



## Castle Rock Water Commission Agenda - Final

Tony Rathbun, Chair  
Melanie Penoyar-Perez, Vice Chair  
Edward Egnatios  
Brian Gaddie  
Ole Gjerde  
David Hammelman  
Kevin Snow

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Wednesday, August 27, 2025

6:00 PM

Castle Rock Water  
171 Kellogg Ct.  
Castle Rock, CO 80109

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This meeting is open to the public and will be held in a hybrid format in accordance with Town Council Electronic Participation, Connected, and Hybrid Meeting Policy. The in-person meeting will be held at 171 Kellogg Ct. Castle Rock CO 80109 or this meeting can be accessed [https://crgov.webex.com/crgov/j.php?](https://crgov.webex.com/crgov/j.php?MTID=m0fc488491233021c82c4692b762232c4)

MTID=m0fc488491233021c82c4692b762232c4 the Meeting password: CRWCmtg82725 or phone in by calling (720) 650-7664, meeting code 2490 509 5654. One or more Council members may also attend this meeting, during which the items listed herein will be discussed.

6:00 pm CALL TO ORDER / ROLL CALL

COUNCIL UPDATE

COMMISSION COMMENTS

ADMINISTRATIVE BUSINESS

1. [WC 2025-076](#) Approval of the July 23, 2025 Meeting Minutes

Attachments: [Attachment A: July 23, 2025 Mtg.Minutes](#)

2. [WC 2025-077](#) Youth Commission Trolley Tour

**ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)**

3. [WC 2025-078](#) Resolution Approving a Purchase and Sale Agreement with Denver Southeast Suburban Water & Sanitation District d/b/a Pinery Water & Sanitation District for WISE Capacity [WISE water to be used throughout Castle Rock Water's service area]
4. [WC 2025-079](#) Resolution Approving the First Amendment to the Progressive Design-Build Agreement with S. J Louis Construction, Inc. for the Sedalia Lift Station and Force Main to Plum Creek Water Reclamation Authority Project [Located in Sedalia, CO]

Attachments: [Attachment B: Location Map](#)

5. [WC 2025-080](#) Resolution Approving a Second Amendment between the Town of Castle Rock and W.W. Wheeler for Castle Rock Reservoirs No. 1 & 2 Construction Support Services [Sedalia, Colorado]

Attachments: [Attachment B: Scope of Work](#)

7. [WC 2025-081](#) Resolution Approving the First Amendment to the Spot Water Lease Agreement between the Town of Castle Rock and Central Colorado Water Conservancy District [Chatfield Reservoir, Douglas County]

Attachments: [Exhibit 1: Agreement \(DRAFT\)](#)

8. [WC 2025-082](#) Resolution Approving an Agreement between the Town of Castle Rock, Castle Pines Metropolitan District, Castle Pines North Metropolitan District, Highlands Ranch Water and Sanitation District, and Dominion Water and Sanitation District, for the Plum Creek Stream Gage [Northwest Douglas County, Colorado]

Attachments: [Exhibit 1: Agreement \(DRAFT\)](#)

9. [WC 2025-083](#) Resolution Approving an Intergovernmental Agreement between the Town of Castle Rock and the Plum Creek Water Reclamation Authority for Bond Repayment

#### **DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS**

6. [WC 2025-084](#) Resolution Approving an Amended Agreement between the Town of Castle Rock and Tallgrass to add additional time to Negotiate Phase B

10. [WC 2025-085](#) Rates & Fees Discussion

11. [WC 2025-086](#) Resolution Approving a Reimbursement Agreement for 2025 Bonds

Attachments: [Attachment A: Bond reimbursement Packet.pdf](#)

12. [WC 2025-087](#) Update: Douglas County Water Commission Meeting

13. [WC 2025-088](#) Upcoming Town Council items

#### **COMMISSIONER MEETING COMMENTS**



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

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**Item #:** 1. **File #:** WC 2025-076

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**To:** Members of the Castle Rock Water Commission

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

**Approval of the July 23, 2025 Meeting Minutes**  
**Town Council Agenda Date:** NA

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### **Executive Summary**

Attached are the meeting minutes for the July 23, 2025 Water Commission Board Meeting.

### **Proposed Motion**

*"I move to approve the Minutes as presented"*

### **Attachments**

Attachment A: July 23, 2025 Meeting Minutes



## Castle Rock Water Commission Meeting Minutes - Draft

Tony Rathbun, Chair  
Melanie Penoyar-Perez, Vice Chair  
Edward Egnatios  
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Wednesday, July 23, 2025

6:00 PM

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<https://crgov.webex.com/wbxmjs/joinservice/sites/crgov/meeting/download/79fc6611e74f410fb7789c7a235bbb9a?siteurl=crgov&MTID=mc5c761a59c4ac6c6d3b599ea4ff2f8a8>  
the Meeting password: CRWCmtg72325 or phone in by calling (720) 650-7664, meeting code 2492 916 0595. One or more Council members may also attend this meeting, during which the items listed herein will be discussed.

### CALL TO ORDER / ROLL CALL

**Present** 6 - Chair Tony Rathbun, Edward Egnatios, Brian Gaddie, Ole Gjerde, David Hammelman, and Kevin Snow

**Not Present** 1 - Vice Chair Melanie Penoyar-Perez

**Attendance** 5 - Mark Marlowe, Mark Henderson, Nichol Bussey, Roy Gallea, and MaryJo Reese

### COUNCIL UPDATE

Time was allowed for Mr. Marlowe to share a council update.

### COMMISSION COMMENTS

Time was allowed for Commissioner Comments

### ADMINISTRATIVE BUSINESS

[WC 2025-065](#) **Approval of the June 23, 2025 Meeting Minutes  
Town Council Agenda Date: NA**

I move to approve the Minutes as presented.

**Yes:** 6 - Chair Rathbun, Egnatios, Gaddie, Gjerde, Hammelman, and Snow

**Not Present:** 1 - Vice Chair Penoyar-Perez

### ACTION ITEMS (HIGH PRIORITY / TIME CRITICAL)

[WC 2025-066](#) **Resolution Approving the Construction Contract between the Town of Castle Rock and Garney Companies Inc. for the Ray Waterman Raw Water Raw Water Treatment Center (RWRWTC) and Bell Mountain Ranch (BMR) LAS Conversion**

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**Project - Work Package #2** *[Ray Waterman Regional Water Treatment Center and Bell Mountain Ranch Water Treatment Plant]* **DRAFT**

**Town Council Agenda Date:** August 19, 2025

Ms. Huth explained that this is a continuation of the items that she shared last month. In June she presented the project as a liquid ammonium sulfate (LAS) Conversion for both the Ray Waterman Water Treatment Center (RWRWTC) and Bell Mountain Ranch (BMR). Since that time, the team has received final costs, and they came in much higher than expected. The team has made the decision to only move forward with RWRWTC LAS Conversion for now. Staff will schedule the BMR conversion at a later time.

Ms. Huth shared that this is for Work Package #2 which is the specific agreement to complete construction of the LAS chemical conversion. The scope of work includes:

- Chemical room modifications
- Modify existing WISE and Meter Vaults, adding a new chemical injection vault
- Instrumentation and control panels in chemical rooms and vaults

All the work for this project will need to be completed during the low demand season (October to April) and preferable while WISE is off (November). Garney was selected as the vendor.

Commissioner Rathbun asked if the Bell Mountain Ranch portion of the project would be coming back to Water Commission at some point? Mr. Marlowe explained that yes it would come back at a later date when the funds were available.

Commissioner Hammelman asked if this is something that needs to be done at BMR now? Ms. Huth explained that it is not a critical item for BMR. Originally staff thought they could get a cost reduction by doing both projects at the same time but when final numbers were received it didn't have any significant cost savings.

**I move to approve the Resolution as presented.**

**Yes:** 6 - Chair Rathbun, Egnatios, Gaddie, Gjerde, Hammelman, and Snow

**Not Present:** 1 - Vice Chair Penoyar-Perez

[WC 2025-067](#)

**Resolution Approving the Services Agreement between the Town of Castle Rock and Burns & McDonnell Engineering Company, Inc. for the Ray Waterman Ray Water Treatment Center (RWRWTC) and Bell Mountain Ranch (BMR) LAS Conversion Project** *[Ray Waterman Regional Water Treatment Center and Bell Mountain Ranch Water Treatment Plant]* **DRAFT**  
**Town Council Agenda Date:** August 19, 2025

Ms. Huth explained that this is a services agreement to provide construction engineering services for the Ray Waterman Regional Water Treatment Center (RWRWTC) liquid ammonia sulfate (LAS) conversion project. Burns & McDonnell was the engineering firm that completed the design of the conversion and CRW staff would like to continue their services during the construction phase. The

services they will provide include:

- Construction progress Meetings
- Preparation of Issued for Construction Drawings
- Respond to equipment submittals and requests for information
- Change Order and Work Change Directive support
- Periodic site visits
- Pre-Con and Start-up Workshops
- Substantial Completion Inspection and Punchlist
- Final Completion Inspection and Punchlist
- CDPHE Certifications

The budget for this item is \$270,997 with a 10% contingency for a total budget of \$298,096.

**I move to approve the Resolution as presented.**

**Yes:** 6 - Chair Rathbun, Egnatios, Gaddie, Gjerde, Hammelman, and Snow

**Not Present:** 1 - Vice Chair Penoyar-Perez

[WC 2025-068](#)

**An Ordinance Authorizing the Issuance and Sale of Water and Sewer Enterprise Revenue Bonds, Series 2025, Payable Solely out of the Net Pledged Revenues to be Derived from the Operation of the Town's Water and Sewer Enterprise; Providing Other Details Concerning the Bonds, Including, Without Limitation, Covenants and Agreements in Connection therewith; Providing Other Matters Relating Thereto and Providing for its Adoption [Entire Castle Rock Water Service Area]**

**Town Council Agenda Date:** 1st Reading - July 15, 2025, 2nd Reading - August 19, 2025

Ms. Bussey shared that CRW would like to implement the sale of water sewer enterprise revenue bonds in 2025 or 2026. The staff will watch the market and determine when the best time to do this is between now and August of 2026 with the below parameters in mind:

- **Par Amount:** The bonds may be issued in an amount not to exceed \$56 million.
- **Maturity:** Bonds will mature no later than December 1, 2045, with maximum annual principal not exceeding \$7.7 million with total repayment costs not to exceed \$95 million.
- **Interest Rate:** Not to exceed a net effective rate of 4.75%.
- **Redemption Provisions:** The Bonds may be sold with a provision for optional redemption prior to maturity, at a price not to exceed 100%.
- **Sale:** The bonds will be sold via negotiated sale to Stifel, Nicolaus & Company, Incorporated.
- **Parity Lien:** The 2025 Bonds will share an equal lien on Net Pledged Revenues with existing Parity Bonds from 2015, 2016, and 2022.
- **Reserve Fund:** May be established, and if so, funded with bond proceeds or a Reserve Fund Insurance Policy.
- **Bond Proceeds Use:** Funds will be allocated to a Project Fund for Water

and Water Resource capital improvements (see Discussion for further details), a Reserve Fund (if required), and to cover issuance costs.

**Ms. Bussey shared that the proceeds from the bonds will be used for projects such as:**

- Water Infrastructure Supply Efficiency (WISE) project
- Construction of a desalination facility or alternate facilities to meet total dissolved solids concentration requirements
- Pipeline, pump station, well and treatment infrastructure associated with the Box Elder project
- The Plum Creek Central Pipeline
- The Plum Creek to Rueter Hess Reservoir Pipeline & Pump Station
- Capacity in the Rueter Hess Water Purification Facility
- Storage in the Chatfield Storage Reallocation Project: and/or
- The Plum Creek Diversion Project

Commissioner Gjerde asked if there is a deadline for when CRW must have the funds? Mr. Marlowe explained that within the next two years CRW would most likely need the funds if nothing changes.

**I move to recommend Town Council approval of the Ordinance as presented.**

**Yes:** 6 - Chair Rathbun, Egnatios, Gaddie, Gjerde, Hammelman, and Snow

**Not Present:** 1 - Vice Chair Penoyar-Perez

[WC 2025-069](#)

**Resolution Approving the Amended and Restated Intergovernmental Agreement (IGA) for Water Service between the Dominion Water and Sanitation District, Acting in its Capacity as a Water Activity Enterprise, and the Town of Castle Rock, Acting Through the Town of Castle Rock Water Enterprise [Castle Rock Water's distribution and transmission system inside the Town of Castle Rock to Connection on the Northwest side of Town at the edge of unincorporated Douglas County, Colorado]**  
**Town Council Agenda Date:** August 19, 2025

Mr. Marlowe reported that this is a continuation of agreements that CRW has in place with Dominion. In 2014 CRW and Dominion created an Intergovernmental Agreement (IGA) that stated CRW would charge Dominion to move water. In 2016 a firming agreement was created to treat and supply a limited amount of water (up to a maximum of 700AF in any given year). This agreement is to amend and restate the 2016 Firming Service IGA to clarify the mechanics, accounting, and billing aspects of the agreement as well as improve the understanding of the implementation of the agreement between CRW and Dominion.

Key aspects of the amended and restated IGA include:

- Creating consistency and clarity between the 2014 IGA and the Firming Service IGA in water accounting
- Clarifying that billing and accounting will occur on a monthly basis and will be based on the WISE year
- Formalizing the capacity limitations
- Restating the remaining system development fees to be paid by Dominion

- Clarifying the rates associated with each type of water supply
- Creating a revised and simplified approach to replacement of the non-renewable water supply Dominion dedicated to CRW

Commissioner Snow asked who is requesting the changes? Mr. Marlowe explained that both CRW and Dominion are seeking the changes to clarify the existing IGA.

Commissioner Snow asked if a specific person would be in charge of tracking this? Mr. Marlowe explained that this is a job responsibility for the Water Resources Manager.

**I move to recommend Town Council approval of the Resolution as presented.**

**Yes:** 6 - Chair Rathbun, Egnatios, Gaddie, Gjerde, Hammelman, and Snow

**Not Present:** 1 - Vice Chair Penoyar-Perez

## **DIRECTOR FOLLOW-UP AND INFORMATIONAL / UPDATE ITEMS**

### [WC 2025-070](#)

#### **Stormwater Follow-Up**

**Town Council Agenda Date:** August 19, 2025

Mr. Henderson shared a presentation on the background, current issues and changes being made to the Stormwater program.

### [WC 2025-071](#)

#### **Instrument Failure**

**Town Council Agenda Date:** NA

Ms. Branning explained that CRW received a violation in late May and again in early June due to an instrumentation failure. The instrument is being replaced, and CRW staff have created a Standard Operating Process (SOP) to make sure that it doesn't happen again.

### [WC 2025-072](#)

#### **Update: Second Quarter Major Projects**

**Town Council Agenda Date:** July 15, 2025

Mr. Marlowe shared that the Second Quarter Major Projects report was attached.

### [WC 2025-073](#)

#### **Update: Douglas County Water Commission Meeting**

**Town Council Agenda Date:** NA

Mr. Marlowe gave an update on the July Douglas County Water Commission Meeting.

### [WC 2025-074](#)

#### **Update: Platte Valley Water Partnership**

**Town Council Agenda Date:** NA

Mr. Marlowe gave a brief update on the Platte Valley Water Partnership project.

[2025-419](#)**Upcoming Town Council Items****Town Council Agenda Date:** NA

This is a standing item that will be used to share information about projects that are being worked on at the time of the meeting but that staff doesn't have information ready yet.

Mr. Marlowe shared that at the July 1, 2025 Town Council meeting, the Council directed staff to bring back five items related to boards and commissions for discussion in September/October: 1) no WebEx; 2) can only miss two meetings per year (no excuses); 3) two three-year terms; 4) all Castle Rock residents (up for discussion); and 5) May interviews have to be in person.

**COMMISSIONER MEETING COMMENTS**

Time was allowed for Commissioner Comments.



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

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**Item #:** 2. **File #:** WC 2025-077

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**To:** Members of the Castle Rock Water Commission

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

**Youth Commission Trolley Tour**  
**Town Council Agenda Date:** NA

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### **Executive Summary**

The Castle Rock Youth Commission will be hosting a Town Trolley Tour on Monday, September 8, from 6:45 to 8:45 pm. This event is designed to help our nine newly appointed Youth Commissioners better understand the role of some of our Town advisory commissions, while exploring opportunities to work together in service to Castle Rock youth.

They would like to invite one representative from selected Town commissions to ride along with the Youth Commission, share information about their commission at a designated stop, and lead a short activity for our teens. The Youth Commission Coordinator will help in planning these activities. This is a valuable opportunity to both showcase the work of each commission and connect directly with youth interested in civic engagement.



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

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**Item #:** 3. **File #:** WC 2025-078

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**To:** Members of the Castle Rock Water Commission

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

**Resolution Approving a Purchase and Sale Agreement with Denver Southeast Suburban Water & Sanitation district d/b/a Pinery Water & Sanitation District for WISE Capacity** [*WISE water to be used throughout Castle rock Water's service area*]  
**Town Council Agenda Date:** September 16, 2025

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### Executive Summary

Castle Rock Water (CRW) staff recommends Town Council approval of a Resolution approving a Purchase and Sale Agreement with Denver Southeast Suburban Water & Sanitation District d/b/a Pinery Water & Sanitation District for WISE Capacity (see Attachment A). The Purchase and Sale Agreement is for 250 acre-feet (AF) of Water Infrastructure Supply Efficiency (WISE) capacity including the water subscription and all associated infrastructure shares (Western Pipeline, Binney Connection and Pump Station, DIA Connection, Ridgeway Pipeline, and all other associated infrastructure including future commitments to fund salinity management infrastructure). The purchase price is \$2,138,388.05 as shown in the agreement (see Exhibit 1 of Attachment A).

CRW has evaluated the price, and the price includes what Pinery has paid for the actual shares and infrastructure. The price also does include a recovery of operational costs for the Pinery. CRW believes that the price including this operational component still provides excellent value given the cost of other renewable water resource supplies and the fact that the infrastructure for WISE is already in place.

CRW has invested \$63.8M in WISE project shares since 2013. CRW currently owns 2,000 AF of WISE shares including associated shares in all of the infrastructure. Attachment B provides a map of all of the WISE infrastructure. The only remaining piece of infrastructure to be constructed in accordance with the WISE Water Delivery Agreement is a salinity management facility. Currently, this facility needs to be completed by 2030. CRW has reserved \$57M in our five-year capital plan to fund CRW's portion of this facility. This \$57M also includes the amounts needed to fund the portion of the facility that would be funded by the Pinery if CRW proceeds with the purchase of Pinery's shares.

The WISE project is one of two long-term, imported renewable water projects that CRW has been implementing since 2013 as part of our Water Resources Strategic Master Plan. The goal of the Plan is to achieve 75% renewable water supplies by 2050 and 100% renewable water supplies in a typical

hydrologic year by 2065. Water deliveries from WISE started in 2018. To date, the largest amount of WISE water CRW has received in any given year is 1,242 AF of WISE water. WISE water is fully reusable to extinction. To date this year, CRW has provided 33% renewable water supplies. Starting in June of this year, this will be the first WISE year (June to May) where CRW is likely to receive our full subscription of 2,000 AF.

### **Notification and Outreach Efforts**

CRW has done outreach to customers since 2013 on the importance of the WISE project as part of the Water Resources Strategic Master Plan and the goal to achieve 75% renewable water supplies by 2050. This proposed purchase will help CRW meet the goal sooner, and the benefits will continue to be communicated to customers as part of CRW's outreach on the long-term water plan.

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

This item was presented to the CRW Commission on August 27, 2025. CRW Commission voted x-x to recommend Council proceed with the purchase of the Pinery WISE water shares. Additional Town Council and CRW Commission discussions on WISE can be found in the full project records for the WISE project going back to before 2013.

### **Discussion**

In 2013, the Town of Castle Rock became a member the South Metro WISE Authority (SMWSA) which, later that year, entered into the Water Infrastructure and Supply Efficiency (WISE) Partnership with Denver Water and Aurora Water upon full execution of the Water Delivery Agreement (WDA). Since that time, Castle Rock has been a participant in the WISE Project and began receiving WISE water in April 2018.

WISE water is provided to members of SMWSA through the use of Aurora Water's Prairie Waters Project (PWP) which captures renewable and reusable water supplies on the South Platte River. The water captured and conveyed by PWP consists of supplies owned by both Aurora Water and Denver Water to varying degrees depending on hydrologic conditions. This partnership provides water to SMWSA members in hydrologically wet and normal years, and provides Denver Water with an emergency drought supply in 15 out of every 100 years.

The members of SMWSA have ownership of the subscription to WISE water as shown in Table 1. CRW is currently a 20% owner in the total SMWSA subscription of 10,000 AF per year on average or 100,000 AF over a 10-year period. In addition, each SMWSA member owns varying capacities in the WISE infrastructure used to move the pro rata shares of WISE water. Purchase of the 250 AF of Pinery shares will raise CRW's ownership to 2,250 AF or 22.5% of the total.

The purchase also includes capacity in the Ridgeway Pipeline, the Western Pipeline, the Denver International Airport (DIA) connection and the Binney Connection and Pump Station as well as all of the associated infrastructure. This purchase does not increase the overall capacity in what is known as the local WISE infrastructure which includes the Canyons Pipeline, Outter Marker Road Pipeline, Parker Midsection Pipeline and Parker's pump station. The local infrastructure has adequate capacity

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**Item #: 3. File #: WC 2025-078**

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for CRW to move the additional supply that would come with this purchase. Attachment B shows all of the WISE infrastructure that CRW uses.

Table 1. WISE Pro Rata Ownership

Member	Pro Rata AF	Ownership
Town of Castle Rock	2000	20%
PWSD	1600	16%
Dominion	1325	13%
Highlands Ranch	1000	10%
Stonegate	1000	10%
Rangeview	900	9%
Meridian	775	8%
Pinery	500	5%
Inverness	500	5%
Cottonwood	400	4%
Total	10000	100%

The overall capital cost of WISE water for CRW to date has been \$31,920 per AF. Once a salt management facility is constructed, this number will approach \$60,000 AF. One of the benefits of this purchase is that it will reduce the per AF cost of WISE while providing more total WISE capacity since no additional local WISE infrastructure will be needed.

### **Budget Impact**

This item was not included in the 2025 budget. There is adequate excess WISE funding in the 2025 budget, however, to purchase these WISE shares as salinity management capital costs will not accrue to the 2025 budget.

### **Staff Recommendation**

Staff recommends Council approve the Resolution as presented and CRW proceed with the purchase of the 250 AF of Pinery WISE water shares including the corresponding infrastructure capacity.

### **Proposed Motion**

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

### **Alternative 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"*

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**Item #: 3. File #: WC 2025-078**

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*(list information needed)."*

**Attachments**

Attachment A: Resolution (Not Attached)  
Exhibit 1: Agreement (Not Attached)  
Attachment B: Map of WISE Infrastructure (Not Attached)



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

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**Item #:** 4. **File #:** WC 2025-079

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**To:** Members of the Castle Rock Water Commission

**From:** Mark Marlowe, P.E., Director of Castle Rock Water  
Roy Gallea, P.E., Engineering Manager  
Erin Evans, P.E., Project Manager

**Resolution Approving the First Amendment to the Progressive Design-Build Agreement with S.J. Louis Construction, Inc. for the Sedalia Lift Station and Force Main to Plum Creek Water Reclamation Authority Project** *[Located in Sedalia, CO]*  
**Town Council Agenda Date:** September 16, 2025 - **DRAFT**

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### Executive Summary

Castle Rock Water (CRW) seeks Town Council approval of a Resolution (**Attachment A**) approving a First Amendment (**Exhibit 1**) to the Sedalia Lift Station and Force Main to Plum Creek Water Reclamation Authority (PCWRA) Project Progressive Design-Build (PDB) agreement. The proposal is for the amount of \$997,179.47. Including eliminating the original contingency of \$63,320.30, plus a 10% contingency of \$99,717.95 on the Amendment 1 services, the total authorization amount is \$1,033,577.12.

The Sedalia Lift Station and Force Main project is to design and build the main wastewater conveyance line for the town of Sedalia, Colorado and the surrounding area as shown in **Attachment B**, however, sewer trunk lines and connections to residents and businesses will need to be constructed though system development fees to take full advantage of this project.

Phase 1 of the project is underway and includes up to 60% design. As prescribed by the PDB method, at 60% a Guaranteed Maximum Price (GMP) or a lump sum price is negotiated with the Design-Builder, S.J. Louis Construction, Inc. and CRW has the option to accept either for the completion of the project. A Phase 2 Agreement is then negotiated, approved by Town Council and the project completed by December 31, 2026.

Through the course of Phase 1, the Design-Builder proposed a schedule saving measure to separate the Phase 2 design completion scope from the construction/GMP scope. This Amendment is to approve Phase 2 design services from 60% to final design only. A separate amendment will be requested for the construction GMP portion of the project.

### Notification and Outreach Efforts

Douglas County has posted a news article on their web page about this Highway 85 Southern Corridor Wastewater Project. ToCR has approved the Douglas County IGA which specifies this project. ToCR has been working with Douglas County and local stakeholders to connect to the system.

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

CRW staff presented this item to the Castle Rock Water Commission at their meeting held on November, 2024, and the Castle Rock Water Commission voted to recommend Town Council approval of the Resolution as presented.

On January 7, 2025 Town Council approved the Progressive Design-Build Agreement with S.J. Louis Construction, Inc. for the Sedalia Lift Station and Force Main to PCWRA Project.

As per the Amended and Restated IGA with Douglas County for the Highway 85 Wastewater Collection and Treatment System, approved by Town Council on July 2, 2024, Douglas County will fully fund an Escrow Account of \$14,000,000 in American Rescue Plan Act (ARPA) funds for CRW to withdraw payment to contractors for the project based upon the submitted invoices to Douglas County and their subsequent approval.

In August, 2025 Douglas County and CRW approved an amendment to the IGA adjusting the project funding amount to \$18.8 million, with CRW funding the shortfall of approximately \$4.8 million.

### **Discussion**

The Sedalia Lift Station and Force Main to PCWRA Project will benefit Sedalia residents and businesses by eliminating the need for onsite septic systems for their respective residential and facility wastewater treatment. The reduction of onsite wastewater treatment systems along the East Plum Creek corridor will assist in improving the water quality of East Plum Creek and Plum Creek, a water supply source for the Town of Castle Rock (ToCR). The project is funded by the American Rescue Plan Act through Douglas County with CRW acting as the Project Manager for the project and eventually operating the system for the benefit of the community. The key stakeholders planning to discharge into the lift station for conveyance to PCWRA are the Douglas County School District, CORE, Sedalia Water and Sanitation District water customers, current developers with development proposals in-process with Douglas County and Cherokee Ranch.

The project is to design and build the main wastewater conveyance line for the town of Sedalia, Colorado and the surrounding area. Currently, the project is in Phase 1 and approaching the 60% design milestone for both the lift station and force main as shown in **Attachment B**. The 12" HDPE force main alignment has been determined from Sedalia to PCRWA paralleling Highway 85 and BNSF and UPRR railroads. The alignment also passes through multiple private properties including CORE electric. Location for the lift station has been determined and designs are progressing toward 60%.

The construction delivery method for the project is a Progressive Design-Build (PDB) method to ensure that the ARPA budget is achieved. As prescribed by the PDB method, at 60% design a

Guaranteed Maximum Price (GMP) or a lump sum price is negotiated with the Design-Builder, S.J. Louis Construction, Inc. and CRW has the option to accept either for the completion of the project. A Phase 2 Agreement is then negotiated, approved by Town Council and the project completed by December 31, 2026.

CRW and the PDB team have discussed options to accelerate schedule for the overall project to maintain our required completion date in 2026. It was proposed that the team doesn't wait until the 60% milestone and completion of the GMP pricing efforts to complete the remainder of the project design. Instead, CRW is looking for approval to proceed with this First Amendment to proceed with design completion while the GMP is generated and negotiated, saving the project timeline approximately three months overall.

Amendment 1 services include permitting coordination such as CDPHE, Douglas County, CDOT, BNSF, and CORE Electric, environmental investigations, easement support and engineering design development from 60% to 100%.

CRW staff seek Town Council approval of these amendment 1 services. Upon acceptance, S.J. Louis will proceed with the work with an estimated completion date of December 2025.

### **Budget Impact**

The 30% project budget estimate is \$18.8 million total. \$14 million of funding for this project is being paid for by Federal American Rescue Plan Act funds granted to Douglas County and project administered by CRW. CRW will receive a 1% Project Management fee of up to \$140,000.00 for the management of the project. CRW will then fund the remaining \$4.8 million. The projected costs for the project are:

Description	Amount including contingency
S.J. Louis PDB Phase 1 - to 60% and GMP	\$0.697M
S.J. Louis PDB Phase 2 - 60% to Final ( <i>this amendment</i> )	\$1.034M
S.J. Louis Construction - Single FM & LS	\$15.751M
Permanent Easements	\$0.473M
Temporary Easements	\$0.158M
Lift Station Land Purchase ~ 1 Acre	\$0.350M
Western States/Kilty	\$0.246M
CRW Project Management Fee at 1%	\$0.140M
<b>Total</b>	<b>\$18.8M</b>

As per the IGA with Douglas County, expenses to be reimbursed to CRW from the escrow account will be processed through GL Account # 213-4575-445.79-38 - 85 Regional Wastewater.

### **Staff Recommendation**

Staff and Castle Rock Water Commission recommend that Town Council approve the First Amendment to the Progressive Design-Build Agreement between the Town of Castle Rock and S.J. Louis Construction, Inc. Douglas County, Special Projects also recommends approval of this amendment based on their review of the proposal.

**Proposed Motion**

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

**Alternative Motions**

*"I move to approve the resolution as introduced by title, with the following conditions: (list conditions)."*

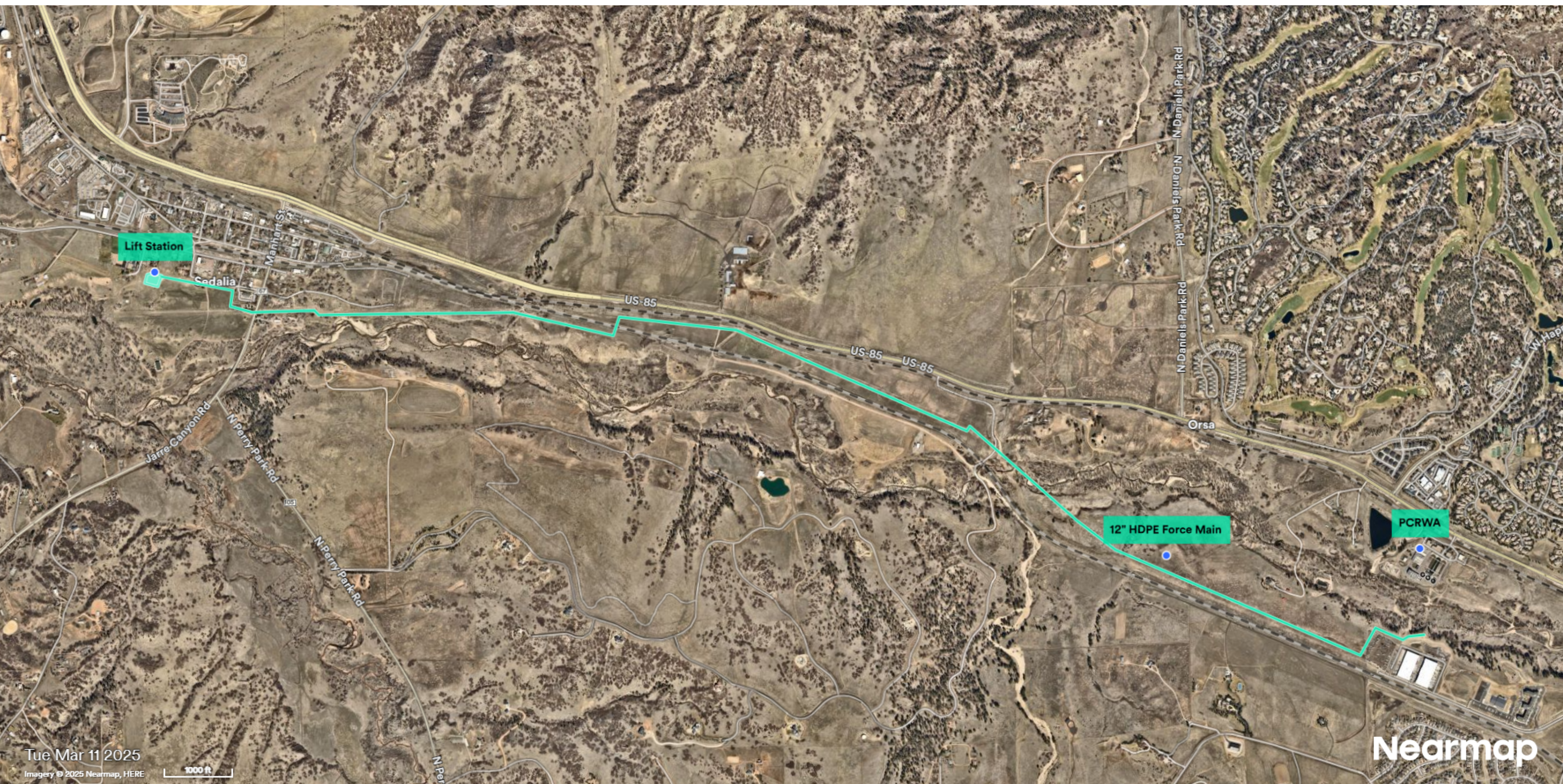
*"I move to continue this item to the Town Council meeting on \_\_\_\_\_ date to allow additional time to (list information needed)."*

**Attachments**

Attachment A: Resolution (Not Attached)  
Exhibit 1: Agreement (Not Attached)  
Attachment B: LS and FM Location Map

Lift Station and Force Main Location Map

Attachment B





# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

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**Item #:** 5. **File #:** WC 2025-080

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**To:** Members of the Castle Rock Water Commission

**From:** Mark Marlowe, P.E., Director of Castle Rock Water  
Roy Gallea, P.E., Engineering Manager  
Josh Hansen, P.E., Project Manager Supervisor

**Resolution Approving a Second Amendment between the Town of Castle Rock and W.W. Wheeler for Castle Rock Reservoirs No. 1 & 2 Construction Support Services [Sedalia, CO]**

**Town Council Agenda Date:** September 16, 2025

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### Executive Summary

Castle Rock Water is seeking Town Council approval of a Resolution (**Attachment A**) approving the Second Amendment with W.W. Wheeler & Associates (Wheeler) to provide ongoing construction support services for the Castle Rock Reservoirs No 1. and 2 (CRR1&2) Project. The proposed amendment is an addition of contract fees in the amount of \$382,316 (total revised contract authorization of \$2,599,076) and will allow extension of engineering construction support and services to continue through construction completion and closeout anticipated in summer 2026. Various project circumstances have extended the original project construction duration by approximately one year from the original estimated two-year construction duration.

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

On April 4, 2023 Town Council voted unanimously to approve a services agreement with Wheeler in the amount of \$2,111,200 along with authorization of an additional \$105,560 (5%) in staff-managed contingency for construction support services for the CRR1&2 Project.

### Discussion

Wheeler is the design engineer of record for the CRR1&2 Project. Town Council authorized a contract with Wheeler in April 2023 to provide construction engineering support services including the following:

- Full-time onsite construction observation and weekly meetings
- Formal responses to contractor requests for information
- Change Orders in accordance with State Engineer's Office Dam Safety Requirements
- Soil, concrete and pipeline testing review and coordination

- Reservoir liner testing, leak detection, and coordination

The contract amount was \$2,111,200 and Council authorized an additional 5% (\$105,560) in staff-managed contingency. Based on the original construction contract completion term, Wheeler's contract assumed a two-year construction period from April 2023 through April 2025.

Various project circumstances have resulted in extension of the construction schedule through April 2026. In April 2025, the Town Manager approved the First Amendment to the Wheeler Agreement which authorized utilization of the original 5% contingency to extend the total contract to \$2,216,760 and extended the contract date through November 30, 2026. At that time, it was anticipated that the additional approved \$105,560 in funding would allow construction support services to continue through July 2025 and that an additional Council-approved Second Amendment would be needed fund construction support services through completion and closeout of the project in 2026.

Staff solicited a proposal from Wheeler to continue construction support services through the remainder of the project including closeout assistance and post-construction documentation. These documentation deliverables include final construction completion submittals to the State Engineer's Office as well as completing a floodplain Letter of Map Revision (LOMR) with the United States Army Corps of Engineers for the project. Wheeler will also provide ongoing weekly dam safety and instrumentation monitoring documentation at the reservoirs following construction for a period of three months while the reservoirs achieve "first fill" status. This documentation and reporting is a state dam safety requirement for new reservoirs. Wheeler's proposal for extension of services (**Attachment B**) is in the amount of \$382,316 and is based on the contractor's current schedule for construction completion in April 2026.

The first phase of CRR2 was completed at the end of 2024 and added 350 acre-feet of raw water storage that was utilized for the 2025 irrigation season. The contractor has completed demolition of CRR1 facilities and expanded the reservoir to its final capacity (550 Ac-Ft) as well as increased CRR2 to its final capacity (790 Ac-Ft). Installation of reservoir liner has begun for CRR2 Phase 2 and installation of liner in CRR1 will be subsequently installed. Filling of both reservoirs can begin after liner installation and during construction of final reservoir instrumentation and controls work with the goal of having full reservoirs at the beginning of the 2026 irrigation season. Final construction completion is anticipated in April 2026. Some additional future reservoir site projects anticipated but not yet fully scoped include security fencing and camera installation and reservoir aeration systems. CRW is monitoring water quality in the new reservoirs for the first couple years to help understand the specific water quality needs prior to design of aeration systems.

### **Budget Impact**

This contract amendment will add authorization of up to \$382,316 in fees to the existing contract and Purchase Order 002638.

<b>Project</b>	<b>Account Number</b>	<b>This Authorization</b>
Capital Improvement Prgm/ Reservoir Upgrades	211-4375-443.79-15	\$ 382,316

A third quarter budget amendment will be completed for the authorization.

**Staff Recommendation**

Staff recommends approval of the Second Amendment to the Services Agreement with Wheeler for CRR1&2 Construction Support Services increasing the total contract fees by \$382,316 to \$2,599,076.

**Proposed Motion**

*“I move to approve the Resolution as introduced by title.”*

**Alternative 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).”*

**Attachments**

Attachment A:	Resolution (Not Attached)
Exhibit 1:	Second Amendment to the Services Agreement (Not Attached)
Attachment B:	Supplementary Scope of Services and Fee Schedule
Attachment C:	Original Agreement & 1 <sup>st</sup> Amendment (Not Attached)



August 19, 2025

Josh Hansen and Emily Huth  
Castle Rock Water  
175 Kellogg Court  
Castle Rock, CO 80109

**Re: CRR1 and CRR2 Engineering Services During Construction,  
Extension of Construction Observation and Materials Testing through April 2026**

Dear Mr. Hansen and Ms. Huth,

Per your request, W. W. Wheeler & Associates, Inc. (Wheeler) is pleased to provide this scope of work and fee estimate to the Town of Castle Rock (Town) for continuing engineering services during construction of Castle Rock Reservoir No. 2 (CRR2) and the expansion of Castle Rock Reservoir No. 1 (CRR1). The overall scope of work is described in Wheeler's original proposal dated March 22, 2023 and has not changed substantially. The original project was scheduled for completion in May 2025. The construction schedule, however, has been extended by approximately eleven months, and completion is now anticipated in April 2026.

Wheeler's original proposal assumed a two-year construction period based on the schedule provided in the contractor's initial bid. Due to a variety of reasons, the construction schedule was extended. The contractor's most recent schedule, dated July 22, 2025, indicates project completion in March 2026, with most work being completed prior to 2026. We anticipate some minor punch list work will continue into April 2026. At the time Wheeler prepared our initial construction services proposal, construction completion was anticipated in approximately May 2025. As indicated in the original proposal, Wheeler has little control over the construction schedule. Engineering observation, materials testing, and the design engineer's involvement during construction is required by the Colorado Division of Water Resources, Dam Safety Branch. The scope of work, tasks, and deliverables defined in Wheeler's original construction proposal will generally remain unchanged. However, the additional funding will allow Wheeler to continue providing construction observation and materials testing through March 2026.

The Town has also requested that Wheeler provide post-construction support for the dam and reservoir. This task was not included in Wheeler's original Construction Engineering Services proposal. Wheeler will provide weekly dam safety and instrumentation monitoring at CRR1 and CRR2, for a period of three months following construction. We anticipate this time will be sufficient to achieve the "First Fill" of both reservoirs, after which monitoring and reporting requirements, outlined by the DWR, will be reduced. During this period, Wheeler will also evaluate anomalies or unanticipated conditions that occur at the dam. Following the three-month period, Wheeler will prepare instrumentation data and plots for submittal to the DWR Dam Safety Office. Wheeler also will provide Castle Rock Water staff with monitoring forms, on-site guidance, and support for long-term instrumentation monitoring and reporting and dam safety inspections.

In anticipation of the extended construction schedule, the remaining project contingency of \$105,560 was applied to the engineering services project budget in April 2025. The remaining

contingency funds generally supplemented the construction engineering services budget through June and July 2025. As of August 1, 2025, the remaining project budget for engineering services was \$203,900. A substantial amount of the remaining budget will be required for as-built documentation, a Letter of Map Revision (LOMR) for submittal to FEMA, and dam safety submittals to the DWR.

Wheeler's fee estimate for additional construction observation time was developed on a monthly basis for August 2025 through April 2026. A summary of key tasks from the July construction schedule and Wheeler's anticipated level of onsite involvement for each additional month is presented in Table 1. Hourly assumptions for a full-time month of observation were scaled to the anticipated level of effort for each month. To simplify the estimate, all months were assumed to be four weeks or 28 working days. A summary of the additional construction observation hours is presented in the work breakdown structure, included as Attachment 1. This approach will preserve the existing budget for project closeout.

**Table 1: Key Construction Activities and Anticipated Observation Effort**

<b>Month</b>	<b>Key Construction Activities</b>	<b>Wheeler Effort</b>
Aug-25	Riprap, Bedrock Removal, Fill Structure, Encasement, and steel pipe	100%
Sep-25	Liner, Anchor Curb, Discharge Structure, Gate Houses	100%
Oct-25	Liner, Anchor Curb, Gate Houses	100%
Nov-25	Liner, Fill CRR2 Phase 2, Conduit Banks, Gate Houses	100%
Dec-25	El&C, Conduit Banks	50%
Jan-26	El&C, Dam Safety Instrumentation, Fill CRR1	75%
Feb-26	Reclamation and Cleanup	25%
Mar-26	Reclamation and Punchlist Items	50%
Apr-26	Punchlist Items and Project Closeout	25%

CMT, Wheeler's materials testing subconsultant, is also impacted by the extended schedule. We have assumed CMT will be required approximately half time for the months of August, September, and October, with minimal involvement after October. Apart from CMT, the construction observation budget for Wheeler subconsultants will generally be sufficient to complete the project.

Wheeler is requesting an additional \$382,316 to provide construction observation of CRR1 and CRR2 construction through March of 2026. The current remaining budget of \$203,900 is generally sufficient to fund subconsultants and prepare as-built documentation, it was not considered in the Table 2 Additional Engineering Services Funding Summary. This approach preserves the existing project budget for subconsultants whose services are not schedule dependent and for preparation of as built documentation. Table 2 presents a summary of the additional observation funding and the total funding request.

**Table 2: Additional Engineering Services Funding Summary**

<b>Amount</b>	<b>Notes</b>
\$73,976	Additional Observation - July 2025 (Invoiced)
\$380,000	Additional Observation - August 2025 through April 2025
\$33,900	Post Construction Support
<b>\$487,876</b>	<b>Total Additional Funding</b>
(\$105,560)	Applied Contingency Funding
<b>\$382,316</b>	<b>Additional Funding Request</b>

We look forward to continuing our involvement with this project. Please call if you have any questions or concerns about the costs or services described in this proposal.

Sincerely,

**W. W. Wheeler & Associates, Inc.**



Todd S. Street, P.E., CFM

Attachment 1: Work Breakdown Structure

Draft  
To Be Replaced w/ Contract Amendment

Level 1	Level 2		Staff / Position / Rate					Wheeler Expenses	Subconsultant Fees	Fee Estimate	Rounded plus Contingency
			TSS	STM	ZW	TH	SAA			Sub Total	5.0%
			PM	Project Eng.	Civil	Resident Eng.	Draft				
			Senior Engineer	Associate Engineer	Assistant Engineer	Assistant Engineer	Cadd/Draftsman				
			\$197.00	\$164.00	\$148.00	\$133.00	\$111.00				
Task 3 - Construction Observation	3.1	Full Time Oservation (4 Months - Aug, Sep, Oct, Nov)	256	320	96	640	32	\$3,024	\$37,500	\$246,316	\$258,700
	3.2	75% Observatoin (1 Month - January)	48	48	18	120	6	\$567	\$0	\$37,185	\$39,100
	3.3	50% Observatoin (2 Months - Dec, Mar)	64	80	24	160	8	\$756	\$0	\$52,204	\$54,900
	3.4	25% Observation (2 Month - Feb, Apr)	32	40	12	80	4	\$189	\$0	\$25,913	\$27,300
	Task Totals		400	488	150	2000	50	\$4,536	\$37,500	\$361,618	\$380,000
Task 6 - Post Constructoin Support	6.1	SEO Coordination and Reporting	24	40		24		\$0	\$0	\$14,480	\$15,300
	6.2	Instrumentation & Dam Monitoring (3 Months, weekly visits)	8	8		72				\$12,464	\$13,100
	6.2	CR Operations Montioring Support	2	16		16				\$5,146	\$5,500
	Task Totals		34	64	0	112	0	\$0	\$0	\$32,090	\$33,900
Total Hours			434	552	150	2,112	50				
Cost Summary			\$85,498.00	\$90,528.00	\$22,200.00	\$280,896.00	\$5,550.00	\$4,536	\$37,500	\$393,708	\$413,900

- Notes:
- 1) Task totals are rounded up to nearest \$100 for proposal purposes
  - 2) Actual hours billed per task may vary
  - 3) 36 miles roundtrip between Wheeler office and Project site
  - 4) Assume 8 months (34 weeks) of additional constructoin obs time
  - 5) Change order fees based on 2025 Rates
  - 6) Conduit bank will not require testing
  - 7) Curb concrete will be tested

Full Month Staffing Summary		
Staff	hrs/ week	hrs/month
Todd Street	16	64
Sean Moran	20	80
Zane White	6	24
Tom Haines	40	160
Scott Albiani	2	8



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

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**Item #:** 7. **File #:** WC 2025-081

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**To:** Members of the Castle Rock Water Commission

**From:** Mark Marlowe, P.E., Director of Castle Rock Water  
Lauren Moore, Water Resources Project Manager  
Zuzana Howard, Water Resources Program Analyst

**Resolution Approving the First Amendment to the Spot Water Lease Agreement between the Town of Castle Rock and Central Colorado Water Conservancy District [Chatfield Reservoir, Douglas County]**  
**Town Council Agenda Date:** September 2, 2025

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### Executive Summary

Castle Rock Water is seeking Town Council approval of a resolution (**Attachment A**) to amend the Spot Water Lease Agreement with Central Colorado Water Conservancy District (Central). On January 7, 2025 Town Council approved a spot water lease (**Attachment B**) with Central for 400 acre-feet (AF). Central has since exhausted the 400 AF and wishes to lease additional 600 AF of surplus water stored in Chatfield Reservoir, for a total lease of 1,000 AF in 2025. This will allow Central to increase their storage supplies within Chatfield and have water upon which to make projections for their well pumping augmentation plans. While the Town currently owns 848 AF of storage in Chatfield, the Colorado Water Conservation Board (CWCB) allows for rental of the remaining permitted amount, for a total of 2,000 AF of storage. The Town currently has upwards of 1,985 AF of water stored in the reservoir with additional reusable supplies coming in each day.

If Council approves the amendment to this lease, up to 600 AF of additional water may be released from the Town's Chatfield Reservoir storage account as a book-over into Central's Chatfield Reservoir storage account during 2025. This release may occur between September 3, 2025 and December 31, 2025. The Town will assess a \$110 per AF price for the water. This is Castle Rock Water's lease rate for agricultural uses out of Chatfield Reservoir. Payment will be required within 30 days from requested releases. The potential revenue for this lease amendment is up to \$66,000. The agreement will terminate at the end of 2025.

### Discussion

Castle Rock Water has a strategic goal to strive to maintain sustainable rates and fees, and demonstrate fiscal responsibility, accountability, and transparency. One of the tactics to achieve this goal is to maximize leasing opportunities for idle water rights. Over the past eight years, the Town has generated over \$1.733 million by leasing idle water rights to downstream users (see **Table 1**

below). Until these water rights can be fully utilized by the Town, Staff will continue to seek out users that can put these rights to beneficial use and generate revenue to the benefit of Castle Rock Water's customers.

**Table 1. Revenue generated from leasing idle water rights to downstream users over the past eight years.**

<b>Year</b>	<b>Revenue</b>
2018	\$ 70,699.75
2019	\$ 30,606.65
2020	\$ 29,019.13
2021	\$ 499,449.73
2022	\$ 531,647.81
2023	\$ 214,123.90
2024	\$ 262,490.54
2025	\$ 95,069.29
<b>TOTAL</b>	<b>\$1,733,106.80</b>

The key terms of the 2025 spot water lease agreement amendment are summarized below:

- Central will lease up to an additional 600 AF of water at a rate of \$110/AF;
- Point of delivery measurement will be a book-over at Chatfield Reservoir; and
- The agreement will terminate on December 31, 2025.

As mentioned in the Executive Summary, the Town has been able to store excess supplies in Chatfield Reservoir over the past year, which have exceeded the purchased storage amounts (848 AF). Since the Town does not physically have a way to utilize these excess storage supplies at this point in time, CWCB has developed, and Town Council has approved, a lease agreement with the Town to lease the optioned storage space for \$50/AF. With a current annual lease rate for 1,152 AF (2,000 AF minus 848 AF), the Town will pay the CWCB \$57,600 in 2025. This spot lease with Central would allow the Town to further maximize storage space within the reservoir and will help to cover the annual lease option of storage space with CWCB.

### **Budget Impact**

If Council approves the agreement, Castle Rock Water would potentially receive up to \$66,000 of additional revenue in 2025, for a total lease revenue of up to \$110,000 in 2025. CRW has already received \$44,000 from Central in 2025. The revenue will be deposited into the Water Resources Fund Capital Leases account 211-4375-393.70-00.

### **Staff Recommendation**

Staff recommends approval of the resolution as presented.

### **Proposed Motion**

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

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**Item #: 7. File #: WC 2025-081**

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**Alternative 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).”*

**Attachments**

Attachment A: Resolution (Not Attached)  
Exhibit 1: Amended Agreement - DRAFT  
Attachment B: Original Agreement (Not Attached)

**TOWN OF CASTLE ROCK/CENTRAL COLORADO WATER CONSERVANCY  
DISTRICT  
SPOT WATER LEASE AGREEMENT**

THIS SPOT WATER LEASE AGREEMENT ("Agreement") is entered into January 7, 2025, by and between the Town of Castle Rock, a home rule municipal corporation, acting by and through the Castle Rock Water Enterprise ("Town"), as Lessor, whose address is 100 N. Wilcox Street, Castle Rock, Colorado 80104 and Central Colorado Water Conservancy District ("Central"), as Lessee, whose address is 3209 W 28th St, Greeley, CO 80634, collectively referred to as the Parties.

**RECITALS**

**WHEREAS**, the Town owns certain water in the Chatfield Basin that is reusable and fully consumable after its first use for municipal purposes by the Town. From time to time, a certain amount of this water is surplus to the needs and obligations of the Town ("Surplus Water"); and

**WHEREAS**, the Town anticipates it will have Surplus Water available from time to time in 2025; and

**WHEREAS**, Central desires to lease a certain portion of the Surplus Water from the Town in accordance with the terms and conditions of this Agreement for municipal use.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and Central agree as follows:

1. Water Rights Lease. The Town hereby leases to Central surplus water up to 400 AF total ("Leased Spot Water"), which may be made available as follows:

A. Between January 7, 2025 and December 31, 2025 with no additional water released thereafter.

2. Deliveries.

A. Amount. The Town may have water available within its Chatfield Storage Account to lease up to 400 AF to Central in 2025. The Leased Spot Water will be withdrawn from the Town's Storage Account upon coordination with the Colorado Department of Natural Resources – Division of Water Resources.

B. Location. Release will consist of a book-over from Castle Rock's Chatfield Storage Account into Central's Chatfield Storage Account.

C. Delivery to Central. Central will take delivery of the Leased Spot Water within its Chatfield Storage Account. Deliveries will be made by mutual agreement of the Parties.

D. Accounting. Central must provide the Town with a copy of the water accounting showing the date(s) and quantities of the release of Leased Spot Water. This information will also be used to confirm and update the Town's Chatfield accounting forms.

3. Lease Rate. Leased quantities shall be paid at the rate of \$110.00 per acre-foot. Payment for quantities leased shall be made thirty (30) days following the issuance of an invoice from Castle Rock. The Town shall invoice Central and payment shall be remitted to Castle Rock Water; 175 Kellogg Court; Castle Rock, CO 80129; ATTN: Matt Benak, Water Resources Manager.

4. Quality of Leased Spot Water. Leased Spot Water shall be delivered "as is," but shall be of a quality that meets all standards and effluent limitations specified in Colorado Discharge Permit System Permit No. CO-0038547, as amended, or in any other discharge permit issued by the Water Quality Control Division or by the U.S. EPA authorizing discharges from the Plum Creek Water Reclamation Authority (PCWRA) facility, such quality to be measured at the authorized discharge point(s) specified in any such discharge permit. By entering into this Agreement and utilization of the Leased Spot Water, Central acknowledges that water meeting the requirements of this paragraph is suitable for its purposes and will accept such water as meeting the terms of this Agreement.

5. Lease Term. The term of this Agreement shall commence upon its execution and expire December 31, 2025. By mutual written agreement of the Parties, this Agreement may be renewed on the same or on different terms.

6. Central's Obligations. Central's obligations under this Agreement are limited to making the payments as described in paragraph 3 above.

7. Town's Obligations. The Town shall allow Central to divert, store, use, reuse, and successively reuse to extinction and make all decreed uses of all Leased Spot Water, and shall confirm to Central's satisfaction that all Leased Spot Water is decreed for all such uses and has been recognized and is administered by the Colorado State Engineer for all such uses.

8. Notice. All notices which may be required to be given by either Party to the other shall be made in writing and either hand delivered or sent by first class United States mail, postage prepaid, addressed as follows, or by facsimile, or via electronic means:

If to Town:

Town of Castle Rock (Castle Rock Water)  
Attn: Water Resources Manager (Matt Benak)  
175 Kellogg Court  
Castle Rock, CO 80109

with copy to: Town of Castle Rock  
Attn: Town Attorney (Mike Hyman)  
100 N. Wilcox Street  
Castle Rock, CO 80104

If to Central: Central Water and Sanitation District  
Attn: Randy Ray, Executive Director  
3209 W 28th St  
Greeley, CO 80634

9. Assignment. Central may not assign its rights hereunder without the prior written consent of the Town, which may be withheld in the Town's sole discretion. In the event that the Town consents to an assignment of Central's rights hereunder, the assignee shall execute an assumption agreement with the Town and Central pursuant to which it shall assume Central's obligations hereunder. The terms of such assumption agreement must be approved by the Town.

10. Entire Agreement. This Agreement represents the entire Agreement between the Parties on the matters set forth herein and supersedes all prior negotiations, representations or agreements respecting said matters whether written or oral.

11. Binding Effect. The execution of the Agreement by the Town as Lessor and Central as Lessee constitutes the execution of a binding lease agreement by the Parties on the terms and conditions contained herein and may not be modified except in writing signed by both Parties. This Agreement shall be binding on the Parties' respective successors and assigns.

12. Enforcement. In the event either Party commences any action to enforce the terms and provisions of the Agreement, the prevailing Party shall be entitled to its reasonable attorneys' fees and all costs incurred in connection with such action, including, but not limited to, expert witness fees.

13. Controlling Law. This Agreement shall be governed under, and construed pursuant to the laws of the State of Colorado.

**(signature page to follow)**

LESSOR:

ATTEST:

DocuSigned by:

*Lisa Anderson*

298A8A4E0EE34AF...

Lisa Anderson, Town Clerk



DS

Approved as to form:

DocuSigned by:

*Mike Hyman*

F7347F32A6794D1...

Michael J. Hyman, Town Attorney

TOWN OF CASTLE ROCK

DocuSigned by:

*Jason Gray*

A7938A42F3A848A...

Jason Gray, Mayor

Approved as to content:

Signed by:

*Mark Marlowe*

FEA8D2E051B241D...

Mark Marlowe, Dir. of Castle Rock Water

LESSEE:

Central Water and Sanitation District

By:

*Randy Ray*

Randy Ray, Executive Director

STATE OF COLORADO

)

) ss.

COUNTY OF DOUGLAS

)

The foregoing instrument as acknowledged before me this 13<sup>th</sup> day of January, 2025 by Randy Ray as Exec. Dir of the Central Colorado Water Conservancy District.

Witness my official hand and seal.

My commission expires:

Notary Public

ALISON DONOVAN FORRER  
Notary Public  
State of Colorado  
Notary ID # 20234022964  
My Commission Expires 06-20-2027



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

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**Item #:** 8. **File #:** WC 2025-082

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**To:** Members of the Castle Rock Water Commission

**From:** Mark Marlowe, P.E., Director of Castle Rock Water  
Mark Henderson, P.E., Assistant Director of Castle Rock Water  
Lauren Moore, Water Resources Project Manager

**Resolution Approving an Agreement between the Town of Castle Rock, Castle Pines Metropolitan District, Castle Pines North Metropolitan District, Highlands Ranch Water and Sanitation District, and Dominion Water and Sanitation District, for the Plum Creek Stream Gage [Northwest Douglas County, Colorado]**  
**Town Council Agenda Date:** September 2, 2025

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### Executive Summary

Castle Rock Water is seeking Town Council approval of a Resolution (**Attachment A**) for an Agreement Regarding Plum Creek Stream Gage (Agreement) (see **Exhibit 1**) between Castle Pines Metropolitan District, Castle Pines North Metropolitan District, Highlands Ranch Water and Sanitation District, Dominion Water and Sanitation District, and the Town of Castle Rock. The purpose of this agreement is to collaborate and cost share as needed with nearby entities that have water rights and/or reuse flows in Plum Creek to maintain a functioning stream flow measuring device in order to capture their respective water rights.

Key aspects of the Agreement include:

- Gage ownership based on pro rata share of average daily Plum Creek use
- Cost share for ongoing gage operation and maintenance;
- Cost share for stream channel restoration and on-going maintenance;
- Establishes an operating committee for allocating responsibilities and approving budget; and
- Outlines emergency operation and maintenance procedures.

### Discussion

In an effort to maximize the Town's reusable return flows as well as the water rights of other downstream users of Plum Creek, the Division of Water Resources (DWR) installed a cantilever radar measuring instrument and developed a stage/discharge rating curve to measure streamflow in Plum Creek upstream of Chatfield Reservoir. Prior to the use of this DWR gage, a United States Geological Survey (USGS) gage approximately 1 mile upstream known as the Titan Road Gage has

been the approved, and in some cases, decreed location for determination of available streamflow for diversions at Chatfield Reservoir. For years, this stream section has proven difficult for measurement, particularly in times of low flows. A few years ago, the DWR installed an additional stream gage for better accuracy, now called the Plum Creek Gage Above Chatfield Reservoir (PLUCHACO). The location where the PLUCHACO gage is located has experienced excessive sanding and has recently been disabled indefinitely. In order to get this stream gage functional again, stream channel restoration and gage maintenance must be completed and this Agreement is the first step in the process.

In support of ongoing streamflow monitoring and administration, this Agreement between several water users, including the Town, incorporates provisions for stream channel restoration, ongoing operations and maintenance, as well as a cost-share component. The Agreement will be one of five licenses and/or agreements necessary for the gage to be formally used in water administration. The other remaining agreements will include a license with the U.S. Army Corps of Engineers (USACE), an agreement with Colorado Parks and Wildlife (CPW), an administrative agreement with the Division of Water Resources (DWR), and a contract with a stream channel restorationist to complete stream restoration. Ensuring all agreements are in place is critical for maintaining the ability to claim water rights at the gage, especially during low flows.

### **Budget Impact**

The Agreement Regarding Plum Creek Gage does not directly impact the Water Resources budget but rather establishes the Town's 50% pro rata share in any needed gage or stream channel restoration and ongoing maintenance.

### **Staff Recommendation**

Staff recommends Town Council approve the Plum Creek Gage IGA.

### **Proposed Motion**

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

### **Alternative 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)."*

### **Attachments**

Attachment A:	Resolution (Not Attached)
Exhibit 1:	Agreement - DRAFT

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**Item #: 8. File #: WC 2025-082**

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**AGREEMENT REGARDING PLUM CREEK STREAM GAGE**

1. **PARTIES.** This Agreement (“Agreement”) entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2025 (“Effective Date”), by and between **CASTLE PINES METROPOLITAN DISTRICT; CASTLE PINES NORTH METROPOLITAN DISTRICT; HIGHLANDS RANCH WATER AND SANITATION DISTRICT; DOMINION WATER AND SANITATION DISTRICT; and TOWN OF CASTLE ROCK, ACTING BY AND THROUGH THE CASTLE ROCK WATER ENTERPRISE** (collectively, the “Parties”).

2. **RECITALS**

A. WHEREAS, the Parties generally own and operate water rights and/or carry reusable effluent return flows in Plum Creek in Douglas County, Colorado (“Water”);

B. WHEREAS, the Parties’ respective water court decrees for the Water and/or stream administration by the Division Engineer generally require or will require the Parties to operate a stream flow measuring device on Plum Creek, near the point where Plum Creek is crossed by Titan Road, generally located in the SE  $\frac{1}{4}$  SE  $\frac{1}{4}$ , Sec. 18, T6S, R68W, 6<sup>th</sup> P.M., in Douglas County, Colorado;

C. WHEREAS, in order to record more accurate streamflow measurements, the Colorado Division of Water Resources (CDWR) installed a cantilever radar over existing grade controls within Plum Creek and developed a stage/discharge rating to measure streamflow in the creek at a location that is a short distance north of Titan Road (“Gage”);

D. WHEREAS, the Gage is currently being operated on a temporary basis by CDWR, and additional steps are required to formalize the Parties’ long-term ownership and use of the Gage, as further discussed herein;

E. WHEREAS, among other responsibilities of the Parties, the Gage requires on-going operation, maintenance, repair, and recalibration, and may in the future require replacement, removal, and other capital improvements (“Gage O&M”);

F. WHEREAS, CDWR is willing to donate the Gage to the Parties, in exchange for the Parties’ agreement to perform Gage O&M;

G. WHEREAS, there has been significant sediment deposition in the stream channel of Plum Creek at the Gage’s location (“Stream Channel”) making the Gage incapable of measuring stream flow;

H. WHEREAS, to restore functionality to the Gage, the Stream Channel must be dredged and reconstructed, requiring among other things: Section 404 permitting from the United States Army Corps of Engineer (“USACE”); and design, dredge and re-construction by a qualified stream restorationist (collectively “Stream Channel Restoration”).

I. WHEREAS, after Stream Channel Restoration, among other responsibilities of the Parties, the Stream Channel will require on-going maintenance and repair (“Stream Channel O&M”); and

J. WHEREAS, the Parties have agreed to reimburse or contribute, on a pro-rata basis, towards costs for Gage O&M, Stream Channel Restoration and Stream Channel O&M in accordance with the terms of this Agreement.

NOW THEREFORE, in consideration of the covenants stated herein and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

3. **CONDITIONS PRECEDENT.** This Agreement shall become effective upon the occurrence of all the following conditions precedent:

3.1. The Parties have cooperatively negotiated and executed a license agreement with the USACE ("USACE License") as the owner of a parcel known as State Parcel #2229-200-00-015, in Douglas County, Colorado ("Property") for the purpose of Gage O&M, Stream Channel Restoration and Stream Channel O&M.

3.2. The Parties have cooperatively negotiated and executed an agreement with Colorado Division of Parks and Wildlife, as lessee of the Property, ("CPW Agreement") for the purpose of Gage O&M, Stream Channel Restoration and Stream Channel O&M on the Property.

3.3. The Parties have contracted for the administration of the Gage with the State Engineer to operate and maintain the electronic data recorder and equipment on the Gage ("Administration Contract").

3.4. The Parties have requested and received written confirmation from CDWR that the use of the Gage at its current location will be sufficient to measure streamflow for compliance with any Party's decrees that specify the use of a gage on Plum Creek for determining the legal availability of water.

4. **OWNERSHIP OF THE GAGE.** The Parties own the Gage as undivided co-owners, based upon an estimate of their *pro rata* share of the average daily usage of Plum Creek to convey their respective interests in the Water. The current *pro rata* ownership is as follows:

Castle Rock Water - 50%;  
Highlands Ranch Water and Sanitation District - 26%;  
Castle Pines North Metro District - 11%;  
Castle Pines Metro District - 3%; and  
Dominion Water and Sanitation District - 10%.

(Each Party's *pro rata* ownership interest is generally referred to as its "Pro Rata Interest.") Should any Party's average daily usage of Plum Creek materially change as a result of any change in operations, adding one or more Parties pursuant to paragraph 13, or removing one or more Parties pursuant to paragraph 10, the Parties agree to negotiate in good faith an amendment to this Agreement to adjust the Parties' respective Pro Rata Interest.

5. **RESTORATION, MAINTENANCE AND REPAIR ACTIVITIES.** The Parties shall conduct Gage O&M, Stream Channel Restoration and Stream Channel O&M, such that the Gage measures the stream flow as accurately as is reasonably possible. To the extent possible, the Parties will conduct Gage O&M, Stream Channel Restoration and Stream Channel O&M activities during the non-irrigation season to avoid interference with operation and administration of the Water.
6. **STREAM CHANNEL RESTORATION.** The Parties will cooperatively negotiate and execute an agreement with FlyWater, Inc. or another qualified company to complete the Stream Channel Restoration ("Restoration Contract"). Upon completion of the Stream Channel Restoration, the Parties shall request and receive written confirmation from CDWR that the Gage is accurately measuring streamflow.
7. **OPERATING COMMITTEE.** The Parties will form an Operating Committee. The Operating Committee shall meet once each calendar year, on a date mutually agreed upon by the Parties prior to May 1, to approve Gage O&M and Stream Channel O&M items for the calendar year, allocate Gage O&M and Stream Channel O&M responsibilities, approve a budget, and address other matters that may arise. The Operating Committee may otherwise meet on an *ad hoc* basis as Gage O&M and Stream Channel O&M issues arise. Each Party shall attend Operating Committee meetings via a representative with authority to bind such Party, with each Party having one vote for any decisions made by the Operating Committee. Meetings may be held electronically, if agreed to by all Parties.
8. **EMERGENCY O&M.** In case of an emergency, which is defined as a situation that impacts the ability of the Parties to use the Gage to measure the Water when such Water is required to be measured by the Division Engineer or that presents an immediate threat to the public health or safety, any of the Parties may respond immediately to any Gage O&M and Stream Channel O&M need identified without prior written approval of the other Parties. Such Party will advise the other Parties of the emergency situation and its response as soon as practicable. Such notice may be made by telephone or email but must be followed by a written explanation of the emergency situation and work to the Operating Committee within 48 hours. If a Party performs such emergency work, and such emergency work is subsequently approved by the Operating Committee, each other Party will in accordance with each Party's Pro Rata Interest reimburse the Party that performed the work.
9. **PARTIES' PRO RATA CONTRIBUTIONS TO GAGE.** The Parties agree to contribute funds in accordance with their Pro Rata Interest for all Gage O&M, Stream Channel Restoration and Stream Channel O&M costs and any other costs approved by the Operating Committee and/or contemplated under the terms of this Agreement, inclusive of the costs arising under the Administration Contract, the USACE License Agreement, and any contractor hired to design, permit and construct the Stream Channel Restoration.
10. **TERMINATION BY A PARTY.** A Party may terminate its participation in this Agreement ("Terminating Party") upon 30 days advance written notice to the other Parties. Notwithstanding the foregoing, the Terminating Party will remain obligated to contribute funds pursuant to paragraph 9, above, to the extent necessary to fulfill its remaining financial obligations (if any) through the end of the then-current budget year in which the termination occurred. The Terminating Party agrees that its water rights shall not be administered by the Division Engineer at the Gage following the

end of the then-current budget year. This provision shall be enforceable by the Parties against the Terminating Party.

11. **DECREEES.** The Parties acknowledge that the terms of each Party's water rights decrees may include terms pertaining to measurement and the determination of the legal and physical availability of Water in Plum Creek. Nothing in this Agreement modifies the Parties' water rights decrees. Streamflow in Plum Creek will be allocated pursuant to the Parties' water rights decrees and as administered by the CDWR, without regard to the Parties' Pro Rata Interests set forth in this Agreement.

12. **AGREEMENT TERMINATION.** Except as authorized pursuant to paragraph 10, above, this Agreement may be terminated in writing upon the mutual agreement of the Parties. Any such writing will allocate to the Parties any post-termination rights and obligations associated with the Gage in accordance with each Party's Pro Rata Interest.

13. **ADDITIONAL PARTIES.** The Parties agree to work together in good faith to: 1) obtain contribution from any third party that attempts, requests, or is required to utilize or utilizes the Gage for administration of their water rights on Plum Creek; 2) require all third parties to enter into an addendum to this Agreement setting forth the third party's rights and obligations related to the Gage; and 3) attempt to persuade the Division Engineer to condition its administration of a third party's water rights at the Gage on the third party's participation in this Agreement.

14. **FORCE MAJEURE.** If a flood or other natural disaster or force majeure event renders the Gage inoperable or prevents access to the Gage or Stream Channel, the Parties agree to take steps to mitigate any such damage, including conducting investigations into whether the current site is feasible for reconstruction. In no circumstance will any Party be liable to any other Party for the results of any force majeure event.

15. **WATER COURT PARTICIPATION.** Nothing herein waives any Party's right to fully participate in any water court proceeding of another Party, including any post-decree proceedings, or other proceedings pertaining to the administration of the Water.

16. **COSTS; NO WAIVER.** Each Party agrees to bear its own costs and expenses, including court costs and attorney fees, related to claims arising under this Agreement. The Parties agree that this Agreement will not to be construed as a contractual waiver of any immunities or defenses provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 et seq.

17. **OTHER PROVISIONS.**

a. Unless sooner terminated in accordance with this Agreement, this Agreement and the covenants herein contained shall be perpetual unless this Agreement is modified by Court order or a signed written agreement of the Parties or their successors in title.

b. This Agreement shall be recorded in the real property records of Douglas County, Colorado, and shall be binding on any successors of the Parties to the License Agreement, including any amendments thereto. The failure to record all or portions of the attached

exhibits because of the size of the documents or the recording of a memorandum of this Agreement shall not affect this Agreement.

c. By virtue of entering into this Agreement, the Parties: (1) assume no additional responsibilities or obligations related to Gage, except as may be set forth in this Agreement; and (2) disclaim all liability or responsibility with regard to future or additional acts or activities associated with the Gage, except that each Party shall be responsible for any damages or injury caused by the Party's negligence or intentional acts.

d. Nothing in this Agreement is intended to or shall be deemed to: establish any partnership or joint venture between any of the Parties; make any Party the agent of another Party; or authorize any Party to make or enter into any commitments for or on behalf of any other Party.

e. The Parties agree to execute and deliver such further instruments and to take such further actions as may reasonably be requested by another Party in order to cure any defects in the execution and delivery of documents or to comply with or accomplish the covenants and agreements related to this Agreement.

f. In the event that any Party defaults in the performance of any of the requirements of this Agreement, the non-defaulting Party or Parties shall give the defaulting Party 30 days written notice of such default. If the defaulting Party fails, neglects or refuses for a period of more than 30 days thereafter to cure the default, then the defaulting Party shall not be entitled to measure its water at the Gage or take credit for its water measured at the Gage. Moreover, the non-defaulting Party or Parties, without further notice, may file an action for specific performance or damages or both. In such action, the prevailing Party or Parties shall be entitled to recover their attorneys' fees and costs from the defaulting Party.

g. Any notice required or permitted by this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes upon (1) personal delivery, (2) three business days after the mailing of the same by registered or certified mail, return receipt requested, (3) when delivered (and receipted for) by an overnight delivery service, or (4) when delivered by email with automatic confirmation of receipt, addressed as follows:

**Town of Castle Rock**  
c/o Mark Marlowe  
Director of Castle Rock Water  
175 Kellogg Ct.  
Castle Rock, CO 80109  
Email: [MMarlowe@crgov.com](mailto:MMarlowe@crgov.com)

Copy to:  
Lyons Gaddis  
c/o Madoline Wallace-Gross  
950 Spruce St., Unit 1B  
Louisville, CO 80027  
Email: [mwg@lyonsgaddis.com](mailto:mwg@lyonsgaddis.com)

Town of Castle Rock

Michael Hyman, City Attorney  
100 N. Wilcox  
Castle Rock, CO 80109  
Email: [MHyman@crgov.com](mailto:MHyman@crgov.com)

**Castle Pines Metropolitan District**  
Attn: District Manager  
5880 Country Club Drive  
Castle Rock, CO 80108  
Email: [jshackelford@castlepinesmetro.com](mailto:jshackelford@castlepinesmetro.com)

Copy to:  
Spencer Fane LLP  
Attn: Tom George  
1700 Lincoln St., Suite 2000  
Denver, CO 80203  
Email: [tgeorge@spencerfane.com](mailto:tgeorge@spencerfane.com)

**Castle Pines North Metropolitan District**  
Attn: District Manager  
7404 Yorkshire Dr.  
Castle Pines, CO 80108  
Email: [nathan@cpnmd.org](mailto:nathan@cpnmd.org)

Copy to:  
Seter, Vander Wall & Mielke, P.C.  
7400 E. Orchard Road, Suite 3300  
Greenwood Village, Colorado 80111  
Email: [ppolito@svwpc.com](mailto:ppolito@svwpc.com)

**Dominion Water and Sanitation District**  
Attn: District Manager  
9250 E. Costilla Ave., Suite 400  
Greenwood Village, CO 80112  
Email: [andrea.cole@dominionwsd.com](mailto:andrea.cole@dominionwsd.com)

Copy to:  
Welborn Sullivan Meck & Tooley, P.C.  
Attn: Carolyn Burr  
1401 Lawrence Street, Suite 1800  
Denver, CO 80202  
Email: [cburr@wsmtlaw.com](mailto:cburr@wsmtlaw.com)

**Highlands Ranch Water and Sanitation District**  
c/o Sam Calkins  
General Manager  
62 Plaza Drive  
Highlands Ranch, CO 80129  
Email: [scalkins@cwsdhrmd.org](mailto:scalkins@cwsdhrmd.org)

Copy to:  
Bushong & Holleman PC  
c/o Fritz Holleman  
1966 13<sup>th</sup> Street, Suite 270  
Boulder, CO 80302  
Email: [fholleman@BH-Lawyers.com](mailto:fholleman@BH-Lawyers.com)

h. The waiver by any Party to this Agreement of a breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any Party.

i. This Agreement constitutes the entire agreement between the Parties. It supersedes any prior agreements or understandings between the Parties related to the Gage. This Agreement shall be modified, amended, changed, or terminated, in whole or in part, only by an agreement in writing duly authorized and executed by both Parties.

j. All exhibits referred to in this Agreement are, by reference, incorporated in this Agreement for all purposes.

k. This Agreement may be executed in several counterparts and, as so executed, shall constitute one Agreement, which is binding on all the Parties even though all the Parties have not signed the same counterpart. Any counterpart of this Agreement which has attached to it separate signature pages, which altogether contain the signatures of all the Parties, shall be deemed a fully executed instrument for all purposes.

l. There are no third-party beneficiaries of this Agreement. No third party has any right to enforce this Agreement. In the event of litigation by any third party concerning this Agreement, and to the extent permitted by law, the Parties agree to jointly defend any such third-party action.

m. This Agreement shall never constitute a general obligation or other indebtedness of the Parties, or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the Parties within the meaning of the Constitution, laws of the State of Colorado, or any of the Parties' municipal codes, rules, regulations, or other applicable authorities. Any and all financial obligations of the Parties under and pursuant to this Agreement are subject to prior appropriation of monies expressly made by each Party's respective governing bodies for purposes of this Agreement.

n. Each Party represents that this Agreement has been duly authorized, executed and delivered by the Party and constitutes a valid and legally binding obligation of the Party, enforceable against the Party in accordance with the terms hereof.

o. Nothing contained in this Agreement shall be deemed to waive any of the immunities, protections, limitations or defenses afforded each Party under the Colorado Governmental Immunity Act, as the Act now exists or may hereafter be amended from time to time.

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TOWN OF CASTLE ROCK, ACTING BY AND THROUGH THE CASTLE ROCK WATER ENTERPRISE

By \_\_\_\_\_  
Mark Marlowe

Dated \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Secretary

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CASTLE PINES METROPOLITAN DISTRICT

By \_\_\_\_\_  
President

Dated \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Secretary

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CASTLE PINES NORTH METROPOLITAN DISTRICT

By\_\_\_\_\_

Dated\_\_\_\_\_

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DOMINION WATER AND SANITATION DISTRICT

By \_\_\_\_\_  
\_\_\_\_\_, President

Dated \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

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HIGHLANDS RANCH WATER AND SANITATION DISTRICT

By \_\_\_\_\_  
\_\_\_\_\_, President

Dated \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

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# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

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**Item #:** 9. **File #:** WC 2025-083

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**To:** Members of the Castle Rock Water Commission

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

**Resolution Approving an Intergovernmental Agreement between the Town of Castle Rock and the Plum Creek Water Reclamation Authority for Bond Repayment**  
**Town Council Agenda Date:** September 2, 2025

---

### Executive Summary

Overview of this topic... verbiage goes here

### Proposed Motion

*"I move to recommend to Town Council approval of the Resolution as presented"*

### Attachments

Attachment A  
Attachment B  
Attachment C  
Attachment D



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

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**Item #:** 6. **File #:** WC 2025-084

---

**To:** Members of the Castle Rock Water Commission

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

**Resolution Approving an Amended Agreement between the Town of Castle Rock and Tallgrass to add additional time to Negotiate Phase B**  
**Town Council Agenda Date:** September 16, 2025

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### Executive Summary

This will be an update only item.



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

---

**Item #:** 10. **File #:** WC 2025-085

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**To:** Members of the Castle Rock Water Commission

**From:** Mark Marlowe, P.E., Director of Castle Rock Water  
Nichol Bussey, Business Solutions Manager  
Paul Rementer, Enterprise Fund Analyst

**Rates & Fees Discussion**

**Town Council Agenda Date:** September 16, 2025

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**Executive Summary**

This will be a presentation only item.



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

---

**Item #:** 11. **File #:** WC 2025-086

---

**To:** Members of the Castle Rock Water Commission

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

**Resolution Expressing the Town's Intent to Be Reimbursed for Certain Expenses  
Relating to the Acquisition and/or Construction of Water and/or Wastewater  
Improvements**

**Town Council Agenda Date:** august 19, 2025

---

### **Executive Summary**

Attached is a copy of the Council packet for the above referenced item.

### **Attachments**

Attachment A: Reimbursement Agreement for Bonds



**To:** Honorable Mayor and Members of Town Council

**Through:** David L. Corliss, Town Manager

**From:** Mark Marlowe, P.E., Director of Castle Rock Water  
Nichol Bussey, Business Solutions Manager  
Paul Rementer, Enterprise Fund Analyst

**Title      A Resolution Expressing the Town's Intent to Be Reimbursed for  
Certain Expenses Relating to the Acquisition and/or Construction of  
Water and/or Wastewater Improvements**

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### **Executive Summary**

This resolution authorizes the Town of Castle Rock to declare its official intent to be reimbursed for expenditures made in connection with the acquisition and/or construction of water and wastewater infrastructure prior to the issuance of tax-exempt financing. This is a necessary step under federal tax regulations to preserve the Town's eligibility to reimburse itself from future bond proceeds or other financing instruments.

### **Discussion**

The Town of Castle Rock is pursuing a significant long-term investment in its water and wastewater infrastructure. This investment is being guided by Castle Rock Water's updated capital improvement and financial management plans, which are designed to ensure the Town meets its renewable water goals—75% renewable supplies by 2050 and 100% by 2065.

In order to meet critical project timelines and capitalize on favorable market conditions when they arise, Castle Rock Water anticipates incurring capital costs prior to the completion of formal financing. This resolution satisfies the requirement of Treasury Regulation §1.150-2, which mandates a declaration of official intent to allow for the reimbursement of such expenditures from future tax-exempt bonds or other eligible financing mechanisms.

The total anticipated financing is up to \$56 million, which will be used to support a wide array of utility projects, including:

- Water Infrastructure Supply Efficiency (WISE) desalinization or blending facilities
- Box Elder and Lost Creek pipeline, wells, and treatment infrastructure
- Plum Creek Central Pipeline and Water Purification Facility capacity expansion
- Plum Creek to Rueter Hess Reservoir pipeline and pump station

- Additional capacity in the Rueter Hess Water Purification Facility
- Chatfield Storage Reallocation Project
- Plum Creek Diversion Project upgrade

This resolution does not authorize issuance of debt but ensures compliance with federal tax regulations if reimbursement from future bond proceeds is needed.

### **Budget Impact**

There is no immediate fiscal impact associated with the adoption of this resolution. However, it preserves the Town's ability to reimburse eligible project costs from proceeds of tax-exempt financing at a future date, supporting proactive infrastructure development without jeopardizing bond compliance.

### **Notification and Outreach**

This item will be presented to the Castle Rock Water Commission at their meeting on August 27, 2025, for their recommendation. No additional notification or outreach efforts have been undertaken.

### **Recommendation**

Staff recommends approval of the resolution as introduced.

### **Proposed Motion**

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

### **Alternative 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)."*

### **Attachments**

Attachment A: Resolution

**RESOLUTION NO. 2025-095**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF  
CASTLE ROCK, COLORADO, EXPRESSING THE INTENT OF THE  
TOWN TO BE REIMBURSED FOR CERTAIN EXPENSES RELATING  
TO THE ACQUISITION AND/OR CONSTRUCTION OF CERTAIN  
WATER AND/OR WASTEWATER IMPROVEMENTS**

**WHEREAS**, the Town of Castle Rock, in the County of Douglas and State of Colorado (the “Town”) is a municipal corporation duly organized and existing under the laws of the State of Colorado and in particular under the provisions of Article XX of the Constitution of the State of Colorado and the Town’s Home Rule Charter; and

**WHEREAS**, the members of the Town Council (the “Council”) have been duly elected or appointed and qualified; and

**WHEREAS**, it is the current intent of Town to acquire and/or construct certain capital improvements to the water and/or wastewater systems of the Town (the “Utility Projects”); and

**WHEREAS**, the Town has determined that it is in the best interest of the Town to finance the Utility Projects through a tax-exempt financing which may include the issuance of Water enterprise revenue bonds, or by any other means legally available to the Town; and

**WHEREAS**, the Town has determined that it is necessary to make capital expenditures to acquire and construct the Utility Projects prior to the time that the Town arranges for the specific financing of such Utility Projects; and

**WHEREAS**, it is the Town’s reasonable expectation that when such financing occurs, the capital expenditures will be reimbursed with the proceeds of the financing; and

**WHEREAS**, in order to comply with the provisions of the Internal Revenue Code of 1986, as amended, it is the Town’s desire that this resolution shall constitute the “official intent” of the Board to reimburse such capital expenditures within the meaning of Treasury Regulation §1.150-2.

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

**Section 1.** All action (not inconsistent with the provisions of this resolution) heretofore taken by the Town and the officers, employees and agents of the Town directed toward the tax-exempt financing is hereby ratified, approved and confirmed.

**Section 2.** The Town intends to finance approximately \$56,000,000 to pay the costs of the Utility Projects, including the reimbursement of certain costs incurred by the Town prior to the receipt of any proceeds of a financing, upon terms acceptable to the Town, as authorized in an

ordinance to be hereafter adopted and to take all further action which is necessary or desirable in connection therewith.

**Section 3.** The officers, employees and agents of the Town shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and shall take all action necessary or desirable to finance the Utility Projects and to otherwise carry out the transactions contemplated by this resolution.

**Section 4.** The officers and employees of the Town are hereby authorized and directed to take all action necessary or appropriate to effectuate the provision of this resolution.

**Section 5.** The Town shall not use reimbursed moneys for purposes prohibited by Treasury Regulation §1.150-2(h).

**Section 6.** This resolution is intended to be a declaration of “official intent” to reimburse expenditures within the meaning of Treasury Regulation §1.150-2.

**Section 7.** If any section, paragraph, clause or provision of this resolution shall for any reason be held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

**Section 8.** All acts, orders and resolutions of the Town, and parts thereof, inconsistent with this resolution be, and the same hereby are, repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any act, order or resolution, or part thereof, heretofore repealed.

**Section 9.** This resolution shall be in full force and effect upon its passage and approval.

**PASSED, APPROVED AND ADOPTED** this 19<sup>th</sup> day of August, 2025, 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

\_\_\_\_\_  
Trish Muller, CPA, Finance Director



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

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**Item #:** 12. **File #:** WC 2025-087

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**To:** Members of the Castle Rock Water Commission

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

**Update: Douglas County Water Commission Meeting**  
**Town Council Agenda Date:** NA

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### **Executive Summary**

This will be an update only item.



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 8/27/2025

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**Item #:** 13. **File #:** WC 2025-088

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**To:** Members of the Castle Rock Water Commission

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

**Upcoming Town Council Items**  
**Town Council Agenda Date:** NA

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### **Executive Summary**

This item is an informational update only, and is designed to give Commission a preview of time critical items that may need to go to Council prior to review at a Commission Meeting.

#### ***Items for this month include:***

Resolution Approving a Variance Pursuant to Chapter 9.16.070.E of the Castle Rock Municipal Code for Nighttime Construction Activities Related to the Crowfoot Widening Project [Located off of Crowfoot Valley Drive]