

RESOLUTION NO. 2016-079

A RESOLUTION APPROVING THE CONTRACT FOR PURCHASE AND SALE OF PV, LLC WATER RIGHTS

WHEREAS, PV, LLC and the Town of Castle Rock by and through the Town of Castle Rock Water Enterprise have agreed on the terms of a Purchase and Sale Agreement for approximately 1,000 acre-feet of water rights ("PV LLC Water Rights");

WHEREAS, the acquisition of the PV LLC Water Rights is a key part of a preferred project for development of a renewable water supply, and accordingly the Town has analyzed the feasibility of the project and otherwise undertaken due diligence of the project and its various assets;

WHEREAS, an integral part of the Stillwater/Box Elder project is the identification and purchase of at least 2,500 acre-feet of renewable water rights; and

WHEREAS, based on due diligence, the Town believes the PV LLC Water Rights will provide approximately 1,000 acre-feet of renewable water rights that can be used with the Box Elder project; and

WHEREAS, the price of the PV LLC Water Rights and the expected yield are consistent with the Town's long term water and financial plans.

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

Section 1. Approval. The Contract for Purchase and Sale of Water Rights between the Town of Castle Rock and PV, LLC in the form attached as *Exhibit 1* is hereby approved. The Mayor and other proper Town officials are hereby authorized to execute the Contract by and on behalf of the Town of Castle Rock Water Enterprise. The purchase of the water rights by the Castle Rock Water Enterprise in accordance with the terms of the Contract is approved and the administrative staff is authorized to take all action necessary to close the transaction.

Section 2. Encumbrance and Authorization for Payment. In order to meet the Town's financial obligation under the Contract, the Town Council authorizes the expenditure and payment from the 2016 appropriation account 211-4375-443.77-30 (WRPVWR) in an amount not to exceed \$220,000 in earnest money. Assuming staff is satisfied with the results of due diligence and proceeds to closing, the Town Council authorizes the expenditure and payment from the 2016 appropriation account 211-4375-443.77-30 (WRPVWR) in an amount not to exceed \$11,261,250, as identified below:

PV, LLC (up to)	\$10,725,000
Stillwater Resources (up to five percent brokerage fee)	<u>\$ 536,250</u>
TOTAL (up to)	\$11,261,250

PASSED, APPROVED AND ADOPTED this ____ day of August, 2016, 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

Sally A. Misare Town Clerk

Paul Donahue, Mayor

Approved as to form:

Approved as to content:

Robert J. Slentz, Town Attorney

Mark Marlowe, Utilities Director