### INTERGOVERNMENTAL WATER INFRASTRUCTURE COST SHARING, CONSTRUCTION, AND CAPACITY ALLOCATION AGREEMENT REGARDING THE WISE PUMP STATION AND INFRASTRUCTURE

THIS INTERGOVERNMENTAL WATER INFRASTRUCTURE **COST** CONSTRUCTION, **AND CAPACITY** SHARING, **ALLOCATION AGREEMENT** ("Agreement") is effective the 16th day of April, 2024 and is entered by and between the South Metro WISE Authority ("Authority"), the Town of Castle Rock, a Colorado home rule municipality, acting by and through the Castle Rock Water Enterprise ("Castle Rock"), Dominion Water & Sanitation District ("Dominion"), and the Parker Water & Sanitation District ("PWSD"), (Castle Rock, Dominion, and PWSD shall together constitute the "Participants") all quasi-municipal or municipal corporations and political subdivisions of the State of Colorado.

#### **RECITALS**

**WHEREAS,** C.R.S. § 29-1-203 authorizes the Participants to cooperate and contract with one another regarding functions, services, and facilities each is authorized to provide; and

**WHEREAS**, the Authority exists to facilitate the acquisition, construction, and operation of a water delivery system to its Members (as defined in the South Metro WISE Authority Formation and Organizational Intergovernmental Agreement ("Organizational Agreement")) and all of the Participants are Members of the Authority; and

**WHEREAS**, as part of their participation in the regional Water Infrastructure and Supply Efficiency ("WISE") program, the Authority and Participants are authorized and desire to enter into this Agreement regarding participation in and payment of the costs associated with the construction of the WISE Pump Station and the additional infrastructure needed at and around the Rueter-Hess Water Purification Facility as defined in **Exhibit A** (collectively the "Pump Station Infrastructure") to deliver WISE water to the Participants; and

**WHEREAS**, the Pump Station Infrastructure will be used to convey WISE water to the Participants, and constitutes Local Infrastructure, as that term is defined in the Organizational Agreement, to which the Participants are Members; and

**WHEREAS**, PWSD will construct, own, operate, repair, maintain, and replace (as necessary) the Pump Station Infrastructure on behalf of the Participants, and the Participants shall share capacity in the Pump Station Infrastructure and the associated costs of the Pump Station Infrastructure as set forth herein; and

WHEREAS, PWSD shall contract for and lead the construction activities on behalf of the Participants under terms reasonably acceptable in the Denver metropolitan market and shall oversee all aspects of the construction-related contracts ("Construction Contracts"); and

**WHEREAS,** the Authority's only interest in this Agreement is to ensure compatibility with the overall WISE system. The Authority shall not be an owner or otherwise a party to the Pump Station Infrastructure; and

**WHEREAS**, the execution of this Agreement is in the best interest of the Authority, its Members, the Participants and their respective customers and constituents.

**NOW THEREFORE**, in consideration of the foregoing Recitals, which are incorporated herein, the terms and conditions of this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and Participants agree as follows:

#### **SECTION 1. PROJECT IMPROVEMENTS**

PWSD shall construct the Pump Station Infrastructure in accordance with the design that has been approved by the Participants as generally described in **Exhibit A**, which is attached hereto and incorporated by this reference. PWSD shall competitively bid the construction of the Pump Station Infrastructure in accordance with applicable law and its internal procedures and policies. PWSD shall pay all such project costs, subject to contribution by the Participants as set forth in Section 3 below. On a monthly basis, PWSD will provide notice to the Participants of the progression of the project.

### SECTION 2. MANAGEMENT AND ADMINISTRATION

A. Meetings of Participants. Each Participant shall appoint a designated representative (each a "Representative") to represent its interests and vote on behalf of the Participant as set forth The Representatives shall meet as necessary to address items required under this Agreement and related to the construction of the Pump Station Infrastructure. At a meeting of the Representatives, each Representatives shall have one (1) vote. When a decision requiring a change in planned costs exceeds \$50,000, all of the Participants shall be required to approve the change related to the construction of the Pump Station Infrastructure. A majority vote of Representatives shall be required for approval of any matter. Should any aspect of the construction or any decision by the Participants relating to the construction be judged by PWSD to have a detrimental financial, technical, or operational impact on PWSD, then PWSD shall provide notice to the Authority and the other Participants objecting to the matter along with a detailed explanation of the basis for the objection, including any relevant information supporting the objection and any proposed alternatives acceptable to PWSD. If the other Participants and PWSD cannot resolve the objection to the satisfaction of PWSD within thirty (30) days of delivery of the objection, PWSD or any of the other Participants may terminate this Agreement by providing written notice of such termination to the other participants as well as the Authority within fifteen (15) days of expiration of the 30-day resolution period (the "Termination Period").

### B. Administration.

- 1. <u>Minutes.</u> PWSD shall keep the official records of the project and meetings.
- 2. <u>Financial Records</u>. Any financial records related to or created pursuant to this Agreement shall be kept as part of PWSD records with copies provided to the Authority and the Participants for their records.

### SECTION 3. PROJECT COSTS.

- A. <u>Construction Costs.</u> The Participants intend to pay for the costs associated with the construction of the Pump Station Infrastructure. PWSD shall contract for the construction activities on behalf of the Participants under terms reasonably acceptable in the Denver metropolitan market and shall oversee all aspects of the Construction Contracts. The other Participants and the Authority shall not be parties to the Construction Contracts and shall have no liability thereunder. The Participants shall approve the total expenditure amount of the Construction Contracts as provided in Section 2.A. of this Agreement. PWSD shall provide reports and documentation as may be reasonably requested by the Participants related to the construction process and status of activities related thereto. Following the construction, each Participant will be supplied with a complete electronic set of the construction documents and plans upon request.
- B. <u>Cost Allocation</u>. The costs associated with the Pump Station Infrastructure shall be shared by the Participants on a pro rata basis as set forth in <u>Exhibit B</u>, which is attached hereto and incorporated herein. The costs in <u>Exhibit B</u> are estimates and may increase at any time during construction or installation of the Pump Station Infrastructure. Accordingly, the estimated costs may be adjusted at any time by PWSD. Adjusted cost estimates will be made based upon actual construction bids or change orders. If the estimated costs are adjusted, PWSD shall give written notice to the Participants. Cost adjustments exceeding \$50,000 shall require approval of the Participant Representatives as set forth in Section 2.A.

#### **SECTION 4. BILLING.**

On a regular basis, PWSD shall deliver to the Participants an invoice summarizing the costs of the Pump Station Infrastructure and requesting payment of such costs according to each Participant's pro rata share as set forth in **Exhibit B**. PWSD shall provide supporting documentation for each Participant invoice, such as contractor or engineer invoices, or other such documentation as may be available and reasonably requested by the Participants. Each Participant agrees to pay the amount of each monthly invoice within thirty (30) days of receipt. Failure of a Participant to pay the amounts due under this Agreement shall be a breach of this Agreement. If additional costs are agreed upon, each Participant shall pay their share as agreed upon. If additional costs necessary to complete the Pump Station Infrastructure cannot be agreed upon following the procedure set forth in Section 2.A, above, the additional costs shall be allocated to each Participant based on their pro-rata shares of Pump Station Infrastructure capacity as set forth in **Exhibit B**.

### SECTION 5. PUMP STATION INFRASTRUCTURE OWNERSHIP AND INSURANCE

A. PWSD shall be the sole owner of the Pump Station Infrastructure and all related assets, subject to the rights of the Participants as further set forth herein. PWSD represents and warrants to the Participants that PWSD either has, or will obtain, all necessary right, title, and interest in the Pump Station Infrastructure to convey the license set forth in Section 6, below, and enter into this Agreement. PWSD covenants and agrees that it shall warrant and forever defend the other Participants in their quiet and peaceful possession of their license rights granted herein

against all and every person or persons. In the event that the license or any part thereof is challenged by the person or entity granting rights, interest, or title to PWSD or any portion thereof, PWSD shall, to the extent permitted by law, take all necessary actions to acquire the requisite interest needed to satisfy its obligations hereunder; provided that each Participant shall pay its pro rata share of the costs related to actions taken by PWSD if the need for such actions was not due to the negligence of PWSD. The representations and warranties of this Section are for the sole benefit of the Participants and shall not be deemed to be given to any third party.

- B. PWSD shall procure and maintain property insurance for the Pump Station Infrastructure that is substantially similar to the coverage maintained by PWSD for other PWSD-owned water facilities. If the Pump Station Infrastructure is damaged, PWSD shall allocate all proceeds from an insurance award towards repairing the Pump Station Infrastructure.
- **SECTION 6. LICENSE CAPACITY RESERVATION AND ALLOCATION.** Each Participant hereto is granted a perpetual, nonexclusive license (the "License") for capacity in the Pump Station Infrastructure, upon its completion, as further set forth herein.
- A. <u>Access Restriction</u>. Each Participant acknowledges that the License granted herein is for capacity in the Pump Station Infrastructure only. For avoidance of doubt, no Participant is granted access to the Pump Station Infrastructure or other facilities or property owned or controlled by PWSD by way of this agreement, except pursuant to the terms, restrictions and conditions set forth herein or in a separate agreement between such Participant and PWSD.
- B. <u>License Capacity</u>. The license for capacity granted herein is limited in volume to the percentages listed for each Participant in <u>Exhibit B</u>, which is attached hereto and incorporated by this reference, and as may be sold or assigned by a Participant pursuant to the same procedures as set forth in Section 14 of the Organizational Agreement relating to the assignment or sale of Participant pro-rata shares.
- C. <u>Capacity Restriction</u>. If capacity in the Pump Station Infrastructure is restricted on account of maintenance, emergencies, force majeure, or legal or regulatory requirements, PWSD shall forthwith advise the Participants of such capacity restriction and the anticipated duration thereof, and apportion capacity in the Pump Station Infrastructure proportionally based upon each Participant's pro rata share of Pump Station Infrastructure capacity as set forth in <u>Exhibit B</u>.
- D. <u>Conveyance and Delivery of Non-WISE Project Water</u>. A Participant may use its licensed capacity in the Pump Station Infrastructure for the delivery of non-WISE Project water; provided the quality of the non-WISE Project water being delivered through the Pump Station Infrastructure meets the standards set forth in **Exhibit D**.
- E. <u>Revocation of License</u>. The license granted herein shall be revocable by PWSD in the event of a default of a Participant and the Participant's failure to cure such default in accordance with the provisions of Section 7, below.

### SECTION 7. DEFAULT AND REMEDIES

- In the event a Participant deems another Participant to be in default, it shall provide A. written notice to all Participants and the Authority indicating the event of default. The Participant noticed as to potential default shall have forty-five (45) days from the date of the notice to cure the potential default or, if such default is not capable of being cured within forty-five (45) days, cure of such default shall commence and be diligently pursued. In no event shall the cure period exceed forty-five (45) days for monetary defaults, or sixty (60) days for non-monetary defaults, except by written consent of the Participant deeming default. In the event the Participant noticed as to potential default has failed to cure in accordance with this Section, the other Participants may pursue all available remedies at law or equity. In addition to such remedies, PWSD shall have the right to terminate the license provided to a Participant in this Agreement upon a default by the Participant and the Participant's failure to cure the default as set forth herein. If a Participant fails to cure a default as set forth herein, PWSD may only terminate that Participant's license by providing the defaulting Participant with written notice of termination, whereupon the license shall terminate upon the date given in the notice. In no event shall PWSD have the right to terminate the License for a violation of the water quality standards set forth in **Exhibit D**.
- B. Upon termination of a Participant's license for an event of default, that Participant's licensed capacity ("Excess Capacity") shall be available for acquisition by another Participant, in part, or in whole. The cost of such acquisition shall be the assumption of the proportional annual costs associated with such Excess Capacity by the acquiring Participant. If all the Excess Capacity is not acquired by the remaining Participants, it shall be allocated to the remaining Participants in equal percentages to each, and the remaining Participants shall be responsible for the associated extra costs, and **Exhibit B** shall be amended to reflect the modification to each Participant's licensed capacity.
- C. The remedies set forth herein shall be in addition to any remedy available at law or equity. Nothing set forth in this Section shall limit the remedies available to a Participant. Upon a default by any Participant, the other Participants may pursue any remedies available at law or equity against the defaulting Participant.
  - D. All late payments shall be subject to a one-time late fee of 5% of the amount due.
- E. All amounts due but unpaid shall be subject to interest at 1.5% on the invoiced amount per month from the date that the payment was originally due.
  - F. All remedies set forth in this Agreement shall be cumulative.

**SECTION 8. WITHDRAWAL OF A PARTICIPANT.** Any Participant may withdraw from this Agreement or reduce the capacity of its portion of the Pump Station Infrastructure upon ninety (90) days written notice to all other Participants, provided that such withdrawal or reduction in capacity does not unduly delay the completion of the Pump Station Infrastructure in the reasonable judgment of the remaining Participants. Such determination shall be made by the non-withdrawing

Participants in the same manner as a decision involving additional costs in excess of \$50,000, pursuant to Section 2.A. If, due to a Participant's withdrawal, the remaining Participants decide at their sole discretion to reduce the size or capacity of any facility, the Participant withdrawing or changing its capacity shall pay all costs caused by their withdrawal or capacity change, including without limitation the costs of redesign to reduce infrastructure size or otherwise to accommodate the withdrawal or change in capacity and any increase construction-related costs. Except for the payments made per **Exhibit B** and the redesign and construction related costs, the withdrawing Participant shall have no further obligations or rights with respect to this Agreement. Additionally, no withdrawing Participant shall be refunded any amounts previously paid.

#### **SECTION 9. MISCELLANEOUS**

- A. <u>Governing Law and Venue</u>. The Participants hereto agree that exclusive jurisdiction and venue for the resolution of any dispute relating to this Agreement shall lie in the District Court for Douglas County, State of Colorado.
- B. <u>Entire Agreement</u>. This Agreement constitutes the entire agreement between the Participants relating to the subject matter thereof and there are no prior or contemporaneous agreements, either oral or written, relating to the subject matter hereof except as expressly set forth herein.
- C. <u>Further Obligations</u>. This Agreement does not obligate the Participants to participate in any future agreements or any amendment of this Agreement. Performance under this Agreement confers the right to participate in construction, operation, and shared capacity of the Pump Station Infrastructure, in accordance with the capacity allocations shown in <u>Exhibit B</u>, subject to future agreements or amendments to this Agreement.
- D. <u>Notices</u>. All notices, correspondence and other communications required or permitted by this Agreement shall be in writing and may be delivered by one of the following means:
  - 1. By e-mail (preferred method). If any notice is transmitted by e-mail, the same shall be deemed given upon confirmation of receipt thereof.
    - 2. In person (by hand delivery or professional messenger service).
  - 3. By first class mail. Any such notice sent by mail shall be deemed to have been duly given and received three (3) business days after the same is mailed within the continental United States.
  - 4. By Express Mail of the U.S. Postal Service or Federal Express or any other courier service guaranteeing overnight delivery. Notices delivered by overnight service shall be deemed to have been given one (1) business day after delivery of the same to the U.S. Postal Service or private courier.
  - 5. By facsimile transmission. If any notice is transmitted by facsimile transmission or similar means, the same shall be deemed given upon confirmation of transmission thereof.

All notices shall be addressed as set forth in **Exhibit C** or at other such addresses as the Participants/Authority may hereafter or from time to time designate by written notice to the other Participants/Authority.

- E. <u>Annual Appropriation</u>. All monetary obligations under this Agreement are subject to annual appropriation. This Agreement shall not be deemed to constitute a multi-fiscal year obligation or debt of any of the Participants or the Authority.
- F. <u>Relationship of Participants</u>. This Agreement does not and shall not be construed as creating a relationship of joint ventures, partners, or employer-employee between the Participants.
- G. <u>Liability of Participants</u>. No provision, covenant, or agreement contained in this Agreement, nor any obligations herein imposed upon each Participant nor the breach thereof, nor the issuance and sale of any bonds by a Participant, shall constitute or create an indebtedness of the other Participants within the meaning of any Colorado constitutional provision or statutory limitation. No Participant shall have any obligation whatsoever to repay any debt or liability of the other Participant.
- H. <u>Assignment</u>. Neither this Agreement, nor any of a Participant's rights, obligations, duties or authority hereunder may be assigned in whole or in part by such Participant without the prior written consent of a majority in number of the other Participants. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed to be consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.
- I. <u>Modification</u>. This Agreement may be modified, amended, changed, or terminated, in whole or in part, only by an agreement in writing duly authorized by all of the Participants and the Authority. No consent of any third party shall be required for the negotiation and execution of any such agreement.
- J. <u>Waiver</u>. The waiver of a breach of any of the provisions of this Agreement by a Participant or the Authority shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or another provision of this Agreement.
- K. <u>Integration</u>. This Agreement contains the entire agreement between the Participants and the Authority and no statement, promise or inducement made by a Participant or the Authority or the agent of a Participant or the Authority that is not contained in this Agreement shall be valid or binding.
- L. <u>Severability</u>. Invalidation of any of the provisions of this Agreement or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Agreement.

- M. <u>Headings for Convenience Only</u>. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any of the provisions of this Agreement.
- N. <u>No Third-Party Beneficiaries</u>. There are no express or implied third-party beneficiaries of this Agreement. No third party has any right to enforce this Agreement.
- O. <u>Counterparts</u>. This Agreement may be executed in counterparts, each of which, when combined, shall be deemed to be an original. Facsimile or scanned signatures shall be an acceptable form of execution of this Agreement.
- P. <u>Force Majeure</u>. Each Participant shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by a cause beyond its control, including, but not limited to: any incidence of fire, flood, or strike; acts of God; action of the government (except the Participants hereto); war or civil disorder; violence or the threat thereof; severe weather; commandeering of material, products, plants or facilities by the federal, state or local government (except the Participants hereto); and national fuel shortage, when satisfactory evidence of such cause is presented to the other Participants, and provided further, that such nonperformance is beyond the reasonable control of, and is not due to the fault or negligence of, the Participant not performing.

[SIGNATURE PAGE TO FOLLOW]

**APPROVED** by the Participants and the Authority effective as of the date first set forth above.

## TOWN OF CASTLE ROCK

By:	
Jason Gray, Mayor	
Attest:	
Lisa Anderson, Town Clerk	
Approved as to form:	Approved as to content:
Michael J. Hyman, Town Attorney	Mark Marlowe, Director of Castle Rock Water

**DOMINION WATER AND SANITATION DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado

	By:	Officer of the District
		Officer of the District
Attest:		
Ву:		
APPROVED AS TO FORM:		
WHITE BEAR ANKELE TANAKA & WALDRON Attorneys at Law		
General Counsel to the District	_	

## SOUTH METRO WISE AUTHORITY

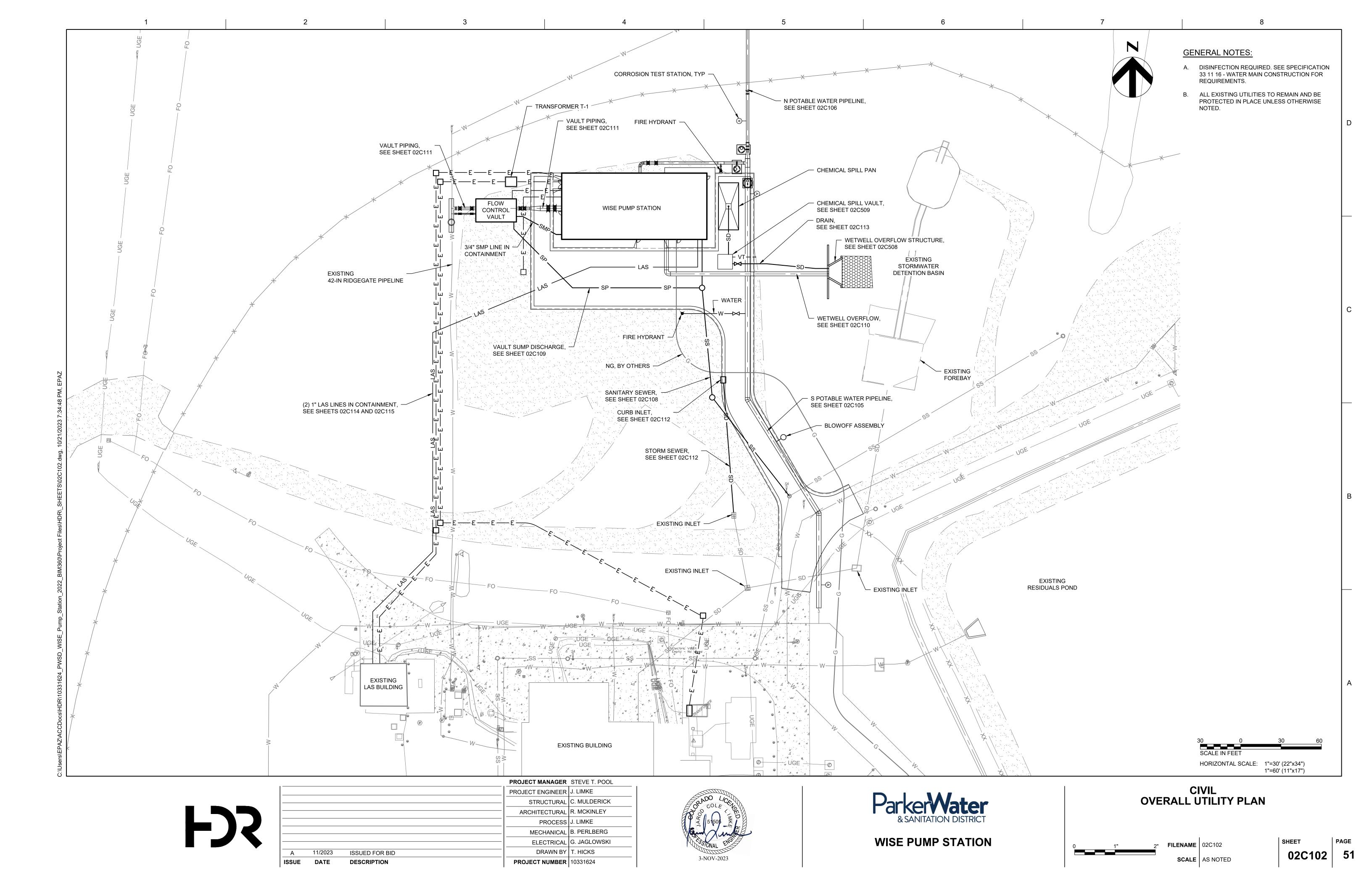
[Insert Signature Block]

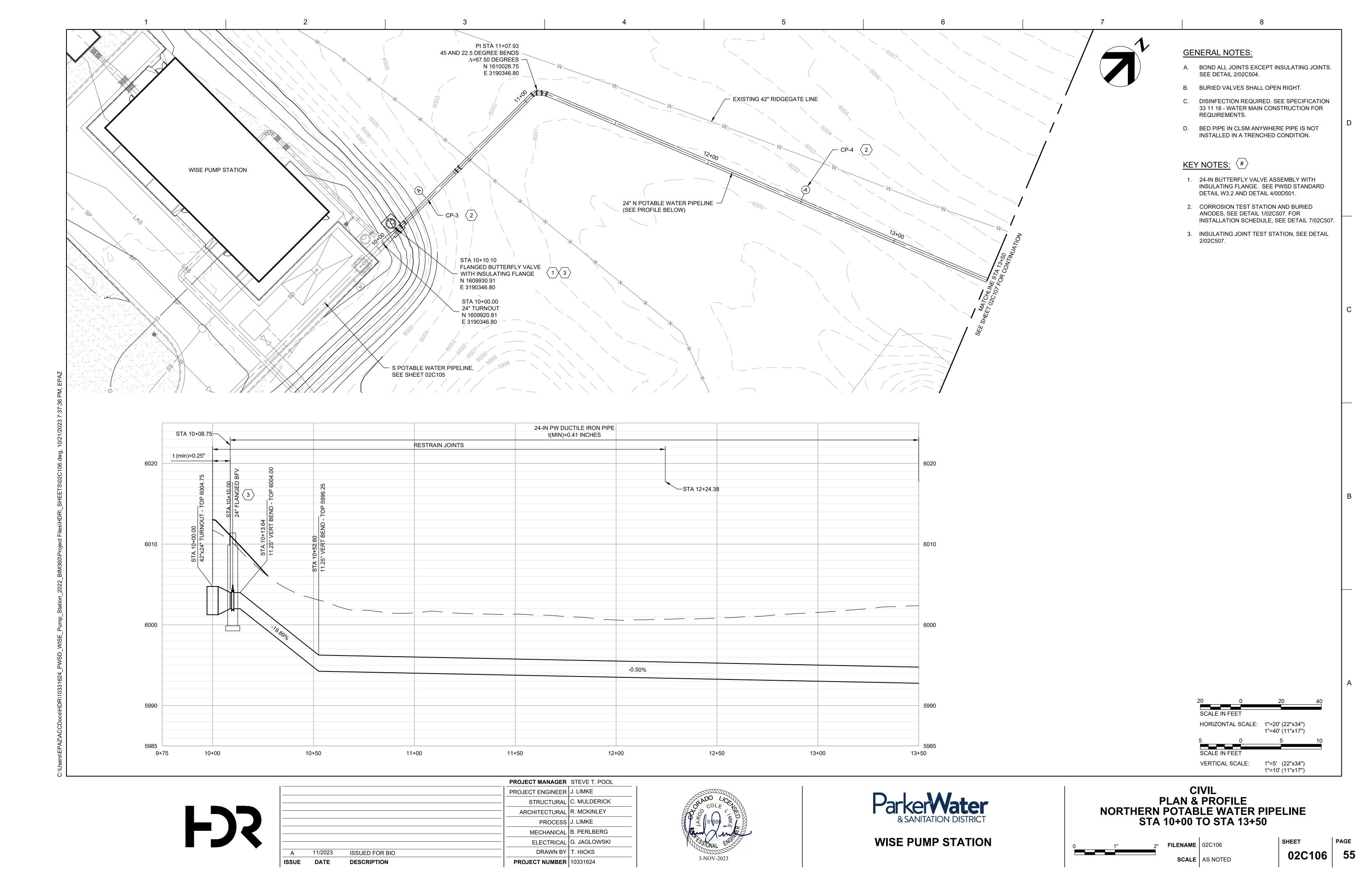
## PARKER WATER & SANITATION DISTRICT

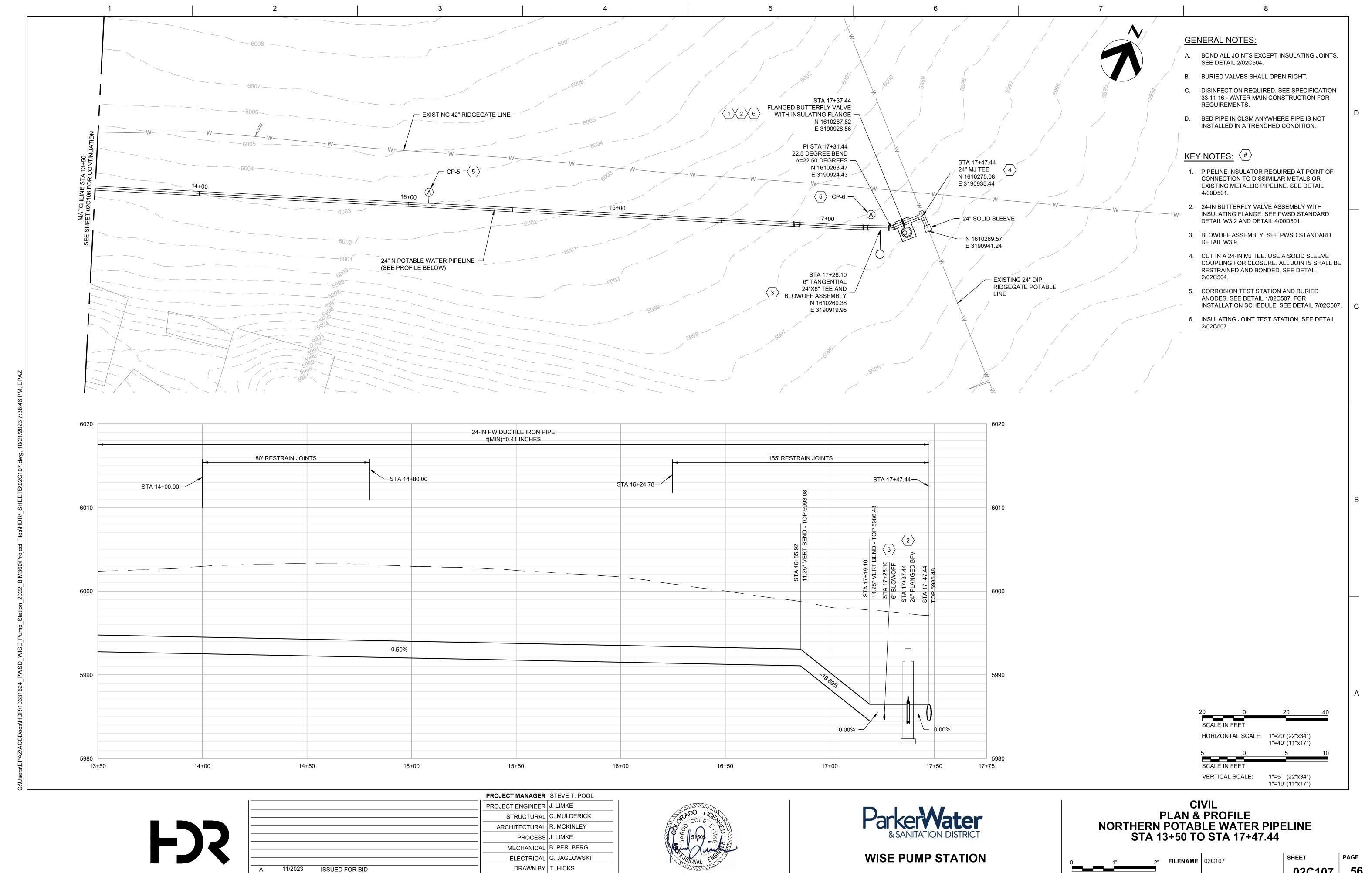
By:	
Ron R. Redd, P.E., District Manager	_
Attest:	

# <u>EXHIBIT A</u> MAP AND DRAWINGS OF WISE PUMP STATION INFRASTRUCTURE









PROJECT NUMBER 10331624

DESCRIPTION

02C107 56

SCALE AS NOTED

#### EXHIBIT B

### WISE PUMP STATION INFRASTRUCTURE CAPACITY SPLIT AND ESTIMATED CONSTRUCTION COSTS

### A. Capacity Split

Participant Name	Total Capacity Needed in Pump Station Infrastructure	Pro-Rata Share of Pump Station Infrastructure Capacity
Castle Rock	11.5	52 %
Dominion Water & Sanitation District	4.2	19 %
Parker Water & Sanitation District	6.5	29 %
Total	22.2	100%

### **B.** Estimated Construction Costs

Item	Amount	With 7% Contingency	
Original Construction Bid (Filanc) <sup>(1)</sup>	\$14,820,380	\$15,857,806.60	
Pipeline Cost (PWSD Only)	\$361,000	\$386,270.00	
New Bid Amount to Split Among Partners	\$14,459,380	\$15,471,536.60	
Engineering Services During Construction (HDR) <sup>(2)</sup>	\$916	5,000	
Third-Party Testing Contract (Firm TBD) <sup>(3)</sup>	\$100,000		
Xcel Energy (Gas Service) <sup>(4)</sup>	\$50,000		
Total	\$16,923	,806.60	
Castle Rock Portion (52%)	\$8,599	,519.03	
Dominion Portion (19%)	\$3,142	,131.95	
Parker Portion (29% plus pipeline)	\$5,182,155.61		

- 1) Bids have already been solicited for the construction contract. Filanc was the firm with the low bid. PWSD plans to award the construction contract to Filanc.
- 2) HDR is the engineering firm that designed the Pump Station Infrastructure. PWSD plans to amend HDR's contract to include Engineering Services During Construction.
- 3) Estimated cost. This amount will be updated once the cost for third-party testing is known.
- 4) Estimated cost. This amount will be updated once the cost for Xcel utility installation is known.

# EXHIBIT C

# PUMP STATION INFRASTRUCTURE AGREEMENT CONTACT INFORMATION FOR PARTICIPANTS AND AUTHORITY

Town of Castle Rock	Dominion Water & Sanitation District
175 Kellogg Court	9250 E. Costilla Avenue, Suite 315
Castle Rock, CO 80109	Greenwood Village, CO 80112
Attn: Matt Benak, Water Resources Manager	Attn: Andrea Cole
Facsimile: 303-688-0437	Facsimile:
E-mail: mbenak@crgov.com	E-mail: andrea.cole@dominionwsd.com
South Metro WISE Authority	Parker Water & Sanitation District
8400 E Prentice Avenue, Ste 315	13939 Ancestry Drive
Greenwood Village, CO 80111	Parker, CO 80134
Attn: Chris Muller	Attn: Ron Redd
Facsimile: 720-216-5154	Facsimile: (303) 901-0175
E-mail: chrismuller@southmetrowater.org	E-mail: rredd@pwsd.org

### EXHIBIT D

# STANDARDS FOR WATER INTRODUCED INTO WISE PUMP STATION INFRASTRUCTURE

- 1. <u>Compliance with Drinking Water Standards and TDS Limit</u>. All water introduced by a Participant into the Pump Station Infrastructure shall meet all state and federal safe drinking water regulatory requirements as such may exist now or in the future, including without limitation the Safe Drinking Water Act and Colorado Primary Drinking Regulations (5CCR 1002-1), as they may be amended. Primary drinking water standards have not been established for TDS at the time of execution of this Agreement; provided that the current secondary standard is 500 mg/l. Unless PWSD agrees otherwise, no Participant shall introduce water that exceeds the secondary standard of 500 mg/l. All water introduced at the Point of Receipt shall be disinfected with Chloramines, unless PWSD agrees otherwise.
- 2. <u>Rejection of Water</u>. Each Participant shall be solely responsible for making any water it introduces into the Pump Station Infrastructure compatible with the standards set forth in Section 1 of this <u>Exhibit D</u>. Violation of such standards shall be immediately reported to the Participants. PWSD may reject any deliveries that violate these standards. In addition, violations of such standards for a period of 24 continuous hours or more than three times within any three-month period shall permit PWSD to require that deliveries by the violating Participant cease until the violating Participant cures the cause of such violation and provides reasonable evidence of the cure supported by testing documentation.