



Castle Rock Water Commission Meeting Minutes - Final

Todd Warnke, Chair
Amy Blackwell, Vice Chair
Ernie Foerster
Clark Hammelman
Katherine Redmond
Carol Selos
John Wright

Wednesday, December 11, 2019

6:00 PM

Castle Rock Water
175 Kellogg Ct., Bldg. 183
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

CALL TO ORDER / ROLL CALL

- Present** 5 - Clark Hammelman, Chair Todd Warnke, Vice Chair Amy Blackwell, Katherine Redmond, and John Wright
- Not Present** 2 - Ernie Foerster, and Carol Selos
- Attendance** 9 - Caryn Johnson, Mark Marlowe, Anne Glassman, Josh Hansen, Heather Justus, Jennifer Thompson, Matt Benak, MaryJo Woodrick, and David Van Dellen

COUNCIL UPDATE

Councilmember Johnson updated the commission on various Town Council topics from the December 3rd Council Meeting including an update from Castle Rock Fire on the Star and Starlighting, a Zone Enhancement Plan, the approval of Ruppel's Farm Lease, an IGA agreement with the Downtown Authority, a Stormwater Ordinance, and the Encore Project Agreement.

COMMISSION COMMENTS

Commissioner Redmond shared that she has seen Social Media posts on the Canyons North project. Community members have questions about the water supply for the development. Mr. Marlowe explained Parker Water will be serving this development. She suggested that the Water department create/have available a statement that can be shared with the community as well as a Fact Sheet with information about who gets water as well as how it is decided. Maybe also have a pre-plan for how to handle these situations as they come up.

Commissioner Wright was interested in who receives the monthly report that is created by the Water Dept. Mr. Marlowe explained Council, Commission and staff receive the report and that the report is available to the public in the Council packet.

Commissioner Blackwell commented that it is refreshing to see more stormwater items on the agenda. She asked if Stormwater has been fully integrated? Mr. Marlowe replied yes.

ADMINISTRATIVE BUSINESS

[WC 2019-101](#)

It was moved by Clark Hammelman and seconded by Katherine Redmond to approve the meeting minutes for October 23, 2019.

Yes: 4 - Hammelman, Chair Warnke, Redmond, and Wright

Not Present: 2 - Foerster, and Selos

Abstain: 1 - Blackwell

[WC 2019-102](#)

Mr. Marlowe presented Don Trujillo with a plaque as a thank you for his commitment and time on the Water Commission. Mr. Marlowe as well as other Water Commission members and staff wish him the best.

[WC 2019-103](#)

**Update on Water Commission Membership
Town Council Agenda Date: December 3, 2019**

Mr. Marlowe reported that with the resignation of Don Trujillo the Water Commission had an opening. Following Town guidelines the staff was able to re-evaluate the applications that were received in May. The interview committee from May suggested the approval of Carol Selos as our new commission member. Carol was approved by Town Council on December 3rd.

ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)

[WC 2019-104](#)

**Resolution Approving a Contract between the Town of
Castle Rock and Insituform Technologies LLC for the 2019
Cured-in-Place Pipe Sewer Project
Town Council Agenda Date: December 17, 2019**

Mr. Hansen presented an overview for this project. He explained how the insertion process works. Mr. Hansen reported that they have identified two (2) miles of clay pipe that they plan to fix. This project should be finished in April.

It was moved by Amy Blackwell and seconded by John Wright to recommend Council approve the Resolution approving the contract with Insituform Technologies LLC.

Yes: 5 - Hammelman, Chair Warnke, Blackwell, Redmond, and Wright

Not Present: 2 - Foerster, and Selos

[WC 2019-105](#)

**Ordinance Authorizing, Approving and Directing the
Execution and Delivery of a
Loan Agreement Payable from Net Revenue to be Derived
from the Operation of the**

**Town of Castle Rock Stormwater enterprise, and Certain
Other Documents in
Connection Therewith, For the Purpose of Financing
Various Capital Improvements
to the Stormwater System, and Providing for Its Emergency
Adoption on Second
and Final Reading (Second Reading)**

Town Council Agenda Date: December 17, 2019

Technologies LLC.

Ordinance Authorizing, Approving and Directing the Execution and Delivery of a Loan Agreement Payable from Net Revenue to be derived from the Operation of the Town of Castle Rock Stormwater Enterprise.

Mr. Marlowe reported that this is the Ordinance for the Stormwater Bank Loan. Mr. Marlowe reported that on 12/10/19 the loan was finalized with JP Morgan Chase. The amount of the loan is for \$9.5M, and an interest rate of 1.92% was secured. This item is not in the 2020 budget and will need to be a 1st Quarter Budget Adjustment.

It was moved by Amy Blackwell and seconded by Katherine Redmond to recommend Council approval of the above Ordinance.

Yes: 5 - Hammelman, Chair Warnke, Blackwell, Redmond, and Wright

Not Present: 2 - Foerster, and Selos

[WC 2019-106](#)

Resolution Adopting the 2019 SCADA Capital Implementation Plan for Castle Rock Water

Mr. Marlowe explained that SCADA is the control system for all processes, and devices including the communication between devices. At this time the system needs to be replaced. CRW hired a consultant to do a review and Master Plan. The consultant suggested changing the principle equipment used in the system. The impact on rates and fees for implementing replacement of the system including a charge to Allen Bradley equipment was evaluated. It was determined that by deferring several other capital projects, the current rate plan could be maintained.

Mr. Marlowe explained that the full master plan is not included in the Town Council packet due to security reasons.

It was moved by Amy Blackwell and seconded by Clark Hammelman to recommend Council approval of the SCADA Capital Implementation Plan.

Yes: 5 - Hammelman, Chair Warnke, Blackwell, Redmond, and Wright

Not Present: 2 - Foerster, and Selos

[WC 2019-107](#)

Resolution Approving a Drilling and Construction Contract with Hydro

Resources - Rocky Mountain Inc. for Wells CR-232 and CR-233

Ms. Justus explained the purpose of this contract is construction, drilling, completion and testing for Wells CR-232 and CR-233 which will be located at the Ray Waterman Water Treatment Plant (RWWTP). One well is for the Arapahoe Aquifer, and one is for the Denver Aquifer. Both will supply raw water to the RWWTP. A separate contract will be completed for the pumping equipment installation because staff needs additional time to complete the specifications for the aquifer storage and recovery and downhole power generation systems.

It was moved by Amy Blackwell and seconded by John Wright to recommend Council approval of the above Resolution.

Yes: 5 - Hammelman, Chair Warnke, Blackwell, Redmond, and Wright

Not Present: 2 - Foerster, and Selos

[WC 2019-108](#)

Mr. Van Dellen presented an overview of the 6400 South Tributary Stabilization Project. This legacy project is by Castle View High School and the new Arapahoe Community College Campus and it will stabilize and repair portions of the 6400 South Tributary. He explained that this project is part of the Stormwater Bank Loan.

It was moved by Amy Blackwell and seconded by Katherine Redmond to recommend the approval of the Resolution as presented.

Yes: 5 - Hammelman, Chair Warnke, Blackwell, Redmond, and Wright

Not Present: 2 - Foerster, and Selos

[WC 2019-109](#)**Resolution Approving a Services Agreement with Olsson, Inc. for the East Plum Creek Reach 5 Phase II Stabilization Project**

Town Council Agenda Date: January 7, 2020

Ms. Horton explained that the East Plum Creek Reach project is a large project and therefore, they have divided it in to manageable pieces. Channel stabilization is key for long-term protection of critical water and sewer infrastructure. This project is part of the Stormwater Bank Loan.

It was moved by Amy Blackwell and seconded by Clark Hammelman to recommend Council approval of the Resolution as presented.

Yes: 5 - Hammelman, Chair Warnke, Blackwell, Redmond, and Wright

Not Present: 2 - Foerster, and Selos

[WC 2019-110](#)**Resolution Approving an Engineering Services Agreement with Muller Engineering**

**Company, Inc., for the McMurdo Gulch Stream Reclamation
Priority 2 Project**

Town Council Agenda Date: January 7, 2020

Five high priority areas where McMurdo Gulch is experiencing degradation have been identified. This Priority 2 project will mitigate impacts from development and preserve the natural drainage way. This project is part of the Stormwater Bank Loan.

It was moved by Amy Blackwell and seconded by John Wright to recommend Council approval of the Resolution as presented.

Yes: 5 - Hammelman, Chair Warnke, Blackwell, Redmond, and Wright

Not Present: 2 - Foerster, and Selos

DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS

[WC 2019-111](#)

Non-Residential Irrigation Water Budget

Mr. Marlowe updated the group on the Non-Residential irrigation project. In 2019 staff spent time on outreach and education but when staff evaluated the 850 customers, 645 were still over budget at least once during the seven month period. Staff feels that additional outreach and education needs to happen prior to customers experiencing the financial impacts. The staff would like to spend 2020 working with customers to educate them on exactly what the financial impacts will be.

The consensus of the Commission is to spend one additional year on education and outreach and in 2021 begin charging (no matter what).

[WC 2019-112](#)

Rate and O&M Costs AWWA Benchmarking Metrics

Executive Summary

The purpose of this memorandum is to provide Castle Rock Water Commission with rate cost and O&M cost metrics from the American Water Works Association (AWWA) national benchmarking.

Rate and O&M Cost AWWA Benchmarking:

Each year since 2014 staff has participated in the AWWA's annual benchmarking study. Castle Rock Water (CRW) uses many of these metrics as quarterly key performance indicators (KPIs) to help understand the areas that may need improvement. For the study completed in 2019 there was a total of 144 participants nationally, 44 water only utilities, 10 wastewater only

and 90 combined operations. CRW is considered a combined utility. The count for each question answered varies depending on how many participated in the question.

The first cost related benchmark that CRW looks at is the Customer Service Cost per Account. This takes the total costs related for customer service divided by the number of accounts. This is important as it helps to show whether the utility is in line nationally for how much customer service costs. As you can see from the table below, in terms of a combined utility CRW is in the lowest quartile or 25th percentile based on the 2018 year end data for the 2019 survey.

Customer Service Cost Per Account

Utility Type	CRW	75th Percentile	Median	25th Percentile	Count of Utilities
Combined	\$77.05	\$19.15	\$28.82	\$43.33	50
Water	\$140.50	\$19.24	\$31.95	\$58.41	34
Wastewater	\$10.73	\$13.41	\$18.90	\$27.49	32

The next rate cost related benchmark that CRW tracks is the cost for residential service per month. This is tracked based on the water/water resources fund, wastewater fund and the stormwater fund separately. These metrics are important and tracked as a quarterly KPI. CRW looks at affordability for residential customer's bills throughout the rates and fees study and comparing the average bills in the AWWA survey is another metric to help determine where the utility stands in terms of costs. As shown in the tables below you can see for the most part that CRW ranges from the median to the 25th percentile for each of these metrics as well.

Cost of Residential Service-Water

Type	CRW	75th Percentile	Median	25th Percentile	Count of Utilities
7,500 Gallons per Month		\$63.56	\$29.65	\$38.10	\$51.28 82
Average Monthly Bill	\$63.56	\$23.24	\$34.40	\$41.30	81
Average Monthly Usage	7,330	4,488	5,500	7,092	81

Cost of Residential Service-Wastewater

7,500 Gallons per Month		\$55.43	\$38.90	\$50.47	\$63.08 82
Average Monthly Bill	\$35.66	\$29.16	\$35.55	\$45.50	80
Average Monthly Usage	4,000	3,962	4,600	5,760	74

Cost of Residential Service-Stormwater

Average Monthly Bill	\$7.12	\$3.78	\$5.48	\$7.84	32
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A third set of cost related metrics that CRW follows closely and includes in the quarterly KPIs are the operating costs for water/water resources and wastewater. Operating and maintenance costs are a large portion of where

spending goes each year for CRW. It is important for CRW to understand how much is being spent in this area in order to ensure that these are kept as reasonable/minimal as possible. Operating costs keep the organization running month to month and thus are an important section in the annual AWWA survey. When looking at the water/water resources fund, CRW is in the 25th percentile on the survey in each category as shown in the table below. When looking at the wastewater fund CRW is in the 75th percentile in two categories and 25th percentile in one as also shown in the table below.

O&M Costs for Water Service

Type	CRW	75th Percentile	Median	25th Percentile	Count of
Utilities					
Cost per Account		\$689	\$313	\$428	\$618 74
Cost per MG	\$5,214	\$1,738	\$2,466	\$3,519	74
Cost per 100 mile of Pipe		\$3,564,968	\$1,988,318	\$2,891,000	
	\$4,062,825	72			

O&M Costs for Wastewater Service

Cost per Account	\$254	\$276	\$378	\$527	67
Cost per MG	\$3,821	\$1,679	\$2,489	\$3,953	63
Cost per 100 mile of Pipe		\$1,893,227	\$1,917,681	\$2,868,950	
	\$3,834,601	66			

Overall when being compared nationally in the AWWA survey in terms of these cost and rate related categories CRW is challenged and has room to improve our competitiveness. CRW understands that many factors play into this ranking in these categories, including infrastructure needs, location, climate and many others and plans to continually evaluate these KPIs to look for opportunities for improvement.

Mr. Marlowe shared the rate costs and O&M cost metrics from the American Water Works Association (AWWA) national benchmarking. CR Water will continue to use the benchmark to improve.

[WC 2019-113](#)

Resolution Approving the Contract with Colorado Pump Service & Supply Co. for Well CR-81 Equipment replacement and Alluvial Wells Rehabilitation Project

Mr. Marlowe reported that this is an update, information is included in the packet and if there are any questions let him know.

[WC 2019-114](#)

Lost Creek Agricultural Water Lease for Huwa and Helza Properties

Mr. Marlowe reported that this is an update, information is included in the packet and if there are any questions let him know.

[WC 2019-115](#)

**Ordinance Approving an Agricultural Lease Agreement with
Rupple Farms, LLC
(Second Reading - Approved on First Reading on November
5, 2019 by a vote of 7-0)
*[the Box Elder Well field property]***

Body

Executive Summary

Attached is a copy of the Council Memo for the above referenced project for your information.

First Reading was approved on November 5, 2019. Second Reading approved on December 3, 2019.

Attachments

Attachment A: Council Memo Rupples Ag Lease

Mr. Marlowe reported that this is an update, information is included in the packet and if there are any questions let him know.

[WC 2019-116](#)

Resolution Approving a Construction Contract with 53 Corporation, LLC for the Industrial Tributary Stabilization Project

Mr. Marlowe reported that this is an update, information is included in the packet and if there are any questions let him know.

[WC 2019-117](#)

Resolution2019- Approving an Agreement for a Construction Contract with 53 Corporation LLC for the McMurdo Gulch Stream Reclamation Project Priority 1 Improvements

Mr. Marlowe reported that this is an update, information is included in the packet and if there are any questions let him know.

COMMISSIONER MEETING COMMENTS

Chairman Warnke thanked Don Trujillo again for his participation on the Water Commission Board and wished him luck.

Chairman Warnke also thanked the entire Water Commission Board for working

together.