

RESOLUTION NO. 2024-030

**A RESOLUTION APPROVING THE PURCHASE AND SALE AGREEMENT
FOR THE CASTLE ROCK RESERVOIR PROPERTY AND THE EXTRA-
TERRITORIAL WATER AND WASTEWATER SERVICE AGREEMENT
BETWEEN THE TOWN OF CASTLE ROCK AND THE PLUM CREEK TRUST**

WHEREAS, the Town of Castle Rock, acting by and through its Water Enterprise (the “Town”), is the owner and operator of municipal water and wastewater systems; and

WHEREAS, the Plum Creek Trust (the “Trust”) is owner of a parcel of land in unincorporated Douglas County, Colorado, upon which the Town owns a reservoir and other water infrastructure (the “Reservoir Property”); and

WHEREAS, the Town is constructing a second reservoir on the Reservoir Property, in which Property the Town has an exclusive and perpetual easement to construct, reconstruct, operate, maintain, repair, replace and/or remove water storage facilities and related appurtenances; and

WHEREAS, the Town wishes to acquire a fee simple interest in the Reservoir Property and, for this purpose, has negotiated the terms and conditions of a Purchase and Sale Agreement with the Trust (the “Purchase and Sale Agreement”); and

WHEREAS, the Trust also owns three other parcels in unincorporated Douglas County, Colorado (collectively, the “Property”), which the Trust proposes to develop with up to six hundred (600) single-family residences and related appurtenances; and

WHEREAS, as partial consideration for the Trust’s sale of the Reservoir Property to the Town pursuant to the Purchase and Sale Agreement, the Trust seeks to connect the Property to the Town's municipal water system; and

WHEREAS, the Trust also seeks to connect the Property to the wastewater system to be constructed by the Town pursuant to the Intergovernmental Agreement between the Town of Castle Rock and Douglas County for the Highway 85 Wastewater Collection and Treatment System dated May 2, 2023; and

WHEREAS, Section 13.12.040 of the Castle Rock Municipal Code authorizes the Town to extend water and wastewater services to properties outside the Town's boundaries pursuant to a contract for extraterritorial water and wastewater service, which contract shall specify the terms and conditions for service extension; and

WHEREAS, for this purpose, the Town and the Trust have negotiated the terms and conditions of an arrangement whereby the Town agrees to provide water and wastewater services to the Property (the “Extraterritorial Service Agreement”); and

WHEREAS, the Town Council finds and determines that it is in the best interest of the customers of the Town’s municipal water and wastewater systems to enter into the Purchase and Sale Agreement and Extraterritorial Service Agreement with the Trust.

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

Section 1. Approval. The Purchase and Sale Agreement for the Castle Rock Reservoir Property between the Plum Creek Trust, as seller, and the Town of Castle Rock, acting by and through the Castle Rock Water Enterprise, as buyer, 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. Encumbrance and Authorization for Payment. In order to meet the Town's financial obligations under the Purchase and Sale Agreement, the Town Council authorizes the expenditure and payment from the Water Resources/Reservoir Upgrades CIP account in an amount not to exceed 2,269,794.00, unless otherwise authorized in writing by the Town.

Section 3. Approval. The Extraterritorial Water and Wastewater Service Agreement between the Town of Castle Rock, acting by and through the Castle Rock Water Enterprise, and the Plum Creek Trust 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.

PASSED, APPROVED AND ADOPTED this 5th day of March, 2024, by the Town Council of the Town of Castle Rock, Colorado, on first and final reading by a vote of ____ for and ____ against.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director Castle Rock Water