



Meeting Date: April 6, 2021

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

From: Mark Marlowe, Director of Castle Rock Water
Matt Benak, Water Resources Program Manager
Angie Brown, Water Resources Program Analyst

Title: Resolution Approving the Execution of a Natural Gas Pipeline Right-of-Way Grant [*Box Elder Property in Weld County*]

Executive Summary

Castle Rock Water (CRW) is seeking Town Council approval of a resolution (**Attachment A**) approving the Pipeline Right-of-Way Grant (**Exhibit 1**), granting an easement to construct a gas pipeline on Town-owned property in Weld County known as the Box Elder Property. The location of the proposed easement is shown on the attached map (**Attachment B**).

History

On August 23, 2017, the Castle Rock Water Commission unanimously recommended support of the right-of-way grant with Cureton Midstream, LLC.

On September 5, 2017, Town Council voted 6 to 0 to approve the right-of-way grant with Cureton Midstream, LLC.

On March 24, 2021, Castle Rock Water Commission, by a vote of [redacted] to [redacted], voted to [redacted] the right-of-way grant with Cureton Midstream, LLC.

Discussion

Cureton Midstream, LLC (“Cureton”) has requested a second easement to construct a 1,400-foot natural gas pipeline in Weld County on property owned by the Town of Castle Rock. To date, the Town has granted one prior easement to Cureton for one pipeline, and one easement to Discovery DJ Services, LLC (“Discovery”) for two pipelines. The easement currently being requested by Cureton would be the third easement for the fourth pipeline on this property; all easements are located in the same section of the property as shown in **Attachment B**. The property is planned to be utilized in the future as a part of the transition to renewable water.

The key terms of the Pipeline Right-of-Way Grant are as follows:

- 10 foot wide permanent easement and a 40 foot wide temporary construction easement.
- 100 square foot area for above ground valve.
- Location clearly marked with carsonite marker posts.
- Disturbed area returned to original condition as soon as possible by Cureton.
- Minimum depth of 48-inches so as to not interfere with farming activities.
- Relocated by Cureton at their expense if necessitated by development of Town facilities.
- 48-hour notice to Town required by Cureton prior to accessing the property.
- Cureton to remediate any hazardous material or other environmental contaminants introduced as a result of operation of the pipeline at no cost to Town.
- Cureton to pay all damages to property and crops to Town or tenant as applicable.
- Pipeline and easement to be properly abandoned by Cureton if inactive for over 1 year.
- Pipeline to be maintained by Cureton.
- Town indemnified from all liabilities and obligations.
- Commercial general liability insurance not less than \$1,000,000 per occurrence required to be maintained by Cureton.

The pipeline will be designed and constructed to 49 CFR 192 “Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards” and ASME B31.8 “Gas Transmission and Distribution Piping Systems”. The pipeline will be operated in conformance with industry standards. Language reflecting these two requirements has been included in the proposed agreement. Cureton has also indicated that the pipeline will have the following safety features:

- 24/7 Pipeline Control Monitoring
- Supervisory Control and Data Acquisition (SCADA)
- Leak Detection – Computational Pipeline Monitoring (CPM)
- Pipeline Patrol
- One Call
- Public Education
- Emergency Response Plan

Budget Impact

The compensation offered for this easement is \$21,005.70, which will be deposited into account 211-4300-395.60-00 (Misc. Revenue).

Staff Recommendation

Staff recommends approval of the Pipeline Right-of-Way Grant.

Proposed Motion

"I move to approve the Resolution as introduced by title"

Attachments

Attachment A: Resolution (Not Attached)
Exhibit 1: Pipeline Right-of-Way Grant (Redline – not final)
Attachment B: Location Map

PIPELINE RIGHT-OF-WAY GRANT

FOR AND IN CONSIDERATION OF THE SUM OF Twenty One Thousand, ~~One Hundred Sixty Three Five~~ and ~~5070~~/100 **DOLLARS** (~~\$21,163.50~~~~21,005.70~~) for the pipeline to be constructed under the terms hereof, to be paid upon execution of this Pipeline Right-of-Way Grant.

I/WE,

Town of Castle Rock, a Colorado municipal corporation, acting by and through the
Town of Castle Rock Water Enterprise
100 Wilcox Street
Castle Rock, Colorado 80104

hereinafter referred to as “Grantor” (whether one or more) does hereby grant, sell, convey, and warrant to Cureton Midstream, LLC, a Texas Limited Liability Company, whose address is 1550 Larimer Street, Suite 266, Denver, Colorado 80202, its successors and assigns, hereinafter referred to as “Grantee”, the right, privilege and non-exclusive easement of ~~Fifty-Forty~~ (~~5040~~) feet in width for a temporary construction easement for initial construction for this pipeline only and a permanent non-exclusive ~~Twenty-Ten~~ (~~2010~~) feet in width, for the purpose of one (1) single pipeline and from time to time, operating, inspecting, maintaining, protecting, repairing, replacing, and removing a single pipeline or other appurtenances, including above ground appurtenances in an area limited to One Hundred (100) square feet as shown in Exhibit A, for the transportation of oil, gas, petroleum products, water, and any products and derivatives of any of the foregoing, and any combinations and mixtures of any of the foregoing, upon and along a route through the following described land located in **WELD** County, State of **COLORADO**, to wit:

Township 1 North, Range 65 West, 6th P.M.
Section 25: Being part of the SE/4
Weld County, Colorado

Said temporary construction easement and permanent non-exclusive pipeline easement being more particularly described on Exhibit “A” attached hereto and made a part hereof (the “Easement Property”).

Together with the right of ingress and egress to and from said pipeline, on, over, and across said land and adjacent land of Grantor.

It is agreed that the pipeline to be laid under this grant shall be constructed a minimum depth of forty-eight (48) inches below the surface of the ground to permit normal cultivation at the time of construction, and Grantor shall have the right to fully use and enjoy the above described premises subject to the rights herein granted. The final location of the pipeline shall be clearly marked utilizing carsonite posts at the entrance and exit of the Town’s property and every 500 lineal feet along the pipeline route.

Grantee shall design and construct pipeline in conformance with 49 CFR 192 and ASME B31.8 and follow all safety requirements contained therein.

Grantee agrees to reclaim those lands disturbed during construction as nearly as practicable to its original condition and reseed the same as soon as possible. Upon completion of the pipeline installation and reseeding activates, said temporary construction easement shall terminate.

In the event Grantor, as part of its development of its facilities located on Grantor's property, determines that it is necessary to relocate the pipeline in order to accommodate municipal water facilities. Grantor shall provide Grantee with an alternative easement location reasonably acceptable to Grantee on Grantor's property and Grantee shall relocate its line, at its sole expense.

Grantee shall have the right to clear all trees, undergrowth and other obstructions from the herein granted permanent right-of-way, and Grantor agrees not to build, construct or create any buildings, structures or engineering works on the herein granted right-of-way that will interfere with the normal operation and maintenance of said line.

Except in the event of an emergency, Grantee shall provide Grantor with 48-hours' notice prior to entering onto Grantor's property to access the Easement Property. In addition, Grantee shall maintain access to Grantor's property at all times during construction, reconstruction and maintenance of the pipeline.

Grantee shall operate and maintain the pipeline in compliance with all federal, state and local regulations and in accordance with all industry standards. Grantee shall properly remediate any hazardous material or other environmental contaminants introduced into the ground as a result of operation or the pipeline. In the event of a pipeline failure, any clean up and/or mitigation shall be performed in compliance with all applicable federal, state and local laws and regulations, at no cost to Grantor.

Grantee agrees to pay to the owners and to any tenant, as their interests may be, any and all damages to crops, timber, fences, drain tile, or other improvements on said premises that may arise from the exercise of the rights herein granted; provided, however, that after the pipeline has been constructed hereunder, Grantee shall not be liable for damages caused on the easement by keeping said easement clear of trees, undergrowth, and brush in the exercise of the rights herein granted. Any payment due hereunder may be made direct to the said Grantor or any one of them. If the property is leased, Grantee will settle actual damages with the tenant.

In the event the pipelines and above ground appurtenances ("Pipeline Infrastructure") herein provided for shall be abandoned or inactive for one (1) calendar year, this easement shall become null and void; provided that the abandonment for non-use is not the direct result of war, Acts of God, rules or regulations promulgated by any government body, federal or state having jurisdiction thereof. Should Cureton discontinue the use of its entire pipeline within or a portion of the Easement Property granted for (12) consecutive months, Cureton agrees to take all actions necessary to render the ~~pipeline~~ Pipeline Infrastructure environmentally safe and fit for abandonment in place. All such cleanup and mitigation shall be performed in compliance with all applicable federal, state and local laws and regulations. Cureton further agrees to hold Grantor harmless and indemnify Grantor from any environmental risks associated with abandonment of the ~~Pipeline Infrastructure~~ pipeline, now or in the future. Upon completion of the pipeline abandonment in place, Cureton will execute and deliver to Grantor in a timely manner a Release of Right of Way Grant for the portion of the Right of Way lands so abandoned.

Grantee further agrees that, if at any time, the ~~Pipeline Infrastructure~~ pipeline settles or causes any settling in the area of the ~~Pipeline Infrastructure~~ pipeline, it will make all necessary repairs at Grantee's sole cost and expense and pay damages to crops within a reasonable period of time.

Grantee shall have the sole obligation to maintain the Pipeline Infrastructure pipeline and shall otherwise assume and be solely responsible for any and all liabilities and obligations associated with the ownership, operation, maintenance and repair of the Pipeline Infrastructure pipeline. Grantee shall indemnify Grantor from any and all liability, costs, expense, or attorney's fees incurred as a result of Grantee's exercise of rights under this agreement. Grantee shall obtain and keep in full force and effect commercial general liability insurance applicable to all claims for personal injury and/or property damage occurring from the use and occupancy of the Easement Property by Grantee, its employees, contractors and agents, covering actions and activates authorized under this agreement in an amount not less than \$1,000,000 per occurrence. In addition, such insurance shall name Grantor as an additional insured. Grantee shall provide Grantor with all applicable certificates of insurance upon execution of this Agreement.

The grant is made in consideration that Grantee, it's successors and assigns, shall hold Grantor, it's successors and assigns, harmless from damages or liability of any character which may arise out of the exercise of the rights herein granted.

The terms, conditions, and provisions of the contract shall extend to and be binding upon the heirs, executors, administrators, personal representatives, successors, and assigns of the parties hereto.

TO HAVE AND TO HOLD said easement, rights, estates, and privileges unto Grantee, its successors and assigns, as long as said easement is used for the purposes granted herein.

IN WITNESS WHEREOF, Grantor has executed this instrument this _____ day of _____, 20172021
Signed, sealed, and delivered in the presence of:

TOWN OF CASTLE ROCK WATER ENTERPRISE

~~Jennifer Green~~Jason Gray, as Mayor

STATE OF _____)

) ss.

COUNTY OF _____)

On this ___ day of _____ in the year 20172021, before me, the undersigned notary public, personally appeared ~~Jennifer Green~~Jason Gray, Mayor of the Town of Castle Rock, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

In Witness Whereof, I hereunto set my hand and official seal. The foregoing instrument was acknowledged before me this _____ day of _____, 20172021.

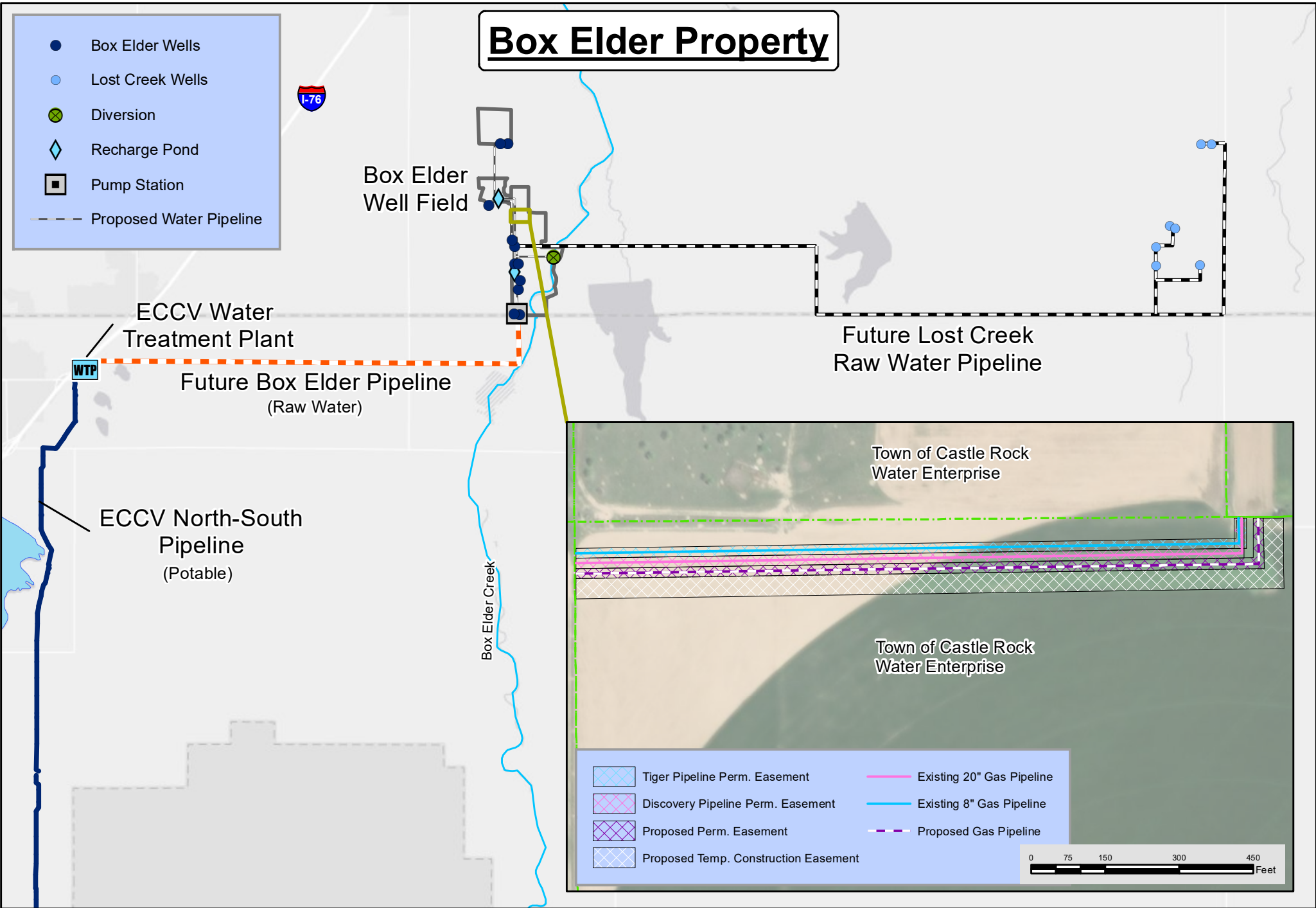
My commission expires: _____

(seal)

Notary Public

Box Elder Property

- Box Elder Wells
- Lost Creek Wells
- ⊗ Diversion
- ◇ Recharge Pond
- Pump Station
- Proposed Water Pipeline



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