RESOLUTION NO. 2022-

A RESOLUTION APPROVING AN AGREEMENT FOR THE PURCHASE AND SALE OF RIDGEGATE PIPELINE CAPACITY WITH STONEGATE VILLAGE METROPOLITAN DISTRICT

WHEREAS, the Town of Castle Rock, Colorado (the "Town") and Stonegate Village Metropolitan District ("Stonegate") are parties to the South Metro WISE Authority Formation and Organizational Intergovernmental Agreement ("Organizational Agreement"), the primary purpose of which is to create the South Metro WISE Authority to facilitate the WISE Project; and

WHEREAS, the Parties are also parties to the Intergovernmental Water Infrastructure Cost Sharing, Construction and Capacity Allocation Agreement (the "Ridgegate Construction Agreement"), dated June 6, 2016, which agreement sets forth certain provisions and allocations of capacity regarding the Ridgegate Pipeline; and

WHEREAS, pursuant to Section 14 of the Organizational Agreement and Section 4 of the Ridgegate Construction Agreement, the Parties are authorized to sell and convey their rights in the Ridgegate Pipeline to one or more other Members without restriction; and

WHEREAS, pursuant to the Ridgegate Construction Agreement, Stonegate is the original holder of a peak flow capacity of 3.00 million gallons per day ("mgd") of in the Ridgegate Pipeline, which equates to of 19.9% of the total capacity of the Ridgegate Pipeline (the "Stonegate Ridgegate Pipeline Capacity"); and

WHEREAS, pursuant to that certain Agreement for Purchase and Sale of Western Pipeline and Ridgegate Pipeline Capacity dated April 17, 2019, by and between the Town and the Denver Southeast Suburban Water and Sanitation District, d/b/a Pinery Water and Wastewater District ("Pinery"), the Town previously acquired 1.00 mgd of Pinery's interest in the Ridgegate Pipeline; and

WHEREAS, Stonegate desires to sell to the Town, and the Town desires to acquire from Stonegate, 2.5 mgd of the Stonegate Ridgegate Pipeline Capacity, which equates to 16.58% of the total capacity of the Ridgegate Pipeline, for a total purchase price of $3,272,988.00 (the "Purchased Capacity"); and

WHEREAS, the Parties understand that contemporaneously with this Agreement, Stonegate intends to convey to the Parker Water and Sanitation District ("PWSD") the remaining 0.5 mgd of the Stonegate Ridgegate Pipeline Capacity, which equates to 3.32% of the total capacity of the Ridgegate Pipeline; and

WHEREAS, the Parties understand that following Stonegate's conveyance of the separate portions of the Stonegate Ridgegate Pipeline Capacity to the Town (2.5 mgd) and PWSD (0.5 mgd), Stonegate will no longer have any interest in the Ridgegate Pipeline; and

WHEREAS, the Parties desire to enter into this Agreement in order to set forth their mutual understanding and the terms and conditions upon which Stonegate will sell to the Town and the Town will acquire from Stonegate the Purchased Capacity.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO AS FOLLOWS:

Section 1. **Approval**. The Agreement between the Town and Stonegate is hereby approved in substantially the same form attached as ***Exhibit 1***, with such technical changes, additions, modifications, or deletions as the Town Manager may approve upon consultation with the Town Attorney. The Mayor and other proper Town officials are hereby authorized to execute the Agreement by and on behalf of the Town.

Section 2. **Encumbrance and Authorization for Payment**. In order to meet the Town's financial obligations under the Agreement, the Town Council authorizes the expenditure and payment from account no. 211-4375-443.77-72 in an amount not to exceed $3,272,988.00, unless otherwise authorized in writing by the Town.

PASSED, APPROVED AND ADOPTED this 18th day of October, 2022 by the Town Council of the Town of Castle Rock, Colorado, on first and final reading, by a vote of ___ for and ___ against.

ATTEST: **TOWN OF CASTLE ROCK**

_____   _____
Lisa Anderson, Town Clerk   Jason Gray, Mayor

Approved as to form: **Approved as to content:**

_____   _____
Michael J. Hyman, Town Attorney   Mark Marlowe, Director of Castle Rock Water