

RESOLUTION NO. 2026-008

**A RESOLUTION APPROVING INTERGOVERNMENTAL AGREEMENTS
BY AND BETWEEN THE TOWN OF CASTLE ROCK, ACTING BY AND
THROUGH THE CASTLE ROCK WATER ENTERPRISE, AND DENVER
SOUTHEAST SUBURBAN WATER & SANITATION DISTRICT D/B/A
PINERY WATER & SANITATION DISTRICT, FOR THE PURCHASE AND
SALE OF RIGHTS IN THE WISE PROJECT AND WISE
INFRASTRUCTURE CAPACITY AND FOR THE DELIVERY OF WATER**

WHEREAS, the Town of Castle Rock, acting by and through the Castle Rock Water Enterprise (the “Town”), and Denver Southeast Suburban Water & Sanitation District d/b/a Pinery Water & Sanitation District (the “District”) are parties to the South Metro WISE Authority (the “Authority”) Formation and Organizational Intergovernmental Agreement (“Organizational Agreement”); and

WHEREAS, the Organizational Agreement, as amended, sets forth the members’ subscription amounts in the Water Infrastructure Supply Efficiency Project (the “WISE Project”) and the members’ rights and obligations arising therefrom (collectively, the “WISE Project Rights”); and

WHEREAS, the District’s WISE Project Rights are currently 500 acre-feet, which amount is equal to a 5% pro-rata share of the total capacity in the WISE Project; and

WHEREAS, pursuant to Section 14 of the Organizational Agreement, members of the Authority are authorized to sell and convey their rights in the WISE Project to one or more other Authority members without restriction; and

WHEREAS, the Town desires to purchase 250 acre-feet of the District’s WISE Project Rights, as well as the District’s shares in the East Cherry Creek Valley Western Pipeline, the Binney Water Purification Facility and Pump Station Connection, the DIA Connection, the Ridgeway Pipeline, and all other appurtenant infrastructure, including a future commitment to fund salinity management infrastructure; and

WHEREAS, the Town and the District have negotiated the terms and conditions of intergovernmental agreements for (i) the purchase and sale of a portion of the District’s rights in the WISE project and WISE infrastructure capacity and, in connection therewith, (ii) the delivery of wholesale water service from the Town to the District (collectively, the “IGAs”); and

WHEREAS, at their meeting on August 27, 2025, the Castle Rock Water Commission voted unanimously to recommend Town Council approval of the IGAs; and

WHEREAS, the Town Council hereby finds and determines that it is in the best interests of the Town and its residents to enter into the IGAs with the District.

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

Section 1. Approval-PSA. The Intergovernmental Agreement by and between the Town of Castle Rock, acting by and through the Castle Rock Water Enterprise, and Denver Southeast Suburban Water & Sanitation District d/b/a Pinery Water & Sanitation District for Purchase and Sale of Rights in the WISE Project and WISE Infrastructure Capacity (the “PSA”) is hereby approved in substantially the same form as presented at tonight’s meeting, with such technical changes, additions, modifications, deletions, or amendments as the Town Manager may approve upon consultation with the Town Attorney. The Mayor and other proper Town officials are hereby authorized to execute the Agreement and any technical amendments thereto by and on behalf of the Town.

Section 2. Approval-WDA. The Intergovernmental Agreement by and between the Town of Castle Rock, acting by and through the Castle Rock Water Enterprise, and Denver Southeast Suburban Water & Sanitation District d/b/a Pinery Water & Sanitation District (Water Delivery Agreement)(the “WDA”) is hereby approved in substantially the same form as presented at tonight’s meeting, with such technical changes, additions, modifications, deletions, or amendments as the Town Manager may approve upon consultation with the Town Attorney. The Mayor and other proper Town officials are hereby authorized to execute the Agreement and any technical amendments thereto by and on behalf of the Town.

Section 3. Encumbrance and Authorization for Payment. In order to meet the Town’s financial obligations under the PSA, the Town Council authorizes the expenditure and payment in an amount not to exceed \$2,138,388.05, unless otherwise authorized in writing by the Town.

PASSED, APPROVED AND ADOPTED this 20th day of January, 2026, by the Town Council of the Town of Castle Rock, Colorado, on first and final reading by a vote of ___ for and ___ against.

ATTEST:

Lisa Anderson, Town Clerk

Approved as to form:

Michael J. Hyman, Town Attorney

TOWN OF CASTLE ROCK:

Jason Gray, Mayor

Approved as to content:

Mark Marlowe, Director, Castle Rock Water