



## Castle Rock Water Commission Meeting Minutes - Draft

Tony Rathbun, Chair  
Melanie Penoyar-Perez, Vice Chair  
Edward Egnatios  
Brian Gaddie  
Ole Gjerde  
David Hammelman  
Kevin Snow

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Wednesday, July 23, 2025

6:00 PM

Castle Rock Water  
171 Kellogg Ct.  
Castle Rock, CO 80109

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This meeting is open to the public and will be held in a hybrid format in accordance with Town Council Electronic Participation, Connected, and Hybrid Meeting Policy. The in-person meeting will be held at 171 Kellogg Ct. Castle Rock CO 80109 or this meeting can be accessed

<https://crgov.webex.com/wbxmjs/joinservice/sites/crgov/meeting/download/79fc6611e74f410fb7789c7a235bbb9a?siteurl=crgov&MTID=mc5c761a59c4ac6c6d3b599ea4ff2f8a8>  
the Meeting password: CRWCmtg72325 or phone in by calling (720) 650-7664, meeting code 2492 916 0595. One 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 - Chair Tony Rathbun, Edward Egnatios, Brian Gaddie, Ole Gjerde, David Hammelman, and Kevin Snow

**Not Present** 1 - Vice Chair Melanie Penoyar-Perez

**Attendance** 5 - Mark Marlowe, Mark Henderson, Nichol Bussey, Roy Gallea, and MaryJo Reese

### COUNCIL UPDATE

Time was allowed for Mr. Marlowe to share a council update.

### COMMISSION COMMENTS

Time was allowed for Commissioner Comments

### ADMINISTRATIVE BUSINESS

[WC 2025-065](#) **Approval of the June 23, 2025 Meeting Minutes  
Town Council Agenda Date: NA**

I move to approve the Minutes as presented.

**Yes:** 6 - Chair Rathbun, Egnatios, Gaddie, Gjerde, Hammelman, and Snow

**Not Present:** 1 - Vice Chair Penoyar-Perez

### ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)

[WC 2025-066](#) **Resolution Approving the Construction Contract between the Town of Castle Rock and Garney Companies Inc. for the Ray Waterman Raw Water Raw Water Treatment Center (RWRWTC) and Bell Mountain Ranch (BMR) LAS Conversion**

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**Project - Work Package #2** *[Ray Waterman Regional Water Treatment Center and Bell Mountain Ranch Water Treatment Plant]* **DRAFT**

**Town Council Agenda Date:** August 19, 2025

Ms. Huth explained that this is a continuation of the items that she shared last month. In June she presented the project as a liquid ammonium sulfate (LAS) Conversion for both the Ray Waterman Water Treatment Center (RWRWTC) and Bell Mountain Ranch (BMR). Since that time, the team has received final costs, and they came in much higher than expected. The team has made the decision to only move forward with RWRWTC LAS Conversion for now. Staff will schedule the BMR conversion at a later time.

Ms. Huth shared that this is for Work Package #2 which is the specific agreement to complete construction of the LAS chemical conversion. The scope of work includes:

- Chemical room modifications
- Modify existing WISE and Meter Vaults, adding a new chemical injection vault
- Instrumentation and control panels in chemical rooms and vaults

All the work for this project will need to be completed during the low demand season (October to April) and preferable while WISE is off (November). Garney was selected as the vendor.

Commissioner Rathbun asked if the Bell Mountain Ranch portion of the project would be coming back to Water Commission at some point? Mr. Marlowe explained that yes it would come back at a later date when the funds were available.

Commissioner Hammelman asked if this is something that needs to be done at BMR now? Ms. Huth explained that it is not a critical item for BMR. Originally staff thought they could get a cost reduction by doing both projects at the same time but when final numbers were received it didn't have any significant cost savings.

**I move to approve the Resolution as presented.**

**Yes:** 6 - Chair Rathbun, Egnatios, Gaddie, Gjerde, Hammelman, and Snow

**Not Present:** 1 - Vice Chair Penoyar-Perez

[WC 2025-067](#)

**Resolution Approving the Services Agreement between the Town of Castle Rock and Burns & McDonnell Engineering Company, Inc. for the Ray Waterman Ray Water Treatment Center (RWRWTC) and Bell Mountain Ranch (BMR) LAS Conversion Project** *[Ray Waterman Regional Water Treatment Center and Bell Mountain Ranch Water Treatment Plant]* **DRAFT**  
**Town Council Agenda Date:** August 19, 2025

Ms. Huth explained that this is a services agreement to provide construction engineering services for the Ray Waterman Regional Water Treatment Center (RWRWTC) liquid ammonia sulfate (LAS) conversion project. Burns & McDonnell was the engineering firm that completed the design of the conversion and CRW staff would like to continue their services during the construction phase. The

services they will provide include:

- Construction progress Meetings
- Preparation of Issued for Construction Drawings
- Respond to equipment submittals and requests for information
- Change Order and Work Change Directive support
- Periodic site visits
- Pre-Con and Start-up Workshops
- Substantial Completion Inspection and Punchlist
- Final Completion Inspection and Punchlist
- CDPHE Certifications

The budget for this item is \$270,997 with a 10% contingency for a total budget of \$298,096.

**I move to approve the Resolution as presented.**

**Yes:** 6 - Chair Rathbun, Egnatios, Gaddie, Gjerde, Hammelman, and Snow

**Not Present:** 1 - Vice Chair Penoyar-Perez

[WC 2025-068](#)

**An Ordinance Authorizing the Issuance and Sale of Water and Sewer Enterprise Revenue Bonds, Series 2025, Payable Solely out of the Net Pledged Revenues to be Derived from the Operation of the Town's Water and Sewer Enterprise; Providing Other Details Concerning the Bonds, Including, Without Limitation, Covenants and Agreements in Connection therewith; Providing Other Matters Relating Thereto and Providing for its Adoption [Entire Castle Rock Water Service Area]**

**Town Council Agenda Date:** 1st Reading - July 15, 2025, 2nd Reading - August 19, 2025

Ms. Bussey shared that CRW would like to implement the sale of water sewer enterprise revenue bonds in 2025 or 2026. The staff will watch the market and determine when the best time to do this is between now and August of 2026 with the below parameters in mind:

- **Par Amount:** The bonds may be issued in an amount not to exceed \$56 million.
- **Maturity:** Bonds will mature no later than December 1, 2045, with maximum annual principal not exceeding \$7.7 million with total repayment costs not to exceed \$95 million.
- **Interest Rate:** Not to exceed a net effective rate of 4.75%.
- **Redemption Provisions:** The Bonds may be sold with a provision for optional redemption prior to maturity, at a price not to exceed 100%.
- **Sale:** The bonds will be sold via negotiated sale to Stifel, Nicolaus & Company, Incorporated.
- **Parity Lien:** The 2025 Bonds will share an equal lien on Net Pledged Revenues with existing Parity Bonds from 2015, 2016, and 2022.
- **Reserve Fund:** May be established, and if so, funded with bond proceeds or a Reserve Fund Insurance Policy.
- **Bond Proceeds Use:** Funds will be allocated to a Project Fund for Water

and Water Resource capital improvements (see Discussion for further details), a Reserve Fund (if required), and to cover issuance costs.

**Ms. Bussey shared that the proceeds from the bonds will be used for projects such as:**

- Water Infrastructure Supply Efficiency (WISE) project
- Construction of a desalination facility or alternate facilities to meet total dissolved solids concentration requirements
- Pipeline, pump station, well and treatment infrastructure associated with the Box Elder project
- The Plum Creek Central Pipeline
- The Plum Creek to Rueter Hess Reservoir Pipeline & Pump Station
- Capacity in the Rueter Hess Water Purification Facility
- Storage in the Chatfield Storage Reallocation Project: and/or
- The Plum Creek Diversion Project

Commissioner Gjerde asked if there is a deadline for when CRW must have the funds? Mr. Marlowe explained that within the next two years CRW would most likely need the funds if nothing changes.

**I move to recommend Town Council approval of the Ordinance as presented.**

**Yes:** 6 - Chair Rathbun, Egnatios, Gaddie, Gjerde, Hammelman, and Snow

**Not Present:** 1 - Vice Chair Penoyar-Perez

[WC 2025-069](#)

**Resolution Approving the Amended and Restated Intergovernmental Agreement (IGA) for Water Service between the Dominion Water and Sanitation District, Acting in its Capacity as a Water Activity Enterprise, and the Town of Castle Rock, Acting Through the Town of Castle Rock Water Enterprise [Castle Rock Water's distribution and transmission system inside the Town of Castle Rock to Connection on the Northwest side of Town at the edge of unincorporated Douglas County, Colorado]**  
**Town Council Agenda Date:** August 19, 2025

Mr. Marlowe reported that this is a continuation of agreements that CRW has in place with Dominion. In 2014 CRW and Dominion created an Intergovernmental Agreement (IGA) that stated CRW would charge Dominion to move water. In 2016 a firming agreement was created to treat and supply a limited amount of water (up to a maximum of 700AF in any given year). This agreement is to amend and restate the 2016 Firming Service IGA to clarify the mechanics, accounting, and billing aspects of the agreement as well as improve the understanding of the implementation of the agreement between CRW and Dominion.

Key aspects of the amended and restated IGA include:

- Creating consistency and clarity between the 2014 IGA and the Firming Service IGA in water accounting
- Clarifying that billing and accounting will occur on a monthly basis and will be based on the WISE year
- Formalizing the capacity limitations
- Restating the remaining system development fees to be paid by Dominion

- Clarifying the rates associated with each type of water supply
- Creating a revised and simplified approach to replacement of the non-renewable water supply Dominion dedicated to CRW

Commissioner Snow asked who is requesting the changes? Mr. Marlowe explained that both CRW and Dominion are seeking the changes to clarify the existing IGA.

Commissioner Snow asked if a specific person would be in charge of tracking this? Mr. Marlowe explained that this is a job responsibility for the Water Resources Manager.

**I move to recommend Town Council approval of the Resolution as presented.**

**Yes:** 6 - Chair Rathbun, Egnatios, Gaddie, Gjerde, Hammelman, and Snow

**Not Present:** 1 - Vice Chair Penoyar-Perez

## **DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS**

### [WC 2025-070](#)

#### **Stormwater Follow-Up**

**Town Council Agenda Date:** August 19, 2025

Mr. Henderson shared a presentation on the background, current issues and changes being made to the Stormwater program.

### [WC 2025-071](#)

#### **Instrument Failure**

**Town Council Agenda Date:** NA

Ms. Branning explained that CRW received a violation in late May and again in early June due to an instrumentation failure. The instrument is being replaced, and CRW staff have created a Standard Operating Process (SOP) to make sure that it doesn't happen again.

### [WC 2025-072](#)

#### **Update: Second Quarter Major Projects**

**Town Council Agenda Date:** July 15, 2025

Mr. Marlowe shared that the Second Quarter Major Projects report was attached.

### [WC 2025-073](#)

#### **Update: Douglas County Water Commission Meeting**

**Town Council Agenda Date:** NA

Mr. Marlowe gave an update on the July Douglas County Water Commission Meeting.

### [WC 2025-074](#)

#### **Update: Platte Valley Water Partnership**

**Town Council Agenda Date:** NA

Mr. Marlowe gave a brief update on the Platte Valley Water Partnership project.

[2025-419](#)**Upcoming Town Council Items****Town Council Agenda Date:** NA

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 shared that at the July 1, 2025 Town Council meeting, the Council directed staff to bring back five items related to boards and commissions for discussion in September/October: 1) no WebEx; 2) can only miss two meetings per year (no excuses); 3) two three-year terms; 4) all Castle Rock residents (up for discussion); and 5) May interviews have to be in person.

**COMMISSIONER MEETING COMMENTS**

Time was allowed for Commissioner Comments.