



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
David Choi, Water Engineer

Title: **Resolution Approving a Purchase and Sale Agreement with Findlay Family Properties Limited Partnership for the PCRHR Pipeline Project** [*Promenade Commercial Area*], (CRW Project Number 250043)

Executive Summary

Castle Rock Water is requesting Town Council approval of a Resolution (**Attachment A**) approving a Purchase and Sale Agreement (**Attachment B**) for a Permanent Waterline Easement Agreement (**Attachment C**) and Temporary Construction Easement Agreement (**Attachment D**) with Findlay Family Properties Limited Partnership (Findlay) for the Plum Creek to Rueter-Hess Reservoir (PCRHR) Pipeline Infrastructure Project. The proposed acquisition includes a permanent waterline easement in the amount of \$255,050 and a temporary construction easement in the amount of \$64,533, for a total authorization of \$319,583. These easements are required for construction of the South Phase of the PCRHR Pipeline, including open-cut pipeline installation and horizontal directional drilling (HDD) operations across the property.

Notification and Outreach Efforts

Castle Rock Water staff and the project design team have worked directly with the property owner throughout the easement acquisition process. Multiple meetings and discussions were conducted regarding the proposed pipeline alignment, construction activities, and future development considerations for the Findlay property. The proposed easement locations were coordinated to support both the Town's infrastructure needs and the owner's future development plans.

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

On July 21, 2026, Town Council approved a Resolution authorizing a sole-source construction agreement with Global Underground in the amount of \$4,029,321 for construction of the South Phase of the PCRHR Pipeline.

On July 21, 2026, Town Council also approved a Resolution authorizing a services agreement amendment with Providence Infrastructure Consultants to complete final design and provide engineering support for the PCRHR Pipeline project.

On July 21, 2026, Town Council approved an ordinance authorizing the exercise of the Town's powers of eminent domain, if necessary, for acquisition of property interests required for the PCRHR Pipeline Infrastructure Project.

Discussion

Castle Rock Water is completing design and beginning construction of a planned seven-mile pipeline connecting East Plum Creek to Rueter-Hess Reservoir. The pipeline will allow the Town to convey renewable and reusable water from the Plum Creek Basin to Rueter-Hess Reservoir for storage during periods when available supply exceeds demand, supporting the Town's long-term renewable water supply strategy. The proposed pipeline route (**Attachment E**) runs northeast from East Plum Creek through the Promenade Development and around the western and northern edges of Sapphire Pointe before turning north through the North Canyons Development to the south shores of Rueter-Hess Reservoir.

The Findlay property is located within the South Phase of the pipeline alignment in the Promenade commercial area. Because the property is planned for future commercial development, acquiring the required easements now is critical to preserve the planned pipeline alignment and complete construction before the site is developed and access to the property becomes limited. The proposed permanent and temporary easements will allow for the open-cut installation of the pipeline. The property will also serve as the entry point for HDD operations beneath Promenade Parkway.

Timely acquisition of these easements will also support the accelerated construction schedule for the South Phase with Global Underground, which is intended to begin as soon as possible to minimize conflicts with anticipated development activities on other properties along the pipeline corridor.

The Town retained Western States Land Services and Kilty and Company to assist in acquiring temporary construction and permanent pipeline easements along the project corridor and to complete third party easement appraisals. The proposed easement agreement purchase amount is based on good faith negotiations with the property owner based on independent appraisal reports of fair market easement values.

Budget Impact

The total authorization for the easements is in the amount of \$319,583.

Project	Account Number	This Authorization	Available Budget
PlumCreek-RueterHes PL & PS	211-4375-443.78.04	\$319,583	\$ 1,947,259.50

Staff Recommendation

Staff recommends approval of a Purchase and Sale Agreement with Findlay for a permanent waterline easement and temporary construction easement in the total amount of \$319,583.

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: Permanent Waterline Easement Agreement
Attachment C: Temporary Construction Easement Agreement
Attachment D: Pipeline Alignment and Property Impact Map