



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

Title: **Resolution Waiving Formal Written Bidding Requirement on the Basis of a Sole Source and Approving an Agreement between the Town of Castle Rock and Providence Infrastructure Consultants for Final Design, Bidding Support, and Construction-Phase Engineering Services for the Plum Creek to Rueter-Hess Reservoir Pipeline Project (PCRHR Pipeline)** *[Northern Castle Rock and Eastern Castle Pines]*, (CRW Project Number 250043)

Executive Summary

Castle Rock Water is seeking Town Council approval of a Resolution (**Attachment A**) approving a sole-source services agreement with Providence Infrastructure Consultants (Providence) to finalize construction documents and provide bidding support and construction-phase services for the Plum Creek to Rueter-Hess Reservoir (PCRHR) Pipeline Infrastructure Project. The proposed agreement (**Exhibit 1**) is in the amount of \$1,717,366 and staff requests \$171,737 (10%) in Town managed contingency for a total authorization of \$1,889,103.

The scope of work includes final design services and preparation of construction documents for the South, Central, North, and Pump Station phases of the PCRHR Pipeline Infrastructure Project. The work will also include permitting support, bid-phase support, construction cost estimating, coordination with impacted property owners and reviewing agencies, pipeline and booster station design adjustments to accommodate potential future two-way flow, and construction-phase engineering services necessary to advance the remaining phases of the project through completion of construction.

Providence previously completed the project alignment study, preliminary design, and final design services for the PCRHR Pipeline Infrastructure Project. During design, the project required multiple alignment revisions based on property owner feedback, additional field investigations, easement coordination, and additional design effort related to the booster pump station. As a result, the project design was divided into four distinct phases and plan sets: South, Central, North, and Pump Station. Final design completion was paused due to budget

constraints for construction, while staff continued easement acquisition and pursuit of additional funding for construction.

Providence has extensive project-specific knowledge of the alignment, easement constraints, property owner coordination, hydraulic design, permitting requirements, pump station design, and phased construction approach. Staff recommends sole-source approval (***Attachment B***) to maintain design continuity, avoid duplication of prior work, and allow the project to proceed efficiently through bidding and construction.

Notification and Outreach Efforts

Castle Rock Water staff and the project design team have conducted numerous onsite meetings and discussions with individual property owners potentially impacted by the project over the past few years. An informal open house for impacted property owners was also conducted at the Water Commission meeting in July 2023.

Temporary right-of-entry agreements were negotiated for the majority of impacted properties to complete utility locating, survey, and geotechnical investigations along the route. Multiple significant revisions to the pipeline alignment were completed based on property owner feedback, which required additional data collection and engineering redesign.

Continued coordination with property owners, reviewing agencies, utilities, and other stakeholders will be required as final construction documents are completed and advanced through bidding and construction.

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

On March 23, 2022 Castle Rock Water Commission voted unanimously to recommend award of a services agreement in the amount of \$1,262,595 with Providence Infrastructure Consultants (Providence) along with authorization of \$126,300 in staff-managed contingency to complete final design for the proposed PCRHR Pipeline Infrastructure Project.

On April 5, 2022 Town Council voted unanimously to award a services agreement in the amount of \$1,262,595 with Providence along with authorization of \$126,300 in staff-managed contingency to complete final design for the proposed PCRHR Pipeline Infrastructure Project.

On July 26, 2023 Castle Rock Water Commission voted unanimously to recommend approval of an ordinance authorizing the exercise of the Town's Powers of Eminent domain for the PCRHR Pipeline Infrastructure Project.

On August 15, 2023 Town Council voted unanimously to approve an ordinance authorizing the exercise of the Town's Powers of Eminent domain for the PCRHR Pipeline Infrastructure Project.

Castle Rock Water staff included discussion of this agreement in an update to the Castle Rock Water Commission regarding the project at their meeting held on June 22, 2026, and the Castle Rock Water Commission recommended Town Council approval of the agreement.

Discussion

A need for a sustainable long-term water supply was identified in Castle Rock Water's Water Resources Strategic Master Plan. One of the major goals of that plan is the establishment of a renewable, sustainable water supply that accounts for 75% of the annual demand for water in Castle Rock by 2050 and 100% renewable supply in an average hydrologic year by 2065. Renewable water sources for Castle Rock include a combination of existing surface water rights along East and West Plum Creek; water rights in Plum Creek; water rights in Cherry Creek; junior water rights in the South Platte and Chatfield Reservoir; reusable lawn irrigation and reclaimed water flows from indoor use, and imported surface water from outside of the Plum Creek Basin.

A critical component of the Town's long-term water supply is its diversion structure on Plum Creek near Sedalia. The structure is downstream of the Plum Creek Water Reclamation Authority outfall, where the majority of the Town's fully reusable water is reclaimed. A pump station and 30-inch pipeline currently convey raw water from the Plum Creek Diversion to the Plum Creek Water Purification Facility (PCWPF) in Castle Rock. In addition to using this diverted water for on-demand raw water supply, the Town plans to construct a new pipeline and pump station to transfer this water to RHR for storage during periods when available supply exceeds demand. The stored water will provide an additional supply that can later be pumped back to the Town through the local WISE pipeline after treatment at Parker Water and Sanitation Districts RHR Purification Facility or as a raw water supply through the planned pipeline which could go back to PCWPF to help meet peak season demands. The Town owns 8,000 acre-feet of storage in RHR that is not currently being fully utilized.

In March 2021, through a competitive Request for Proposal process, the Town retained Providence to complete an alignment study and preliminary design of new pipeline infrastructure to convey renewable water to RHR. The study evaluated four different alternative alignments based on factors including cost, schedule, operational flexibility, environmental impacts, property impacts, and constructability. Providence completed the study in late 2021, and staff selected a pipeline alignment for the project. In April 2022, Town Council approved a contract with Providence to complete final design services for the pipeline infrastructure.

During the design process, Castle Rock Water staff and Providence continued coordination with affected property owners and stakeholders. This coordination resulted in multiple significant revisions to the pipeline alignment based on property owner feedback. Additional field investigations, access agreements, land survey work, utility locates, geotechnical investigations, and redesign efforts were required to respond to these changes.

In addition to the major pipeline alignment revisions, design of the associated booster pump station required more iteration and effort than initially anticipated. Due to the visibility of the proposed pump station location from Interstate 25 and other areas around Town, significantly more design effort and coordination were required for architectural elements and aesthetic design elements than was anticipated for a typical pump station facility. Additionally, Providence will also evaluate and develop pipeline and pump station design changes required to provide for potential future bi-directional flow such that water could be transferred back from RHR into the raw water pipeline and delivered to PCWPF. This would provide additional redundancy for the raw water supply to PCWPF, and additional supply capacity to the water

system without having to rely on WISE local infrastructure that is not fully controlled by the Town. A future pump station located at the reservoir would be required to operate the system as a fully functional bi-directional pipeline and design and permitting of this pump station is not included in this proposed contract. However, staff wanted to incorporate this design feature now to ensure the pipeline would have the ability to operate in both directions.

The property owner communication, access agreements, and corresponding design changes led to a significant increase in the overall project design schedule. The project design was split into four distinct phases and plan sets: South, Central, North, and the Pump Station (see **Attachment C**). Final design completion was paused due to budget constraints for construction, but staff continued with easement acquisition and pursuit of outside funding for construction of the project.

In 2026, the project received a grant award through U.S. Congressional discretionary spending appropriations for \$1.75 million administered through the Environmental Protection Agency. In July, staff also submitted an application to the Colorado Water Conservation Board for Colorado Water Plan grant funding for construction of the project.

Castle Rock Water is currently advancing construction of the South Phase due to near-term development constraints in the Promenade Commercial Development area. Staff are actively working with Global Underground and Providence to finalize plans for the South Phase and proceed with Union Pacific Railroad and Colorado Department of Transportation (CDOT) permitting in advance of construction. The horizontal directional drill segment of the South Phase is planned for construction before the end of 2026. In addition to the Global construction contract, staff recommends approval of this contract with Providence to finalize construction documents for the South Phase along with construction documents, bidding support, and construction-phase services for the Central, North, and Pump Station phases, which are anticipated to be bid and constructed in 2027.

Staff recommends approval of a sole-source services agreement with Providence because Providence has been involved in the project starting with the alignment study and preliminary design phase, they completed the selected alignment evaluation, prepared final design work under the prior agreement, participated in property owner coordination, and developed the project-specific knowledge needed to efficiently complete the remaining construction documents. Also based on the need to quickly move the project into the construction phase and take advantage of recently acquired funding, a sole-source agreement is necessary.

Budget Impact

This contract authorization is in the amount of \$1,717,366 along with a \$171,737 (10%) contingency for a total authorization of \$1,889,103. To provide sufficient funding, budget transfers totaling \$7,100,000 will be made to the Plum Creek to Rueter Hess Pipeline project account as shown below:

Transfer From		Transfer To		Amount
Fund	Account Number	Fund	Account Number	

PC Central Well Field	211-4375-443.76-63	PC to RHR Pipeline	211-4375-443.78-04	\$4,500,000
WISE Infrastructure	211-4375-443.77-72	PC to RHR Pipeline	211-4375-443.78-04	\$2,600,000

The resulting project budget is summarized below:

Project	Account Number	This Authorization	Current Available Budget	Budget Transfer	Revised Available Budget
PC to RHR Pipeline	211-4375-443.78.04	\$1,889,103	\$741,561.50	\$7,100,000	\$7,841,561.50

Staff Recommendation

Staff recommends approval of a sole-source services agreement with Providence Infrastructure Consultants in the amount of \$1,717,366 along with a \$171,737 contingency for a total authorization of \$1,889,103 to finalize construction documents and provide bidding support and construction-phase engineering services for the PCRHR Pipeline South, Central, North, and Pump Station phases.

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: Agreement
Attachment B: Sole Source Justification
Attachment C: Drawing showing phases of project