



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
Josh Hansen, P.E. Project Manager Supervisor

Title: **Ordinance Amending Ordinance No. 2023-021 Authorizing the Exercise of the Town's Powers of Eminent Domain to Acquire Certain Real Property Interests Necessary for the Plum Creek to Rueter-Hess Reservoir Pipeline Project Providing for its Emergency Adoption on First and Final Reading**
[Northern Castle Rock and Eastern Castle Pines]

Executive Summary

Castle Rock Water (CRW) is seeking Town Council adoption of an Ordinance (**Attachment A**) amending Ordinance No. 2023-021 (**Attachment B**) authorizing the exercise of the Town's power of eminent domain, if necessary, for the Plum Creek to Rueter-Hess Reservoir Pipeline Infrastructure Project and providing for its Emergency Adoption on First and Final Reading. Ordinance No. 2023-021 was approved on second reading by Town Council on September 5, 2023. This amendment will add legal descriptions for the properties that have yet to be acquired in order add clarity to the ordinance and indicate the specific properties that may be subject to the eminent domain process.

The proposed pipeline is approximately 7 miles in length and crosses 32 properties on which easements are needed for the pipeline. Some have common property ownership, and there are approximately 20 different ownership entities. The Town has been able to complete easements on 11 properties, 13 are currently under negotiation, and 8 properties are finalizing legal descriptions to start negotiations. The amended ordinance would add legal descriptions for the 21 properties that have yet to be acquired. However, CRW staff will continue to follow a property acquisition process consistent with the potential use of eminent domain, and any use of eminent domain on any individual property will require CRW staff to return to Council for additional authorization specific to the individual property. During an additional public hearing, Council will be provided with the details of the individual property, the offers made to the

property owner and all the other information associated with the final use of eminent domain to acquire that needed property.

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

Staff presented Ordinance 2023-021 to the Castle Rock Water Commission at their July 26, 2023, meeting, and the Commission recommended Council approval of the Ordinance.

Town Council approved Ordinance 2023-021 on first reading on August 15, 2023, and second reading on September 5, 2023.

Castle Rock Water staff presented this item to the Castle Rock Water Commission at their meeting held on June 24, 2026, and the Castle Rock Water Commission voted unanimously 7 to 0 to recommend Town Council approval of the Resolution as presented.

Discussion

CRW's Water Resources Strategic Master Plan identifies pipeline infrastructure (pipeline, pump station, and outlet structure) needed to convey renewable and reuseable water from the Plum Creek Basin to Rueter-Hess Reservoir (RHR) for storage during periods when available supply exceeds demand. Storage of this water is critical for responding to future irrigation season demands. The proposed infrastructure is being sized to move 1,000 acre-feet per year from the Plum Creek basin to RHR.

An engineering consultant, Providence Infrastructure Consultants (Providence), was retained to complete a pipeline alignment study and preliminary infrastructure design in 2021. The alignment study was completed in late 2021, and the Town selected a proposed pipeline alignment. Providence was retained to complete final design services for the project in 2022, and the Town has been working to complete the final design plans, however progress has been delayed to fully complete the plans based on changes that result from negotiating with landowners to acquire properties needed for the project.

The proposed pipeline is approximately 7 miles in length and crosses 32 properties on which easements are needed for the pipeline. Some have common property ownership, and there are approximately 20 different ownership entities. The Town has been able to complete easements on 11 properties, 13 are currently under negotiation, and 8 properties are finalizing legal descriptions to start negotiations. The amended ordinance would add legal descriptions for the 21 properties that have yet to be acquired. Staff have completed numerous onsite meetings and phone conversations with property owners to discuss potential project impacts and gather feedback regarding specific property owner concerns. A land acquisition consultant, Western States Land Services (Western States), was retained to assist with property owner coordination and conduct good-faith negotiations to acquire the necessary easements. The Plum Creek to RHR Pipeline Easement Map (***Attachment C***) shows the status of the properties that have executed easements and those that are still in negotiation.

Final design plans and specifications are being completed; the project has received Federal grant funding; CRW has applied for State grant funding; and segments of the pipeline will need to go to construction as early as Fall. Based on current schedule and past experience on other

projects, approval for the use of eminent domain, if necessary, is recommended to facilitate easement acquisition to avoid project delays which could result in project cost increases, limit CRW's ability to meet demands in the future, and avoid timely completing of the project.

Budget Impact

The proposed amendment to Ordinance No. 2023-021 does not have a direct budget impact. However, the current construction estimate for the project is \$31,100,000 and project delays resulting from the inability to acquire the needed properties for the pipeline alignment could result in project cost increases.

Staff Recommendation

Staff recommends Town Council approval of the ordinance authorizing the use of eminent domain to acquire the required easements, if necessary, providing for emergency adoption on first and final reading.

Proposed Motion

"I move to approve the Ordinance as introduced by title."

Alternative Motions

"I move to approve the ordinance 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:	Ordinance
Attachment B:	Ordinance No. 2023-021
Attachment C:	Plum Creek to RHR Pipeline Easement Map