

RESOLUTION NO. 2023-038

A RESOLUTION AUTHORIZING PAYMENT OF THE CAPITAL ASSESSMENT LEVIED BY THE CHERRY CREEK PROJECT WATER AUTHORITY FOR PHASE TWO OF THE WALKER RESERVOIR CONSTRUCTION PROJECT

WHEREAS, the Cherry Creek Project Water Authority (“CCPWA”) is an authority formed pursuant to Title 29 of the Colorado Revised Statutes through an intergovernmental agreement (the “Formation Agreement”) between the Inverness Water and Sanitation District, the Pinery Water and Wastewater District, the Cottonwood Water and Sanitation District and the Arapahoe County Water and Wastewater Authority (“ACWWA”); and

WHEREAS, the Authority was formed in order to purchase and develop water supplies for its four members from the upper Cherry Creek Basin; and

WHEREAS, on January 21, 2020, the Town Council of the Town of Castle Rock (the “Town”) adopted Resolution No. 2020-011 authorizing the Town, acting by and through its Water Activity Enterprise, to enter into a Purchase and Sale Agreement for ACWWA’s 41.25% interest in CCPWA; and

WHEREAS, on February 12, 2021, the Town closed on the purchase of ACWWA’s interest in CCPWA; and

WHEREAS, on September 21, 2021, the Town Council adopted Resolution No. 2021-088 authorizing the Town to enter into a Participation Agreement (the “Participation Agreement”) with the other members of CCPWA for the construction of the Walker Reservoir, a 650-acre-foot water storage facility to be located approximately one half-mile northwest of Franktown (the “Project”); and

WHEREAS, the Project is expected to serve multiple functions by storing both tributary and non-tributary water, and by releasing water for direct use, augmentation, and re-diversion downstream to Rueter-Hess Reservoir; and

WHEREAS, per the Participation Agreement, the Town will have 150 acre feet of storage, or approximately 23% of the Project’s capacity;

WHEREAS, in order to allow for the delivery of water into the Project, wells need to be drilled as part of the Project’s second phase – three wells in the Cherry Creek alluvium to capture CCPWA’s renewable water rights, and one well in the Denver Basin’s Arapahoe aquifer to capture CCPWA’s non-renewable water rights; and

WHEREAS, CCPWA’s total approved budget for the Project’s second phase is \$3,662,500.00, which includes the drilling and equipping of the four wells, associated site improvements, pipelines, grading and erosion control, and professional services during construction

WHEREAS, Town Council finds and determines that it is appropriate to authorize payment of \$1,510,781.25 to CCPWA, representing the Town's 41.25% share of the costs associated with the Project's second phase, as well as general capital and operating assessments levied by CCPWA upon the Town for 2023.

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

Section 1. Encumbrance and Authorization for Payment. In order to meet the Town's financial obligations as a party to the Participation Agreement and as a successor in interest to the Formation Agreement, the Town Council authorizes the expenditure and payment from: (i) Account No. 211-4375-443.79-17, an amount not to exceed \$1,510,781.25 for costs associated with the second phase of the Project; (ii) Account No. 211-4375-443.79-17, an amount not to exceed \$20,625.00 for 2023 CCPWA CIP General Assessments; and (iii) Account No. 211-4340-443.80-61, an amount not to exceed \$12,375.00 for 2023 CCPWA General Operating Assessments, unless otherwise authorized in writing by the Town.

PASSED, APPROVED AND ADOPTED on first and final reading this 21st day of March, 2023, by the Town Council of the Town of Castle Rock 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