



STAFF REPORT

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Mark Marlowe, P.E., Director of Castle Rock Water
Roy Gallea, P.E., Engineering Manager
Frank N. Main, Project Manager

Title: **Resolution Approving the Third Amendment to the Participation Agreement between the Cherry Creek Basin Water Quality Authority (CCBWQA) and the Town of Castle Rock for the Design and Construction of Stream Reclamation Improvements for McMurdo Gulch** [*Near the intersection of Castle Oaks Drive and Autumn Sage Drive*]

Executive Summary

The purpose of this memo is to request Town Council authorization of a Resolution approving the Third Amendment to the Participation Agreement between the Cherry Creek Basin Water Quality Authority (CCBWQA) and the Town of Castle Rock (Town), for the Design and Construction of Stream Reclamation Improvement for McMurdo Gulch (see **Attachment A**). The Town has partnered with the CCBWQA on a number of projects since 2011 on McMurdo Gulch, with the CCBWQA contributing over \$1,470,000 to date. In 2017, the Town completed a stream assessment of McMurdo Gulch that prioritized areas where McMurdo Gulch needed stream channel improvements. In 2020, the Town and the CCBWQA partnered to complete the Priority 1 improvements under separate agreement from the one being considered in this memo.

The Town entered into this Participation Agreement with the Authority in October 2020 for design of the Priority 2 stream reclamation improvements for McMurdo Gulch, followed by the First Amendment that authorized construction of the Priority 2 Improvements in December 2021. Second Amendment to the Participation Agreement approved June 2022 included a contribution for the design of the Priority 3 Improvements in the amount of \$170,129. This Third Amendment to the Participation Agreement includes a contribution for construction of the Priority 3 Improvements in the amount of \$1,290,347, which includes transfer of the remaining balance of funds from

the Priority 1 and 2 Improvements in the amount of \$251,380 and an additional contribution of \$868,846 (see ***Exhibit 1 of Attachment A***).

Notification and Outreach Efforts

The construction project will follow Town policy regarding public notification.

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

October 20, 2020 - Town Council approved Resolution No. 2020-105 approving the Participation Agreement in the amount of \$34,000 between the Authority and Town for the Design of Stream Reclamation Improvements for the McMurdo Gulch Priority 2 Project.

December 7, 2021 – Town Council approved Resolution No. 2021-113 approving the First Amendment to the Participation Agreement resulting in the Authority contributing \$386,000 for construction of the Priority 2 Project.

June 21, 2022 – Town Council approved Resolution No. 2022-068 approving the Second Amendment to the Participation Agreement resulting in the Authority contributing a total of \$170,121 for design of the Priority 3 Project.

This Third Amendment was presented to the Castle Rock Water (CRW) Commission at their meeting on October 30, 2024, and the CRW Commission voted to recommend Town Council approval at a vote of 6 to 0.

Discussion

McMurdo Gulch is a western tributary to Cherry Creek, extending along the eastern edge of the Town. The entire McMurdo Gulch channel is approximately 6.7 miles long from the headwaters to the confluence with Cherry Creek and encompasses a tributary area of approximately 6.5 square miles. Since 2011, the Town and Authority have partnered on multiple projects on McMurdo Gulch.

The Priority 3 Project is a continuation of the successful phasing of improvements on McMurdo Gulch based on priorities identified in the 2017 Report, (see ***Attachment B***). The Priority 3 Project includes stream channel improvements at the McMurdo Gulch – multiple locations (Reaches 1, 2 and 3) and (Tributaries 5 and 6). The construction is anticipated to begin in December 2024 and be substantially completed by August 2025, weather Permitting.

Under the terms of this agreement, funds will be received following the execution of this agreement amendment, to implement construction of the McMurdo Gulch Stream Reclamation Priority 3 Project. The CCBWQA will participate as an active partner to ensure a jointly agreeable project. CCBWQA Funds will be used to pay 25% of each approved pay application, any funds not spent of the CCBWQA's contribution will be refunded back to the CCBWQA. Funds in excess of this agreement are the responsibility of the Town.

Budget Impact

The Table below provides breakdown of planned funding by sponsors for the McMurdo Gulch Stream Reclamation Priority 3 Project.

Sponsor	Previous Project Contributions	New Funding Contribution 2024	Transfer of leftover funds from McMurdo Priority 1 &2	Total Contribution	Percent Contribution
Developer Contribution	\$225,000	\$1,545,250	-----	\$1,770,250	34%
CCBWQA	\$170,121	\$868,846	\$251,380	\$1,290,347	25%
Town of Castle Rock Stormwater	\$285,362	1,140,696	\$675,345	\$2,101,403	41%
Total Project Cost	\$680,483	\$3,554,792	\$926,725	\$5,162,000	100%

Under this Amendment, the CCBWQA contribution is \$868,846. Also, Town shall transfer the Authority funds held by the Town for the Construction of Priority 1 and 2 Improvements to this Project in the amount of \$251,380. These funds will be credited to the Stormwater Capital Revenue Account No. 212-4475-395.10-00.

Staff Recommendation

Staff recommends Town Council authorization of a Resolution between the CCBWQA and the Town, approving the Third Amendment to the Participation Agreement for Design and Construction of Stream Reclamation Improvements for McMurdo Gulch.

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
Exhibit 1: Agreement