

**Water Commission Mtg.
October 27, 2021**

Present: Caryn Johnson, Todd Warnke, Kathryn Gienger, John Wright, Katherine Redmond, Ben Johnson and Wyn Barrett

Absent: Bill Leung

Staff: Mark Marlowe, Tim Friday, Paul Rementer, Greg Kropkowski, Matt Benak and Maryjo Woodrick.

Visitors:

Start: 6:01 pm

Ended: 7:58 pm

Council Report

Time was allowed for Councilmember Johnson to share an update on Town Council items.

Commissioner Comments

Time was allowed for Commissioner Comments.

September 22, 2021 Meeting Minutes

It was moved by Kathryn Gienger and seconded by Ben Johnson to approve the meeting minutes for the September 22, 2021 meeting as written. The motion passed with a vote of 5-0-1. John Wright abstained.

Introduction of the New Business Solutions Manager

Mr. Marlowe introduced the new Business Solutions Manager, Greg Kropkowski.

November/December Meeting Dates

Mr. Marlowe shared that the November meeting is scheduled for Thanksgiving eve and the December meeting is scheduled for the day before Christmas Eve. Since both dates are so close to the holidays staff suggested that an alternate date be selected for a Special Meeting and that the two regular meetings be canceled.

John Wright moved to cancel the regular meeting of the Water Commission for November 24, 2021, and December 22, 2021, and schedule a special meeting for December 1, 2021. Ben Johnson seconded the motion. Passed unanimously 6-0.

Resolution Approving the Ridge Estates Annexation and Development Agreement Amendment [South of Crystal Valley Ranch, east of Bell Mountain Ranch and north of Sellers Creek Ranch]

Mr. Marlowe explained that the Ridge Estates subdivision borders Bell Mountain Ranch (BMR) and that the developer of Ridge Estates already has a development agreement with the Town of Castle Rock. The

agreement originally gave Castle Rock Water (CRW) an easement across their property to service BMR. Since that time the Developer, BMR and the Town came to a new agreement that the Developer and BMR would share the cost of a connection from the Town system to BMR. As part of the agreement, BMR will then allow the developer to build a tank on the current location of the BMR tank site which will serve BMR and Ridge Estates.

John Wright moved to recommend Town Council approval of the Resolution as presented. Katherine Redmond seconded the motion. Passed unanimously 6-0.

Resolution Approving the 2021 Town of Castle Rock Chatfield East Property Owners Association Spot Water Lease Agreement [Chatfield Reservoir, Douglas County]

Mr. Benak shared that this item is for a spot water lease with Chatfield East Property Owners Association. The water would be used to help them cover shortages from their Denver Basin tributary and not non-tributary systems. This water would be released from CRW's Chatfield storage allocation, which currently has water available for this lease. The total amount of the lease will be 32 acre feet (AF).

Commissioner Johnson asked if there was any push back on the amount being charged for leased water? Mr. Marlowe explained that this is the same amount that is charged for all water leases and at this time CRW hasn't received any negative feedback on the cost.

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

An Ordinance Amending Chapter 2.14 Boards and Commissions of the Castle Rock Municipal Code Regarding Board and Commission Membership, Term Limits and By-Laws and Adding Chapter 2.18 Oath of Office

Mr. Marlowe explained that this is an item that Town Council requested. Council would like to see more uniform guidelines across all boards and commissions. Mr. Marlowe shared the changes that would affect the Water Commission Board.

Appropriation of Conditional Water Storage Rights at Prewitt and Fremont Butte Reservoirs [Morgan, Washington and Logan Counties, Colorado]

Mr. Benak shared that this is a project that was designated in the Water Resources Strategic Master Plan. This is a joint project with Parker Water and Sanitation District (PWSD). PWSD owns some property in Logan County and have been working with the conservancy and ditch districts in that area to appropriate additional water from the lower South Platte river.

This project would divert water to the Prewitt Reservoir or the future Fremont Butte Reservoir. The water would then be exchanged up the river to the Fort Morgan area. A pump station and pipeline would bring the water back to Parker and Castle Rock.

This is a long term project for CRW. The water will not be available for many years (after 2030). The addition of this water source will help CRW become 100% renewable in the future.

Debt Ratio Coverage and Evaluation of Additional Future Debt

Mr. Marlowe explained that this year's rates and fees study showed a pretty big rate increase in the 2029 timeframe. When that occurs there are several options: revise the capital plan, spread projects out over a long period of time, take on additional debt or raise rates. Mr. Marlowe shared that he doesn't feel that capital projects will slow down and that taking on additional debt may be the best option. He also explained that this is a good time to take on additional debt as the interest rates are low. Staff is evaluating what it would look like if the capital plan was kept the same and debt issuance is used to cover the increases.

Commissioner Warnke asked if CRW had these additional funds when bidding on the CPNMD water rights, earlier this year would CRW have bid higher? Mr. Marlowe explained that CRW would not have changed their bid as the belief was the bid was a strong bid. For future bids, CRW will certainly be looking at higher bids and these funds will help prepare CRW for that potential opportunity.

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

Mr. Friday shared the presentation that was given to Town Council on the current water rights cases. This includes items that CRW is the applicant as well as items that CRW is the intervener or opposer on.

Upcoming Town Council Items

This is a standing item that will be used to share information about projects that are being worked on at the time of the meeting but that staff doesn't have information ready yet.

Mr. Marlowe reported that the proposal for the Regional Wastewater Plan was submitted to Douglas County.

Commissioner Meeting Comments

Time was allowed for Commissioner Comments.