessor shall have no liability for such damages to the crops or loss of crop revenue and Lessee shall have no recourse against Lessor for such damages.

Upon discovery of an issue with the Equipment, Lessee shall notify Lessor immediately about the issue and what Lessee intends to do to maintain or repair the Equipment. In the event Lessee installs a part or other equipment that costs \$100.00 or more, Lessee may remove that part or equipment and take it when the Lease terminates. Prior to removal, however, Lessee shall provide Lessor with written notice of its intent to remove such part and/or equipment and Lessor shall have 10 days from the date of such notice to purchase said part or equipment at the amount Lessee paid for the part and its installation. As part of such notice, Lessee shall provide Lessor the receipt for the part and installation cost. If the Equipment, for any reason, fails to deliver the water from the well, and Lessee does not repair it and provides Lessor written notice of its intent not to repair, either Lessor or Lessee may terminate this Lease upon 30 days' written notice to the other Party, and Lessor shall have no liability for damages to the crops or loss of crop revenue. In the event of termination, rent shall be paid at the time of termination, If the rent due is for AF used, such amount shall be calculated using both the monthly flow meter readings and the KWh/AF conversion in Section 8, below.

Section 7. Utilities. Lessee shall pay any and all power and other utility costs associated with Lessee's use of the Water Rights. Lessee shall be responsible for all arrangements required for billing of the utilities directly to Lessee. Electrical charges not associated with Lessee's usage and billed for the period after the term of this Lease shall be the responsibility of Lessor.

Section 8. Power Records. Upon execution of this Lease and prior to use of the Water Rights and Equipment, Lessee shall execute the form of letter attached hereto as ***Exhibit C*** to request that Morgan County Rural Electric Association send a "duplicate" bill to Lessor each month during the term of the Lease. Lessee hereby grants permission to Morgan County Electric Association to release to Lessor and/or its agents power records associated with the wells located on the Property. While flowmeter readings shall be used for calculating monthly usage, the Power Consumption Coefficient shown in Section 1 shall be used to calculate water usage for each if no flowmeter readings are available. (Figures shall be based on accepted State and USGS methods.)

Section 9. Default and Termination. In addition to the other grounds for termination

herein, Lessor may, at its option, elect to terminate this Lease upon the occurrence of an event of default by Lessee in the performance of its obligations hereunder. An event of default shall be deemed to occur if:

- A. Lessee fails to pay any rental payments within 30 days of the due date. Lessor shall have no obligation to provide Lessee with notice of nonpayment or an opportunity to cure;
- B. Lessee uses the Water Rights in a manner other than as permitted pursuant to this Lease or the Well Permits, and fails to cease such prohibited use within five days of receipt of notice of such default by Lessor;
- C. Lessee fails to report meter readings within 10 days from the required date for readings.
- D. Lessee assigns this Lease to a third party in violation of Section 10, below; or
- E. Lessee commits a material breach of any provision of this Lease.

In the event Lessee defaults or otherwise commits a breach of this Lease, or any provision of this Lease, in addition to terminating the Lease, Lessor shall have the right to pursue (i) the remedies set forth herein, and (ii) any and all other remedies and damages, permitted in law or equity, caused by or arising from Lessee's default or breach. In the event of termination as a result of any default, rent shall be brought current by Lessee and any rent due for AF used but unpaid shall be paid at the time of termination, as calculated using the flow meter readings and the KWh/AF conversion in Section 8, above.

Section 10. Assignment and Assumption. Lessee may not assign its rights hereunder without the prior written consent of Lessor, which consent may be withheld in Lessor's sole discretion. In the event that Lessor consents to an assignment of Lessee's rights hereunder, the assignee shall execute an assumption agreement pursuant to which it shall assume Lessee's obligations hereunder. The terms of such assumption agreement must be approved by Lessor.

Section 11. Notices. All notices shall be in writing, and shall be delivered by hand delivery or U.S. mail, postage prepaid, to the parties at the addresses set forth above. Notices shall be deemed received on the date hand delivered, or if mailed, three (3) days after deposit in the U.S. mail, postage prepaid.

If to Lessor:	Town of Castle Rock Castle Rock Water 175 Kellogg Court Castle Rock, Colorado 80109 Attn: Matt Benak, Water Resources Manager Phone: 720-733-6037 (direct) Email: mbenak@crgov.com
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If to Lessee: Turnpike, LLC
4202 West County Road 65
Keenesburg, Colorado 80643
Attn: Richard F. Huwa, Manager
Phone: 303-732-4808 (home)
Mobile: 970-381-3257
Fax: 303-732-0205
Email: rphuwa@gmail.com

Section 12. Termination Upon Sale, Transfer, Exchange or Export. In the event the Water Rights are sold, transferred, or exchanged or exported by Lessor or its assigns, then Lessor may terminate this Lease, in whole or in part, upon 30 days' prior written notice. In the event that, prior to such termination by Lessor, Lessee has planted crops, Lessee shall attempt to procure substitute water supplies to avoid crop loss. If Lessee is unable to reasonably procure a substitute water supply and the crops are lost, in whole or in part, as a result of Lessor's termination pursuant to this Section 12, Lessor shall compensate Lessee for such loss. For purposes of this Section 12, the value of crop loss shall be based upon crop insurance records for the Property. If crops have not yet been planted, in whole or in part, on the Property, Lessor shall reimburse Lessee for expenses incurred in preparation for planting, if any. In such event, Lessee shall provide Lessor with receipts for any such expenses. In the event of termination by Lessor under this Section 12, rent shall be brought current by Lessee and any rent due for AF used but unpaid shall be paid at the time of termination, as calculated using the monthly flowmeter readings.

Lessee shall not be entitled to compensation or reimbursement under this Section 12 or otherwise for crop damage or loss in the event of termination due to any default by Lessee or for any other reason under this Lease.

In the event of termination under this Section 12, if Lessor and Lessee are unable to agree as to the value of any such crops, tillage work, labor and material and supplies, then each Party agrees to name an arbitrator, and the value arrived at by the arbitrators shall be controlling on both Parties. In the event the two arbitrators cannot agree, they shall appoint a third arbitrator, and the value arrived at by the majority of the arbitrators shall be controlling on both Parties. The Parties shall share equally in the cost of such arbitration.

Section 13. Insurance. At all times during the term of this Lease, Lessee shall procure at its own cost and maintain the following policies of insurance:

A. Commercial General Liability insurance with minimum combined single limits of \$1,000,000 each occurrence and \$1,000,000 aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall contain a "severability of interests" provision.

B. Commercial Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than \$1,000,000 each occurrence and \$1,000,000 aggregate with respect to each of Lessor's owned, hired and/or non-owned vehicles assigned to or

used in on the Property. The policy shall contain a “severability of interests” provision.

C. Workers’ Compensation Insurance with limits in accordance with the provisions of the Workers’ Compensation Act, as amended, by the State of Colorado and Employer’s Liability insurance with limits of \$100,000 per occurrence for each bodily injury claim, \$100,000 per occurrence for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims.

The policies required above shall be endorsed to include Lessor, its officers and employees, as an additional insured. Certificates of insurance shall be completed by Lessee’s insurance agent as evidence that policies providing the required coverage, conditions and minimum limits are in full force and effect, and shall be subject to review and approval by Lessor. Each certificate shall identify the Property and shall provide that coverage afforded under the policies shall not be cancelled, terminated or materially changed until at least 30 days’ prior written notice has been given to Lessor. If the words “endeavor to” appear in the portion of the certificate addressing cancellation, those words shall be stricken from the certificate by the agent(s) completing the certificate. Lessor reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

Failure on the part of Lessee to procure or maintain policies providing the required coverage, conditions, and minimum limits shall constitute a material breach of contract upon which the discretion may procure or renew any such policy or any extended connection therewith, and all monies so paid by Lessor shall be repaid by Lessee to Lessor upon demand, or Lessor may offset the cost of the premiums against any monies due to Lessee from Lessor.

Section 14. Governmental Immunity. The Parties understand and agree that the Lessor is relying on, and does not waive or intend to waive by any provision of this Lease, the monetary limitations (presently \$424,000 per person, \$1,195,000 per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., as from time to time amended, or otherwise available to Lessor, its officers, and employees.

Section 15. Indemnification. Lessee shall indemnify and hold Lessor harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the use of the Water Rights and Equipment by Lessee, its employees or agents, excepting, however, such claims or damages as may be due to or caused by the negligent or willful acts or omissions of Lessor, or its employees or agents.

Section 16. Binding Effect. This Lease constitutes the full agreement of the Parties and may not be modified except in writing signed by both Parties. This Lease shall be binding on the Parties and their respective successors and assigns.

Section 17. Loss, Destruction or Damage to the Water Rights and Equipment. Lessor leases the Water Rights and Equipment to Lessee in an “as is” condition, and Lessor expressly does not agree to any modification or change of the Water Rights, other than a change of use of the Water Rights pursuant to any application filed by Lessor for the export and change or use of the Water Rights.

Section 18. Attorney's Fees. In the event that an attorney is engaged by either Party to (i) resolve any dispute arising under the terms of this Lease (except for the arbitration procedure described in Section 12, above), or (ii) collect payment of any sums due and owing under this Lease, the prevailing Party is entitled, in addition to other damages or costs, to receive reasonable attorney's fees from the non-prevailing Party.

Section 19. Complete Agreement. This Lease supersedes any and all prior agreements, written and oral, between the Parties and constitutes the complete and entire agreement of the Parties.

Section 20. Headings for Convenience Only. The paragraph headings are for convenience only and the substantive portions hereof control without regard to the headings.

Section 21. Modification. This Lease shall be modified in writing only, which writing must be executed by the Parties in order to be effective.

Section 22. Controlling Law. This Lease shall be governed under, and construed pursuant to the laws of the State of Colorado.

(Signature page to follow)

LESSOR:

ATTEST:

TOWN OF CASTLE ROCK, acting by and
through the Town of Castle Rock Water Enterprise

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director Castle Rock Water

LESSEE:

TURNPIKE, LLC

By: _____
Its: Authorized Member

STATE OF COLORADO)
) ss.
COUNTY OF _____)

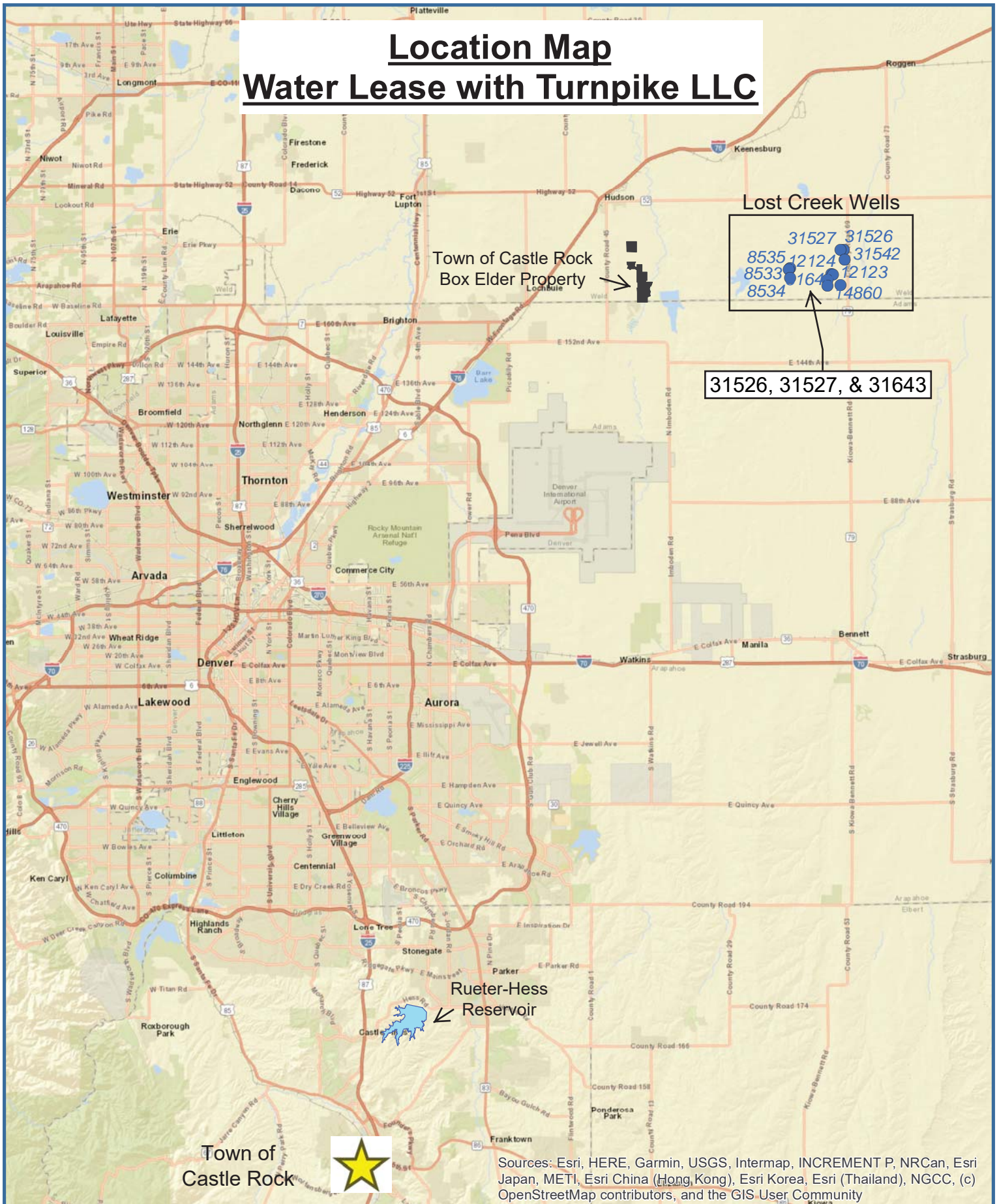
The foregoing instrument is acknowledged before me this __ day of _____,
2023, by _____, as the authorized member of Turnpike, LLC.

Witness my official hand and seal.
My commission expires:

Notary Public

Location Map

Water Lease with Turnpike LLC



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community



0 16,500 33,000 66,000 Feet

Date: 1/21/2022

1 inch = 32,921 feet



Disclaimer: The data presented has been compiled from various sources, each of which introduces varying degrees of inaccuracies or inconsistencies. Such discrepancies in data are inherent and in supplying this product the Town of Castle Rock assumes no liability for its use or accuracy. Questions or comments regarding the cartographic composition of this map including, but not limited to, errors, omissions, corrections, and/or updates, should be directed to the Utilities Department, Town of Castle Rock, (720) 733-6087. Copyright 2017, Town of Castle Rock Utilities Mapping.

CASTLE ROCK UTILITIES MAP
(INTERNAL USE ONLY)



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 8. **File #:** WC 2023-020

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager
Lauren Moore, Water Resources Program Analyst

A Resolution Approving a Water Rights Lease Agreement between the Town of Castle Rock and Rupple Farms, LLC. [Weld County, Co]
Town Council Agenda Date: March 7, 2023

Executive Summary

Castle Rock Water is seeking Town Council approval of a resolution (**Attachment A**) for an agricultural water rights lease with Rupple Farms LLC (Rupple). Rupple is a farmer located in Weld County adjacent to the Lost Creek Basin wells we purchased in 2017 as part of our Alternate Source of Supply Project. As part of their 2022 lease, the farmer used 511.1 acre-feet (AF) of water from these wells for irrigation and has paid the Town \$16,424.01. Rupple is interested in an additional one-year lease of our Lost Creek Basin water rights. The Town of Castle Rock does not plan to export these water rights in 2023 as the infrastructure needed to move the water has not yet been designed or constructed. Rupple wishes to lease up to 527 AF at a rate of \$36.50 per AF, which could amount to \$19,235.50 in revenue. The price is reasonable for agricultural leased water of this type at this location based on available data regarding other leases in the area. The agreement terminates on November 15, 2023. This lease agreement is consistent with Castle Rock Water's strategic plan. A key tactic in that plan is to maximize leasing opportunities for idle water rights.

History of Past Town Council, Boards & Commissions, or Other Discussions

January 26, 2022, Castle Rock Water Commission recommended Town Council approve the 2022 water lease agreement.

February 15, 2022, Town Council unanimously approved the 2022 water lease agreement.

Discussion

As part of the Town's hybrid renewable water solution, the Town purchased several Lost Creek Basin wells in 2017 and 2021. These wells came with approximately 1,492 AF (annually) of fully exportable water rights which could be used for municipal and other purposes. Eventually, the Town intends to use these water rights directly or as an augmentation source. However, until infrastructure is built to

transport this water to a treatment plant or place of augmentation, leasing this water for other purposes helps to generate some revenue for Castle Rock Water. In 2022, Ruppel used 511.1 AF of water from these wells for irrigation and has paid the Town \$16,424.01, with a lease rate of \$36.50/AF. The farmers are also planning to use this water in 2023.

The key terms of the 2023 Water Rights Lease Agreement are summarized below:

- Agreement will terminate November 15, 2023.
- Ruppel will lease up to 527 AF of water at a rate of \$36.50 per AF.

The following table outlines the wells (**Attachment B**) that will be used and the amount of water we will be leasing to Ruppel. The Lost Creek Basin in Weld County, where these wells are located, allows for three-year modified banking of any unused annual allotment of water. Due to this banking and as shown below, sometimes the maximum amount water leased may exceed the annual water rights for each well.

Well	Maximum Water to be Leased**, AF	Annual Water Rights, AF
8533	86	84.0
8534*	0	81.5
8535	141	96.9
31542	300	193.3
Total	527	455.7

*Well not operational

**Maximum water to be leased may exceed annual water rights of an individual well if banked water is available

As noted in the Executive Summary, maximizing the leasing of idle water rights is part of Castle Rock Water's strategic plan. Revenues from this leasing help to offset the costs for purchasing and developing long term renewable water supplies.

Budget Impact

If Council approves the agreement, Castle Rock Water would receive up to \$19,235.50 in revenue in 2023. The revenue will be deposited into Water Resources Fund Capital Leases account 211-4375-393.70-00 <WRAWL>.

Staff Recommendation

Staff recommends approval of the 2023 Water Rights Lease Agreement with Ruppel for 527 AF of water which will generate a revenue of up to \$19,235.50.

Proposed Motion

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

Item #: 8. File #: WC 2023-020

Attachments

Attachment A: Resolution (Not Attached)
Exhibit 1: Agreement
Attachment B: Location Map

WATER RIGHTS LEASE

THIS WATER RIGHTS LEASE (the “Lease”) is made and entered into as of the _____ day of _____, 2023, by and between the **TOWN OF CASTLE ROCK**, a Colorado home rule municipal corporation, acting by and through the **TOWN OF CASTLE ROCK WATER ENTERPRISE** (the “Lessor”), and **RUPPLE FARMS, LLC**, a Colorado limited liability company (the “Lessee”) (collectively, Lessor and Lessee are referred to as the “Parties”).

RECITALS:

A. Lessor is the owner of certain Water Rights and Equipment as defined in Section 1, below.

B. Lessee desires to lease from Lessor, and Lessor desires to lease to Lessee, the Water Rights and Equipment, as defined in Section 1, below, on the terms and conditions set forth in this Lease.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

COVENANTS:

Section 1. Water Rights and Equipment Lease. Subject to the terms and conditions set forth in this Lease, Lessor hereby leases to Lessee the water rights associated with the following well permits:

<u>Well Permit No.</u>	<u>Power Consumption Coefficient</u> (KWh/AF)	<u>Acre Feet Leased</u> ("Permitted Maximum")
8534-FP	Not Operational	0
8533-RFP	n/a	86
8535-FP	n/a	141
31542-FP	179.250	300

The water rights associated with the above-referenced well permits shall be referred to collectively as the “Water Rights.” The Water Rights, together with the wells, pumping equipment, electrical equipment and other equipment and facilities associated with the Water Rights (collectively referred to as the “Equipment”) are further described in the attached ***Exhibit A***.

Except as otherwise limited herein, Lessee shall use the wells in accordance with each well permit and prevent degradation of the quality of the groundwater. Lessee is required to use each well and no single well shall be used in excess of its Permitted Maximum; provided, however, that in no event shall the commingled wells be permitted to act as alternate points of diversion to one another.

Any use of the Water Rights in excess of the Permitted Maximum shall constitute a default

under Section 9 of this Lease. Lessee shall be liable for any and all damages caused to Lessor as a result of Lessee exceeding the Permitted Maximum. Lessor, in its sole and absolute discretion, shall be entitled to immediately terminate this Lease. In addition, should Lessee's use of the Water Rights associated with any Well Permit exceed those quantities listed above, then Lessee shall pay to Lessor a \$60.00 per acre foot penalty.

Section 2. Rental Rate. The rental rate for the Water Rights and Equipment shall be \$36.50 per acre foot ("AF") of water (an acre foot being equal to 325,851 U.S. gallons) pumped from the wells associated with the Water Rights. As an upfront lease payment, Lessee shall pay to Lessor \$4,808.88, which represents 25% of the maximum total Rent due (\$36.50 x 527 AF) under this Lease ("Initial Rent Payment"). The Initial Rent Payment is due on April 1, 2023. The second and final rent payment shall be due on November 15, 2023, which will be calculated at \$36.50 per AF for all Water Rights pumped, less the Initial Rent Payment. In the event any payment required hereunder is not made within 30 days after the payment is due, a late charge in the amount of \$10.00 will also be paid by Lessee. All payments shall be made to the address set forth in Section 11, below, or at such other address specified by Lessor.

A. In order to calculate the total of rental payments during the term of this Lease, Lessee shall report to Lessor the flowmeter reading or electric meter readings for each meter associated with the pump for each Well Permit on the reporting form attached as ***Exhibit B***. Reporting shall occur (i) at the commencement of this Lease with the initial meter reading, (ii) on the first of each month (usage from the previous month), and (iii) upon Lease termination on November 15, 2023. Lessee shall record the meter readings for each Well Permit number and shall report the readings to Lessor by emailing the completed reporting form to Lessor within 10 days of the reading to the email address listed in Section 11, below. Any failure to report use as outlined in this Section shall constitute a default under Section 9 of this Lease and Lessor, in its sole and absolute discretion, may immediately terminate this Lease for such Default.

B. In the event of termination of this Lease for any reason, any unpaid rent shall be paid no later than 10 days from the date of termination. Any rent due for the volume of water used, but unpaid, shall be calculated using the monthly flowmeter readings or the KWh/AF conversion in Section 1, if flowmeter readings are not available.

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Section 4. Use of Water Rights. Lessee shall use the Water Rights only for the irrigation of agriculture crops as historically done by Lessee in the SW1/4 of the NW1/4 of Section 29, T1N, R63W of the 6th P.M. (a.k.a. Parcel A-2), the SW1/4 of the NW1/4 of Section 29, T1N, R63W, of the 6th P.M. (a.k.a. Parcel A-2), and the NW1/4 of the NE1/4 of Section 27, T1N, R63W of the 6th P.M. (a.k.a. Parcel L-1) (collectively, the "Property"). Lessee shall neither exceed the Permitted Maximum of water allowed under the Well Permits nor use any of the Water Rights to irrigate any other real property than the Property.

Section 5. United States Department of Agriculture. Lessee shall deliver to Lessor

copies of the 2023 Farm Service Agency crop reports filed by Lessee, any 2023 aerial photos on record with the Farm Service Agency, and/or any other of Lessee's governmental farm records by no later than August 1, 2023. Lessee shall further deliver to Lessor any additional Farm Service Agency crop records filed by Lessee after such date and before expiration of this Lease.

Section 6. Maintenance of Equipment. Upon the effective date of this Lease, Lessee shall be solely responsible for the costs of operation, maintenance and repair of the Equipment and all other equipment necessary for the irrigation of the Property, which shall include the costs of all maintenance and repairs to the pumps and existing wells used for the Water Rights. During the term of this Lease, only the Lessee and/or its agents or employees shall use the Equipment, which Equipment shall only be used on the Property. In the event crops irrigated by the Water Rights are damaged because of Lessee's activities and/or failure to operate, maintain or repair the Equipment or any other equipment necessary for irrigation of the Property, Lessor shall have no liability for such damages to the crops or loss of crop revenue and Lessee shall have no recourse against Lessor for such damages.

Upon discovery of an issue with the Equipment, Lessee shall notify Lessor immediately about the issue and what Lessee intends to do to maintain or repair the Equipment. In the event Lessee installs a part or other equipment that costs \$100.00 or more, Lessee may remove that part or equipment and take it when the Lease terminates. Prior to removal, however, Lessee shall provide Lessor with written notice of its intent to remove such part and/or equipment and Lessor shall have 10 days from the date of such notice to purchase said part or equipment at the amount Lessee paid for the part and its installation. As part of such notice, Lessee shall provide Lessor the receipt for the part and installation cost. If the Equipment, for any reason, fails to deliver the water from the well, and Lessee does not repair it and provides Lessor written notice of its intent not to repair, either Lessor or Lessee may terminate this Lease upon 30 days' written notice to the other Party, and Lessor shall have no liability for damages to the crops or loss of crop revenue. In the event of termination, rent shall be paid at the time of termination, If the rent due is for AF used, such amount shall be calculated using both the monthly flow meter readings and the KWh/AF conversion in Section 8, below.

Section 7. Utilities. Lessee shall pay any and all power and other utility costs associated with Lessee's use of the Water Rights. Lessee shall be responsible for all arrangements required for billing of the utilities directly to Lessee. Electrical charges not associated with Lessee's usage and billed for the period after the term of this Lease shall be the responsibility of Lessor.

Section 8. Power Records. Upon execution of this Lease and prior to use of the Water Rights and Equipment, Lessee shall execute the form of letter attached hereto as ***Exhibit C*** to request that Morgan County Rural Electric Association send a "duplicate" bill to Lessor each month during the term of the Lease. Lessee hereby grants permission to Morgan County Electric Association to release to Lessor and/or its agents power records associated with the wells located on the Property. While flowmeter readings shall be used for calculating monthly usage, the Power Consumption Coefficient shown in Section 1 shall be used to calculate water usage for each well if no flowmeter readings are available. (Figures shall be based on accepted State and USGS methods.)

Section 9. Default and Termination. In addition to the other grounds for termination

herein, Lessor may, at its option, elect to terminate this Lease upon the occurrence of an event of default by Lessee in the performance of their obligations hereunder. An event of default shall be deemed to occur if:

- A. Lessee fails to pay any rental payments within 30 days of the due date. Lessor shall have no obligation to provide Lessee with notice of nonpayment or an opportunity to cure;
- B. Lessee uses the Water Rights in a manner other than as permitted pursuant to this Lease or the Well Permits, and fails to cease such prohibited use within five days of receipt of notice of such default by Lessor;
- C. Lessee fails to report meter readings within 10 days from the required date for readings.
- D. Lessee assigns this Lease to a third party in violation of Section 10, below; or
- E. Lessee commits a material breach of any provision of this Lease.

In the event Lessee defaults or otherwise commits a breach of this Lease, or any provision of this Lease, in addition to terminating the Lease, Lessor shall have the right to pursue (i) the remedies set forth herein, and (ii) any and all other remedies and damages, permitted in law or equity, caused by or arising from Lessee's default or breach. In the event of termination as a result of any default, rent shall be brought current by Lessee and any rent due for AF used but unpaid shall be paid at the time of termination, as calculated using the flow meter readings and the KWh/AF conversion in Section 8, above.

Section 10. Assignment and Assumption. Lessee may not assign its rights hereunder without the prior written consent of Lessor, which consent may be withheld in Lessor's sole discretion. In the event that Lessor consents to an assignment of Lessee's rights hereunder, the assignee shall execute an assumption agreement pursuant to which it shall assume Lessee's obligations hereunder. The terms of such assumption agreement must be approved by Lessor.

Section 11. Notices. All notices shall be in writing, and shall be delivered by hand delivery or U.S. mail, postage prepaid, to the parties at the addresses set forth below. Notices shall be deemed received on the date hand delivered or, if mailed, three days after deposit in the U.S. mail, postage prepaid.

If to Lessor:	Town of Castle Rock Castle Rock Water 175 Kellogg Court Castle Rock, Colorado 80109 Attn: Matt Benak, Water Resources Manager Phone: 720-733-6037 (direct) Email: mbenak@crgov.com
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If to Lessee: Ruppel Farms, LLC
 29020 East 163rd Place
 Brighton, Colorado 80643

Section 12. Termination Upon Sale, Transfer, Exchange or Export. In the event the Water Rights are sold, transferred, or exchanged or exported by Lessor or its assigns, then Lessor may terminate this Lease, in whole or in part, upon 30 days' prior written notice. In the event that, prior to such termination by Lessor, Lessee has planted crops, Lessee shall attempt to procure substitute water supplies to avoid crop loss. If Lessee is unable to reasonably procure a substitute water supply and the crops are lost, in whole or in part, as a result of Lessor's termination pursuant to this Section 12, Lessor shall compensate Lessee for such loss. For purposes of this Section 12, the value of crop loss shall be based upon crop insurance records for the Property. If crops have not yet been planted, in whole or in part, on the Property, Lessor shall reimburse Lessee for expenses incurred in preparation for planting, if any. In such event, Lessee shall provide Lessor with receipts for any such expenses. In the event of termination by Lessor under this Section 12, rent shall be brought current by Lessee and any rent due for AF used but unpaid shall be paid at the time of termination, as calculated using the monthly flowmeter readings.

Lessee shall not be entitled to compensation or reimbursement under this Section 12 or otherwise for crop damage or loss in the event of termination due to any default by Lessee or for any other reason under this Lease.

In the event of termination under this Section 12, if Lessor and Lessee are unable to agree as to the value of any such crops, tillage work, labor and material and supplies, then each Party agrees to name an arbitrator, and the value arrived at by the arbitrators shall be controlling on both Parties. In the event the two arbitrators cannot agree, they shall appoint a third arbitrator, and the value arrived at by the majority of the arbitrators shall be controlling on both Parties. The Parties shall share equally in the cost of such arbitration.

Section 13. Insurance. At all times during the term of this Lease, Lessee shall procure at its own cost and maintain the following policies of insurance:

A. Commercial General Liability insurance with minimum combined single limits of \$1,000,000 each occurrence and \$1,000,000 aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall contain a "severability of interests" provision.

B. Commercial Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than \$1,000,000 each occurrence and \$1,000,000 aggregate with respect to each of Lessor's owned, hired and/or non-owned vehicles assigned to or used in on the Property. The policy shall contain a "severability of interests" provision.

C. Workers' Compensation Insurance with limits in accordance with the provisions of the Workers' Compensation Act, as amended, by the State of Colorado and Employer's Liability insurance with limits of \$100,000 per occurrence for each bodily injury claim, \$100,000 per

occurrence for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims.

The policies required above shall be endorsed to include Lessor, its officers and employees, as an additional insured. Certificates of insurance shall be completed by Lessee's insurance agent as evidence that policies providing the required coverage, conditions and minimum limits are in full force and effect, and shall be subject to review and approval by Lessor. Each certificate shall identify the Property and shall provide that coverage afforded under the policies shall not be cancelled, terminated or materially changed until at least 30 days' prior written notice has been given to Lessor. If the words "endeavor to" appear in the portion of the certificate addressing cancellation, those words shall be stricken from the certificate by the agent(s) completing the certificate. Lessor reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

Failure on the part of Lessee to procure or maintain policies providing the required coverage, conditions, and minimum limits shall constitute a material breach of contract upon which the discretion may procure or renew any such policy or any extended connection therewith, and all monies so paid by Lessor shall be repaid by Lessee to Lessor upon demand, or Lessor may offset the cost of the premiums against any monies due to Lessee from Lessor.

Section 14. Governmental Immunity. The Parties understand and agree that the Lessor is relying on, and does not waive or intend to waive by any provision of this Lease, the monetary limitations (presently \$424,000 per person, \$1,195,000 per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., as from time to time amended, or otherwise available to Lessor, its officers, and employees.

Section 15. Indemnification. Lessee shall indemnify and hold Lessor harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the use of the Water Rights and Equipment by Lessee, its employees or agents, excepting, however, such claims or damages as may be due to or caused by the negligent or willful acts or omissions of Lessor, or its employees or agents.

Section 16. Binding Effect. This Lease constitutes the full agreement of the Parties and may not be modified except in writing signed by both Parties. This Lease shall be binding on the Parties and their respective successors and assigns.

Section 17. Loss, Destruction or Damage to the Water Rights and Equipment. Lessor leases the Water Rights and Equipment to Lessee in an "as is" condition, and Lessor expressly does not agree to any modification or change of the Water Rights, other than a change of use of the Water Rights pursuant to any application filed by Lessor for the export and change or use of the Water Rights.

Section 18. Attorney's Fees. In the event that an attorney is engaged by either Party to (i) resolve any dispute arising under the terms of this Lease (except for the arbitration procedure described in Section 12, above), or (ii) collect payment of any sums due and owing under this Lease, the prevailing Party is entitled, in addition to other damages or costs, to receive reasonable

attorney's fees from the non-prevailing Party.

Section 19. Complete Agreement. This Lease supersedes any and all prior agreements, written and oral, between the Parties and constitutes the complete and entire agreement of the Parties.

Section 20. Headings for Convenience Only. The paragraph headings are for convenience only and the substantive portions hereof control without regard to the headings.

Section 21. Modification. This Lease shall be modified in writing only, which writing must be executed by the Parties in order to be effective.

Section 22. Controlling Law. This Lease shall be governed under, and construed pursuant to the laws of the State of Colorado.

(Signature page to follow)

LESSOR:

ATTEST:

TOWN OF CASTLE ROCK, acting by and
through the Town of Castle Rock Water Enterprise

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director Castle Rock Water

LESSEE:

RUPPLE FARMS, LLC

By: _____
Its: Authorized Member

STATE OF COLORADO)
) ss.
COUNTY OF _____)

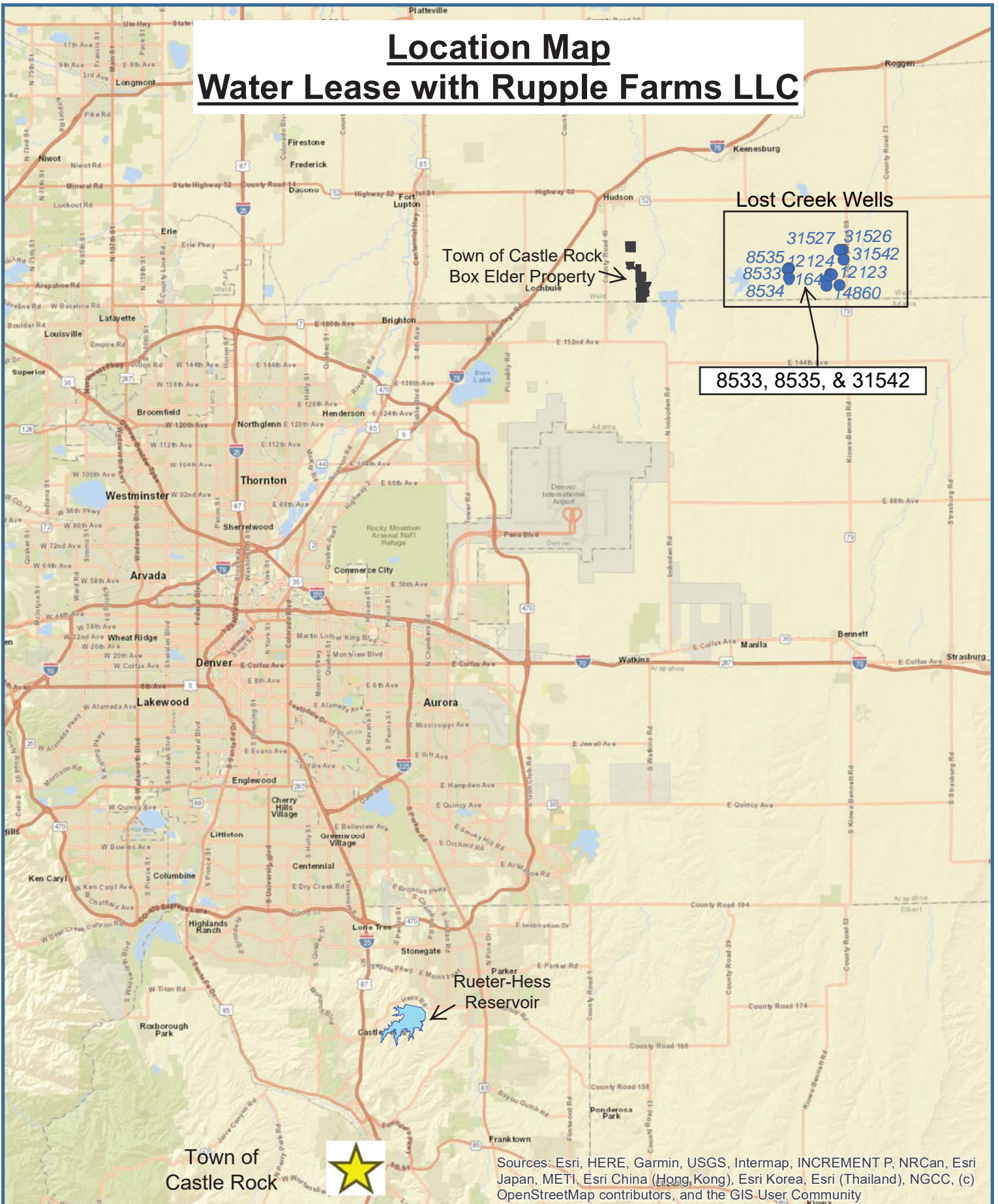
The foregoing instrument is acknowledged before me this __ day of _____,
2023, by _____, as the authorized member of Rurple Farms, LLC.

Witness my official hand and seal.
My commission expires:

Notary Public

Location Map

Water Lease with Ruppel Farms LLC





Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 9. **File #:** WC 2023-021

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager
Lauren Moore, Water Resources Program Analyst

A Resolution Approving a Water Rights Lease Agreement between the Town of Castle Rock and Dove Meadow Dairy Inc. [Weld County, Co]
Town Council Agenda Date: March 7, 2023

Executive Summary

Castle Rock Water is seeking Town Council approval of a resolution (**Attachment A**) for a water rights lease with Dove Meadow Dairy Inc. (Dove Meadow Dairy). Dove Meadow Dairy is a farmer located in Weld County adjacent to the Lost Creek Basin wells we purchased in 2017 as part of our Alternate Source of Supply Project. As part of their 2022 lease, the farmer used 150 acre-feet (AF) of water from these wells for irrigation and has paid the Town \$5,461.46. Dove Meadow Dairy is interested in an additional one-year lease of our Lost Creek Basin water rights. The Town of Castle Rock does not plan to export these water rights in 2023 as the infrastructure needed to move the water has not yet been designed or constructed. Dove Meadow Dairy wishes to lease up to 100 AF at a rate of \$36.50 per AF, which could amount to \$3,650.00 in revenue. The price is reasonable for agricultural leased water of this type at this location based on available data regarding other leases in the area. The agreement terminates on November 15, 2023. This lease agreement is consistent with Castle Rock Water's strategic plan. A key tactic in that plan is to maximize leasing opportunities for idle water rights.

History of Past Town Council, Boards & Commissions, or Other Discussions

January 26, 2022, Castle Rock Water Commission recommended Town Council approve the 2022 water lease agreement.

February 15, 2022, Town Council unanimously approved the 2022 water lease agreement.

Discussion

As part of the Town's hybrid renewable water solution, the Town purchased several Lost Creek Basin wells in 2017 and 2021. These wells came with approximately 1,492 AF (annually) of fully exportable water rights which could be used for municipal and other purposes. Eventually, the Town intends to

Item #: 9. File #: WC 2023-021

use these water rights directly or as an augmentation source. However, until infrastructure is built to transport this water to a treatment plant or place of augmentation, leasing this water for other purposes helps to generate some revenue for Castle Rock Water. In 2022, Dove Meadow Dairy used 150 AF of water from these wells for irrigation and has paid the Town \$5,461.46, with a lease rate of \$36.50/AF. The farmers are also planning to use this water in 2023.

The key terms of the 2023 Water Rights Lease Agreement are summarized below:

- Agreement will terminate November 15, 2023.
- Dove Meadow Dairy will lease up to 100 AF of water at a rate of \$36.50 per AF.

The following table outlines the wells (**Attachment B**) that will be used and the amount of water we will be leasing to Dove Meadow Dairy.

Well	Maximum Water to be Leased**, AF	Annual Water Rights, AF
12123*	0	163.1
12124	100	106.4
Total	100	269.5

*Well not operational

**Maximum water to be leased may exceed annual water rights of an individual well if banked water is available

As noted in the Executive Summary, maximizing the leasing of idle water rights is part of Castle Rock Water's strategic plan. Revenues from this leasing help to offset the costs for purchasing and developing long term renewable water supplies.

Budget Impact

If Council approves the agreement, Castle Rock Water would receive up to \$3,650.00 in revenue in 2023. The revenue will be deposited into Water Resources Fund Capital Leases account 211-4375-393.70-00 <WRAWL>.

Staff Recommendation

Staff recommends approval of the 2023 Water Rights Lease Agreement with Dove Meadow Dairy for 100 AF of water which will generate a revenue of up to \$3,650.00.

Proposed Motion

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

Attachments

Attachment A: Resolution (Not Attached)
Exhibit 1: Agreement
Attachment B: Location Map

Item #: 9. File #: WC 2023-021

WATER RIGHTS LEASE

THIS WATER RIGHTS LEASE (the “Lease”) is made and entered into as of the _____ day of _____, 2023, by and between the **TOWN OF CASTLE ROCK**, a Colorado home rule municipal corporation, acting by and through the **TOWN OF CASTLE ROCK WATER ENTERPRISE** (the “Lessor”), and **DOVE MEADOW DAIRY, INC.**, a Colorado corporation (the “Lessee”) (collectively, Lessor and Lessee are referred to as the “Parties”).

RECITALS:

A. Lessor is the owner of certain Water Rights and Equipment as defined in Section 1, below.

B. Lessee desires to lease from Lessor, and Lessor desires to lease to Lessee, the Water Rights and Equipment, as defined in Section 1, below, on the terms and conditions set forth in this Lease.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

COVENANTS:

Section 1. Water Rights and Equipment Lease. Subject to the terms and conditions set forth in this Lease, Lessor hereby leases to Lessee the water rights associated with the following well permits:

<u>Well Permit No.</u>	<u>Power Consumption Coefficient</u> (KWh/AF)	<u>Acre Feet Leased</u> ("Permitted Maximum")
12123-FP	Not Operational	0
12124-FP	366.161	100

The water rights associated with the above-referenced well permits shall be referred to collectively as the “Water Rights.” The Water Rights, together with the wells, pumping equipment, electrical equipment and other equipment and facilities associated with the Water Rights (collectively referred to as the “Equipment”) are further described in the attached ***Exhibit A***.

Except as otherwise limited herein, Lessee shall use the wells in accordance with each well permit and prevent degradation of the quality of the groundwater. While the wells are commingled as Well Permit Nos. 12123-FP and 12124-FP, such commingling applies only to the area on which the water may be used. Lessee is required to use each well and neither well is to be used in excess of its Permitted Maximum; provided, however, that in no event shall the commingled wells be permitted to act as alternate points of diversion to one another.

Any use of the Water Rights in excess of the Permitted Maximum shall constitute a default

under Section 9 of this Lease. Lessee shall be liable for any and all damages caused to Lessor as a result of Lessee exceeding the Permitted Maximum. Lessor, in its sole and absolute discretion, shall be entitled to immediately terminate this Lease. In addition, should Lessee's use of the Water Rights associated with either Well Permit exceed those quantities listed above, then Lessee shall pay to Lessor a \$60.00 per acre foot penalty.

Section 2. Rental Rate. The rental rate for the Water Rights and Equipment shall be \$36.50 per acre foot ("AF") of water (an acre foot being equal to 325,851 U.S. gallons) pumped from the wells associated with the Water Rights. As an upfront lease payment, Lessee shall pay to Lessor \$912.50, which represents 25% of the maximum total Rent due (\$36.50 x 100 AF) under this Lease ("Initial Rent Payment"). The Initial Rent Payment is due on April 1, 2023. The second and final rent payment shall be due on November 15, 2023, which will be calculated at \$36.50 per AF for all Water Rights pumped, less the Initial Rent Payment. In the event any payment required hereunder is not made within 30 days after the payment is due, a late charge in the amount of \$10.00 will also be paid by Lessee. All payments shall be made to the address set forth in Section 11, below, or at such other address specified by Lessor.

A. In order to calculate the total of rental payments during the term of this Lease, Lessee shall report to Lessor the flowmeter reading or electric meter readings for each meter associated with the pump for each Well Permit on the reporting form attached as ***Exhibit B***. Reporting shall occur (i) at the commencement of this Lease with the initial meter reading, (ii) on the first of each month (usage from the previous month), and (iii) upon Lease termination on November 15, 2023. Lessee shall record the meter readings for each Well Permit number and shall report the readings to Lessor by emailing the completed reporting form to Lessor within 10 days of the reading to the email address listed in Section 11, below. Any failure to report use as outlined in this Section shall constitute a default under Section 9 of this Lease and Lessor, in its sole and absolute discretion, may immediately terminate this Lease for such Default.

B. In the event of termination of this Lease for any reason, any unpaid rent shall be paid no later than 10 days from the date of termination. Any rent due for the volume of water used, but unpaid, shall be calculated using the monthly flowmeter readings or the KWh/AF conversion in Section 1, if flowmeter readings are not available.

Section 3. Term. This Lease will be for a term commencing on _____, 2023, and ending on November 15, 2023 ("Term"), unless terminated sooner pursuant to this Lease. The term of the Lease can only be extended or renewed in writing signed by both Parties, and there can be no implied renewal of this Lease.

Section 4. Use of Water Rights. Lessee shall use the Water Rights only for the irrigation of agriculture crops as historically done by Lessee in the NE1/4 of the SW1/4 of Section 27, T1N, R63W, of the 6th P.M. (a.k.a. Parcel D) (the "Property"). Lessee shall neither exceed the Permitted Maximum of water allowed under the Well Permits nor use any of the Water Rights to irrigate any other real property than the Property.

Section 5. United States Department of Agriculture. Lessee shall deliver to Lessor copies of all 2023 Farm Service Agency crop reports filed by Lessee, any 2023 aerial photos on

record with the Farm Service Agency, and/or any other of Lessee's governmental farm records by no later than August 1, 2023. Lessee shall further deliver to Lessor any additional Farm Service Agency crop records filed by Lessee after such date and before expiration of this Lease.

Section 6. Maintenance of Equipment. Upon the effective date of this Lease, Lessee shall be solely responsible for the costs of operation, maintenance and repair of the Equipment and all other equipment necessary for the irrigation of the Property, which shall include the costs of all maintenance and repairs to the pumps and existing wells used for the Water Rights. During the term of this Lease, only the Lessee and/or its agents or employees shall use the Equipment, which Equipment shall only be used on the Property. In the event crops irrigated by the Water Rights are damaged because of Lessee's activities and/or failure to operate, maintain or repair the Equipment or any other equipment necessary for irrigation of the Property, Lessor shall have no liability for such damages to the crops or loss of crop revenue and Lessee shall have no recourse against Lessor for such damages.

Upon discovery of an issue with the Equipment, Lessee shall notify Lessor immediately about the issue and what Lessee intends to do to maintain or repair the Equipment. In the event Lessee installs a part or other equipment that costs \$100.00 or more, Lessee may remove that part or equipment and take it when the Lease terminates. Prior to removal, however, Lessee shall provide Lessor with written notice of its intent to remove such part and/or equipment and Lessor shall have 10 days from the date of such notice to purchase said part or equipment at the amount Lessee paid for the part and its installation. As part of such notice, Lessee shall provide Lessor the receipt for the part and installation cost. If the Equipment, for any reason, fails to deliver the water from the well, and Lessee does not repair it and provides Lessor written notice of its intent not to repair, either Lessor or Lessee may terminate this Lease upon 30 days' written notice to the other Party, and Lessor shall have no liability for damages to the crops or loss of crop revenue. In the event of termination, rent shall be paid at the time of termination, If the rent due is for AF used, such amount shall be calculated using both the monthly flow meter readings and the KWh/AF conversion in Section 8, below.

Section 7. Utilities. Lessee shall pay any and all power and other utility costs associated with Lessee's use of the Water Rights. Lessee shall be responsible for all arrangements required for billing of the utilities directly to Lessee. Electrical charges not associated with Lessee's usage and billed for the period after the term of this Lease shall be the responsibility of Lessor.

Section 8. Power Records. Upon execution of this Lease and prior to use of the Water Rights and Equipment, Lessee shall execute the form of letter attached hereto as ***Exhibit C*** to request that Morgan County Rural Electric Association send a "duplicate" bill to Lessor each month during the term of the Lease. Lessee hereby grants permission to Morgan County Electric Association to release to Lessor and/or its agents power records associated with the wells located on the Property. While flowmeter readings shall be used for calculating monthly usage, the Power Consumption Coefficient shown in Section 1 shall be used to calculate water usage for each well if no flowmeter readings are available. (Figures shall be based on accepted State and USGS methods.)

Section 9. Default and Termination. In addition to the other grounds for termination

herein, Lessor may, at its option, elect to terminate this Lease upon the occurrence of an event of default by Lessee in the performance of its obligations hereunder. An event of default shall be deemed to occur if:

A. Lessee fails to pay any rental payments within 30 days of the due date. Lessor shall have no obligation to provide Lessee with notice of nonpayment or an opportunity to cure;

B. Lessee uses the Water Rights in a manner other than as permitted pursuant to this Lease or the Well Permits, and fails to cease such prohibited use within five days of receipt of notice of such default by Lessor;

C. Lessee fails to report meter readings within 10 days from the required date for readings.

D. Lessee assigns this Lease to a third party in violation of Section 10, below; or

E. Lessee commits a material breach of any provision of this Lease.

In the event Lessee defaults or otherwise commits a breach of this Lease, or any provision of this Lease, in addition to terminating the Lease, Lessor shall have the right to pursue (i) the remedies set forth herein, and (ii) any and all other remedies and damages, permitted in law or equity, caused by or arising from Lessee's default or breach. In the event of termination as a result of any default, rent shall be brought current by Lessee and any rent due for AF used but unpaid shall be paid at the time of termination, as calculated using the flow meter readings and the KWh/AF conversion in Section 8, above.

Section 10. Assignment and Assumption. Lessee may not assign its rights hereunder without the prior written consent of Lessor, which consent may be withheld in Lessor's sole discretion. In the event that Lessor consents to an assignment of Lessee's rights hereunder, the assignee shall execute an assumption agreement pursuant to which it shall assume Lessee's obligations hereunder. The terms of such assumption agreement must be approved by Lessor.

Section 11. Notices. All notices shall be in writing, and shall be delivered by hand delivery or U.S. mail, postage prepaid, to the parties at the addresses set forth below. Notices shall be deemed received on the date hand delivered or, if mailed, three days after deposit in the U.S. mail, postage prepaid.

If to Lessor:	Town of Castle Rock
	Castle Rock Water
	175 Kellogg Court
	Castle Rock, Colorado 80109
	Attn: Matt Benak, Water Resources Manager
	Phone: 720-733-6037 (direct)
	Email: mbenak@crgov.com

If to Lessee: Dove Meadow Dairy, Inc.
10571 County Road 37
Fort Lupton, Colorado 80621
Phone: 303-536-4602
Email: cookt1220@gmail.com

Section 12. Termination Upon Sale, Transfer, Exchange or Export. In the event the Water Rights are sold, transferred, or exchanged or exported by Lessor or its assigns, then Lessor may terminate this Lease, in whole or in part, upon 30 days' prior written notice. In the event that, prior to such termination by Lessor, Lessee has planted crops, Lessee shall attempt to procure substitute water supplies to avoid crop loss. If Lessee is unable to reasonably procure a substitute water supply and the crops are lost, in whole or in part, as a result of Lessor's termination pursuant to this Section 12, Lessor shall compensate Lessee for such loss. For purposes of this Section 12, the value of crop loss shall be based upon crop insurance records for the Property. If crops have not yet been planted, in whole or in part, on the Property, Lessor shall reimburse Lessee for expenses incurred in preparation for planting, if any. In such event, Lessee shall provide Lessor with receipts for any such expenses. In the event of termination by Lessor under this Section 12, rent shall be brought current by Lessee and any rent due for AF used but unpaid shall be paid at the time of termination, as calculated using the monthly flowmeter readings.

Lessee shall not be entitled to compensation or reimbursement under this Section 12 or otherwise for crop damage or loss in the event of termination due to any default by Lessee or for any other reason under this Lease.

In the event of termination under this Section 12, if Lessor and Lessee are unable to agree as to the value of any such crops, tillage work, labor and material and supplies, then each Party agrees to name an arbitrator, and the value arrived at by the arbitrators shall be controlling on both Parties. In the event the two arbitrators cannot agree, they shall appoint a third arbitrator, and the value arrived at by the majority of the arbitrators shall be controlling on both Parties. The Parties shall share equally in the cost of such arbitration.

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A. Commercial General Liability insurance with minimum combined single limits of \$1,000,000 each occurrence and \$1,000,000 aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall contain a "severability of interests" provision.

B. Commercial Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than \$1,000,000 each occurrence and \$1,000,000 aggregate with respect to each of Lessor's owned, hired and/or non-owned vehicles assigned to or used in on the Property. The policy shall contain a "severability of interests" provision.

C. Workers' Compensation Insurance with limits in accordance with the provisions of the Workers' Compensation Act, as amended, by the State of Colorado and Employer's Liability insurance with limits of \$100,000 per occurrence for each bodily injury claim, \$100,000 per occurrence for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims.

The policies required above shall be endorsed to include Lessor, its officers and employees, as an additional insured. Certificates of insurance shall be completed by Lessee's insurance agent as evidence that policies providing the required coverage, conditions and minimum limits are in full force and effect, and shall be subject to review and approval by Lessor. Each certificate shall identify the Property and shall provide that coverage afforded under the policies shall not be cancelled, terminated or materially changed until at least 30 days' prior written notice has been given to Lessor. If the words "endeavor to" appear in the portion of the certificate addressing cancellation, those words shall be stricken from the certificate by the agent(s) completing the certificate. Lessor reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

Failure on the part of Lessee to procure or maintain policies providing the required coverage, conditions, and minimum limits shall constitute a material breach of contract upon which the discretion may procure or renew any such policy or any extended connection therewith, and all monies so paid by Lessor shall be repaid by Lessee to Lessor upon demand, or Lessor may offset the cost of the premiums against any monies due to Lessee from Lessor.

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Section 15. Indemnification. Lessee shall indemnify and hold Lessor harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the use of the Water Rights and Equipment by Lessee, its employees or agents, excepting, however, such claims or damages as may be due to or caused by the negligent or willful acts or omissions of Lessor, or its employees or agents.

Section 16. Binding Effect. This Lease constitutes the full agreement of the Parties and may not be modified except in writing signed by both Parties. This Lease shall be binding on the Parties and their respective successors and assigns.

Section 17. Loss, Destruction or Damage to the Water Rights and Equipment. Lessor leases the Water Rights and Equipment to Lessee in an "as is" condition, and Lessor expressly does not agree to any modification or change of the Water Rights, other than a change of use of the Water Rights pursuant to any application filed by Lessor for the export and change or use of the Water Rights.

Section 18. Attorney's Fees. In the event that an attorney is engaged by either Party to (i) resolve any dispute arising under the terms of this Lease (except for the arbitration procedure described in Section 12, above), or (ii) collect payment of any sums due and owing under this Lease, the prevailing Party is entitled, in addition to other damages or costs, to receive reasonable attorney's fees from the non-prevailing Party.

Section 19. Complete Agreement. This Lease supersedes any and all prior agreements, written and oral, between the Parties and constitutes the complete and entire agreement of the Parties.

Section 20. Headings for Convenience Only. The paragraph headings are for convenience only and the substantive portions hereof control without regard to the headings.

Section 21. Modification. This Lease shall be modified in writing only, which writing must be executed by the Parties in order to be effective.

Section 22. Controlling Law. This Lease shall be governed under, and construed pursuant to the laws of the State of Colorado.

(Signature page to follow)

LESSOR:

ATTEST:

TOWN OF CASTLE ROCK, acting by and
through the Town of Castle Rock Water Enterprise

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director Castle Rock Water

LESSEE:

DOVE MEADOW DAIRY, INC.

By: _____
Its: Authorized Member

STATE OF COLORADO)
) ss.
COUNTY OF _____)

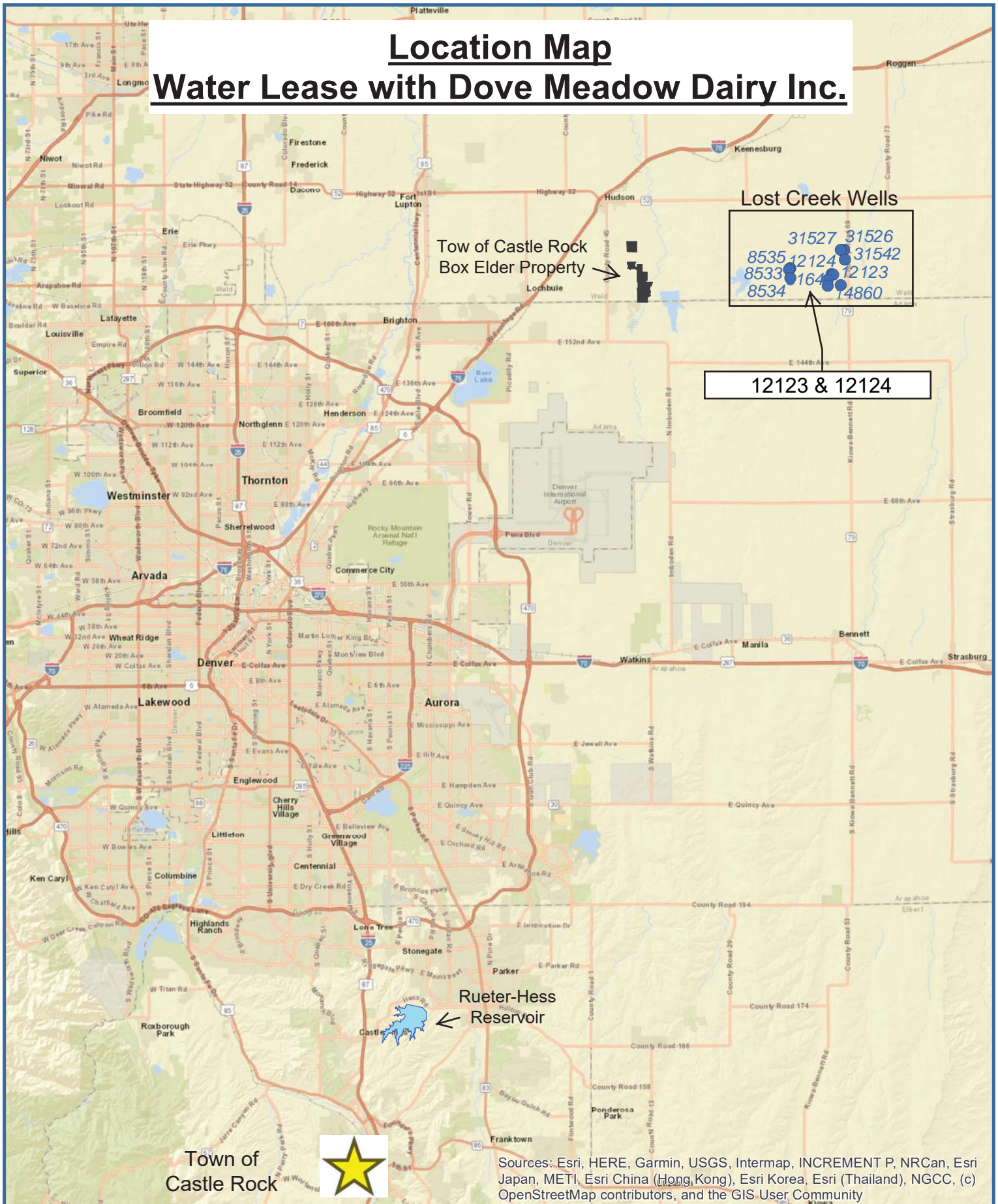
The foregoing instrument is acknowledged before me this __ day of _____,
2023, by _____, as the authorized member of Dove Meadow Dairy, Inc.

Witness my official hand and seal.
My commission expires:

Notary Public

Location Map

Water Lease with Dove Meadow Dairy Inc.



Town of
Castle Rock



Rueter-Hess
Reservoir

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community



0 16,500 33,000 66,000 Feet
Date: 1/21/2022 1 inch = 32,921 feet



Disclaimer: The data presented has been compiled from various sources, each of which introduces varying degrees of inaccuracies or inconsistencies. Such discrepancies in data are inherent and in supplying this product the Town of Castle Rock assumes no liability for its use or accuracy. Questions or comments regarding the cartographic composition of this map including, but not limited to, errors, omissions, corrections, and/or updates, should be directed to the Utilities Department, Town of Castle Rock, (720) 733-6087. Copyright 2017, Town of Castle Rock Utilities Mapping.

**CASTLE ROCK
UTILITIES MAP**
(INTERNAL USE ONLY)



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 10. **File #:** WC 2023-022

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager
Lauren Moore, Water Resources Program Analyst

A Resolution Approving a Water Rights Lease Agreement between the Town of Castle Rock and H&H Farms [Weld County, Co]
Town Council Agenda Date: March 7, 2023

Executive Summary

Castle Rock Water is seeking Town Council approval of a resolution (**Attachment A**) for a water rights lease with H&H Farms. H&H Farms is a farmer located in Weld County adjacent to the Lost Creek Basin wells we purchased in 2017 as part of our Alternate Source of Supply Project. As part of their 2022 lease, the farmer used 175.3 acre-feet (AF) of water from these wells for irrigation and has paid the Town \$6,398.52. H&H Farms is interested in an additional one-year lease of our Lost Creek Basin water rights. The Town of Castle Rock does not plan to export these water rights in 2023 as the infrastructure needed to move the water has not yet been designed or constructed. H&H Farms wishes to lease up to 275 AF at a rate of \$36.50 per AF, which could amount to \$10,037.50 in revenue. The price is reasonable for agricultural leased water of this type at this location based on available data regarding other leases in the area. The agreement terminates on November 15, 2023. This lease agreement is consistent with Castle Rock Water's strategic plan. A key tactic in that plan is to maximize leasing opportunities for idle water rights.

History of Past Town Council, Boards & Commissions, or Other Discussions

February 28, 2018, Castle Rock Water Commission unanimously recommended that Town Council approve the 2018 water lease agreement.

March 6, 2018, Town Council unanimously approved the 2018 water lease agreement.

January 23, 2019, Castle Rock Water Commission recommended that Town Council approve the 2019 water lease agreement.

February 5, 2019, Town Council unanimously approved the 2019 water lease agreement.

October 23, 2019, Castle Rock Water Commission recommended that Town Council approve the

2020 water lease agreement.

November 5, 2019, Town Council unanimously approved the 2020 water lease agreement.

February 24, 2021, Castle Rock Water Commission recommended that Town Council approve the 2021 water lease agreement.

March 2, 2021, Town Council unanimously approved the 2021 water lease agreement.

January 26, 2022, Castle Rock Water Commission recommended that Town Council approve the 2022 water lease agreement.

February 15, 2022, Town Council unanimously approved the 2022 water lease agreement.

Discussion

As part of the Town's hybrid renewable water solution, the Town purchased several Lost Creek Basin wells in 2017 and 2021. These wells came with approximately 1,492 AF (annually) of fully exportable water rights which could be used for municipal and other purposes. Eventually, the Town intends to use these water rights directly or as an augmentation source. However, until infrastructure is built to transport this water to a treatment plant or place of augmentation, leasing this water for other purposes helps to generate some revenue for Castle Rock Water. In 2022, H&H Farms used 175.3 AF of water and has paid the Town \$6,398.52, with a lease rate of \$36.50/AF. The farmers are also planning to use this water in 2023.

The key terms of the 2023 water lease agreement are summarized below:

- Agreement will terminate November 15, 2023.
- H&H Farms will lease up to 275 AF of water at a rate of \$36.50 per AF.

The following table outlines the wells (**Attachment B**) that will be used and the amount of water we will be leasing to H&H Farms.

Well	Maximum Water to be Leased, AF	Annual Water Rights, AF
31640	275	297.2
Total	275	297.2

As noted in the Executive Summary, maximizing the leasing of idle water rights is part of Castle Rock Water's strategic plan. Revenues from this leasing help to offset the costs for purchasing and developing long-term renewable water supplies. Total revenues from water leases with H&H Farms over the last five years are shown in the table below.

Year	AF	\$/AF	Total Revenue
2018	183.55	\$ 35.00	\$ 6,424.25
2019	142.74	\$ 35.00	\$ 4,995.94

Item #: 10. File #: WC 2023-022

2020	198.68	\$ 35.00	\$ 6,953.84
2021	198.60	\$ 36.50	\$ 7,248.90
2022	175.30	\$ 36.50	\$ 6,398.52
Total			\$ 32,021.45

Budget Impact

If Council approves the agreement, Castle Rock Water would receive up to \$10,037.50 in revenue in 2023. The revenue will be deposited into Water Resources Fund Capital Leases account 211-4375-393.70-00 <WRAWL>.

Staff Recommendation

Staff recommends approval of the 2023 Water Rights Lease Agreement with H&H Farms for 275 AF of water which will generate a revenue of up to \$10,037.50.

Proposed Motion

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

Attachments

Attachment A: Resolution (Not Attached)
Exhibit 1: Agreement
Attachment B: Location Map

WATER RIGHTS LEASE

THIS WATER RIGHTS LEASE (the “Lease”) is made and entered into as of the _____ day of _____, 2023, by and between the **TOWN OF CASTLE ROCK**, a Colorado home rule municipal corporation, acting by and through the **TOWN OF CASTLE ROCK WATER ENTERPRISE** (the “Lessor”), and **H&H FARMS**, a Colorado general partnership (the “Lessee”) (collectively, Lessor and Lessee are referred to as the “Parties”).

RECITALS:

A. Lessor is the owner of certain Water Rights and Equipment as defined in Section 1, below.

B. Lessee desires to lease from Lessor, and Lessor desires to lease to Lessee, the Water Rights and Equipment, as defined in Section 1, below, on the terms and conditions set forth in this Lease.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

COVENANTS:

Section 1. Water Rights and Equipment Lease. Subject to the terms and conditions set forth herein, Lessor hereby leases to Lessee up to 275 acre feet (“Permitted Maximum”) of the water rights associated with the well permit number 31640-FP (“Well Permit”). The water rights associated with the Well Permit shall be referred to collectively as the “Water Rights.” The Water Rights, together with the well, pumping equipment, electrical equipment and other equipment and facilities associated with the Water Rights (collectively referred to as the “Equipment”) are further described in the attached *Exhibit A*.

Except as otherwise limited herein, Lessee shall use the well in accordance with the Well Permit and prevent degradation of the quality of the groundwater. Lessee is required to use the well and the well shall not be used in excess of its Permitted Maximum.

Any use of the Water Rights in excess of the Permitted Maximum shall constitute a default under Section 9 of this Lease. Lessee shall be liable for any and all damages caused to Lessor as a result of Lessee exceeding the Permitted Maximum. Lessor, in its sole and absolute discretion, shall be entitled to immediately terminate this Lease. In addition, should Lessee’s use of the Water Rights associated with the Well Permit exceed those quantities listed above, then Lessee shall pay to Lessor a \$60.00 per acre foot penalty.

Section 2. Rental Rate. The rental rate for the Water Rights and Equipment shall be \$36.50 per acre foot (“AF”) of water (an acre foot being equal to 325,851 U.S. gallons) pumped from the well associated with the Water Rights. As an upfront lease payment, Lessee shall pay to Lessor \$2,509.38, which represents 25% of the maximum total Rent due (\$36.50 x 275 AF) under this Lease (“Initial Rent Payment”). The Initial Rent Payment is due April 1, 2023. The

second and final rent payment shall be due November 15, 2023, which shall be calculated at \$36.50 per AF for all Water Rights pumped, less the Initial Rent Payment. In the event any payment required hereunder is not made within 30 days after the payment is due, a late charge in the amount of \$10.00 will be paid by Lessee. All payments shall be made to the address set forth in Section 11, below, or such other address specified by Lessor.

A. In order to calculate the total of rental payments, during the term of this Lease, Lessee shall report to Lessor the flowmeter readings or electric meter readings for the meter associated with the pump for the Well Permit on the reporting form attached as ***Exhibit B***. Reporting shall occur (i) at the commencement of this Lease with the initial meter reading, (ii) on the first of each month (usage from the previous month), and (iii) upon Lease termination on November 15, 2023. Lessee shall record the meter readings for the Well Permit number and shall report the readings to Lessor by emailing the completed reporting form to Lessor within 10 days of the reading to the email address listed in Section 11, below. Any failure to report use as outlined in this Section shall constitute a default under Section 9 of this Lease and Lessor, in its sole and absolute discretion, may immediately terminate this Lease for such Default.

B. In the event of termination of this Lease for any reason, any unpaid rent shall be paid no later than 10 days from the date of termination. Any rent due for the volume of water used, but unpaid, shall be calculated using the monthly flowmeter readings.

Section 3. Term. This Lease will be for a term commencing on _____, 2023 and ending on November 15, 2023 (“Term”), unless terminated sooner pursuant to this Lease. The term of the Lease can only be extended or renewed in writing signed by both parties, and there can be no implied renewal of this Lease.

Section 4. Use of Water Rights. Lessee shall use the Water Rights only for the irrigation of agriculture crops as historically done by Lessee in the SW1/4 of the NE1/4 of Section 34, T1N, R63W, 6th P.M. (a.k.a. Parcel M) (the “Property”). Lessee shall neither exceed the Permitted Maximum of water allowed under the Well Permit nor use any of the Water Rights to irrigate any other real property than the Property.

Section 5. United States Department of Agriculture. Lessee shall deliver to Lessor copies of all 2023 Farm Service Agency crop reports filed by Lessee, any 2023 aerial photos on record with the Farm Service Agency, and/or any other of Lessee’s governmental farm records by no later than August 1, 2023. Lessee shall further deliver to Lessor any additional Farm Service Agency crop records filed by Lessee after such date and before expiration of this Lease.

Section 6. Maintenance of Equipment. Upon the effective date of this Lease, Lessee shall be solely responsible for the costs of operation, maintenance and repair of the Equipment and all other equipment necessary for the irrigation of the Property, which shall include the costs of all maintenance and repairs to the pumps and existing wells used for the Water Rights. During the term of this Lease, only the Lessee and/or its agents or employees shall use the Equipment, which Equipment shall only be used on the Property. In the event crops irrigated by the Water Rights are damaged because of Lessee’s activities and/or failure to operate, maintain or repair the Equipment or any other equipment necessary for irrigation of the Property, Lessor shall have no liability for such damages to the crops or loss of crop revenue and Lessee shall have no recourse against Lessor

for such damages.

Upon discovery of an issue with the Equipment, Lessee shall notify Lessor immediately about the issue and what Lessee intends to do to maintain or repair the Equipment. In the event Lessee installs a part or other equipment that costs \$100.00 or more, Lessee may remove that part or equipment and take it when the Lease terminates. Prior to removal, however, Lessee shall provide Lessor with written notice of its intent to remove such part and/or equipment and Lessor shall have 10 days from the date of such notice to purchase said part or equipment at the amount Lessee paid for the part and its installation. As part of such notice, Lessee shall provide Lessor the receipt for the part and installation cost. If the Equipment, for any reason, fails to deliver the water from the well, and Lessee does not repair it and provides Lessor written notice of its intent not to repair, Lessor or Lessee may terminate this Lease upon 30 days' written notice to the other party, and Lessor shall have no liability for damages to the crops or loss of crop revenue. In the event of termination, rent shall be paid at the time of termination, If the rent due is for AF used, such amount shall be calculated using both the monthly flow meter readings and the KWh/AF conversion in Section 8, below.

Section 7. Utilities. Lessee shall pay any and all power and other utility costs associated with Lessee's use of the Water Rights. Lessee shall be responsible for all arrangements required for billing of the utilities directly to Lessee. Electrical charges not associated with Lessee's usage and billed for the period after the term of this Lease shall be the responsibility of Lessor.

Section 8. Power Records. Upon execution of this Lease and prior to use of the Water Rights and Equipment, Lessee shall execute the form of letter attached hereto as ***Exhibit C*** to request that Morgan County Rural Electric Association send a "duplicate" bill to Lessor each month during the term of the Lease. Lessee hereby grants permission to Morgan County Electric Association to release to Lessor and/or its agents power records associated with the wells located on the Property with the power meter number 136861893. While flowmeter readings shall be used for calculating monthly usage, the Power Consumption Coefficient (KWh/AF) shall be used to calculate water usage for each if no flowmeter readings are available. (Figures shall be based on accepted State and USGS methods.)

Section 9. Default and Termination. In addition to the other grounds for termination herein, Lessor may, at its option, elect to terminate this Lease upon the occurrence of an event of default by Lessee in the performance of their obligations hereunder. An event of default shall be deemed to occur if:

A. Lessee fails to pay any rental payments within 30 days of the due date. Lessor shall have no obligation to provide Lessee with notice of nonpayment or an opportunity to cure;

B. Lessee uses the Water Rights in a manner other than as permitted pursuant to this Lease or the Well Permit, and fails to cease such prohibited use within five days of receipt of notice of such default by Lessor;

C. Lessee fails to report meter readings within 10 days from the required date for readings.

- D. Lessee assigns this Lease to a third party in violation of Section 10, below; or
- E. Lessee commits a material breach of any provision of this Lease.

In the event Lessee defaults or otherwise commits a breach of this Lease, or any provision of this Lease, in addition to terminating the Lease, Lessor shall have the right to pursue (i) the remedies set forth herein, and (ii) any and all other remedies and damages, permitted in law or equity, caused by or arising from Lessee's default or breach. In the event of termination as a result of any default, rent shall be brought current by Lessee and any rent due for AF used but unpaid shall be paid at the time of termination, as calculated using the flow meter readings.

Section 10. Assignment and Assumption. Lessee may not assign its rights hereunder without the prior written consent of Lessor, which consent may be withheld in Lessor's sole discretion. In the event that Lessor consents to an assignment of Lessee's rights hereunder, the assignee shall execute an assumption agreement pursuant to which it shall assume Lessee's obligations hereunder. The terms of such assumption agreement must be approved by Lessor.

Section 11. Notices. All notices shall be in writing, and shall be delivered by hand delivery or U.S. mail, postage prepaid, to the parties at the addresses set forth below. Notices shall be deemed received on the date hand delivered or, if mailed, three days after deposit in the U.S. mail, postage prepaid.

If to Lessor: Town of Castle Rock
 Castle Rock Water
 175 Kellogg Court
 Castle Rock, Colorado 80109
 Attn: Matt Benak, Water Resources Manager
 Phone: 720-733-6037 (direct)
 Email: mbenak@crgov.com

If to Lessee: H&H Farms
 49001 E. 144th Avenue
 Bennett, Colorado 80102
 Phone: 970-381-2051 (mobile)
 Fax: 303-644-5909
 Email: khelzer@aol.com

Section 12. Termination Upon Sale, Transfer, Exchange or Export. In the event the Water Rights are sold, transferred, or exchanged or exported by Lessor or its assigns, then Lessor may terminate this Lease, in whole or in part, upon 30 days' prior written notice. In the event that, prior to such termination by Lessor, Lessee has planted crops, Lessee shall use its best efforts to procure substitute water supplies to avoid crop loss. If Lessee is unable to reasonably procure a substitute water supply and the crops are lost, in whole or in part, as a result of Lessor's termination pursuant to this Section 12, Lessor shall compensate Lessee for such loss. For purposes of this Section 12, the value of crop loss shall be based upon crop insurance records for the Property. If crops have not yet been planted, in whole or in part, on the Property, Lessor shall reimburse Lessee

for expenses incurred in preparation for planting, if any. In such event, Lessee shall provide Lessor with receipts for any such expenses. In the event of termination by Lessor under this Section 12, rent shall be brought current by Lessee and any rent due for AF used but unpaid shall be paid at the time of termination, as calculated using the monthly flowmeter readings.

Lessee shall not be entitled to compensation or reimbursement under this Section 12 or otherwise for crop damage or loss in the event of termination due to any default by Lessee or for any other reason under this Lease.

In the event of termination under this Section 12, if Lessor and Lessee are unable to agree as to the value of any such crops, tillage work, labor and material and supplies, then each Party agrees to name an arbitrator, and the value arrived at by the arbitrators shall be controlling on both Parties. In the event the two arbitrators cannot agree, they shall appoint a third arbitrator, and the value arrived at by the majority of the arbitrators shall be controlling on both Parties. The Parties shall share equally in the cost of such arbitration.

Section 13. Insurance. At all times during the term of this Lease, Lessee shall procure at its own cost and maintain the following policies of insurance:

A. Commercial General Liability insurance with minimum combined single limits of \$1,000,000 each occurrence and \$1,000,000 aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall contain a “severability of interests” provision.

B. Commercial Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than \$1,000,000 each occurrence and \$1,000,000 aggregate with respect to each of Lessor’s owned, hired and/or non-owned vehicles assigned to or used in on the Property. The policy shall contain a “severability of interests” provision.

C. Workers’ Compensation Insurance with limits in accordance with the provisions of the Workers’ Compensation Act, as amended, by the State of Colorado and Employer’s Liability insurance with limits of \$100,000 per occurrence for each bodily injury claim, \$100,000 per occurrence for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims.

The policies required above shall be endorsed to include Lessor, its officers and employees, as an additional insured. Certificates of insurance shall be completed by Lessee’s insurance agent as evidence that policies providing the required coverage, conditions and minimum limits are in full force and effect, and shall be subject to review and approval by Lessor. Each certificate shall identify the Property and shall provide that coverage afforded under the policies shall not be cancelled, terminated or materially changed until at least 30 days’ prior written notice has been given to Lessor. If the words “endeavor to” appear in the portion of the certificate addressing cancellation, those words shall be stricken from the certificate by the agent(s) completing the certificate. Lessor reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

Failure on the part of Lessee to procure or maintain policies providing the required coverage, conditions, and minimum limits shall constitute a material breach of contract upon which the discretion may procure or renew any such policy or any extended connection therewith, and all monies so paid by Lessor shall be repaid by Lessee to Lessor upon demand, or Lessor may offset the cost of the premiums against any monies due to Lessee from Lessor.

Section 14. Governmental Immunity. The Parties understand and agree that the Lessor is relying on, and does not waive or intend to waive by any provision of this Lease, the monetary limitations (presently \$424,000 per person, \$1,195,000 per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., as from time to time amended, or otherwise available to Lessor, its officers, and employees.

Section 15. Indemnification. Lessee shall indemnify and hold Lessor harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the use of the Water Rights and Equipment by Lessee, its employees or agents, excepting, however, such claims or damages as may be due to or caused by the negligent or willful acts or omissions of Lessor, or its employees or agents.

Section 16. Binding Effect. This Lease constitutes the full agreement of the Parties and may not be modified except in writing signed by both Parties. This Lease shall be binding on the Parties and their respective successors and assigns.

Section 17 Loss, Destruction or Damage to the Water Rights and Equipment. Lessor leases the Water Rights and Equipment to Lessee in an “as is” condition, and Lessor expressly does not agree to any modification or change of the Water Rights, other than a change of use of the Water Rights pursuant to any application filed by Lessor for the export and change or use of the Water Rights.

Section 18. Attorney’s Fees. In the event that an attorney is engaged by either Party to (i) resolve any dispute arising under the terms of this Lease (except for the arbitration procedure described in Section 12, above), or (ii) collect payment of any sums due and owing under this Lease, the prevailing Party is entitled, in addition to other damages or costs, to receive reasonable attorney’s fees from the non-prevailing Party.

Section 19. Complete Agreement. This Lease Agreement supersedes any and all prior agreements, written and oral, between the Parties and constitutes the complete and entire agreement of the Parties.

Section 20. Headings for Convenience Only. The paragraph headings are for convenience only and the substantive portions hereof control without regard to the headings.

Section 21. Modification. This Lease shall be modified in writing only, which writing must be executed by the Parties in order to be effective.

Section 22. Controlling Law. This Lease shall be governed under, and construed

pursuant to the laws of the State of Colorado.

(Signature page to follow)

LESSOR:

ATTEST:

TOWN OF CASTLE ROCK, acting by and through the Town of Castle Rock Water Enterprise

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director Castle Rock Water

LESSEE:

H&H FARMS

By: _____
Its: Authorized Partner

[illegible]

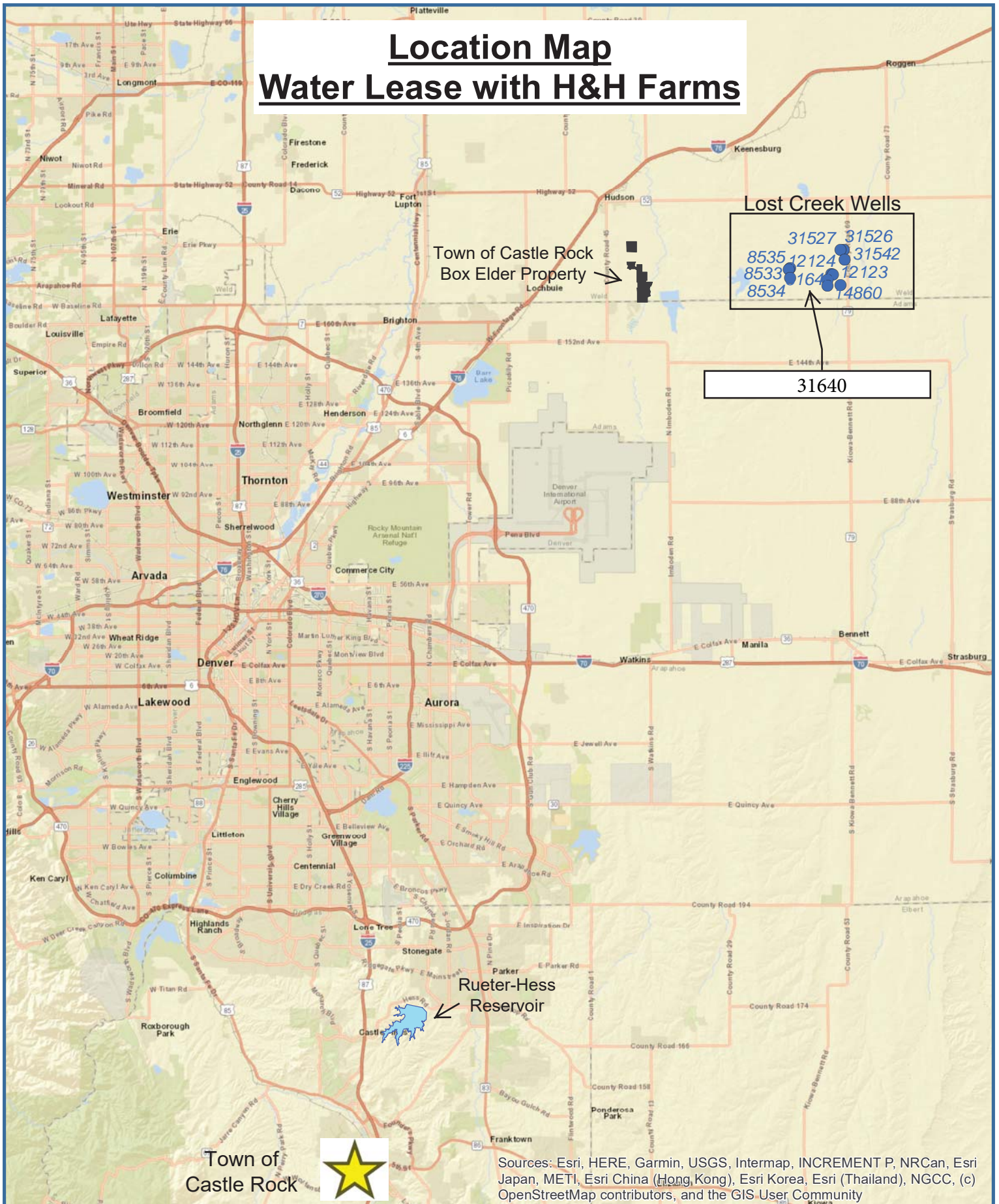
The foregoing instrument is acknowledged before me this __ day of _____, 2023, by _____, as the authorized partner of H&H Farms.

Witness my official hand and seal.
My commission expires:

Notary Public

Location Map

Water Lease with H&H Farms





Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 11. **File #:** WC 2023-023

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager

Resolution Approving Castle Rock's Portion of the Capital Assessments for the Wells Associated with the Walker Reservoir Construction Project *[Located in Douglas County near Franktown, CO]*

Town Council Agenda Date: March 7, 2023

Executive Summary

The purpose of this memorandum is to seek Town Council approval by Resolution (see **Attachment A**) of Castle Rock's portion of the Cherry Creek Project Water Authority (CCPWA) well construction work associated with the Walker Reservoir construction project. Castle Rock entered into a Project Participation Agreement (**Attachment B**) with the CCPWA in September 2021 for the construction of Walker Reservoir. CCPWA's consultant (HRS Water Consultants) has designed three alluvial wells and one Denver Basin (Arapahoe Aquifer) well to be used to pump water into Walker Reservoir. The well locations are shown on the location map as **Attachment C**.

CCPWA received and evaluated bids for the construction work related to the wells. The Arapahoe well drilling and equipping has been awarded to Hydro Resources in the amount of \$1,257,778 and the alluvial drilling and equipping has been awarded to Layne Christensen in the amount of \$1,390,635. Farnsworth Group has been awarded the site civil design and pipeline contract and is working on the construction drawings. Well drilling operations will be starting in March 2023.

History of Past Town Council, Boards & Commissions, or Other Discussions

On June 17, 2019, CRW staff presented the opportunity to purchase ACWWA's interest in the CCPWA to the Castle Rock Water Commission (CRWC), who recommended that the Town move forward with the purchase.

On June, 18, 2019, CRW staff presented the opportunity to purchase ACWWA's interest in the CCPWA to the Water Resources Committee. The Committee recommended moving forward with an offer, the offer ultimately agreed to and outlined in this memo.

On October 2, 2019, the Director of CRW attended the CCPWA's Board Meeting to discuss Castle Rock's proposed purchase of ACWWA's interest in the project and to confirm that the other members

were open to reevaluating the proposed capital infrastructure for the project and the manner in which that infrastructure is funded by the CCPWA members.

On October 23, 2019, CRW staff presented the revised agreement to CRWC, and CRWC again recommended that Council approve the purchase and the agreement.

On December 11, 2019, CRWC was updated on the final agreement approach and CRWC offered their continued support by general consensus.

On January 21, 2020, Town Council approved the Purchase and Sale Agreement with ACWWA.

On March 5, 2020 the Town and ACWWA entered into the Contract for the Purchase and Sale Agreement.

On May 5, 2020, the Town and ACWWA entered into the First Amendment to the Contract for the Purchase and Sale Agreement which put into effect a 90-day stay due to the potential impacts of the COVID-19 pandemic.

On November 3, 2020, the Town and ACWWA entered into the Second Amendment to the Contract for the Purchase and Sale Agreement which extended the due diligence deadline to December 15, 2020.

On February 12, 2021, the Town closed on the purchase of ACWWA's interest in the CCPWA.

On July 28, 2021, Castle Rock Water Commission recommended that the Town enter into the Project Participation Agreement (PPA) with the CCPWA for Walker Reservoir.

On September 21, 2021, Castle Rock entered into the Project Participation Agreement (PPA) with CCPWA for Walker Reservoir.

Discussion

Walker Reservoir is a water storage facility that is currently being constructed located approximately ½-mile northwest of Franktown, Colorado. Walker Reservoir will serve multiple functions by being able to store tributary and non-tributary water and to release water for direct use, augmentation and release and re-diversion downstream to Rueter-Hess Reservoir. Walker Reservoir is being constructed with a 650 AF capacity and Castle Rock will have at 150 AF, or approximately 23% of the capacity.

To be able to deliver water into Walker Reservoir, wells need to be drilled, both in the Cherry Creek alluvium to capture renewable water rights, and in the deep Denver Basin aquifer to take advantage of CCPWA's non-renewable water rights. CCPWA's water engineering consultant designed three alluvial wells and one Arapahoe well in close proximity to the reservoir that will be used to pump water into storage.

Budget Impact

CRW's cost for the well construction work, well equipping and engineering oversight is estimated to be \$1,510,781.25 and will be drawn from the Water Resources Fund, Capital Projects Division, CC Basin Infrastructure (Account Number 211-4375-443.79-17), which has a current balance of \$2,170,000. In addition to Castle Rock's portion of the well construction work, CCPWA has also issued an invoice for 2023 CIP General Assessments in the amount of \$20,625.00 (to be drawn from Account Number 211-4375-443.79-17) and 2023 General Operating Assessments in the amount of \$12,375.00 (to be drawn from Account Number 211-4340-443.80-61, CC Project Water Authority).

Proposed Motion

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

Attachments

Attachment A:	Resolution (Not Attached)
Attachment B:	Project Participation Agreement
Attachment C:	Location Map

**CHERRY CREEK PROJECT WATER AUTHORITY
WALKER RESERVOIR
PROJECT PARTICIPATION AGREEMENT**

THIS CHERRY CREEK PROJECT WATER AUTHORITY WALKER RESERVOIR PROJECT PARTICIPATION AGREEMENT (“Agreement”) is made and entered into effective this 17th day of November, 2021, by and between the Members (“Members”) of the Cherry Creek Project Water Authority (the “Authority”) regarding the construction of, and capacity in, the Walker Reservoir.

RECITALS

WHEREAS, the First Amended and Restated Water Project Agreement and Establishing Contract of the Cherry Creek Water Authority dated August 20, 2008, as amended (“CCPWA Agreement”), anticipates the creation of project participation agreements;

WHEREAS, the CCPWA Agreement provides that project and asset purchases may be undertaken by the Authority pursuant to project participation agreements between all or some of the Members, and the ownership and partnership interests in such projects and related assets may be defined in the project participation agreement for such projects;

WHEREAS, the Authority has determined to construct a lined water storage facility at the Walker Pit, known as “Walker Reservoir,” which will store tributary and nontributary water, have releases for direct use and augmentation, and release and re-diversion to Rueter-Hess Reservoir;

WHEREAS, all of the Members of the Authority desire that a project participation agreement be executed related to the Walker Reservoir Project, as defined herein; and

WHEREAS, the Members of the Authority desire to formalize their participation in the Walker Reservoir Project.

NOW THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, the terms and conditions of this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members agree as follows:

AGREEMENT

I. DEFINITIONS

A. Walker Reservoir: shall mean the lined water storage facility and appurtenances to be located at the Walker Pit in Douglas County, Colorado.

B. Walker Reservoir Project: shall mean the Walker Reservoir and associated capacity (estimated to be 650 AF), the Walker Reservoir pump station and associated pumping capacity and raw water pipelines serving the Walker Reservoir, all as shown on the approved and construction drawings (and as-builts for the Walker Reservoir upon completion) as shown or listed on **Exhibit A**, which is attached hereto and incorporated herein by this reference. The Walker Reservoir Project will provide the Members the ability to convey water to Walker

Reservoir, provide water storage for seasonal deliveries and conveyance and exchange of water between and among the Members.

C. Capacity or Walker Reservoir Capacity: shall mean the volume of storage and capacity in the Walker Reservoir Project as defined herein in the amounts and percentages attributed to each Member as set forth in **Exhibit B** hereto.

D. CCPWA Project: the Cherry Creek Project Water Authority's facilities and improvements including, but not limited to, non-tributary ground water wells, the Walker Reservoir Project, alluvial ground water wells, pipelines and diversion facilities to Rueter Hess Reservoir and Rueter Hess Reservoir Storage.

II. TERMS OF PARTICIPATION

The Authority shall be the contracting party for construction of the Walker Reservoir Project and shall be the owner of record of the Walker Reservoir Project. The Members of the Authority agree to participate in the Walker Reservoir Project on the terms set forth herein.. In order to provide the funding necessary to participate in the Walker Reservoir Project, each Member agrees to pay to the Authority the amounts set forth on **Exhibit B**, which are determined by each Member's Capacity. **Exhibit B** may be amended from time to time upon approval of the Members to reflect changes in the participation and allocation of Capacity. **Exhibit B** shall be amended without further action of the parties hereto to reflect changes in the amount of Capacity owned by each Member when such change results from a Member's failure to pay its proportional costs under this Agreement.

Each Member shall be obligated to fund any additional costs associated with the Walker Reservoir Project in proportion to the ratio of the Member's Capacity to the total Capacity. In the event that a Member elects not to fund the additional costs, that Member's Capacity as reflected in **Exhibit B** shall be reduced proportionally to reflect the failure to provide the additional funds.

Each Member acknowledges that the Walker Reservoir Project is part of the overall project known as the CCPWA Project. As such, each Member acknowledges their intent to cooperatively operate and manage the Walker Reservoir Project in a way that will not negatively impact another Member's ability to receive its appropriate share of the anticipated delivery capacity as set forth in the CCPWA Project master plan, as same may be amended from time to time. The Authority will be responsible for operation of all facilities jointly owned as part of the CCPWA Project per an operating agreement to be agreed upon by the Members prior to operation of the CCPWA Project and the Walker Reservoir Project.

Each Member also acknowledges that the obligation is to work jointly to achieve, to the extent possible, the volume of delivery expected as reflected in Exhibit B. To the extent that operations do not result in the volume of delivery anticipated in Exhibit B, the Members agree to work together to pursue an operating methodology that maximizes delivery to the group as a whole in the percentages consistent with Exhibit B.

III. WATER QUALITY

Water stored in the Walker Reservoir by each Member shall be of a quality that meets the

Authority's standards and requirements.

IV. TIMING OF PAYMENTS

Payments from Members as allocated on **Exhibit B** ("Project Payment") shall be due and payable within thirty (30) days of invoice by the Authority. For all other costs provided herein, the Authority will invoice the Members who shall pay the Authority the amounts due within thirty (30) days of receipt of the invoice from the Authority. Failure to timely pay the amount stated in an invoice shall result in the Authority providing notice of non-payment and if payment is not received within fifteen (15) days of such notice, the Member shall be in default under the terms of this Agreement. If, upon termination of this Agreement, there are Project Payment funds remaining, such funds shall be refunded to the Members by the Authority pro-rata based upon the amount of funds each Member contributed.

V. OWNERSHIP – TITLE

The Authority will own the Walker Reservoir Project. Ownership may be conveyed to the Authority in various forms depending on the particular improvement or property being conveyed. The capacity owned by each Member shall be fully alienable and transferable by Members, except as specifically limited hereby.

VI. OPERATION AND MAINTENANCE

The Authority shall operate, maintain, repair, and replace the Walker Reservoir Project as needed. Each Member shall pay its pro-rata share of the operation and maintenance expenses the Authority incurs based on each Member's Capacity. The Authority will establish a separate capital reserve account ("Capital Reserve Account") to be used for future capital maintenance and replacement costs in connection with the Walker Reservoir Project. The Members shall pay the Authority an annual lump sum contribution to the Capital Reserve Account based upon the percentage allocation set forth in **Exhibit B** ("Capital Reserve Contribution"). The Capital Reserve Contribution shall be subject to adjustment on an annual basis based on actual capital expenses incurred during the prior 12-month calendar year. A separate operations agreement shall be entered into by the Members regarding the specific operational aspects of Walker Reservoir.

VII. ASSIGNMENT AMONG MEMBERS

Any Member ("Assignor") may assign its Capacity to any other Member of the Authority ("Assignee"). The Assignor shall promptly notify the Authority of any assignment. The Authority shall maintain a record of all assignments and of the current Capacity each Member owns.

VIII. RIGHT OF FIRST REFUSAL

If at any time during the term of this Agreement, any Member ("Selling Member") desires to sell its Capacity in the Walker Reservoir, or any portion thereof, and receives a bona

vide offer therefor acceptable to the Selling Member from a prospective purchaser who is not a Member of the Authority ("Offer"), the other Members of the Authority (collectively, the "Non-Selling Members") and the Authority itself shall be given written notice of such offer and the terms thereof, together with a copy of the Offer ("Offer Notice"). Upon receipt of the Offer Notice, each Non-Selling Member shall have the right to purchase some or all of the Selling Member's Capacity described in the Offer Notice upon terms and conditions that are the same as described in the Offer Notice ("Right of First Refusal"). Any Non-Selling Member desiring to purchase the Selling Member's Capacity shall provide written notice of such desire to the Selling Member, the Non-Selling Members, and the Authority within thirty (30) days receipt of the Offer Notice. Any sale of a Member's Capacity to a non-member of the Authority shall only occur in conjunction with the Selling Member's sale of its interest in Authority as specified, and subject to, the Authority establishing agreement.

If more than one Non-Selling Member desires to purchase some or all the Selling Member's Capacity, the amount of Capacity to be purchased by each Non-Selling Member shall be divided between them in any way they mutually agree. If the Non-Selling Members desiring to purchase the Selling Member's Capacity cannot mutually agree on the Capacity to be purchased by each Non-Selling Member within fifteen (15) days following the expiration of the thirty (30) days following the Offer Notice, each Non-Selling Member shall be entitled to purchase that proportion of the Selling Member's Capacity which that Non-Selling Member's Capacity bears to the total of the Authority Capacity then owned by the other Non-Selling Members desiring to purchase the Selling Member's Capacity.

If the Other Members elect to purchase either none or less than all of the Selling Member's Capacity described in the Offer Notice, the Authority shall have the right to purchase some or all of the Selling Member's Capacity not to be purchased by the Non-Selling Members upon terms and conditions which are the same as described in the Offer Notice (the "Authority Right of First Refusal"). Within fifteen (15) days following the expiration of the time period for the Non-Selling Members to exercise their Right of First Refusal, the Authority shall give notice to the Selling Member indicating the amount of Capacity that the Authority desires to purchase.

If (i) the Non-Selling Members elect to purchase either none or less than all of the Selling Member's Capacity described in the Offer Notice and (ii) the Authority elects to purchase either none or less than all of the remaining Selling Member's Capacity described in the Offer Notice, the Selling Member giving the Offer Notice may consummate a third-party transaction for the transfer of the Selling Member's Capacity not to be purchased by the Non-Selling Members or the Authority within one hundred twenty (120) days after expiration of the Authority's Right of First Refusal at a price and on terms and conditions not more favorable than set forth in the Offer Notice. Any proposed transfer of any of the Selling Member's Capacity which is to close after one hundred twenty (120) days from the expiration of the Authority's Right of First Refusal, shall again be subject to the Right of First Refusal of the Non-Selling Members and the Authority described in this Section and shall require compliance by the Selling Member with the procedures described in this Section.

The exercise or non-exercise of any Non-Selling Member's or the Authority's Right of First Refusal pursuant to this Section shall not adversely affect any Right of First Refusal with respect to subsequent sales of any Selling Member's Capacity.

In the event that a Member no longer remains a Member of the Authority, the departing Member shall assign its Capacity in accordance with this section. In the event that a Selling Member is permitted to assign the Selling Member's Capacity to a non-Member of the Authority pursuant to the terms above, the Members of the Authority agree to work in good faith to allow the prospective purchaser to become a Member, create an alternate form of membership for the prospective purchaser or create a contractual relationship that would allow the assignment of the Selling Member's Capacity and bind the prospective purchaser to the duties and obligations of the Selling Member in relation to the Capacity and the terms of this Agreement, including the aforementioned Rights of First Refusal. All assignments or transfers of a Members rights or Capacity pursuant to this Agreement shall be subject to the requirements and provisions of the CCPWA Agreement in regard to membership in the Authority and transfer of assets. In the case of any conflict between this Agreement and the CCPWA Agreement, the terms of the CCPWA Agreement shall control.

IX. MEMBER VOTES

On all matters related to this Agreement and the Capacity governed hereby, the vote of Members shall be weighted pursuant to the percentages shown on **Exhibit B**.

X. DEFAULT AND BREACH

A. Failure of any Member ("Defaulting Party") to perform any covenant, agreement, obligation or provision of this Agreement constitutes an event of default under this Agreement ("Default").

B. In the event the Authority or any Member alleges either the Authority or any other Member is in breach or default of this Agreement, the non-defaulting party shall first notify the defaulting party in writing of such default and specify the exact nature of the default in such notice. Except in the case of non-payment of amounts due, the defaulting party shall have thirty (30) working days from receipt of such notice within which to cure such default before the non-defaulting party may exercise any of its remedies hereunder, provided that: (i) such default is capable of being cured, (ii) the defaulting party has commenced such cure within said 30-day period, and (iii) the defaulting party diligently prosecutes such cure to completion. If such default is not of a nature that can be cured in such thirty (30) day period, corrective action must be commenced within such period by the defaulting party and thereafter diligently pursued. In the case of non-payment of amounts due, the defaulting party shall have fifteen (15) working days from receipt of such notice within which to cure such default before the non-defaulting party may exercise any of its remedies hereunder.

C. In any legal action, to the extent allowed by law, the prevailing party shall be entitled to recover its reasonable attorney's fees and litigation costs from the other party.

D. In the event of breach of any provision of this Agreement, in addition to contractual remedies, any party may seek from a court of competent jurisdiction temporary and/or permanent restraining orders, or orders of specific performance, to compel the other party to perform in accordance with the obligations set forth under this Agreement. Notwithstanding any other provision of this Agreement, remedies for breach or default hereunder shall be cumulative. In addition to specific remedies provided elsewhere in this Agreement, upon

Default, the non-defaulting Party(ies) shall have the right to take whatever action, at law or in equity, appears necessary or desirable to recover damages and/or to enforce performance and observation of any obligation, agreement or covenant of the Defaulting Party under this Agreement, or to collect the monies then due and thereafter to become due.

E. If amounts due from a Member are not paid within the cure period provided in Section 11.B., above, the use of the capacity for which such amounts are due of the non-paying Member shall be suspended and the Member's rights to such Capacity shall be reduced and re-allocated to other Member(s) who have paid such amounts on defaulting Member's behalf and **Exhibit B** shall be amended to reflect such reduction in Member's Capacity.

F. If amounts due from a Member are not paid within six (6) months following the notice provided in Section 11.B., above and no other Member has paid such amounts, the capacity for which the amounts were due shall be made available to the other Members and the Authority pursuant to the Right of First Refusal.

XI. MISCELLANEOUS

A. **Appropriations.** Any monetary obligation under the Agreement shall be subject to the annual appropriation provisions of § 29-1-110, C.R.S. A failure or refusal of any Member to appropriate any annual monies required under this Agreement shall be governed by the provisions of Section X. Nothing set forth herein shall make or constitute this Agreement as a multiple-year fiscal obligation of any of the Members, nor shall it constitute or create a debt on the part of any Member.

B. **No Joint Venture.** Nothing contained in this Agreement shall create any joint venture between the Members whereby one Member may be liable for the actions of another.

C. **Assignment.** Notwithstanding any provision in this Agreement to the contrary, each Member shall have the absolute right to assign their respective rights and delegate their respective duties under this Agreement to another entity over which the Member has full control or is a re-constitution or replacement entity for Member. Such assignment and delegation shall be effective only after written notice to the Authority. Following such assignment and delegation, references in this Agreement to a particular Member shall be to its assignee. However, after such assignment, the assignor may continue to discharge any financial obligation under this Agreement on behalf of the respective assignee. In no event shall such assignment be used to get around the Right of First Refusal contained herein.

D. **Force Majeure.** No Member shall be liable or responsible hereunder by reason of any failure or delay in the performance of its duties or obligations hereunder (except for the payment of money) on accounts of strikes or labor unrest, shortages in labor, material or equipment, riots, insurrection, fire, flood, storm, extreme and unusual weather conditions, explosions, Acts of God, war, governmental action, earthquakes, or any other cause which is beyond the reasonable control of such Member.

E. **Notice.** The addresses of the Members are listed in CCPWA Agreement. Any and all notices allowed or required to be given in accordance with this Agreement are deemed to have been given when hand delivered to the other Members, or five (5) calendar days following

the date the same is deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed to the other parties at the addresses noted, or such address as is subsequently endorsed in writing.

F. **Severability.** It is understood and agreed by the Members that if any part, term, or provision of this Agreement is held by the courts to be illegal or in conflict with any law of the State of Colorado, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

G. **Other Agreements.** This Agreement shall supersede all previous communications, representations or agreements, either verbal or written concerning the subject matter of this Agreement.

H. **Interpretation, Venue.** The provisions of this Agreement shall be interpreted in accordance with Colorado law. Venue for any dispute between the parties hereto shall be vested solely in the District Court in and for the County of Douglas, State of Colorado.

I. **Amendment.** Any amendments to this Agreement shall be reduced to writing and shall be executed by each Member, or its successor or permitted assign.

J. **Waiver and Non-Waiver.** No provision of this Agreement may be waived except by an agreement in writing signed by each Member. No waiver by the Members of any one or more of the terms, covenants, conditions, and agreements of this Agreement shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder.

K. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of all successors and permitted assigns of the Members.

L. **No Third-Party Beneficiaries.** This Agreement is made solely and specifically among and for the benefit of the Members, together with their permitted successors or assigns, if any, and no other person or entity shall have any right, interest, or claim hereunder or be entitled to any benefit hereunder or on account of this Agreement. This Agreement shall not be deemed to limit, impair, or enlarge in any way the powers, regulatory authority and responsibility of any Member or any other governmental entity not a party hereto.

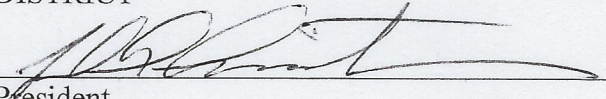
M. **Headings.** All headings contained herein are for the purposes of reference and convenience only and shall not limit or define any rights or obligations of the Members.

N. **Authority to Sign.** Each Member represents that it is duly organized and existing under the laws of the state of Colorado and has full power and authority to execute this Agreement and thereafter perform all of the terms and conditions set forth herein. Each person signing this Agreement represents and warrants that he or she has the authority to execute this Agreement on behalf of the Member for which he or she is signing.

O. **Counterparts and Facsimiles.** This Agreement may be executed in counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument. Facsimile signatures bind the parties hereto.

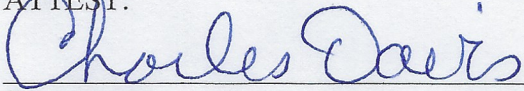
APPROVED by the Members of the Cherry Creek Project Water Authority, effective as of the date first set forth above.

INVERNESS WATER AND SANITATION
DISTRICT



President

ATTEST:



Secretary

DENVER SOUTHEAST SUBURBAN WATER
AND SANITATION DISTRICT

President

ATTEST:

Secretary

COTTONWOOD WATER AND SANITATION
DISTRICT

President

ATTEST:

Secretary

TOWN OF CASTLE ROCK

_____, Mayor

ATTEST:

_____, Town Clerk

Approved as to Form:

Town of Castle Rock, Attorney

APPROVED by the Members of the Cherry Creek Project Water Authority, effective as of the date first set forth above.

INVERNESS WATER AND SANITATION DISTRICT

President

ATTEST:

Secretary

DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT



President

ATTEST:



Secretary

COTTONWOOD WATER AND SANITATION DISTRICT

President

ATTEST:

Secretary

TOWN OF CASTLE ROCK

_____, Mayor

ATTEST:

_____, Town Clerk

Approved as to Form:

Town of Castle Rock, Attorney

APPROVED by the Members of the Cherry Creek Project Water Authority, effective as of the date first set forth above.

INVERNESS WATER AND SANITATION
DISTRICT

President

ATTEST:

Secretary

DENVER SOUTHEAST SUBURBAN WATER
AND SANITATION DISTRICT

President

ATTEST:

Secretary

COTTONWOOD WATER AND SANITATION
DISTRICT



President

ATTEST:



Secretary

TOWN OF CASTLE ROCK

_____, Mayor

ATTEST:

_____, Town Clerk

Approved as to Form:

Town of Castle Rock, Attorney

APPROVED by the Members of the Cherry Creek Project Water Authority, effective as of the date first set forth above.

INVERNESS WATER AND SANITATION DISTRICT

President

ATTEST:

Secretary

DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT

President

ATTEST:

Secretary

COTTONWOOD WATER AND SANITATION DISTRICT

President

ATTEST:

Secretary

TOWN OF CASTLE ROCK

Jason Gray, Mayor

ATTEST:

Lisa Anderson, Town Clerk

Approved as to Form:

Michael J. Hyman
Town of Castle Rock, Attorney



**EXHIBIT A
TO
CHERRY CREEK PROJECT WATER AUTHORITY
WALKER RESERVOIR
PROJECT PARTICIPATION AGREEMENT

WALKER RESERVOIR INFRASTRUCTURE PLANS**

Reference plan set:

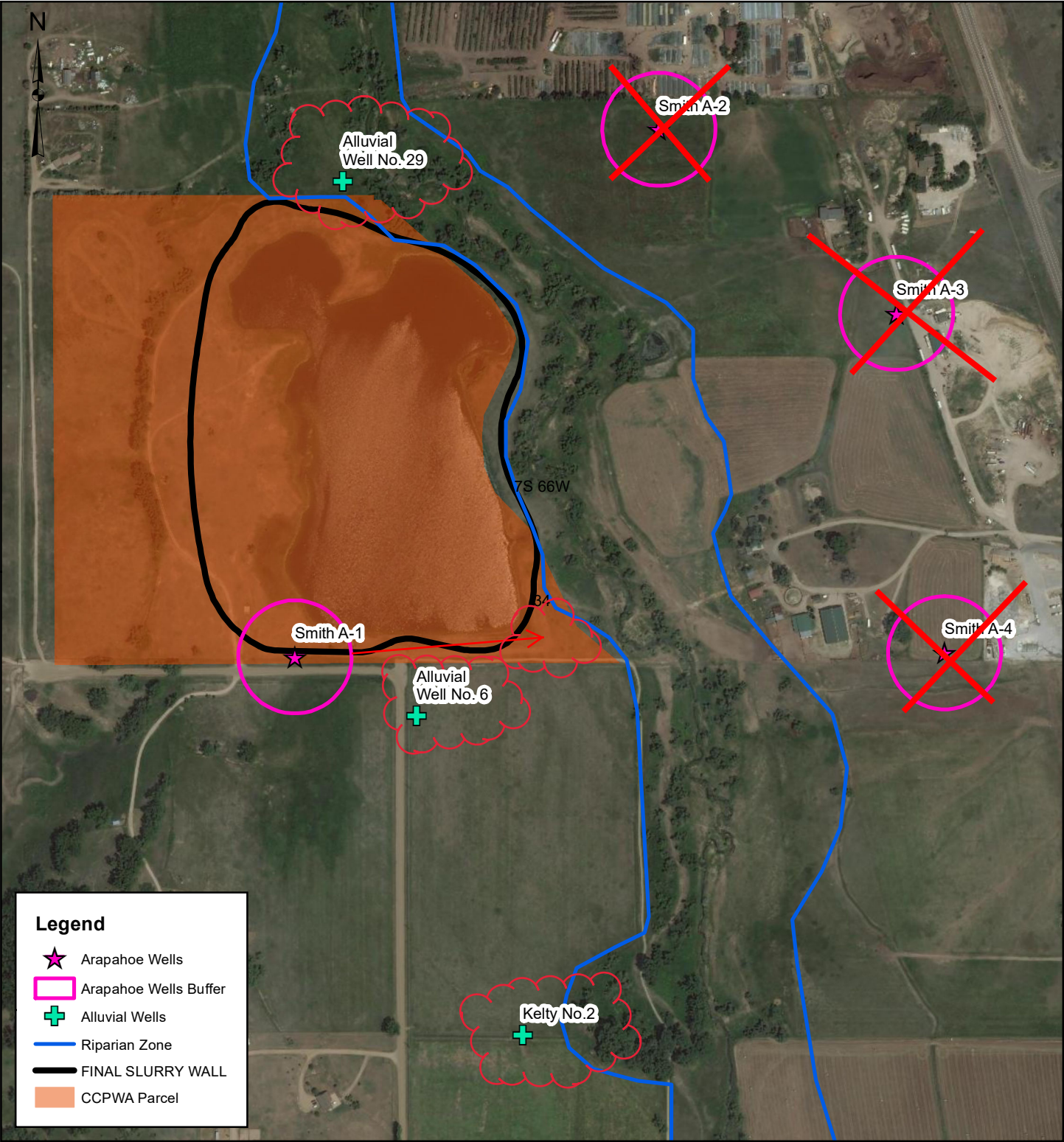
Construction Drawings for Walker Reservoir Bid Plan Set

By: Wenck and Associates, now – Stantec; dated: Mar-21, 2021

**EXHIBIT B
TO
CHERRY CREEK PROJECT WATER AUTHORITY
WALKER RESERVOIR
PROJECT PARTICIPATION AGREEMENT**

CAPACITY IN AND COSTS OF WALKER RESERVOIR AND WELLS

Member	Approximate Capacity (acre-feet)	Amount	Allocation
Inverness Water & Sanitation District	125 AF	\$2,226,106.91	19.23%
Denver Southeast Suburban Water and Sanitation District	300 AF	\$5,342,425.07	46.15%
Cottonwood Water and Sanitation District	75 AF	\$1,335,895.67	11.54%
Town of Castle Rock	150 AF	\$2,671,791.35	23.08%
Total	650 AF	\$11,576,219	100%



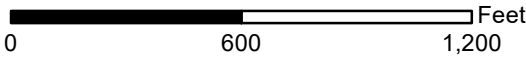
Legend

- ★ Arapahoe Wells
- Arapahoe Wells Buffer
- + Alluvial Wells
- Riparian Zone
- FINAL SLURRY WALL
- CCPWA Parcel

Decreed Arapahoe Well Locations

Cherry Creek Project Water Authority

Preliminary for Discussion



Job Number: 06-20
Prepared By: SMP
Date: JUL 2022
Projection: UTM 13N
File Name: CCPWA_SMP.mxd
Source: ESRI





Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 12. **File #:** WC 2023-024

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager
Lauren Moore, Water Resources Program Analyst

A Resolution Approving the First Amendment to the 2022 Town of Castle Rock/Central Colorado Water Conservancy District Spot Water Lease Agreement
[Chatfield Reservoir, Douglas County]
Town Council Agenda Date: February 21, 2023

Executive Summary

Attached is a copy of the Council Memo and Staff Report for the above referenced project for your information.

Attachments

Attachment A: TC Memo & Staff Report



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/21/2023

Item #: 9. **File #:** RES 2023-016

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager
Lauren Moore, Water Resources Program Analyst

Resolution Approving the First Amendment to the 2022 Town of Castle Rock/Central Colorado Water Conservancy District Spot Water Lease Agreement [Chatfield Reservoir, Douglas County]

Executive Summary

Castle Rock Water is seeking Town Council approval of a resolution (**Attachment A**) to amend a spot water lease with Central Colorado Water Conservancy District (Central). In anticipation of continued drought conditions this spring, Central wishes to lease some of the Town's surplus water stored in Chatfield Reservoir to increase their storage supplies within Chatfield and have additional water upon which to make projections for their well pumping augmentation plans. In the original lease, Central requested 500 AF, which was delivered in early January, but have since requested an additional 500 AF to be delivered this winter/spring, bringing the total lease amount to 1,000 AF. While the Town currently owns 719 acre-feet (AF) of storage in Chatfield, the Colorado Water Conservation Board (CWCB) allows for rental of the remaining permitted amount, for a total of 2,000 AF of storage. The Town currently has approximately 475 AF of water stored in the reservoir with additional reusable supplies expected to increase substantially over the winter months. Additionally, in anticipation of the potential for large runoff events this spring, staff would like to leave storage space in Chatfield to allow for the Town to capture as much as possible if free river conditions or our junior water rights apply.

If Council approves the amendment to this lease, up to 500 AF of additional water may be released from the Town's Chatfield Reservoir storage account as a book-over into Central's Chatfield Reservoir storage account during 2023. This release may occur between February 21, 2023 and December 31, 2023. The Town will assess a \$90 per AF price for the water, with payment required within 30 days from requested releases. The potential revenue for this lease is up to \$45,000. The agreement will terminate at the end of 2023.

Proposed Motion

Item #: 9. File #: RES 2023-016

"I move to approve the Resolution as introduced by title."

Alternative Motions

"I move to approve the resolution as introduced by title, with the following conditions: (list conditions)."

"I move to continue this item to the Town Council meeting on _____ date to allow additional time to (list information needed)."

Attachments

Attachment A:	Staff Report
Exhibit 1:	Resolution Agreement



STAFF REPORT

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager
Lauren Moore, Water Resources Program Analyst

Title: **Resolution Approving the First Amendment to the 2022 Town of Castle Rock/Central Colorado Water Conservancy District Spot Water Lease Agreement [Chatfield Reservoir, Douglas County]**

Executive Summary

Castle Rock Water is seeking Town Council approval of a resolution (***Attachment A***) to amend a spot water lease with Central Colorado Water Conservancy District (Central). In anticipation of continued drought conditions this spring, Central wishes to lease some of the Town's surplus water stored in Chatfield Reservoir to increase their storage supplies within Chatfield and have additional water upon which to make projections for their well pumping augmentation plans. In the original lease, Central requested 500 acre feet (AF), which was delivered in early January, but have since requested an additional 500 AF to be delivered this winter/spring, bringing the total lease amount to 1,000 AF. While the Town currently owns 719 AF of storage space in Chatfield, the Colorado Water Conservation Board (CWCB) allows for rental of the remaining permitted amount, for a total of 2,000 AF of storage. The Town currently has approximately 475 AF of water stored in the reservoir with additional reusable supplies expected to increase substantially over the winter months. Additionally, in anticipation of the potential for large runoff events this spring, staff would like to leave storage space in Chatfield to allow for the Town to capture as much as possible if free river conditions or our Chatfield junior water rights (1989 priority) apply.

If Council approves the amendment to this lease, up to 500 AF of additional water may be released from the Town's Chatfield Reservoir storage account as a book-over into Central's Chatfield Reservoir storage account during 2023. This release may occur between February 22, 2023 and December 31, 2023. The Town will assess a \$90 per AF price for the water, with payment required within 30 days from requested releases. The potential revenue for this lease is up to \$45,000. The agreement will terminate at the end of 2023. It is important to also understand that Castle Rock is working to develop a partnership with Central as many of our renewable water rights are located in Central's service area in Box Elder Creek and Lost

Creek. There will likely be other opportunities for us to work with Central to share infrastructure and water supplies that will benefit both our customers and theirs.

History of Past Town Council, Boards & Commissions, or Other Discussions

Castle Rock Water Commission was informed of the lease at their October 26, 2022 meeting.

On November 12, 2022, Town Council approved the 2022 Spot Water Lease with Central.

Discussion

Castle Rock Water has a strategic goal to strive to maintain sustainable rates and fees, and demonstrate fiscal responsibility, accountability, and transparency. One of the tactics to achieve this goal is to maximize leasing opportunities for idle water rights. Over the past five years, the Town has generated over \$1.16 million by leasing idle water rights to downstream users (see **Table 1** below). Until these water rights can be fully utilized by the Town, Staff will continue to seek out users that can put these rights to beneficial use.

Table 1. Revenue generated from leasing idle water rights to downstream users over the past five years.

2018	2019	2020	2021	2022
\$29,019.13	\$30,606.65	\$70,699.75	\$499,449.73	\$531,292.81

The Town currently owns 719 AF of storage space in Chatfield Reservoir and plans to eventually reach 2,000 AF of storage by 2034. As part of the option agreement the Town has with CWCB, the Town will purchase blocks of storage over the next 11 years. The Town recently purchased an additional 129 AF of Chatfield storage space in 2022, bringing the Town's total storage to 719 AF. The Town has two deferrals on purchase of storage remaining over the next 11 years until the full storage space is realized.

As mentioned in the Executive Summary, the Town has been able to store excess supplies in Chatfield Reservoir over the past year, which have exceeded the purchased storage amounts (719 AF) and will continue to do this each year. Since the Town does not physically have a way to utilize these excess storage supplies at this point in time, CWCB has developed, and Town Council has approved, a lease agreement with the Town to lease the optioned storage space for \$50/AF. With a current annual lease rate for 1,281 AF (2,000 AF minus 719 AF), the Town will pay the State \$64,050 in 2023. The spot lease with Central would allow the Town to further maximize storage space within the reservoir, and in addition to other similar leases, will help to cover the annual lease option of storage space with CWCB.

Budget Impact

If Council approves the agreement, Castle Rock Water would potentially receive up to \$45,000 of additional revenue in 2023. The revenue will be deposited into the Water Resources Fund Capital Leases account 211-4375-393.70-00.

Staff Recommendation

Staff recommends approval of the resolution as presented.

Proposed Motion

"I move to approve the Resolution as introduced by title."

Alternative Motions

"I move to approve the resolution as introduced by title, with the following conditions: (list conditions)."

"I move to continue this item to the Town Council meeting on _____ date to allow additional time to (list information needed)."

Attachments

Attachment A:	Resolution
Exhibit 1:	Agreement



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 13. **File #:** WC 2023-025

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water
Nichol Bussey, Business Solutions Manager
Paul Rementer, Enterprise Fund Analyst

Update on Timing of 2024 Budget Planning and Re-prioritization of Capital Improvement Projects (CIP) due to Reduction in SFE's
Town Council Agenda Date: NA

Executive Summary

This will be a presentation only item.



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 14. **File #:** WC 2023-026

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water

Update on Lake Nutrient Criteria

Town Council Agenda Date: March 21, 2023

Executive Summary

This will be an update item only.



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/28/2023

Item #: 15. **File #:** WC 2023-027

To: Members of the Castle Rock Water Commission

From: Mark Marlowe, P.E., Director of Castle Rock Water

Upcoming Town Council Items
Town Council Agenda Date: NA

Executive Summary

This item is an informational update only, and is designed to give Commission a preview of time critical items that may need to go to council prior to review at a Commission Meeting.

Items for this month include:

- A Resolution Approving the Bell Mountain Ranch Well A-3 Re-drill