

CASTLE ROCK WATER

RESOLUTION: PURCHASE AGREEMENT FOR LOST CREEK WATER RIGHTS

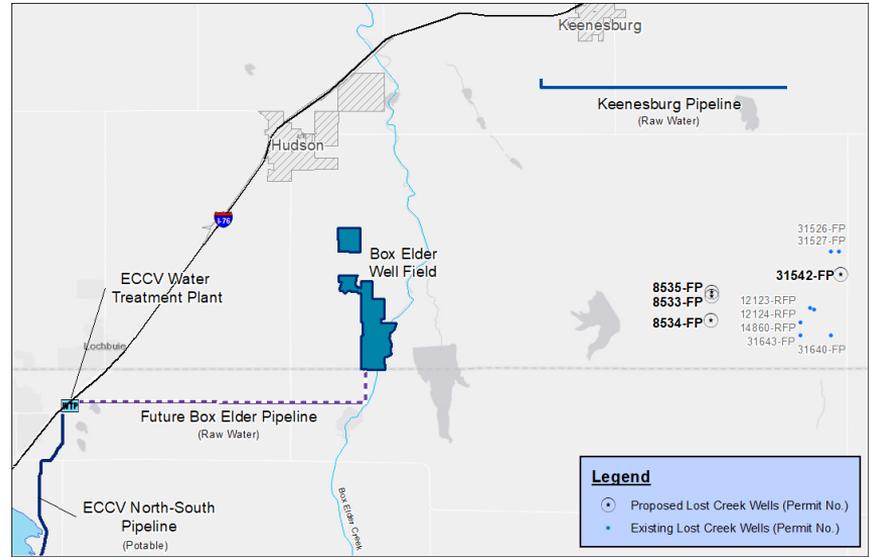
FEBRUARY 4, 2020



LOST CREEK WATER RIGHTS

BACKGROUND

- Option agreement on Box Elder Creek Well Field in April 2014
- Lost Creek water rights
 - Currently own 1035.8 acre-feet (AF) in Lost Creek
 - Augmentation water for Box Elder well field
 - Could convey directly to Town
 - 455.7 AF annually between 4 additional wells
 - Contingent on concurrent sale of Keenesburg Pipeline capacity

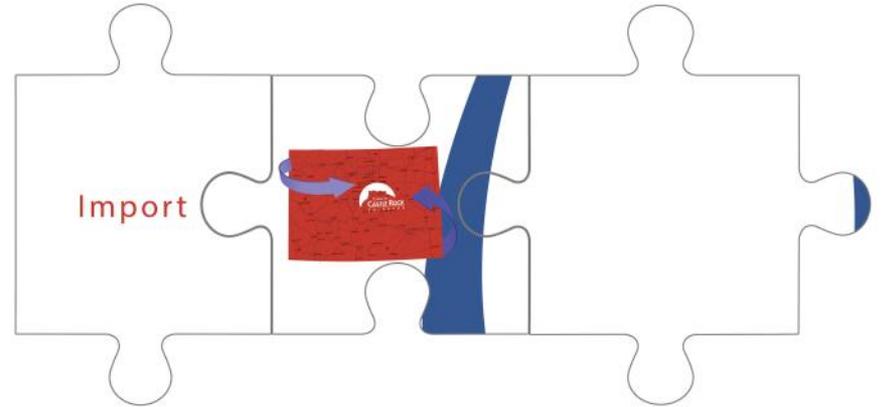


Location Map

LOST CREEK WATER RIGHTS

BENEFITS

- Gets us to 90% of our renewable augmentation water for Box Elder project
- Water already changed
- Could directly pump water for treatment/use
- Three years of water banking in aquifer
- Reliable water source
- Could lease water in short term



LOST CREEK WATER RIGHTS

BUDGET & SCHEDULE

Costs

- \$10,956 per AF for wells, easements and water rights
 - \$3,750,000 total
 - Town's capacity in the Keenesburg pipeline will be included as payment
 - Approximately \$750,000 saved in debt obligation through 2032
 - Estimated value of pipeline capacity is \$2,000,000
- \$200,000 Earnest Money (applied to closing)
- 5% Brokerage Fee (\$187,500) to Stillwater

Schedule

- 90 day due diligence period
- Full earnest refund if not satisfied



Typical irrigation well in the Lost Creek Basin

LOST CREEK WATER RIGHTS

RECOMMENDATIONS

- Castle Rock Water Commission
- Staff
- **Questions?**





THANK YOU

I MOVE TO APPROVE RESOLUTION NO. 2020-014
APPROVING THE EXECUTION OF THE CONTRACT FOR
PURCHASE AND SALE OF WATER RIGHTS.