



Castle Rock Water Commission Meeting Minutes

Todd Warnke, Chair
Amy Blackwell, Vice Chair
Ernie Foerster
Clark Hammelman
Don Trujillo
Katherine Redmond
John Wright

Wednesday, January 23, 2019

6:00 PM

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

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 - Clark Hammelman, Ernie Foerster, Chair Todd Warnke, Vice Chair Amy Blackwell, Don Trujillo, Katherine Redmond, and John Wright
- Attendance** 7 - Mark Marlowe, Tim Friday, Matt Benak, Melinda Pastore, Caryn Johnson, Rick Schultz, and Linda Gould

COUNCIL UPDATE

Council Member Johnson updated the commission on some of the recent activity at Town Council, including: An award received by the Parks and Recreation Department for the Festival Park redesign, the upcoming community survey, approval of a new public art piece for the Philip S. Miller Park, first reading approval of a golf cart lease for Red Hawk, first reading approval of the Cherokee Ranch Water Rights IGA Ordinance, and approval of the AECOM contract for the design of the Craig and Gould North Infrastructure Project. The Meadows 16 Site Development Plan item was continued.

COMMISSION COMMENTS

Chair Warnke welcomed new Commissioner John Wright, who introduced himself to the commission. He is a retired CPA, who wants to give back to the community. He thanked Mr. Marlowe for the recent two-hour introductory presentation. Council Member Caryn Johnson was welcomed back in her new role as Town Council liaison to the Castle Rock Water Commission.

Commissioner Redmond disclosed that she is employed by Key Bank, and she will recuse herself if there is ever a conflict-of-interest related to her employment. She presented a notarized document on her disclosure for the public record. Commissioner Hammelman said he has known Commissioner Wright for a year and a half, and he has already been giving back to the community. Commissioner Trujillo inquired about recent snow falls and their effect on Plum Creek. According to staff, snow falls have temporarily increased the Town's water supply by about 250,000 gallons per day. Once the new diversion in Sedalia is operational, Castle Rock Water will be able to capture even more water, including snow melt, from Plum Creek. Testing will be done to see how magnesium chloride affects the water. Commissioner Blackwell said she briefly resided in Greeley recently, but is now back in Castle Rock and will serve out her term. She brought water

education materials to the meeting, which she offered to loan to commission members.

ADMINISTRATIVE BUSINESS

WC 2019-002 Approval of the November 28, 2018 Meeting Minutes

It was moved by Commissioner Trujillo and seconded by Commissioner Hammelman to approve the meeting minutes of November 28, 2018, with the following changes: 1) Item WC 2018-127, in the motion text, change the capital "O" in Town Council to a small "o"., 2) Item WC 2018-129, change the reference to "Burns & Mc" to "Burns & McDonnell"., 3) Item WC 2018-130, change Commissioner Trujillos' vote from "abstain" to "recuse".

Yes: 6 - Hammelman, Foerster, Chair Warnke, Blackwell, Trujillo, and Redmond

Abstain: 1 - Wright

WC 2019-001 Welcome to new Commissioner, John Wright Welcome back to former Commissioner Caryn Johnson, who is now the Town Council liaison to the Castle Rock Water Commission (Council Member James Townsend is now the alternate liaison)

ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)

WC 2019-003 2019 Rebates and Incentives Program Town Council Agenda Date: February 19, 2019

Mr. Schultz, Water Conservation Specialist, provided an overview of the proposed changes to this program for 2019. Staff recommends the maximum rebate amount for non-residential SmartScape renovation be increased from \$10,000 to \$15,000, per individual account. Staff also recommends the reimbursement for residential and non-residential SmartScape renovation be increased from \$1.00 per square foot to \$1.10 per square foot. This value has not been adjusted in a decade and these changes should motivate more people to participate. The proposed rebates are for SmartScape Renovation, Smart Irrigation Controllers and Rotary Nozzle Retrofit.

Last year three HOAs participated in the 2018 pilot program for non-residential SmartScape: Castlewood Ranch, Sapphire Point and The Woodlands. This year staff believes more HOAs will become involved, as they now have had time to budget for it and awareness of the program has increased. The total amount proposed for the program in 2019 is \$145,000, which will be funded from revenue generated from watering violations and the Block 4 surcharge rate (\$45,000), and from the Water Resources Fund (\$100,000).

It was moved by Commissioner Blackwell, seconded by Commissioner Redmond to recommend Town Council approval of the 2019 Rebates and Incentives Program as presented.

Yes: 7 - Hammelman, Foerster, Chair Warnke, Blackwell, Trujillo, Redmond, and Wright

[WC 2019-004](#)

2019 Water Use Management Plan

Town Council Agenda Date: February 19, 2019

Mr. Schultz presented and said staff recommends adding a month to both ends of the time frame when watering schedules are in effect, which is proposed to be May through September. It was suggested that staff look at how much revenue might be lost by the change. The seasonal water conservation salaries will exceed the budgeted amount due to the additional two months of monitoring; however, this will be handled through a budget amendment. There are no proposed changes to the hours. In 2018 no watering exemptions were issued during July, which was a successful conservation effort that staff recommends continuing in 2019. In response to a comment that some HOAs have said they are unable to detect leaks at night, Mr. Schultz said maintenance of irrigation systems is encouraged and allowed at any time of day. However, someone must be on-site actively working on the system. Mr. Schultz also clarified determining factors in water waste violations.

It was moved by Commissioner Trujillo, seconded by Commissioner Blackwell to recommend Town Council approval of the 2019 Water Use Management Plan as presented.

Yes: 7 - Hammelman, Foerster, Chair Warnke, Blackwell, Trujillo, Redmond, and Wright

[WC 2019-005](#)

Turnpike Agricultural Water Lease

Town Council Agenda Date: February 5, 2019

Mr. Benak, Water Resources Manager, presented the proposed renewal of the agricultural water lease with Turnpike LLC, until November 15, 2019. Turnpike LLC is a farmer located in Weld County adjacent to the Lost Creek Basin wells the Town purchased in 2017. The Town does not plan to export these water rights in 2019, as the infrastructure needed to move the water is not designed or installed. Turnpike LLC wishes to lease up to 485 acre-feet at a rate of \$35.00 per acre-foot, which could amount to \$16,975. The price is reasonable for agricultural leased water of this type and the lease will help generate good will in the community towards Castle Rock in the near-term, which will be important as we build the infrastructure to use this water. Chair Warnke suggested the council memo packet be edited for clarification on the figures related to what the water was bought and sold for.

It was moved by Commissioner Hammelman, seconded by Commissioner Blackwell to recommend Town Council approval of the Turnpike LLC Agricultural Water Lease as presented.

Yes: 7 - Hammelman, Foerster, Chair Warnke, Blackwell, Trujillo, Redmond, and Wright

[WC 2019-006](#)

H&H Farms Agricultural Water Lease

Town Council Agenda Date: February 5, 2019

Mr. Benak presented the proposed renewal of the agricultural water lease with H&H Farms, until November 15, 2019. H&H Farms is a farmer located in Weld County adjacent to the Lost Creek Basin wells the Town purchased in 2017. The Town does not plan to export these water rights in 2019, as the infrastructure needed to move the water is not designed or installed. H&H Farms wishes to lease up to 275 acre-feet at a rate of \$35.00 per acre-foot, which could amount to \$9,625. The price is reasonable for agricultural leased water of this type and the lease will help generate good will in the community towards Castle Rock in the near-term, which will be important as we build the infrastructure to use this water. Commissioner Redmond was not present during this agenda item.

It was moved by Commissioner Trujillo, seconded by Commissioner Blackwell, to recommend Town Council approval of the H&H Farms Water Lease as presented.

Yes: 6 - Hammelman, Foerster, Chair Warnke, Blackwell, Trujillo, and Wright

Not Present: 1 - Redmond

[WC 2019-007](#)

First Amendment to Water Rights Brokerage Agreement with Stillwater Resources

Town Council Agenda Date: February 5, 2019

Mr. Benak provided an overview of the proposed First Amendment to the 2017 Water Rights Brokerage Agreement with Stillwater Resources & Investments, Inc. (Stillwater). Stillwater has been the water broker for the Town since 2013, and they have brought a lot of value. Since 2013, Stillwater has helped the Town purchase 1,805 acre-feet of water. All of the water has been purchased within the planned budget. The First Amendment to the 2017 Water Rights Brokerage Agreement with Stillwater extends the agreement by two more years. Staff recommended approval, to allow Stillwater to continue to act as the Town's agent for the purposes of identifying and recommending water rights essential for the hybrid solution to the Town's Alternative Source of Water Supply Project. Commissioner Redmond was not present during this agenda item.

It was moved by Commissioner Blackwell, seconded by Commissioner Wright to recommend Town Council approval of the First Amendment to the Water Rights Brokerage Agreement with Stillwater Resources & Investments, Inc. as presented.

Yes: 6 - Hammelman, Foerster, Chair Warnke, Blackwell, Trujillo, and Wright

Not Present: 1 - Redmond

DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS

[WC 2019-008](#)

Plum Creek Interceptor Project (No Memo)

Commissioner Redmond returned to the meeting at the start of this item (7:15 p.m.).

Mr. Marlowe provided an overview of this project. A piece of sanitary sewer pipe needs to be upsized. The approximate location of the pipe is from the County building on Highway 85 to the Lowe's detention pond. It is a challenging interceptor, as there are many obstacles in the way. Some of the obstacles are large storm sewers, railroad tracks, East Plum Creek, Meadows Parkway, and Highway 85. The project has been in the design phase for several years. Bids came in substantially over the budgeted amount. The Town's Engineering Manager, Jeanne Stevens, believes there may be a better alignment and recommends redesign of the project. Commissioner Trujillo asked if the Town would consider a design/build contract and Mr. Marlowe replied that was a good suggestion and it would be considered.

[WC 2019-009](#)

Lochbuie Lease (No Memo)

Lochbuie owns part of the water rights in Bell Mountain Ranch (one of three owners). They were interested in running the wells this winter, but Water Resources Manager Matt Benak proposed to them an idea he had to sell them our excess wastewater effluent instead of them running the wells at a loss. Lochbuie liked this idea and a formal presentation on this topic may come before the commission soon.

[WC 2019-010](#)

Cherokee Ranch Water Rights IGA Ordinance

Town Council Agenda Dates: Jan. 22, 2019 & Feb. 5, 2019

The commission was provided an overview of the Cherokee Ranch Water Rights Intergovernmental Agreement (IGA) Ordinance, which was approved by Town Council on first reading Jan. 22, 2019. Second reading is scheduled for Feb. 5, 2019. This is in regards to the sale of certain Denver Basin aquifer water rights to Dominion Water and Sanitation District (Dominion) known as the Cherokee Ranch water rights. These water rights were acquired by the Town as part of the United Water and Sanitation District (United) transaction in November 2017. Castle Rock Water had always intended to sell all or a portion of these water rights to recoup some of the costs of the transaction and because they are not readily usable by the Town.

[WC 2019-011](#)

2019 Update to Benchmarking Comparisons - Rates and System Development Fees (SDFs)

Mr. Marlowe provided an update to the commission on the 2019 rates and system development fees for Castle Rock Water, compared to surrounding areas we benchmark against. Benchmarking charts were included in the commission packets and are posted to the Town's website. The good news is that Castle Rock Water is moving in the right direction with the 2019 adopted rates, compared to those we benchmark against. More importantly, we are also moving in the right direction relative to other South Metro water providers. On system development fees, Castle Rock Water moved to the right. This is likely reflective of the high level of growth and the need to keep up with infrastructure and water supply needs. Our Business Solutions Team is currently working with a consultant on the 2019 rates and fees study, and there will be more to report on at the February commission meeting.

[WC 2019-012](#)**Design of Craig & Gould North Infrastructure Improvement Project
Town Council Agenda Date: January 8, 2019**

On January 8, 2019, Town Council awarded a contract in the amount of \$583,100 to AECOM Technical Services, Inc. for the Craig and Gould North Infrastructure Improvements Project. Craig and Gould South infrastructure was improved in 2008. This is an important project, due to the risk of tree root intrusion and sewer back-ups with the old infrastructure. In addition, there is currently no stormwater system in Craig and Gould North, and there has been some flooding as a result. The scope of work includes engineering design, surveying, permitting and geotechnical services for upgrading streets, alleys, storm drainage, water and sanitary sewer infrastructure. Services under this agreement are expected to be complete by December 2019, and construction of the project is scheduled for January through December 2020. This item will likely be presented to the commission when the construction contract goes through the public hearing process.

[WC 2019-013](#)**Water Reuse Open House, February 23, 2019
10:00 a.m. - 2:00 p.m. at the Plum Creek Water Purification Facility**

Mr. Marlowe informed the commission that there will be a Water Reuse Open House at the Plum Creek Water Purification Facility on Saturday, Feb. 23, 2019, from 10 a.m. - 2 p.m. Castle Rock Water has been working with WaterReuse Colorado, an advocacy group for water professionals. Reuse water involves producing safe drinking water from wastewater that has been treated, discharged back to the creek, flowed to Sedalia, recovered, and purified again at the Plum Creek Water Purification Facility. Reusing water is one of the most cost-effective, environmentally sound and sustainable methods of water supply available. It is also very safe. Mr. Marlowe invited the commission to participate in a February 5 webinar on this topic, from 1-2:00 p.m.

COMMISSIONER MEETING COMMENTS

Commissioner Redmond said this was a good meeting. Commissioner Trujillo inquired about when the turf replacement would be finished at the park in Metzler Ranch. Mr. Marlowe replied that the project is on schedule and is expected to be completed before irrigation season this year. Chair Warnke inquired about the plan to put a monitor in the Castle Rock Water lobby. Mr. Marlowe said it is now in place and cycles through a variety of screens that include the water commission, conservation and other topics. He said the monitor looks great and that he would send the commission a photo of it.

7:50 P.M. Adjourn to Executive Session to Discuss Potential Water Acquisition Projects