



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 of Castle Rock Water
Lauren Moore, Water Resources Manager

Title: **Resolution Approving a License Agreement with the U.S. Army Corps of Engineers and Colorado Parks and Wildlife for the Plum Creek Stream Gage Restoration Project** *[Northwest Douglas County, Colorado] CRW Project #260004*

Executive Summary

Castle Rock Water is requesting Town Council approval of a Resolution (**Attachment A**) authorizing the Town to enter into a License Agreement with the U.S. Army Corps of Engineers (USACE), along with Colorado Parks and Wildlife (CPW), for the Plum Creek Stream Gage Project.

This License Agreement (**Exhibit 1**) and Certificate of Authority (**Exhibit 2**) represents the final required authorization among a series of interrelated agreements necessary to proceed with restoration, operation, and maintenance of the Plum Creek Stream Gage above Chatfield Reservoir (PLUCHACO). Execution of this agreement will allow FlyWater, Inc. (FlyWater) to complete construction and restoration activities anticipated to begin in June 2026.

Key aspects of the USACE/CPW agreement include:

- Authorization to access, operate, maintain, and rehabilitate the stream gage on federal land;
- A defined license area of approximately 4.33 acres within the Chatfield Lake Project;
- A 2-year license term, subject to renewal or modification;
- Requirements for environmental protection, vegetation management, and coordination with CPW; and
- Obligations for the grantees to maintain the site, repair any damages, and restore the property upon termination.

Approval of this agreement enables completion of all regulatory and property access requirements and is essential to ensure the gage can be restored and used for water administration now and into the future.

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

On August 20, 2025 Castle Rock Water Commission recommended Town Council Approval of the Plum Creek Stream Gage Agreement.

On September 2, 2025 Town Council Approved the Plum Creek Stream Gage Agreement.

Staff plans to present this item to the Water Commission at their May 27th Water Commission Meeting.

Discussion

The Plum Creek stream gage is a critical infrastructure component for measuring flows upstream of Chatfield Reservoir and supporting administration of water rights for the Town and other regional partners. As outlined in the previously approved Intergovernmental Agreement (IGA), multiple agreements are required to fully implement the project, including:

- Plum Creek Gage Users IGA – completed
- Administrative agreement with Division of Water Resources – completed
- Design/permit/build contract with FlyWater – completed, construction in progress
- USACE license and CPW agreement – final remaining approvals.

The USACE license authorizes access to and use of federal land within the Chatfield Lake Project for stream gage restoration, operation, and maintenance. The agreement requires the participating entities to maintain the site, comply with applicable regulations, and perform all work at no cost to the federal government. This agreement has been coordinated with CPW; however, due to the current term of CPW's underlying lease, the USACE is providing a two-year license from May 12, 2026 through May 11, 2028. The USACE has indicated its intent to convert this authorization to a 25-year easement upon expiration of the license, concurrent with extension of CPW's lease, to support long-term operation and maintenance of the gage.

Upon approval, FlyWater will proceed with stream channel restoration and gage rehabilitation in June, restoring reliable measurement capability. Without this agreement, construction would be delayed and the Town's ability to measure return flows and administer water rights would be impacted.

Budget Impact

This agreement includes a one-time administrative fee of \$1,425.00, required under federal law, to cover a portion of the U.S. Army Corps of Engineers' costs to process and manage the license. Funding for this project will come from Water Resources Account 211-4375-443.79-09 (CIP- Streamgage) which has a 2026 budget of \$75,000.00.

Staff Recommendation

Staff recommends Town Council approve the License Agreement with USACE and CPW.

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
- Attachment B: License Agreement
- Attachment C: Certificate of Authority