



STAFF REPORT

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Mark Marlowe, P.E., Director of Castle Rock Water
Mark Henderson, P.E., Assistant Director
Josh Hansen, P.E., Project Manager Supervisor

Title: **Resolution Approving a Purchase and Sale Agreement between the Town of Castle Rock and Ice Tong Land & Cattle Company, LLC for the Sedalia Force Main and Lift Station to Plum Creek Water Reclamation Authority (CRW Project #250024)**

Executive Summary

Staff requests Town Council approval of a Resolution (**Attachment A**) for the attached purchase and sale agreement (**Exhibit 1**) between Ice Tong Land & Cattle Company, LLC and the Town of Castle Rock. The agreement provides the purchase of an approximately 2.5 acre parcel by special warranty deed for the lift station, an approximately 20-foot-wide non-exclusive permanent easement for the force main pipeline that includes a 50-foot-wide portion for the access road to the lift station, and a 40- to 45-foot-wide temporary construction easement for the Town in Sedalia, Colorado (see **Attachment B**). These permanent and temporary easements will allow the Town to access the Sedalia lift station as well as access for construction and maintenance of the force main. The fee purchase will allow the construction and permanent use of the lift station parcel.

Discussion

The Sedalia Force Main and Lift Station construction will include a new 12-inch diameter force main pipeline with a length of approximately four miles, and a new lift station to convey wastewater flows from Sedalia and the surrounding area to Plum Creek Water Reclamation Authority for treatment. The proposed lift station will be located on the 2.5 acre parcel in Sedalia. The force main pipeline will be located on approximately 9 parcels owned by Town and private property owners generally paralleling Castle Rock's existing raw water return pipeline.

On March 30, 2026 the Town and Ice Tong Land & Cattle Company executed a temporary license agreement to allow the Town to begin construction of the project and is included in **Attachment C**.

The Town retained Western States Land Services to assist in property acquisitions and Kilty Company to complete third party appraisals. The proposed fee purchase, permanent easement, and temporary easement compensation amount is based on good faith negotiations with the property owner based on independent appraisal reports of fair market property values. The parties agreed to a total compensation amount of \$358,718. A summary of the full compensation amount is as follows:

- Purchase Price for Lift Station Parcel - \$191,732
- Temporary Construction Easement - \$53,691
- Permanent Sanitary Sewer Easement - \$75,683
- Fence Removal and Replacement - \$12,012
- Tree Replacement - \$8,100
- Temporary License Fee - \$6,000
- Appraisal Valuation Reimbursement - \$11,500

Staff requests approval of the purchase and sale agreement and payment at this time. Once payment is provided to Ice Tong Land & Cattle Company, the property owner will convey the remaining signed documents to the Town including temporary easement agreement, permanent easement agreement and Special Warranty Deed for the lift station parcel.

Notification and Outreach Efforts

CRW has worked closely with potential customers in the corridor including Sedalia, CORE, the Douglas County School District and new proposed developments in northern Douglas County.

Douglas County has conducted outreach including posting a news article on their web page about the Highway 85 Southern Corridor Wastewater Project. Castle Rock Water has posted information on its web page about the project as well.

CRW publicly noticed the project for Location & Extents application that was submitted to the Douglas County Planning Commission, and the application was approved on January 5, 2026.

History of Past Town Council, Boards & Commissions, or Other Discussions

Staff provided an update to Water Commission at their May 27, 2026 regular meeting regarding the purchase and sale agreement, and will plan to formally present this item at the following meeting on June 24, 2026.

Budget Impact

The current project budget estimate is \$19,784,296.46 million. A total of \$14,000,000 of funding for this project is being paid for by Federal American Rescue Plan Act funds granted to Douglas County Funds. CRW will collect the additional \$984,296.46 needed for the project through system development fees along with the \$4.8M that was previously approved. The project is being administered by CRW and a 1% Project Management fee of up to \$140,000 is included for the management of the project.

As per the IGA with Douglas County, expenses for this purchase and sale agreement will be charged to the account below:

Fund	Account Number	Amount
85 Regional Wastewater	213-4575-445.79-33	\$358,718

This payment is for project number 250024.

Staff Recommendation

Staff recommends Town Council approval of the above list resolution and purchase and sale agreement.

Proposed Motion

“I move to approve the Resolution as introduced by title.”

Alternative Motions

“I move to approve the resolution as introduced by title, with the following conditions: (list conditions).”

“I move to continue this item to the Town Council meeting on _____ date to allow additional time to (list information needed).”

Attachments

- Attachment A: Resolution
- Exhibit 1: Purchase and Sale Agreement
- Attachment B: Easement Location Map
- Attachment C: Temporary License Agreement