



TOWN OF CASTLE ROCK
UTILITIES INFRASTRUCTURE REIMBURSEMENT AGREEMENT
FOR SANITARY SEWER SERVICE CONNECTION
(Fifth Street Sewer Project – Service Connection to 2607 Fifth Street – CRW)

THIS TOWN OF CASTLE ROCK UTILITIES INFRASTRUCTURE REIMBURSEMENT AGREEMENT FOR SANITARY SEWER SERVICE CONNECTION (the “Agreement”) is made and entered into this 20th day of May, 2025, by and between **CORNERSTONE PRESBYTERIAN CHURCH OF CASTLE ROCK**, P.O. Box 908, Castle Rock, Colorado 80109 (“Cornerstone”), and the **TOWN OF CASTLE ROCK**, acting by and through the Town of Castle Rock Water Enterprise, 175 Kellogg Court, Castle Rock, Colorado 80109 (the “Town”). The Town and Cornerstone are individually referred to herein as a “Party” and collectively referred to as the “Parties.”

RECITALS:

I. The Town is undertaking construction of a sanitary sewer infrastructure project known as the Fifth Street Sewer Project (the “Project”). Completion of the Project is contingent upon Town Council approval.

II. Each property owner requesting connection to the aforementioned utilities infrastructure on Fifth Street will be required to enter into reimbursement agreement(s) to assist with funding their service connection(s).

III. Cornerstone is the owner of certain real property located at 2607 5th Street, Castle Rock, Colorado 80104 (the “Property”). The Property is in the vicinity of the Project, and Cornerstone has requested a sanitary sewer service connection thereto.

IV. Cornerstone desires to reimburse the Town for Cornerstone’s portion of the cost of the sanitary sewer infrastructure provided to connect to Castle Rock Water services, pursuant to the terms and conditions set forth in this Agreement. The initial estimated reimbursement amount (not including system development fees) for the sanitary sewer infrastructure is \$217,223.00. Cornerstone will also be responsible for all system development fees and other applicable fees to connect, as required by the Castle Rock Municipal Code and or the development agreement.

V. The Project is approaching design completion, at which time it is anticipated that a Guaranteed Maximum Price (“GMP”) will be established to identify the final construction cost. In the event the GMP alters the initial estimated reimbursement amount to be provided by Cornerstone, the Agreement will be amended accordingly, provided that the GMP does not exceed \$240,000.00. Connection to the Town sanitary sewer system after installation of the sanitary sewer infrastructure shall be contingent upon Cornerstone’s payment to the Town of the final reimbursement amount, as determined by the Town based upon the GMP, and compliance with the Town’s Development Services requirements. Should the GMP exceed \$240,000.00, Cornerstone may elect to terminate this Agreement, and shall not have the right to connect to the Town sanitary sewer system unless and until a new agreement in writing is thereafter executed between the Parties.

VI. Contingent upon Town Council approval of the Project and this Agreement, the Town shall provide Cornerstone with a sanitary sewer service connection to the Town system and Cornerstone shall reimburse the Town for said connection pursuant to the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises and conditions contained in this Agreement, the Parties agree as follows:

TERMS:

1. **Sanitary Sewer Service Connection.** Contingent upon Town Council approval of the Project and this Agreement, the Town will install a sanitary sewer main located within Fifth Street, and Cornerstone will be required to install a sanitary sewer service connection from its building on the Property to the sanitary sewer main located within Fifth Street (the "Sanitary Sewer Service Connection"). Such extension shall be undertaken in accordance with Chapter 13.08 of the Castle Rock Municipal Code and all applicable Castle Rock Criteria and regulations. This Agreement shall not alter or relieve any of Cornerstone's responsibilities and obligations under any applicable development agreement(s) and or under the Castle Rock Municipal Code applicable to sanitary sewer service connections, including but not limited to regarding permits and or clearances, connection fees, system development fees, and maintenance and or service charges. Cornerstone's responsibility under this Agreement includes, but is not limited to, obtaining and or providing all required easements, if any, and permits for connecting to Town's sanitary sewer system, including any permits required by Douglas County. To the extent practical, the sanitary sewer main extension and the sanitary sewer service connection shall be placed in existing easements owned by the Town at the time of execution of this Agreement, if any, without charge to Cornerstone for use of such currently owned easements.

2. **Reimbursement.** Prior to connecting to the Town sewer system, Cornerstone shall reimburse the Town for the cost of the sanitary sewer infrastructure provided to connect Cornerstone to the Town system. The initial estimated reimbursement amount to be provided by Cornerstone to the Town for the sanitary sewer infrastructure is \$217,223.00. The Project is approaching design completion, at which time it is anticipated that a GMP will be established to identify the final construction cost. The final reimbursement amount to be provided by Cornerstone to the Town shall be determined by the Town based upon the GMP and all costs and expenses associated with the sanitary sewer main extension and the sanitary sewer service connection, including, but not limited to those associated with: obtaining all easements determined to be needed by the Town in connection with the provision of said sanitary sewer service infrastructure; land use approvals; permits, including Town's permit and review fees; planning; designing; financing; materials; and installation and labor ("Reimbursement Amount").

The Town will deduct \$10,000.00 from the Reimbursement Amount owed to the Town, as a reimbursement credit to Cornerstone for reusable groundwater put into the Town sewer system by Cornerstone and Cornerstone shall dedicate this reusable supply to Castle Rock Water. The Reimbursement Amount does not include, and Cornerstone shall be required to pay in addition to the Reimbursement Amount, any applicable Town fees, including system development fees, tap fees, sewer service connection fees, and all other applicable fees required by the Castle Rock Municipal Code and or development agreement.

In the event the Reimbursement Amount differs from the initial estimated reimbursement amount of \$207,223.00 (which amount includes the aforementioned \$10,000.00 reimbursement credit to Cornerstone for dedication to Castle Rock Water of reusable groundwater put into the Town sewer system by Cornerstone), provided that the Reimbursement Amount does not exceed \$240,000.00, the Parties shall execute a written amendment to this Agreement to reflect the Reimbursement Amount in a time-efficient manner. Failure to amend this Agreement under such circumstances shall not relieve or waive Cornerstone's responsibility under this Agreement for full payment of the Reimbursement Amount to the Town prior to connecting to the Town sanitary sewer system. Should the Reimbursement Amount exceed \$240,000.00, Cornerstone may elect to terminate this Agreement in writing by notice given to the Town, upon which termination Cornerstone's obligations and intended benefits hereunder shall terminate. In the event of such termination of this Agreement, Cornerstone shall not have the right to connect to the Town sanitary system unless and until a new agreement in writing is thereafter executed between the Parties. Furthermore, for the sake of clarity, Cornerstone understands and agrees that termination of this Agreement under such circumstances shall not relieve or waive Cornerstone's otherwise existing obligations to pay applicable



Town fees, including system development fees, tap fees, sewer service connection fees, and all other applicable fees required by the Castle Rock Municipal Code and or development agreement.

Cornerstone understands and agrees that installation of the sanitary sewer service line shall not include connection to the Town system at the time of completion of installation. Connection to the Town system after installation of the sanitary sewer service line shall be contingent upon Cornerstone's payment to the Town of the Reimbursement Amount, either in full or in accordance with the terms of a payment plan agreed upon in writing by the Parties, and upon payment of all system development fees and other applicable fees required by the Castle Rock Municipal Code and or development agreement and adherence to all required Town permitting and municipal code requirements for Cornerstone's sewer service line, in addition to the satisfaction of any other prerequisite requirements under this Agreement for connection. Cornerstone understands and agrees that until such payment of the Reimbursement Amount, system development fees, and any other applicable fees required as set forth herein occurs, installation of the sewer service line shall not include connection to the Town sewer system. Payment of the Reimbursement Amount is due to the Town in full at the time of connection to the Town sanitary sewer system, unless the Parties execute a written amendment to this Agreement agreeing to a payment plan prior to that time. For the purpose of clarity, Cornerstone understands that payment of system development fees is also due to the Town at the time of connection to the Town sewer system. If Cornerstone ever sells the Property to another property owner prior to connection to the sewer main, then the total cost for the new property owner to connect to the sewer main will be the Reimbursement Amount plus interest at 2.54% per annum from the date of completion of the sewer main to the date of connection by the new property owner. This interest over time will not be charged to Cornerstone as long as Cornerstone remains the property owner of the Property.

In the event property owners in addition to Cornerstone, St. Francis of Assisi Catholic Church, and Bryan and Carolyn Degarmo decide to connect to the subject sewer infrastructure in the future, the Parties may execute an amendment to this Agreement for reimbursement to Cornerstone as determined by the Town to be appropriate, taking into consideration the portion of the sewer that will be used by the additional property owner.

3. **Termination.** Completion of the Project is contingent upon Town Council approval. If the Town is unable to undertake or complete the Project or to otherwise perform under this Agreement for any reason, then this Agreement shall terminate without penalty or recourse against either Party. In the event termination occurs prior to connection of the sanitary sewer service line to the Town system and after the Town has already received part or all of the Reimbursement Amount from Cornerstone, the amount of the Reimbursement Amount received by the Town shall be refunded to Cornerstone, minus any expenses incurred by the Town up to and including the date of termination in connection with Cornerstone's request for a sanitary sewer service connection, as determined by the Town. Termination of this Agreement may also occur upon written notice by Cornerstone under the circumstances set forth in Section 2 "Reimbursement" above.

4. **Additional Documents.** The Parties agree to execute any additional documents and take any additional action that is necessary to carry out the intent of this Agreement.

5. **Assignment.** This Agreement shall not be assigned by Cornerstone without the written consent of the Town. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

6. **Notice.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes if sent by certified mail, postage and fees prepaid, addressed to the Party to whom such notice is to be given at the address set forth below. The Parties may



designate substitute addresses where or persons to whom notices are to be mailed or delivered; such substitutions, however, will not become effective until actual receipt of written notification. Notice provided by certified mail shall be deemed given when deposited in the United States mail.

If to Town:	Director of Castle Rock Water 175 Kellogg Court Castle Rock, CO 80109
With a copy to:	Town Attorney's Office 100 N. Wilcox St. Castle Rock, CO 80104
If to Cornerstone:	Cornerstone Presbyterian Church of Castle Rock P.O. Box 908 Castle Rock, Colorado 80109

7. **No Waiver of Colorado Governmental Immunity Act.** The Parties understand and agree that the Town is relying on, and does not waive or intend to waive by any provision of this contract, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, § 24-10-101, *et seq.*, C.R.S., as from time to time amended, or otherwise available to Town, its officers, or its employees.

8. **Delays.** Any delays in or failure of performance by any Party of the obligations under this Agreement shall be excused if such delays or failure are a result of acts of God, fires, floods, strikes, labor disputes, accidents, regulations or orders of civil or military authorities, shortages of labor or materials, or other causes, similar or dissimilar, which are beyond the control of such Party.

9. **Entire Agreement.** This Agreement represents the entire agreement between the Parties and there are no oral or collateral agreements or understandings. This Agreement may be amended only by an instrument in writing signed by both Parties. If any other provision of this Agreement is held invalid or unenforceable, no other provision shall be affected by such holding, and all of the remaining provisions of this Agreement shall continue in full force and effect.

10. **Default and Remedies.** In the event either Party should default in performance of its obligations under this Agreement, and such default shall remain uncured for more than ten (10) days after notice of default is given to the defaulting Party, the non-defaulting Party shall be entitled to pursue any and all legal remedies (subject to the following limitation on damages), and recover its reasonable attorney's fees and costs in such legal action. No Party will be entitled to lost profits or incidental, consequential, punitive or exemplary damages in the event of a default.

11. **Waiver.** A waiver by any Party to this Agreement of the breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either Party.

12. **Venue and Choice of Law.** Venue for all legal actions shall lie in the District Court in and for the County of Douglas, State of Colorado, and shall be governed by the laws of the State of Colorado as well as the Charter and Municipal Code, rules, regulations, and fiscal rules of the Town.

13. **Authority.** The individuals executing this Agreement represent that they are expressly authorized to enter into this Agreement on behalf of the Town and Cornerstone and bind their respective entities. This Agreement is executed and made effective as provided below.



14. **No Partnership or Third-Party Beneficiaries.** No relationship of partnership or joint venture between Cornerstone and the Town is created by this Agreement. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to Town and Cornerstone, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person other than Town or Cornerstone receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

15. **Counterparts & Electronic Signatures.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be deemed to constitute one and the same instrument. Each of the Parties shall be entitled to rely upon a counterpart of the instrument executed by the other Party and sent by electronic mail. Each Party agrees that this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

16. **Headings for Convenience.** The headings in this Agreement are intended solely for the convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, this Agreement is effective as of the date executed by both Parties.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Kaitlin Parker, Assistant Town Attorney

Mark Marlowe, Director of Castle Rock Water

CORNERSTONE PRESBYTERIAN CHURCH OF CASTLE ROCK:

By: Dennis R. Helsel
(Signature)

Dennis R. Helsel
(Print Name)

Its: Ruling Elder
(Title)