



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
Josh Hansen, P.E., Project Manager Supervisor

Title: **Resolution Approving a Second Amendment to the Services Agreement with W.W. Wheeler for Castle Rock Reservoirs No. 1 & 2 Construction Support Services** *[Sedalia, Colorado]*

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.

Castle Rock Water staff presented this item to the Castle Rock Water Commission at their meeting held on August 27, 2025, and the Castle Rock Water Commission voted unanimously 7 to 0 to recommend Town Council approval of the Resolution as presented.

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 completed. 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.

Project	Account Number	This Authorization
Capital Improvement Prgrm/ 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
Exhibit 1: Second Amendment, Original Agreement and 1st Amendment
Attachment B: Scope of Work