

CASTLE ROCK WATER

RESOLUTION APPROVING AN IGA WITH PLUM CREEK WATER RECLAMATION AUTHORITY (PCWRA), CASTLE PINES METROPOLITAN DISTRICT, CASTLE PINES NORTH METROPOLITAN DISTRICT, AND THE TOWN OF CASTLE ROCK FOR BOND REPAYMENT – PCWRA REUSE RESERVOIR

SEPTEMBER 2, 2025



IGA WITH PCWRA – BOND REPAYMENT

BACKGROUND INFORMATION

- Castle Rock Water (~80%) 1 of 3 members and owners of PCWRA wastewater treatment plant.
- PCWRA owns and operates a reuse reservoir and pump station that supplies reclaimed effluent for golf course irrigation.
- Four golf courses utilize the reuse water from PCWRA for irrigation including Red Hawk Ridge Golf Course.
- Castle Rock Water (CRW) provides reusable water supply to other golf courses through 1989 Intergovernmental Agreement aka Establishing Agreement (IGA).
- Reuse reservoir is over 30-years old, in disrepair, and requires major rehabilitation.
- Rehabilitation is necessary to continue to meet state regulatory requirements.



IGA WITH PCWRA – BOND REPAYMENT

KEY PROVISIONS OF IGA

- IGA outlines terms and cost share among PCWRA members for the project.
- Cost-share for repayment of the loan is relative to each member's golf course customers and resulting ownership in the reuse reservoir and irrigation system:
 - 50% Castle Pines; 25% Castle Pines North; 25% Castle Rock.
- IGA provides for obtaining a 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 within each member's service area.
- Each member's responsibility limited to their proportional share.



Reuse Water

IGA WITH PCWRA – BOND REPAYMENT

CWRPDA LOAN FUNDING

- IGA is limited to how members will participate in funding of the project.
- Loan authorization is subject to approval by each member and contingent upon final terms of the loan.
- PCWRA bid the project at the beginning of August and 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 may be limited to funding only Option 1 in 2025.
- PCWRA will start the process to obtain a loan for at least Option 1, and determine the final rate, terms and conditions for the loan.



Failing Reuse Pumps

IGA WITH PCWRA – BOND REPAYMENT

NEXT STEPS

- Based on bid data received Castle Rock Water's proportional share of the full project would be \$1.9M.
- Castle Rock Water (CRW) modeled two scenarios to fund its proportional share including financing through CWPRDA or cash funding through Wastewater Fund.
- CRW will add a capital recovery fee to the water service charges assessed to Red Hawk Ridge Golf Course to recover the costs of the capital investment.
- Recovery fee charged to Red Hawk ranges from \$1.05 to \$1.51 per 1,000 gallons depending on final decision on financing.
- Prior to executing the loan, PCWRA will present the final funding package including rates, terms and conditions to PCWRA members for approval.

IGA WITH PCWRA – BOND REPAYMENT

RECOMMENDATIONS

- Castle Rock Water Staff
- Castle Rock Water Commission
- PCWRA Board
- PCWRA Staff



Failing Liner for Reservoir



PROPOSED MOTION:

“ I move to approve Resolution 2025-105 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).”