



## Castle Rock Water Commission Meeting Minutes - Draft

Todd Warnke, Chair  
Bill Leung, Vice Chair  
Angie Brown  
Kathryn Gienger  
David Hammelman  
Kevin McHugh  
Tony Rathbun

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Tuesday, February 28, 2023

6:00 PM

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

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### 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**

### CALL TO ORDER / ROLL CALL

**Present** 7 - Chair Todd Warnke, Vice Chair Bill Leung, Angie Brown, Kathryn Gienger, David Hammelman, Tony Rathbun, and Kevin McHugh  
**Attendance** 7 - Mark Marlowe, Matt Benak, Nichol Bussey, Heather Justus, Paul Rementer, David Van Dellen, and MaryJo Woodrick

### COUNCIL UPDATE

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

### COMMISSION COMMENTS

Time was allowed for Commissioner Comments.

### ADMINISTRATIVE BUSINESS

#### [WC 2023-013](#)

#### **Interviews and Selection of New Water Commission Board member**

**Town Council Agenda Date:** NA

Chairman Warnke reported that interviews, for the open Water Commission Board member position, were held in January and that the committee interviewed 5 excellent candidates. At the February 2, 2023 Town Council meeting Angie Brown was recommended and approved as the new Water Commission Board member.

Chairman Warnke welcomed Ms. Brown to the meeting.

#### [WC 2023-014](#)

#### **Introduction of the New Castle Rock Water Assistant Director**

**Town Council Agenda Date:** NA

Mr. Marlowe shared that David Van Dellen has been hired as the new

Assistant Director. Mr. Van Dellen has been with the Town of Castle Rock for a long time and will be a great asset in this new position.

[WC 2023-015](#)

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

It was moved by Kevin McHugh and seconded by Kathryn Gienger to approve the meeting minutes for the January 25, 2023 meeting as written. The motion passed 6-0-1 Angie Brown abstained.

Yes: 7 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, Rathbun, and McHugh

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

[WC 2023-016](#)

**A Resolution Approving the 2023 Conservation Rebate  
Incentive Program [Entire Castle Rock Water Service Area]  
Town Council Agenda Date: March 7, 2023**

Mr. Schultz shared that Castle Rock Water will have a conservation rebate program again this year. He shared an update on how the 2022 program went.

Mr. Schultz shared an update on changes to the program for 2023:

- 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.

The budget for the conservation program will be \$200,000. This will include both residential and non-residential rebates.

Commissioner Hammelman asked if staff feels that with these changes will we reach the 100 gallons a day goal? Staff explained that the goal is more than a decade out so these changes will certainly help move us in the

direction of achieving the goal.

Commissioner Brown asked for an explanation of what a whole home monitoring system is? Mr. Schultz explained the system and how it works.

**Kathryn Gienger moved to recommend to Town Council approval of the Resolution as presented. Kevin McHugh seconded the motion. Passed unanimously 7-0.**

**Yes:** 7 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, Rathbun, and McHugh

[WC 2023-017](#)

**A Resolution Approving the 2023 Water Efficiency Master Plan [Entire Castle Rock Service Area]  
Town Council Agenda Date: March 7, 2023**

Mr. Schultz explained that the WEMP is updated every seven years, the last time it was updated was in 2015 so it was time to re-evaluate how well it is working.

Mr. Schultz shared an update on what was completed from the last plan. This included:

- 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.
- Passing of an ordinance for “no turf” in the front yard and minimal turf in the backyard for new residential construction and no non-functional turf for non-residential development.

He also shared some of the key new goals that have been established in the 2023 plan.

- 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.

**David Hammelman moved to recommend to Town Council approval of the Resolution as presented. Tony Rathbun seconded the motion. Passed unanimously 7-0.**

**Yes:** 7 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, Rathbun, and McHugh

#### [WC 2023-018](#)

### **A Resolution Approving the 2023 Water Use Management Plan (WUMP)**

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

Mr. Schultz explained that CRW staff did not make any substantial changes to the Water Use Management Plan. Items that were updated were administrative items. The plan explains what the watering schedule is and why it is set up that way. It also explains how the violation system works. Commissioner Gienger asked if the water monitors were out during the day or only at night? Mr. Schultz explained that yes we have monitors that work seven days a week at all different times from May through September. Commissioner Gienger asked if a non-residential property has multiple meters are the violations specific to each meter or are they viewed as the whole? Mr. Schultz responded that they are specific to each meter. The Commission indicated a desire to see CRW look at increasing violation surcharge dollar amounts in the WUMP for 2024 for 3rd and greater violations.

**Kevin McHugh moved to recommend to Town Council approval of the Resolution as presented. Angie Brown seconded the motion. Passed unanimously 7-0.**

**Yes:** 7 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, Rathbun, and McHugh

#### [WC 2023-019](#)

### **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

Mr. Benak explained that this item is part of the Lost Creek water rights. The last few years Turnpike LLC has leased water for the purpose of irrigation. The cost of the water will be \$36.50 per acre foot (AF) which is a good price for agricultural leased water. Turnpike would like to lease up to 515 AF for a total potential revenue of \$18,797.50

**Tony Rathbun moved to recommend to Town Council approval of the Resolution as presented. David Hammelman seconded the motion. Passed unanimously 7-0.**

**Yes:** 7 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, Rathbun, and McHugh

[WC 2023-020](#)

**A Resolution Approving a Water Rights Lease Agreement  
between the Town of Castle Rock and Ruppel Farms, LLC.**

*[Weld County, Co]*

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

Mr. Benak explained that this item is part of the Lost Creek water rights. The last few years Ruppel Farms LLC has leased water for the purpose of irrigation. The cost of the water will be \$36.50 per acre foot (AF) which is a good price for agricultural leased water. Ruppel Farms would like to lease up to 527 AF for a total potential revenue of \$19,235.50.

**Tony Rathbun moved to recommend to Town Council approval of the Resolution as presented. David Hammelman seconded the motion. Passed unanimously 7-0.**

**Yes:** 7 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, Rathbun, and McHugh

[WC 2023-021](#)

**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

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**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 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
<b>Total</b>	<b>100</b>	<b>269.5</b>

\*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

Mr. Benak explained that this item is part of the Lost Creek water rights. The last few years Dove Meadow Dairy Inc. has leased water for the purpose of irrigation. The cost of the water will be \$36.50 per acre foot (AF) which is a good price for agricultural leased water. Dove Meadow Dairy Inc. would like to lease up to 100 AF for a total potential revenue of \$3,650.00.

**Tony Rathbun moved to recommend to Town Council approval of the Resolution as presented. David Hammelman seconded the motion. Passed unanimously 7-0**

**Yes:** 7 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, Rathbun, and McHugh

### **[WC 2023-022](#)**

### **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

Mr. Benak explained that this item is part of the Lost Creek water rights. The last few years H&H Farms has leased water for the purpose of irrigation. The cost of the water will be \$36.50 per acre foot (AF) which is a good price for

agricultural leased water. H&H Farms would like to lease up to 275 AF for a total potential revenue of \$10,037.50.

**Tony Rathbun moved to recommend to Town Council approval of the Resolution as presented. David Hammelman seconded the motion. Passed unanimously 7-0**

**Yes:** 7 - Chair Warnke, Vice Chair Leung, Brown, Gienger, Hammelman, Rathbun, and McHugh

[WC 2023-023](#)

**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

Mr. Benak explained that Castle Rock entered into a Project Participation Agreement with the Cherry Creek Project Water Authority (CCPWA) in September 2021 for the construction of Walker Reservoir. The Reservoir construction has been ongoing (HPM Contracting is the General Contractor) with construction completion anticipated in Fall/Winter 2023. The second phase of the Walker Reservoir Project is for the wells and other associated infrastructure necessary to fill the reservoir. CCPWA's total approved budget in 2023 for this phase is \$3,662,500 and includes well drilling and equipping; site improvements; pipelines; grading and erosion control; and professional services during construction. Based on the Town's ownership percentage of the CCPWA (41.25%), the capital costs associated with this second phase of the project is equal to \$1,510,781.25. This item is to authorize the Town's share of the costs for the second phase of the project.

**Kevin McHugh moved to recommend to Town Council approval of the Resolution as presented. Tony Rathbun seconded the motion. Passed 6-0-1, Kathryn Gienger abstained.**

**Yes:** 6 - Chair Warnke, Vice Chair Leung, Brown, Hammelman, Rathbun, and McHugh

**Abstain:** 1 - Gienger

## **DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS**

[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]*

**Town Council Agenda Date:** February 21, 2023

The purpose of this item is to share the Memo that was presented at the February 21, 2023 Town Council meeting and answer any questions that Commission members may have.

[WC 2023-025](#)**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

Mr. Rementer shared a presentation on the schedule for the 2024 budget planning. He also shared information with the Board on the plans to re-evaluate Capital Improvement Projects (CIP). With the reduction in building permits staff will be re-evaluating current and future projects to make sure that the projects are prioritized correctly.

[WC 2023-026](#)**Update on Lake Nutrient Criteria****Town Council Agenda Date:** March 21, 2023

Mr. Marlowe shared an update on the Lake Nutrient Criteria.

[2023-104](#)**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.

**COMMISSIONER MEETING COMMENTS**

Time was allowed for Commissioner Comments.