



Town of Castle Rock

Agenda Memorandum

Agenda Date: 9/3/2019

Item #: 20. **File #:** RES 2019-084

To: Honorable Mayor and Members of Town Council

From: Mark Marlowe, P. E., Director of Castle Rock Water

Resolution Authorizing Payment of Castle Rock Water's Portion of the 2019 Binney Connection Fee and the Meridian Title Clean-up Fee for the Water Infrastructure Supply Efficiency (WISE) Project (Continued from August 20, 2019) [Aurora's Binney Facility at Aurora Reservoir]

Executive Summary

The purpose of this memorandum is to request Town Council approval of a Resolution (**Attachment A**) authorizing payment of Castle Rock Water's portion of the 2019 Binney Connection Fee, and the Meridian Title Clean-up Fee, for the Water Infrastructure Supply Efficiency (WISE) Project. A project location map has been provided (**Attachment B**). Both of these items were approved at a lower cost as an amendment to the 2019 budget by the board members of the South Metro WISE Authority (SMWA). Remaining funds are expected to be collected in January 2020, as discussed in a recent memo from the SMWA dated July 17, 2019 (**Attachment C**). The total estimated cost for Castle Rock for the Binney Connection is \$6.6 million. Castle Rock has paid \$395,294.10 to-date. The Resolution in Attachment A will authorize payment of the budgeted 2019 costs of \$788,708, which will bring the total amount paid to \$1,184,002.10. The remaining costs for the Binney Connection will be collected by SMWA in 2020.

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

In August 2009, Town Council unanimously approved participation in the Denver, Aurora, South Metro Intergovernmental Agreement (IGA) to identify and evaluate opportunities to address long-term water supply needs for all Denver-metro communities in the most efficient and cost-effective manner possible.

In October 2009, Town Council approved the Town's involvement in an Engineering Investigation Participation Agreement between Denver Water, Aurora Water and the South Metro Water Supply Authority (South Metro). The primary objective of that work was to further investigate the potential of a water delivery project to supply South Metro members with water from blending currently unused South Platte return flows and mountain waters.

On September 11, 2012, staff presented Town Council the details of the WISE agreements. Town

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Council directed staff to continue working with the WISE Partnership by negotiating the Town's identified issues of concern, and to present the final agreements and a staff recommendation to Town Council once the issues were resolved.

In October 2012, Town Council directed staff to further pursue a hybrid alternate water supply solution between 3,000 acre-feet (AF) and 4,000 AF by negotiating proposed agreements with WISE and Stillwater Resources, Inc. (Stillwater), and to report back proposed agreements to Town Council for further consideration.

On April 24, 2013, staff presented the IGA and WISE Water Delivery Agreement (WDA) to the Utilities Commission for discussion. The Utilities Commission voted unanimously to recommend to Town Council approval of the IGA, subject to satisfaction of the contingencies in Section 20 of the IGA and at a subscription level of 1,000 AF.

On May 7, 2013, staff presented the IGA and WISE WDA to Town Council for approval. Town Council approved the IGA which included a requirement for the satisfaction of the contingencies in Section 20 of the IGA, and at a subscription level of 1,000 AF.

On August 14, 2013, the WDA between Denver Water, Aurora Water and SMWA is fully executed. Among the terms of the WDA agreed upon by SMWA members were the modifications to the Western Pipeline Infrastructure and the construction of the future Binney Connection, to be constructed by SMWA prior to May 31, 2021.

On October 23, 2013, staff presented the Amended and Restated WISE WDA extension and Resolution to the Utilities Commission. By general consensus, the Utilities Commission recommended these documents to Town Council for approval.

On December 3, 2013, Town Council approved Resolution No. 2013-74 approving the amendment of the SMWA Formation IGA. The amendment to the IGA authorized a one-year extension to several deadlines to satisfy the remaining two contingencies of the WISE WDA. Extended terms included WISE deliveries beginning in 2016, Take-or-Pay beginning in 2017 (moved out one year), construction of the Binney Connection by May 31, 2021 (moved out one year), and end phase-in period in 2021 (moved out one year).

Staff presented this concept to Water Resources Committee on April 8, 2014 and Utilities Commission on April 23, 2014. Water Resources Committee and Utilities Commission supported the concept of financing the purchasing of additional portions of the Western Pipeline and recommended bringing the concept to Town Council for consideration.

The draft Western Pipeline Purchase Agreement and the key deal terms for a lease purchase agreement were brought to the Utilities Commission on May 28, 2014. The Utilities Commission recommended Council proceed with approval of the purchase agreement and the related lease purchase agreement with Dominion.

The draft Western Pipeline Purchase Agreement was presented to Town Council on June 3, 2014. Town Council recommended finalizing the Western Pipeline Purchase Agreement and finalizing the lease purchase agreement with Dominion to purchase additional portions of the Western Pipeline over

and above the base infrastructure the Town planned to purchase.

The Purchase Agreement for the Western Pipeline was approved by Town Council on June 17, 2014 for \$4,050,000. On July 22, 2014, Town Council approved a \$4,300,000 Lease-Purchase Agreement with Dominion Water and Sanitation District to assist with their down-payment needed for the closing of the Western Pipeline Purchase Agreement.

On August 27, 2014, The Utilities Commission reviewed the key terms of the Modifications Agreement and recommended Town Council approval.

On September 2, 2014, Water Resources Committee reviewed the Modifications Agreement and supported Town Council approval.

On September 16, 2014, Town Council approved Resolution No. 2014-82, approving the execution of the Modifications to Shared Infrastructure Agreement by SMWA.

On December 16, 2014, Town Council was updated on the progress of the Alternate Source of Supply projects, including the WISE project.

On February 25, 2015, The Utilities Commission recommended Town Council approve the additional required funding of \$368,337 for the WISE Western Pipeline modifications and the Aurora Connection.

On March 3, 2015, the Water Resources Committee reviewed the additional required funding of \$368,337 for the WISE Western Pipeline modifications and the Aurora Connection, and recommended Town Council move forward by general consensus.

On March 17, 2015 Town Council unanimously approved Resolution No. 2015-32 for additional funding of \$368,337 for the WISE Western Pipeline modifications and the Aurora Connection.

Utilities staff presented an update of this project as part of the overall Alternate Source of Supply Project Update to the Utilities Commission on July 22, 2015, and to Town Council on August 4, 2015. Presentations to the groups highlighted the recent progress for the hybrid solution. These types of renewable water projects support the Town's long-term water goal of providing a 75 percent renewable water supply for the community at build-out.

On October 6, 2015, Town Council approved Ordinance 2015-44 as presented on first reading. The ordinance authorizes the exercise of the Town's powers of eminent domain to acquire certain property interests necessary for the WISE infrastructure transmission line.

On November 3, 2015, Town Council unanimously approved Ordinance No. 2015-44. The ordinance was presented on second reading with no additional public input or any changes being made since prior presentation. Staff reiterated that eminent domain would only be used if all efforts to secure the needed easements through good faith negotiations with property owners had failed.

On January 5, 2016, staff provided Town Council with an update on the various components of the Alternate Source of Water Supply (ASOS) projects, including recent accomplishments by the WISE partnership, the status of the Box Elder project and progress on the Plum Creek Diversion project.

On April 16, 2016, Town Council unanimously approved Resolution No. 2016-040, approving the execution of the Intergovernmental Water Infrastructure Cost Sharing, Construction and Capacity Allocation Agreement.

On May 17, 2016, staff provided an update on the WISE and Box Elder projects, which made up the hybrid solution to address the Town's long-term water supply needs.

On August 16, 2016, Town Council approved Directive No. 2016-050, approving the Draft IGA for Water Service between the Town of Castle Rock and Dominion Water and Sanitation District. Staff reviewed key points of proposed IGA and benefits to the Town. This was an extension of the existing agreement between the Town and Dominion, and would work in conjunction with that agreement. Under the terms of the agreement the Town will take ownership of and treat and deliver 400 AF per year (on average) of Denver Basin groundwater that Dominion currently owns as a backup to their renewable WISE supplies.

On August 16, 2016, Town Council approved Resolution No. 2016-077, approving the Town of Castle Rock and Parker Water and Sanitation District Intergovernmental Water Infrastructure Cost Sharing, Design, Construction and Capacity Allocation Agreement. The infrastructure consists of a 36-inch, 4-mile pipeline and a pump station that will deliver water from PWSD's water distribution system to the Town's planned WISE local transmission line that is currently under design. The initial cost for participation in this IGA is \$10.5 million, a portion of which would be covered by Dominion Water and Sanitation District under the separate License Agreement. The Town purchased 8.8 million gallons per day (MGD) of capacity in the pipeline and 4 MGD of capacity in the pump station.

On August 16, 2016, Town Council approved Resolution No. 2016-78, approving the Town of Castle Rock/Dominion Water and Sanitation District Canyons Pipeline Capacity License Agreement. Staff noted this agreement was the companion agreement to the one approved by Resolution No. 2016-077.

On September 20, 2016, Town Council approved Resolution No. 2016-087, approving an IGA for water service with the Dominion Water and Sanitation District. Staff reviewed the key points of the proposed IGA and the benefits to the Town.

On November 1, 2016, Town Council approved Resolution No. 2016-112, approving a construction contract with Garney Companies, Inc. for the WISE Local Infrastructure Construction Project. Staff reviewed highlights of the construction contract for the final section of pipeline needed to bring water to Castle Rock.

On June 6, 2017, Town Council approved Resolution No. 2017-050, approving an Intergovernmental Water Infrastructure Cost Sharing and Capacity Allocation Agreement (Outer Marker Road Waterline), between the Town of Castle Rock and Dominion Water and Sanitation District for the conveyance of WISE water.

On June 6, 2017, Town Council approved Resolution No. 2017-051, approving the Town of Castle Rock and PWSD Intergovernmental Water Infrastructure Design, Construction Cost Sharing, and Capacity Allocation Agreement. This agreement delineated costs, capacities, and ownership of the

Canyons pipeline to be constructed following the execution of the agreement.

On November 17, 2017, Town Council approved Resolution No. 2017-094, which approved and restated the Town of Castle Rock/Dominion Water and Sanitation District Pipeline Capacity License Agreement.

On February 28, 2018, the Castle Rock Water Commission reviewed the Parker Water and Sanitation District (PWSD) Wheeling Agreement, which delineates costs to be incurred as a result of conveying WISE water and northern supplies through PWSD's system. The Castle Rock Water Commission recommended Town Council approval.

On March 6, 2018, Town Council approved Resolution 2018-014, approving the Town of Castle Rock and Parker Water and Sanitation District (PWSD) Wheeling Agreement. The agreement with PWSD covers the infrastructure needed to convey WISE water, water stored in Rueter-Hess Reservoir, and future Box Elder water supplies to the Town. Parker will operate and maintain infrastructure and capital costs, which will go on into perpetuity. Castle Rock Water will build our parallel lines budgeted for 2020, which will be the final big piece of infrastructure.

On March 28, 2018, staff presented updates on the WISE project, including the Wheeling Agreement and the infrastructure testing that has been conducted on the pipeline that runs from Parker Water to the Ray Waterman Regional Water Treatment Plant.

On April 25, 2018, staff provided information to the Castle Rock Water Commission about the IGA with Dominion Water and Sanitation District for the Plum Creek raw water return pipeline / Eastern Regional pipeline project. The Castle Rock Water Commission recommended Town Council approval.

On May 15, 2018, Town Council approved the execution of the Water Infrastructure Design and Construction Cost Sharing IGA between the Town of Castle Rock and Dominion Water and Sanitation District (Plum Creek Raw Water Return Pipeline / Eastern Regional Pipeline Project). Dominion conveys their WISE water through Parker and Castle Rock, and the pipeline project would convey Dominion's WISE water from Castle Rock to them.

On May 23, 2018, staff provided the Castle Rock Water Commission with a WISE water update after receiving Castle Rock's first WISE water deliveries on April 30, 2018.

On June 27, 2018, staff presented the Castle Rock Water Commission with the First Amendment to the IGA for water service between the Town and Dominion Water and Sanitation District, which was to be presented to Town Council on July 17, 2018. The amendment included cost and capacity sharing provisions for the recently constructed Outter Marker Road pipeline, including Dominion's cost-share of WISE water re-treated at the Ray Waterman Water Treatment Plant. The Castle Rock Water Commission approved and recommended Town Council approval.

On June 27, 2018, staff presented the Castle Rock Water Commission with a request to purchase an additional 1,137 AF of WISE water previously under reservation by Douglas County, which would bring the Town's total subscription to 2,137 AF. The Castle Rock Water Commission approved and recommended Town Council approval.

On July 17, 2018, Town Council approved Resolution No. 2018-068, approving Castle Rock Water's purchase of Douglas County WISE Reservation Water. In 2013 Aurora and Denver offered 10,000 AF, and Douglas County reserved 2,775 AF, when WISE members were unsure of their ability to convey more than the WISE membership subscription of 7,225 AF. Staff proposed purchasing an additional 1,137.5 AF of WISE water reserved under the Douglas County Option, which would provide the Town with a renewable and reusable supply to be paid for by growth. This purchase would additionally require an amendment to the WDA between SMWA, Aurora Water, and Denver Water.

On July 25, 2018, staff presented the temporary agreement with PWSD for the delivery of Castle Rock's water currently stored in Rueter-Hess Reservoir. The agreement would help the Town meet peak demands during the 2018 drought.

On August 22, 2018, staff presented an update on the Douglas County WISE water option. Castle Rock Water had initially pursued the purchase of 1,137 AF in additional WISE water subscription that had previously been reserved under the Douglas County Option. However, since this was last presented to the Castle Rock Water Commission, additional WISE members expressed interest in obtaining water from the Douglas County Option, and ultimately more water was requested than available under the Douglas County Option. In order to maintain amicable relationships with WISE members, Castle Rock reduced our new subscription request from 1,137 AF to 1,000 AF.

On March 27, 2019, staff presented the Castle Rock Water Commission with their recommendation to purchase the Western Pipeline and Ridgeway Capacity for sale by Denver Southeast Suburban Water & Sanitation District d/b/a Pinery Water & Sanitation (Pinery) for the sale price of \$2,287,966.50. It was recommended that the Town purchase additional WISE infrastructure capacity in order to take full advantage of the Town's northern (Box Elder) and WISE supplies. The Castle Rock Water Commission approved and recommended Town Council approval.

On April 19, 2019, Town Council unanimously approved Resolution 2019-047, approving the Agreement for Purchase and Sale of Western Pipeline and Ridgeway Pipeline Capacity. This purchased secured additional capacity in the Binney Connection, Western Pipeline, and the Ridgeway Pipeline for the conveyance of the Town's increased WISE water subscription of 2,000 AF and the Town's northern water supplies.

On August 28, 2019, staff presented Castle Rock Water's portion of the 2019 Binney Connection Fee and the Meridian Title Clean-up Fee for the WISE Project to the Castle Rock Water Commission. The Commission voted _____.

Discussion

SMWA members have been receiving water from Aurora since 2017 through a temporary connection from Aurora's system to the Western Pipeline, known as the Temporary Aurora Connection. This connection only has capacity to convey 15 million gallons per day (MGD), 15 MGD less than the maximum volume SMWA members have the potential to receive from Aurora. The WDA lays out additional infrastructure that would need to be built to continue deliveries from Aurora in perpetuity.

As part of the WDA signed by SMWA in 2013, the SMWA agreed to construct infrastructure connecting the WISE Pipeline to Aurora’s system. This connection, referred to in the WDA as the Binney Connection, must be constructed by May 31, 2021.

Once members began receiving WISE deliveries in the summer of 2017, SMWA began the efforts needed to construct the Binney Connection. Proposals were received from consultants to determine the location and alignment of the infrastructure needed to connect from Aurora’s Binney Water Purification Facility north of Aurora Reservoir, to SMWA’s Western Pipeline, running along E-470.

In 2018, SMWA selected a location for the connection’s pumps, and an alignment for the pipeline connecting to the Western Pipeline, and work began on designing this and associated infrastructure. The design of the Binney Connection infrastructure (performed by Jacobs) was completed in 2019. SMWA will send the design out to solicit proposals for construction in the fall 2019, and construction will begin after a contract is fully executed.

Budget Impact

Costs needed to complete routing studies, design infrastructure, obtain easements, and construct the Binney Connection have been identified by the SMWA and have been divided into annual payments. Castle Rock Water has paid these fees over the last several years and expects such payments to continue through 2020. In 2020, SMWA anticipates that Castle Rock Water’s cost for the Binney Connection will be \$5.38 million, and the Meridian Title Cleanup cost will be \$87,156, both of which have been included in the 2020 budget.

The table below shows payments to-date by Castle Rock for the Binney Connection by year, the total estimated remaining costs and the original estimated costs.

Binney Connection Costs to Date			
	Original Total Estimated Costs	Current Total Estimated Costs	Invoiced to Date
2017-2019	\$ 4,650,519.03	\$ 6,566,051.98	\$ 1,184,002.10
2020 (Total Remaining)			5,382,049.88

According to the February 2015 Cash Flow Model provided by WISE (**Attachment D**), the Binney Connection capital project budget was \$33.6 million and it was anticipated these costs would be collected in 2018. Since the 2015 Cash Flow Model, the Binney Connection construction costs were pushed out from 2018 to 2020 and, after the initial design completion in 2019, the cost estimate remained at \$33.6 million.

At the time of the 2015 Cash Flow model, Castle Rock held a WISE subscription of 1,000 AF of the total SMWA WISE subscription of 7,225 AF, which meant Castle Rock’s portion of Binney Connection costs (13%) would have been \$4.65 million. However, since then, Castle Rock Water has secured an additional 1,000 AF through the Douglas County Option, thereby increasing Castle Rock Water’s pro-rata share to twenty percent of the now 10,000 AF SMWA subscription. This increase in pro-rata

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share of the WISE project also means that Castle Rock's portion of Binney Construction costs has increased from an estimated \$4.65 million to \$6.6 million.

After construction contractors bid on Jacob's Binney Connection design this fall, SMWA will have a more complete understanding of anticipated final costs for the Binney Connection, at which time Castle Rock Water will provide Town Council with an update.

Additionally, the SMWA has been collecting funds over the last several years to clean up the title credit with Meridian Metro District. The Meridian Title Cleanup fee included in the attached invoice (**Attachment E**) is Castle Rock Water's share of the cost and is included in the same invoice as the 2019 Binney Connection payment.

The payment of the 2019 WISE Binney Connection and Meridian Title Cleanup fees will impact the Town's WISE Project budget. The Town currently has \$3.48 million remaining in the WISE Project account. All costs will come from WISE Project account 211-4375-443.77-72. Their respective project codes and cost splits are listed in the table below.

Item	Project Code	Amount
2019 WISE Binney Connection	WR_WBC	\$ 788,708.00
2019 WISE Meridian Title Cleanup	WRWWPT	\$ 59,307.00
TOTAL:		\$ 848,015.00

Staff Recommendation

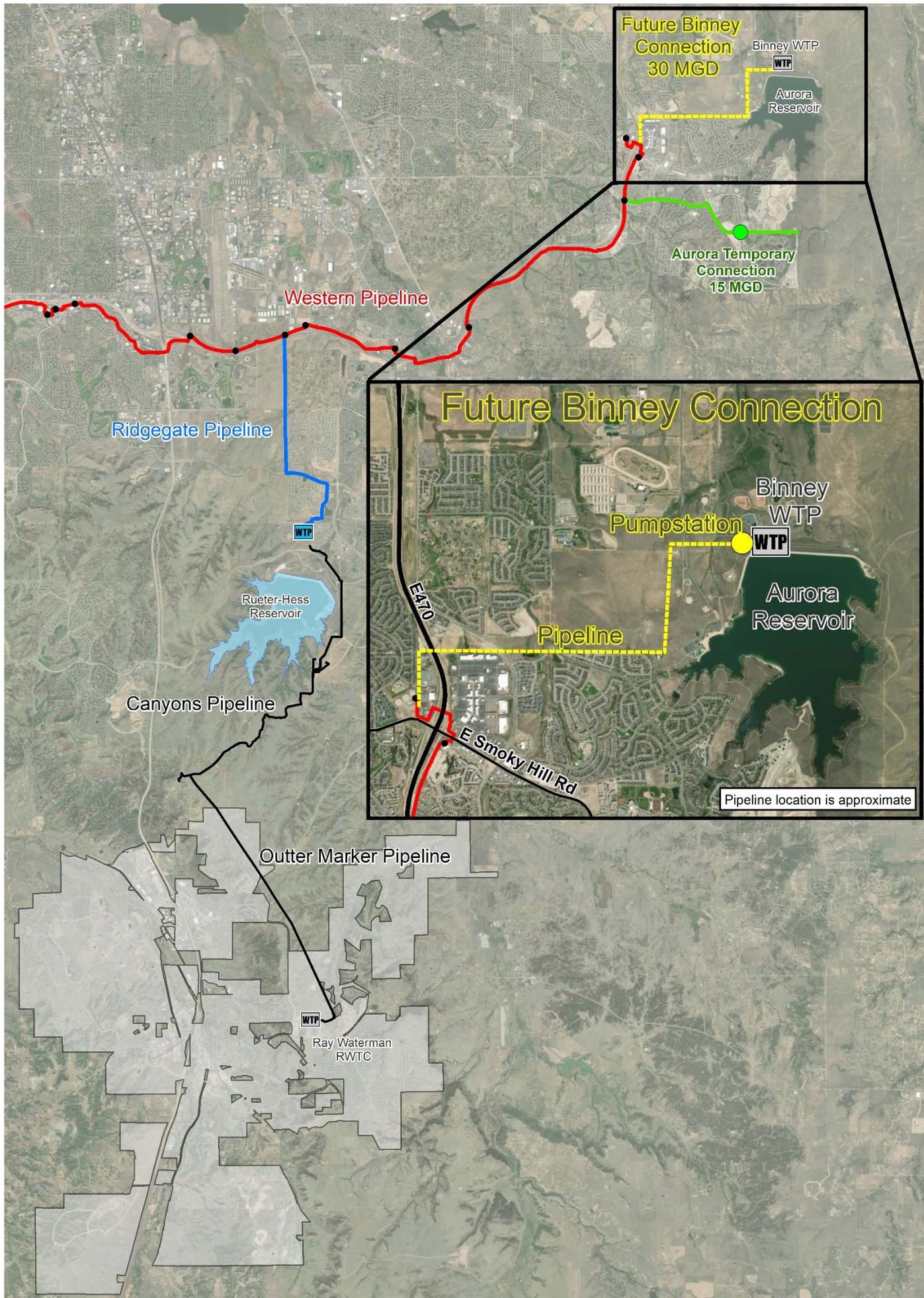
Staff recommends that Town Council authorize the payment of the 2019 WISE Binney Connection fee and 2019 Meridian Title Cleanup fee.

Proposed Motion

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

Attachments

Attachment A: Resolution
Attachment B: Map
Attachment C: SMWA Memo
Attachment D: WISE Cash Flow Model
Attachment E: Invoice



SOUTH METRO WISE AUTHORITY INVOICING MEMO

TO: WISE MEMBERS
FROM: CHRIS MULLER
SUBJECT: WISE 2019 BINNEY CONNECTION INVOICING
DATE: 7/17/2019
CC: LISA DARLING, RUSS DYKSTRA

This invoice is to collect the Binney Connection Funds for 2019. We have held off on sending out this invoicing as long as possible, but the funds must now be collected in order to execute task orders and move forward with the project. The Board decided to collect less money in 2019 than the approved WISE budget due to lower engineering costs than first expected. This year, WISE will collect \$5,000,000 to combine with the \$2,000,000 that rolled over from 2018 budget. The funds collected will be used for the following:

- Preliminary Engineering Design
- Final Engineering Design
- Land and Easement Acquisition
- Installation of ~500 LF of pipe through an undeveloped property prior to the start of their construction.

All remaining funds will be collected in January of 2020. If you have any questions, please contact Chris Muller.

Net WISE costs by component and by invoicing quarter through 2016, annually beyond
pull from all other tabs to calculate and summarize here

2015 WISE Cash Flow									
Estimated based on 2015 Values and Current Available Information									
	2015		2016	2017	2018	2019	2020	2021	2022
	Q3	Q4							
Subscription									
1 WISE Authority Operations	\$ -	\$ -	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00
2 WISE Water Delivery (Min Take-or-Pay Amount)	\$ -	\$ -	\$ -	\$ 1,344,131.25	\$ 3,584,350.00	\$ 5,376,525.00	\$ 7,616,743.75	\$ 11,402,713.44	\$ 13,844,551.88
3 DIA Connection Fee	\$ -	\$ 882,052.00	\$ 1,146,668.00	\$ 1,146,668.00	\$ 1,146,668.00	\$ 1,146,668.00	\$ -	\$ -	\$ -
Subscription Subtotal	\$ -	\$ 882,052.00	\$ 1,946,668.00	\$ 3,290,799.25	\$ 5,531,018.00	\$ 7,323,193.00	\$ 8,416,743.75	\$ 12,202,713.44	\$ 14,644,551.88
Infrastructure/Capacity									
4 Binney Connection Capital	\$ -	\$ -	\$ -	\$ -	\$ 33,600,000.00	\$ -	\$ -	\$ -	\$ -
5 Local Integration/Oversight	\$ 140,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8 ECCV Title Clean-Up Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Infrastructure O&M	\$ -	\$ -	\$ 1,106,450.26	\$ 885,160.21	\$ 885,160.21	\$ 885,160.21	\$ 1,617,535.21	\$ 1,861,660.21	\$ 1,861,660.21
Infrastructure/Capacity Subtotal	\$ 140,000.00	\$ -	\$ 1,106,450.26	\$ 885,160.21	\$ 34,485,160.21	\$ 885,160.21	\$ 1,617,535.21	\$ 1,861,660.21	\$ 1,861,660.21
Reserves									
10 Operational Reserve	\$ -	\$ 692,227.59	\$ 1,384,455.19	\$ 1,384,455.19	\$ 1,384,455.19	\$ -	\$ -	\$ -	\$ -
11 Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserves Subtotal	\$ -	\$ 692,227.59	\$ 1,384,455.19	\$ 1,384,455.19	\$ 1,384,455.19	\$ -	\$ -	\$ -	\$ -
Subtotal - 2015 Cost	\$ 140,000.00	\$ 1,574,279.59	\$ 4,437,573.45	\$ 5,560,414.65	\$ 41,400,633.40	\$ 8,208,353.21	\$ 10,034,278.96	\$ 14,064,373.65	\$ 16,506,212.09

Notes:

* All values represented are in 2015 dollars. Represents estimated amount WISE membership will be invoiced and the anticipated time of invoicing.

[1] This is likely to change each year through the South Metro WISE Authority budget process to reflect actual anticipated expenses.

[2] Full take-or-pay subscription is represented here for planning purposes. Take-or-pay amounts are based on minimum payment amounts as defined in the WDA, as shown below and charged at \$1,792/AF.

Delivery Year	Minimum Payment Amount (AF/yr)
6/1/2017-5/31/2018	1,500
6/1/2018-5/31/2019	2,500
6/1/2019-5/31/2020	3,500
6/1/2020-5/31/2021	5,000
6/1/2021 forward	7,725

[3] Annual costs as defined in the WDA. There will likely be a reconciliation round in July of 2021 with costs to be calculated at that time.

[4] Estimated capital costs for Pump Station at Binney Plant and pipeline to connect to Smoky Hill as provided by Black & Veatch June 8, 2015.

[5] Local integration costs are estimated at \$20,000 per connection including at the Ridgegate Connection.

[6] Represents capital costs associated with WISE member portion of Mods infrastructure components.

[7] Represents capital costs associated with Core infrastructure components.

[8] Title clean-up will reflect a \$940,000 reconciliation with Meridian in 2018, based on 8-way split.

[9] This includes all infrastructure O&M including Mods (including SCADA) calculated to be 2% of Capital and 67% to WISE, Western Pipeline calculated to be 2% of Capital and 67% to WISE, State Land Board Line (Core) calculated to be 2% of Capital and 100% to WISE, and Binney Connection calculated to be 2.5% of Capital for pump station fixed O&M, 0.3% of Capital for pipeline fixed O&M and 100% to WISE. These values will be refined with actual operations contract cost. 2016 costs assumed to begin in Quarter 3.

Quarter 1 of 2016 invoice will fulfill end of 2016 start-up operation costs. Beginning in Quarter 4 of 2016, annual O&M costs will be invoiced for operations for the following year.

[10] Operational Reserve is based on terms from Section 6 of IGA and is calculated based on a defined percent of the minimum payment on annual subscription (5% in 2015, 10% in 2016, 10% in 2017, and 10% in 2018). Operational Reserve can be used at the discretion of the Executive Board.

[11] Reserve in [10] can be utilized as a capital reserve in the case of emergencies. Members prefer that general capital reserves be managed and kept by individual members and invoiced upon identified needs.

South Metro WISE Authority
 8400 East Prentice Ave.
 Suite 315
 Greenwood Village CO 80111

INVOICE	IVC000138
Type	
Date	7/17/2019
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Bill to:

Town of Castle Rock
 175 Kellogg Court
 Castle Rock CO 80104

Ship to:

Town of Castle Rock
 175 Kellogg Court
 Castle Rock CO 80104

Purchase Order ID		Customer ID	Salesperson ID	Shipping Method	Payment Terms ID	
		10013		DELIVERY	Net 30	
Quantity	Item Number	Description	U Of M	Discount	Unit Price	Ext. Price
1	2019 BINNEY CONNECTION		Each	\$0.00	\$788,708.00	\$788,708.00
1	2019 MERIDIAN TITLE CLEAN		Each	\$0.00	\$59,307.00	\$59,307.00
					Subtotal	\$848,015.00
					Misc	\$0.00
					Tax	\$0.00
					Freight	\$0.00
					Trade Discount	\$0.00
					Total	\$848,015.00