

## CASTLE ROCK WATER

# **RESOLUTION AUTHORIZING THE PLUM CREEK WATER RECLAMATION AUTHORITY TO ENTER INTO A LOAN AGREEMENT, CONSTRUCTION CONTRACT, AND CONSTRUCTION MANAGEMENT SERVICES CONTRACT FOR THE PCWRA REUSE RESERVOIR AND PUMP STATION**

NOVEMBER 18, 2025



# PCWRA – LOAN AGREEMENT AND CONSTRUCTION CONTRACT

## BACKGROUND INFORMATION

- Castle Rock Water (~80%) 1 of 3 members / owners of PCWRA treatment plant.
- PCWRA owns / operates reuse reservoir & pump station.
- Supplies four golf courses including Red Hawk.
- Castle Rock Water (CRW) provides reusable water to other courses - 1989 Agreement.
- Reuse reservoir 30+ years old, in disrepair, requires rehabilitation.
- Rehabilitation necessary to continue to meet regulatory requirements.
- Council approved Intergovernmental Agreement (IGA) 9/2/2025



Aerial View of Reservoir and Plant

# PCWRA – LOAN AGREEMENT AND CONSTRUCTION CONTRACT

## KEY PROVISIONS OF IGA

- IGA outlines terms / cost share among members for project.
- Cost-share for repayment of loan relative to each member's golf course customers & ownership in system:
  - 50% Castle Pines; 25% Castle Pines North; 25% Castle Rock.
- IGA provides for obtaining loan of up to \$8.5 million from the Colorado Water Resources and Power Development Authority (CWRPDA).
- Loan repayment obligations through reuse charges billed to each member. Based on Castle Rock share of 25%, the maximum loan commitment is \$2.1M.
- Members obligated to pay their share of reuse charges regardless of payments collected from golf courses.
- Each member's responsibility limited to their proportional share.



Reuse Water

# PCWRA – LOAN AGREEMENT AND CONSTRUCTION CONTRACT

## PROJECT BIDDING AND FINANCING APPROACH

- IGA limited to how members participate in funding the project.
- PCWRA bid project start of August & obtained bids for two options:
  - 1) Re-lining the reuse reservoir only.
  - 2) Full project: Re-lining and pump station.
- Low bids were \$2.4M for Option 1 and \$7.6M for Option 2.
- CWRPDA approved PCWRA for a \$3.5M loan at 3.5% for 30-years.
- PCWRA members determined Option 2 best.
- Loan used towards the overall project and members self-funding the remaining amount.



Failing Reuse Pumps

# PCWRA – LOAN AGREEMENT AND CONSTRUCTION CONTRACT

## FINANCING DETAILS AND NEXT STEPS

- PCWRA members voted unanimously to:
  - Approve CWRDPA loan
  - Enter construction contract for \$7,634,700 with GSE Construction Company Inc.
  - Approve construction management services with GEI Consultants for \$600,680
- Members voted unanimously to self-fund remaining portion according to their share while continuing to pursue additional funding opportunities.
- CRW modeled multiple financing scenarios.
- Most cost-effective option for CRW - participate in the \$3.5 M CWRPA loan and self-fund remainder (internally finance Red Hawk).
- CRW's/Red Hawk's total loan cost will be \$1.42 M.
- CRW to self-fund \$1.18M and finance this portion for Red Hawk.

# PCWRA – LOAN AGREEMENT AND CONSTRUCTION CONTRACT

## FINANCING DETAILS AND NEXT STEPS

- CRW has budget to cover self-funded portion.
- \$2M in the 2026 Wastewater Capital budget.
- CRW will add capital recovery fee to charges assessed Red Hawk to recover costs of capital investment.
- Added recovery fee to Red Hawk estimated at an average \$1.30 per 1,000 gallons over 40 year recovery period (\$1.37 for 2026).
- Schedule is for project completion prior to 2026 irrigation season.
- Recommendations:
  - Castle Rock Water Staff
  - Castle Rock Water Commission
  - PCWRA Board
  - PCWRA Staff



PROPOSED MOTION:

“ I move to approve Resolution 2025-148 as introduced by title.”

ALTERNATE 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).”*