

RESOLUTION NO. 2020-014

A RESOLUTION APPROVING THE CONTRACT FOR PURCHASE AND SALE OF WATER ASSETS AND WATER LINE CAPACITY (LOST CREEK)

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 (“Agreement”) for 455.7 acre-feet of fully exportable and renewable water rights in the Lost Creek Basin (“PV LLC Water Rights”) and 800 gallons per minute of capacity in the Keenesburg Well Water Transmission Line (“Water Line Capacity”); and

WHEREAS, the Town has the sole, exclusive and perpetual right to the Water Line Capacity; and

WHEREAS, PV, LLC desires to purchase the Water Line Capacity in accordance with the terms and conditions of this Agreement; and

WHEREAS, PV, LLC owns the PV LLC Water Rights accessible by certain wells owned by PV, LLC (“PV Wells”), (Well Permit Nos. 31542-FP, 8533-FP, 8534-FP, and 8535-FP). The decreed quantity of the PV Wells is as follows:

Permit No.	Parcel	Average Annual Historical Depletion (AF/yr)
31542-FP	L-1a & b	193.3
8535-FP	A-2	96.9
8533-FP	A-2	84.0
8534-FP	A-2	<u>81.5</u>
	Total	455.7

and

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 prior due diligence, the Town believes the PV LLC Water Rights will provide 455.7 acre-feet of renewable water rights that can be used with the Box Elder project or for direct use in the Town; and

WHEREAS, the purchase of the PV LLC Water Rights would bring Town owned water rights that are in close proximity to the Box Elder wellfield to a total of 2,261 AF; 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 Water Lease 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 4th day of February, 2020, 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