



Castle Rock Water Commission Meeting Minutes - Final

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

Wednesday, April 22, 2020

6:00 PM

Virtual Commission Meeting

Online: <https://crgov.webex.com>

Phone-in: 720-650-7664

Meeting number: 262 054 165

Meeting password: ZRaegNnK886

This meeting is open to the public and will be held in a fully virtual format in accordance with Town Council Meeting Special Procedures During Declared Disasters. This meeting will be hosted online and can be accessed at <https://crgov.webex.com>, or phone in by calling (720) 650-7664, meeting code 262 054 165. 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** 6 - Clark Hammelman, Chair Todd Warnke, Vice Chair Amy Blackwell, Katherine Redmond, John Wright, and Carol Selos
- Attendance** 7 - Caryn Johnson, Mark Marlowe, Tim Friday, Matt Benak, Anne Glassman, Jeanne Stevens, and Jennifer Thompson

COUNCIL UPDATE

Councilmember Johnson updated the commission on various Town Council topics from the April 21st Council Meeting including that the Town Council would like to send a letter to Congressional Representatives requesting the need for financial assistance to small municipalities, Town Council would also like to send a letter to the Governor requesting clarification on the guidelines for small business re-opening on May 1st, May is Historic Preservation Month, Police Week is May 11-15, the Town is working on a Transit Feasibility Study, the Cured In-Place Project and Grease Interceptor Ordinance, Annexation of Alexander Place, the Convenience Store at Plum Creek Pkwy. & Gilbert, and a Town Managers report on the Pandemic's effect on the Towns budget.

COMMISSION COMMENTS

Commissioner Blackwell - Apologized that as the Vice Chair for not noticing the lack of a notice for the virtual meeting and thanked staff for making that change.

Commissioner Wright - Requested an update on the COVID Situation. Mr. Marlowe reported that we continue with the schedules and work that was mentioned at the last meeting. With the lobby closed, CRW has been able to man the phones live and customers seem to be adjusting well. CRW has received cloth masks for everyone as well as an ultraviolet decontamination cell to clean N95 masks. The Conservation team will be offering the Water Wiser class on-line (hope to roll this out in May).

Mr. Marlowe also reported that we have had some interest in the Customer Assistance Program. At this time, we have received and accepted applications from 52 small businesses and 30 residential accounts.

CRW along with the Town is working on a policy for vacation and what to do if staff should travel to "hotspot" locations.

The current plan is to keep the front lobby closed for an additional 4 to 5 weeks, at this time we are able to collect bills and assist customers without having the lobby open. CRW will continue to follow all social distancing guidelines already in place and to have those that can work from home continue to work from home.

ADMINISTRATIVE BUSINESS

[WC 2020-030](#)

Approval of the March 25, 2020 Meeting Minutes

Commissioner Blackwell requested that an amendment be made to the minutes. She requested that verbiage be added to state that the meeting was held in a totally virtual format. She further indicated to use verbiage that matches what was placed on the revised agenda for this evenings meeting.

It was moved by Amy Blackwell and seconded by Katherine Redmond to approve the meeting minutes for March 25, 2020 with the addition of the amended verbiage. Passed with a vote of 6-0.

[WC 2020-031](#)

Open Water Commission Positions and Interviews

Mr. Marlowe shared that Boards and Commissions interviews will be held in a virtual format this year. Commissioner Warnke, Council Member Johnson and Mr. Marlowe will consist of the interview panel. At this time Commissioner Selos, Commissioner Redmond and Commissioner Blackwell are due for re-appointment and if still interested in participating on the Commission, they will need to re-apply.

ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)

[WC 2020-032](#)

Ordinance Amending Chapter 13.12 and 15.38 of the Castle Rock Municipal Code which Define Ownership and Responsibility for Water Systems Town Council Agenda Date: May 15, 2020

Mr. Friday introduce Mr. Billman, Environmental Health and Safety Manager, and explained that together they have been working on an update to this section of the Municipal Code. Mr. Friday further explained that currently there are 165 residents that have a fire line to their home and that the Code states that the resident is responsible for the line from the main tap to the home. CRW would like to change the Code to state the homeowner would be responsible for the line from the curb to the home. This would match the guidelines for the domestic drinking water lines. One of

the main reasons for this change is to allow CRW to fix leaks that occur in the right of ways and roads. These leaks are often overwhelming, difficult and costly for the homeowner but are relatively easy for the staff to fix.

At this time the Ordinance is not attached. It is currently being reviewed by the Town legal department. Staff can send the Ordinance out next week once it has been received. Commissioner Blackwell asked if this is an item that needs immediate attention or if the Commission would be able to wait until they have had a chance to review the Ordinance.

Mr. Marlowe indicated that this could wait if necessary.

Mr. Marlowe also shared that at this time the Fire Department is allowing homeowners to request an abandonment of these fire lines since some of these areas now have fire hydrants so CRW wants to make sure that homeowners requesting the abandonment pay the proposed \$200 fee so there is a little urgency.

Commissioner Hammelman asked if the 165 residents who will be affected by this change have been notified. Mr. Marlowe reported that currently notifications have not been sent but letters will be sent. Commissioner Hammelman felt that the notifications should be sent prior to the item being taken to Town Council so that residents have the opportunity to comment if they would like.

It was moved by Amy Blackwell and seconded by Clark Hammelman to table this item until the Ordinance has been completed and notification letters have been created and sent. The motion passed 6-0.

Yes: 6 - Hammelman, Chair Warnke, Blackwell, Redmond, Wright, and Selos

DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS

[WC 2020-033](#)

2020 Rates & Fees Study Deliverables - April 2020

Mr. Marlowe reported that there are a couple of items of note in the first report. Actuals for 2019 are not the final numbers due to the fact that the Comprehensive Annual Financial Report (CAFR) for the Town is not complete. This is completed by Finance and should occur in May. It does appear that revenues came in above the predicted amount, and expenses came in below the budgeted amount.

The Second item in the packet is The Summary of Business Case Requests (BCRs). CRW has three BCRs to note:

As part of the SCADA Master Plan, a need was identified to increase the staffing in the SCADA Department. Within the Master Plan one recommendation is to add a senior level staff member that would lead the team in strategic directions. The other position would be an IT/SCADA Network Engineer to help with the design, management and security of the system. This position would be hired through DoIT but would work for and be paid by CRW. The IT/SCADA Network Engineer is a priority

for 2021 with the supervisor position being filled at a later date.

The Distribution Supervisor currently manages 8 staff members and CRW would like to add a second Distribution Supervisor and split the team between the two Supervisors. This is currently the lowest priority BCR.

The third BCR is to add a licensed electrician to the plant maintenance team. Currently, CRW does not have a licensed electrician on staff and must contract with local vendors when larger items need to be taken care of. By hiring an electrician, CRW would be able to handle more projects/items in house. This is the highest priority of the three BCRs.

The next item in the packet are the 2019-2020 CIP Comparisons. CRW is not proposing a lot of new projects this year. Most of the projects for 2021 will be projects that have been placed on hold in 2020 due to the COVID Pandemic.

Mr. Marlowe also shared that Dave Corliss, Town Manager is projecting a 15%-20% sales tax revenue reduction in the General Fund. This is about a \$10M decrease in the General Fund. CRW should not see this large of an impact due to the fact that most of the CRW revenue should continue to come from customer fees. The one area that may affect CRW would be the system development fees. CRW has been planning for the potential of not receiving any additional system development fees after May. These fees are usually used to fund CIP projects, especially improvement projects, so staff have been looking at what projects can be postponed until 2021.

Staff is also looking at ways to defer cost to help with the decrease in the General Fund. Three ideas that are being looked at are:

1. In 2019 CRW put in the Red Hawk Reuse Pipeline. Currently, CRW is charging a fee to help recover the cost of this project. CRW is looking to defer the Capital Recovery fee for one year. Red Hawk will still be responsible for the actual cost of the water and pumping of the water.
2. A one-year deferral on the pay back for the Metzler Ranch synthetic turf project. This deferral will be placed in the loan documents and the year will be added on to the end of the loan period.
3. The staff has just started to look at an option to offer an assistance program for the Town's irrigation accounts. This option would look much like the assistance programs that were created for small businesses and residential customers.

The other item that CRW will be participating in to assist with the General Fund shortages is a pay increase freeze. This pay increase freeze will be Town wide and doesn't have a time frame attached to it.

The last item in the packet is the 2019 Fund Balance summary. This item has information from 2019 and provides projections through 2024. The current balances look good but they are based on the assumption that we will receive most of the

system development fees. This may look different if we do not receive all of the system development fees.

Commissioner Blackwell requested that more narrative be added to the Financial Memos moving forward.

[WC 2020-034](#)

Cherry Creek Water Rights Update

Mr. Marlowe explained that at this time CRW is requesting a 90 Day suspension agreement for this purchase. This document will allow a time out. In 90 days CRW can look at finances and decide what is the best option moving forward with this project. All Authority members are in agreement that the 90 day suspension works.

[WC 2020-035](#)

Administration and Customer Service Building Update

Mr. Marlowe shared that at the last meeting the Water Commission was made aware that CRW had asked for a 30 day hold on the bid for this contract. After spending a lot of time reviewing and discussing the contract, staff has decided this can be postponed until we have a better understanding of the economic impacts of the pandemic. The staff has cancelled this contract and will re-evaluate early next year. This project would have cost about \$4M and these funds may be used for capital projects or other necessary items that come up in 2020.

[WC 2020-036](#)

PVLLC Water Rights Update

Mr. Marlowe explained that this item is for the purchase of water rights in the Lost Creek basin for the Box Elder Creek project. The Box Elder Creek project is not an emergency and CRW does not have to purchase the rights now. This project is not slated to come on-line until 2029/30 which gives staff time to purchase the water rights at a later date if necessary so staff have decided to request a 90-day hold for this item to see what the financial situation looks like.

[WC 2020-037](#)

Cherry Creek Watershed and Regulation 38 Update

Colorado Water Quality Control Commission is updating Regulation 38 which has to do with water quality standards in the Cherry Creek Watershed. Cherry Creek Water Quality Basin Authority is responsible for the water in the Cherry Creek Reservoir. This group felt they needed to respond to the changes to Regulation 38. CRW has been working with Parker to create a response as well. The reason is CRW has water in the Cherry Creek Watershed that would be affected by the changes. The update also effects Rueter Hess Reservoir (RHR) and is specifically called out in the update. One good item is that RHR would be designated as their own segment of the watershed. One of the other changes was to place interim nutrient standards on RHR. The proposed standards would require meeting a level of 83 micrograms per liter of phosphorus and 20 micrograms per liter of Chlorophyll A. This is a problem because the raw water that is diverted from Cherry Creek and placed in RHR doesn't meet

those standards to begin with. Because of this RHR will be out of compliance from the beginning and always. Therefore, CRW and Parker Water are opposed to placing these standards on RHR at this time. Cherry Creek Water Quality Basin Authority has decided to support the new standards. The way that the Cherry Creek Water Quality Basin Authority handled their prehearing documents was concerning. The good news is that the State decided not to recommend interim standards for RHR but the bad news is that the Cherry Creek Water Quality Basin Authority had already sent their statement to the State supporting those standards. It will be interesting to see if the State will leave the standards out or put them back.

CRW and Parker Water would like to get RHR removed from the Cherry Creek Watershed. Since RHR is going to be a drinking water reservoir, standards should be based on drinking water treatment needs and not based on the needs in the broader watershed.

[WC 2020-038](#)

Customer Assistance Programs Update

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Executive Summary

This item is for information only. There are no attachments.

Mr. Marlowe shared this information during his COVID update.

COMMISSIONER MEETING COMMENTS

Commissioner Selos commented that the Cherry Creek Watershed situation is definitely a handful and that it looks like it will be an ongoing project.

Commissioner Redmond feels it will be interesting to see how everything will unfold. She also stated that the discussion this evening was very interesting.

Commissioner Blackwell shared that the newest issue of Headwaters Magazine has great information on water justice as well as an article on alternative methods for municipalities to assess water affordability for customers. It is a great thing to look at. Commissioner Blackwell also shared that the last issue of Journal of Science has an article on recent studies using wastewater to assess a coming crisis with the COVID infection. She is interested if we have a situation to use our wastewater to identify a potential crisis coming towards CR. Mr. Marlowe shared that CRW had done some additional work on affordability last year, and staff will bring that to Commission at the next meeting. Mr. Marlowe also shared that there are currently several articles and studies that are looking at the potential of using wastewater to understand the pandemic. CRW is reaching out to CDM and another local vendor to see what testing

would look like for our wastewater plant. CRW will also bring this item back to Commission at the next meeting for discussion.