

July 17, 2018

Doug DeBord
County Manager
Douglas County
100 Third Street
Castle Rock, CO 80104

RE: Application to Allocate a Portion of Douglas County's Reserved WISE Supplies

Dear Mr. DeBord:

Successful participation in the WISE partnership, infrastructure, and water deliveries has prompted the Town of Castle Rock to secure additional WISE water from Douglas County. Please consider this letter as the Town of Castle Rock's application for 1,137.5 acre-feet (AF) of Douglas County WISE Reservation Water.

Applicant Information

Organization: Town of Castle Rock
Address: 175 Kellogg Court, Castle Rock, CO 80109
Contact: Mark Marlowe, Director of Castle Rock Water
Phone: 720-733-6001
Email: MMarlowe@crgov.com

Basis for Request

The Town of Castle Rock started participating in the WISE project feasibility and agreement negotiations in 2009 and in April 2018, the Town started receiving WISE water supplies into our system. The WISE project is a key component in the Town's conversion from nonrenewable groundwater to renewable water supplies. As part of the Town's Water Resources Strategic Master Plan, the Town has a water supply goal of 75% renewable and 25% non-renewable water by 2050. The current water portfolio for the Town consists of 31% renewable and 69% non-renewable water, and adding additional WISE water will help us increase our renewable water supplies.

As Castle Rock's community continues to grow at a rapid pace, it is imperative that the Town increase its renewable water supply sources while lessening the dependence on non-renewable Denver Basin groundwater. There are multiple benefits of an additional renewable

water supply, like WISE, to the Town's portfolio. This additional water will help to increase our renewable supplies, reducing the Town's reliance on deep wells, while simultaneously allowing those wells to replenish and recover over time. Additionally, WISE water can be used and reused to extinction, and will be recaptured downstream at the Town's Plum Creek Diversion and sent back to the Plum Creek Water Purification Facility (PCWPF) for treatment.

Conservation Practices

A need for a sustainable long-term water supply is identified in the Town's Water Resources Strategic Master Plan (WRSMP), Water Efficiency Master Plan (WEMP) and Water Conservation Master Plan (WCMP). One of the major goals in each of the plans is to establish a renewable, sustainable water supply that will account for 75% of the annual demand for water in Castle Rock in the future. As population growth increases over 5% annually and drought conditions threaten our water supply, there is an imminent need for more efficient water use and conservation efforts in order to increase our renewable water and reduce reliance on our non-renewable sources. In addition to securing a firm water supply for future demands, another large component relies upon conservation efforts that align with Town values.

The Town actively supports numerous types of conservation efforts, including rebate incentives, Town mandated watering schedules, drought management, and water efficiency educational programs. Some examples of community outreach through education are Water Wiser Workshops, Your Town Academy, CRconserve.com, Plum Creek Water Purification Tours, as well as classroom programs that reach out to the Town's younger citizens.

In April 2018, Town Council approved the Town of Castle Rock Drought Management Plan. This plan is specific to local drought conditions and the Town's capability to address water resources, storage, and daily demands. It provides guidance on community outreach and water restrictions based on local drought level.

Location

Castle Rock is proposing to take down 1,137.5 AF of the 2,775 AF of County-reserved WISE supplies, of which 387.5 AF would be reserved for other existing County users in unincorporated areas, but would be available for Castle Rock's use until other existing County users come forward. The primary beneficiaries of the requested water supply will be the Town's citizens, particularly from new growth and potentially existing County residents in unincorporated areas. It is important to remember that although Castle Rock will reserve the 387.5 AF of this water supply, existing County residents in unincorporated areas would still be required to pay their fair share of the infrastructure charges to deliver the WISE water in order to gain access to this supply. As new growth within the Town continues at a rapid pace, system development fees will bear the additional costs associated with this source of supply.

Infrastructure

As a member of the South Metro WISE Authority, the Town of Castle Rock has the necessary agreements to move the requested WISE water supply through the WISE Authority core as well as through local infrastructure. As of April 2018, the Town began receiving WISE water deliveries from Parker Water & Sanitation District through the Canyons Pipeline and into our Outer Marker Road Pipeline to our Ray Waterman Water Treatment Facility, then into distribution. As of the date of this letter, the Town has taken approximately 320 AF of WISE supplies in 2018.

Since WISE water deliveries are anticipated to have intermittency, the Town has various operating mechanisms in place to reduce the reliance of this water supply during those potential reductions in supply. Current infrastructure allows for the Town to receive WISE deliveries during off-peak seasons, store water in Rueter-Hess Reservoir (Castle Rock owns 8,000 AF of storage space) or to put supplies downhole within our Aquifer Storage and Recovery (ASR) system in times of lower water demand.

Reservation Fee

In exchange for Castle Rock reserving up to 387.5 AF of WISE water for existing residents in unincorporated Douglas County, Castle Rock requests that the County waive the reservation fee estimated at \$199,062.50.

If you have any questions, please do not hesitate to contact me at (720) 733-6001 or via email at mmarlowe@crgov.com.

Sincerely,

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

cc: Matt Benak, P.E., Water Resources Program Manager
Bob Slentz, Town Attorney