

**THIRD AMENDMENT TO THE AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF CASTLE ROCK
AND DOUGLAS COUNTY FOR THE HIGHWAY 85 WASTEWATER COLLECTION
AND TREATMENT SYSTEM**

THIS THIRD AMENDMENT TO THE AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT (the “Third Amendment”) is made and entered into this 18th day of August, 2026 (“Effective Date”), by and between the Town of Castle Rock, a home rule municipal corporation, acting by and through the Town of Castle Rock Water Enterprise (“Castle Rock”), and the Board of County Commissioners of the County of Douglas (“Douglas County”), (each, individually, a “Party”, and collectively, the “Parties”).

RECITALS:

WHEREAS, Castle Rock and Douglas County entered into an Amended and Restated Intergovernmental Agreement on May 22, 2024 (the “Agreement”) for the design, construction, and operation of the Highway 85 Wastewater Collection and Treatment System the “Project”); and

WHEREAS, Castle Rock and Douglas County entered into a First Amendment to the Amended and Restated Intergovernmental Agreement on July 15, 2025 to fund a potential \$4.8 million shortfall not accounted for in the Agreement that was based on a total expected cost of up to \$18.8 million for the project at the 30% design level; and

WHEREAS, Castle Rock and Douglas County entered into a Second Amendment to the Amended and Restated Intergovernmental Agreement on January 20, 2026 to fund up to a total funding shortfall of \$5,784,296 based on the design-builder’s guaranteed maximum price for the project at \$16,766,642 resulting in a total expected project cost of \$19,784,296 leaving a potential additional \$984,296 shortfall not accounted for in the Agreement for a total funding shortfall of \$5,784,296; and

WHEREAS, the Agreement provides that Douglas County shall commit fourteen million dollars in American Rescue Plan Act funds to the Project; and

WHEREAS, there is not currently a sanitary sewer collection system in the Sedalia area to convey wastewater to the lift station and force main included in the Highway 85 Wastewater Collection and Treatment system, and Castle Rock has developed a preliminary plan for the first phase of a gravity sanitary sewer collection system in Sedalia including a construction cost estimate of approximately \$3,000,000 and design fee bid, including contingency, at \$375,232; and

WHEREAS, Douglas County wishes to fund the design fee bid portion of the proposed initial phase of a sanitary sewer collection system; and

WHEREAS, the Parties agree to incorporate said terms into the Agreement.

NOW, THEREFORE, the Parties, in and for the consideration of the performance of mutual promises set forth herein, the receipt and adequacy of which is hereby acknowledged for

themselves and their successors, wish to memorialize this Amendment as follows.

1. **Definitions.** Terms used in this Amendment, when capitalized, shall have the same meanings assigned to them as set forth in the Agreement.

2. **Amendment to Section 3.A.:** Section 3(A) of the Agreement is hereby amended to add (v) to read as follows:

(v) Douglas County shall provide \$375,232 to Castle Rock to fund the design costs for the first phase of a gravity sanitary sewer collection system in the Sedalia Area. The first phase of the gravity sanitary sewer collection system is estimated at approximately 3,000 linear feet and would run from the north side of Highway 85 to the planned sanitary sewer lift station location. The gravity sanitary sewer would be added to the Castle Rock Managed Project Infrastructure as described in the IGA.

3. **Amendment to Section 6.C.:** Section 6.C. of the Agreement is hereby amended to read as follows:

ARPA Deadlines. Douglas County agrees and acknowledges that it shall obligate the use of ARPA funds for the services performed by Castle Rock under this agreement no later than December 31, 2024. Castle Rock agrees and acknowledges that ARPA funds for which Castle Rock is a subrecipient must be expended by Castle Rock by December 31, 2026, ARPA fund for which Castle Rock is a beneficiary must be expended by Douglas County to Castle Rock by December 31, 2026, and remaining funds characterized as interest earned on ARPA funds can be expended after December 31, 2026.

4. **Ratification.** Except as expressly modified by this Amendment, the Agreement remains in full force and effect. To the extent any conflict arises between this Amendment and the Agreement, the provisions of this Amendment shall prevail.

(Signature pages to follow)

IN WITNESS WHEREOF, the Parties hereby execute this Third Amendment on the date first written above.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director of Castle Rock Water

ATTEST:

Clerk to the Board

DOUGLAS COUNTY

By: _____

Name: _____

Title: _____

APPROVED AS TO FISCAL CONTENT:

Director of Finance

APPROVED AS TO LEGAL FORM:

Sr. Asst. County Attorney