

## **RESOLUTION NO. 2019-047**

### **A RESOLUTION APPROVING AGREEMENT FOR PURCHASE AND SALE OF WESTERN PIPELINE AND RIDGEGATE PIPELINE CAPACITY**

**WHEREAS**, the Town of Castle Rock and Denver Southeast Suburban Water & Sanitation District d/b/a Pinery Water & Sanitation District have agreed to enter into an Agreement for Purchase and Sale of Western Pipeline and Ridgeway Pipeline Capacity; and

**WHEREAS**, Pinery and Castle Rock are parties to the South Metro WISE Authority Formation and Organizational Intergovernmental Agreement, (“Organizational Agreement”) the primary purpose of which is to create the South Metro WISE Authority (“Authority”) to facilitate the WISE Project; and

**WHEREAS**, pursuant to Section 14 of the Organizational Agreement, Members of the Authority are authorized to sell and convey their rights in the WISE Project to one or more other Authority Members without restriction; and

**WHEREAS**, the Authority is a party to the Purchase Agreement effective September 18, 2014 (“Purchase Agreement”) for the East Cherry Creek Valley Western Pipeline (the “Western Pipeline”) and the State Land Board Line (the “SLB Pipeline”) which defines assets purchased by the WISE Authority; and

**WHEREAS**, Pinery holds a right to capacity in the Western Pipeline as described in **Exhibit A** attached hereto (“Members Pipeline Capacity”) and desires to sell to Castle Rock a portion of its respective Members Pipeline Capacity in exclusively the Western Pipeline (including appurtenant capacity in the Smoky Hill Tank and other improvements); and

**WHEREAS**, Castle Rock desires to purchase a portion of Pinery’s Members Pipeline Capacity in the Western Pipeline subject to the terms and conditions contained herein; and

**WHEREAS**, Pinery does not intend to sell, and Castle Rock does not intend to purchase, Pinery’s Members Pipeline Capacity in the SLB Pipelines or related appurtenances; and

**WHEREAS**, the Authority is a party to that certain Amended and Restated WISE Partnership-Water Delivery Agreement effective October 21, 2014 (the “WDA”), that certain Agreement for the Operation of Shared Infrastructure (the “OSI”) dated October 21, 2014, that certain Modifications Agreement effective October 21, 2014 (“Mods Agreement”), and other agreements, which collectively set forth the benefits and obligations of Authority Members regarding the Binney Water Purification Facility (the “Binney Plant”) located north of the Aurora Reservoir and the associated Binney Plant Connection; and

**WHEREAS**, as a Member of the Authority, Castle Rock agrees that it has reviewed and is familiar with each and every agreement pertaining to a Member’s benefits and obligations regarding the Binney Plant and Binney Plant Connection, regardless of whether such agreement is specifically identified above (collectively, the “Binney Agreements”); and

**WHEREAS**, Pinery holds a right to capacity in the future Binney Plant and Binney Plant Connection as described in **Exhibit A** attached hereto (“Members Binney Capacity”); and

**WHEREAS**, Castle Rock desires to purchase a portion of the Pinery’s Members Binney Capacity in the Binney Plant and Binney Plant Connection; and

**WHEREAS**, Castle Rock and Pinery are party to the Intergovernmental Water Infrastructure Cost Sharing, Construction and Capacity Allocation Agreement (the “Ridgegate Construction Agreement”) dated June 6, 2016, and other agreements, which collectively set forth the benefits and obligations of Ridgegate Members regarding the Ridgegate Pipeline, collectively, “the Ridgegate Agreements”; and

**WHEREAS**, pursuant to Section 4 of the Ridgegate Construction Agreement, Parties are authorized to sell and convey their rights in the Ridgegate Pipeline to one or more other Parties without restriction; and

**WHEREAS**, Pinery holds a right to capacity in the Ridgegate Pipeline as described in **Exhibit A** attached hereto (“Members Ridgegate Pipeline Capacity”) and desires to sell to Castle Rock a portion of its respective Members Ridgegate Pipeline Capacity in exclusively the Ridgegate Pipeline; and

**WHEREAS**, Castle Rock desires to purchase a portion of the Pinery’s capacity in the Ridgegate Pipeline.

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

**Section 1. Approval.** The Agreement, in the form attached as **Exhibit 1** is hereby approved. The Mayor and other proper Town officials are hereby authorized to execute the Agreement by and on behalf of the Town of Castle Rock, Colorado

**PASSED, APPROVED AND ADOPTED** this 16<sup>th</sup> day of April, 2019 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:**

\_\_\_\_\_  
Robert J. Slentz, Town Attorney

\_\_\_\_\_  
Mark Marlowe, Director of Castle Rock Water