RESOLUTION NO. 2020-___

A RESOLUTION APPROVING THE PURCHASE OF ADDITIONAL CAPACITY IN EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT'S BARR LAKE NORTHERN PIPELINE

WHEREAS, the Town developed a long term renewable Water Resources Strategic Master Plan in 2006 which has been updated in 2010 and 2016 and which identifies how the Town will move from a nonrenewable supply to a 75% renewable supply by 2050; and

WHEREAS, an integral part of the long term renewable Water Resources Strategic Master Plan is imported water also referred to as the Town's Alternative Source of Supply (ASOS) which consists in part of the Box Elder project located north of Denver, CO; and

WHEREAS, an integral part of the Box Elder project is the purchase of at least 2,500 acre-feet of renewable water rights which will require infrastructure capacity of 3 million gallons per day for conveyance to the Town; and

WHEREAS, the Town will need infrastructure in place to convey ASOS water to the Town to be used as part of the Town's renewable and reusable water supply; and

WHEREAS, the South Metro Water Supply Authority of which the Town is a member (SMWSA) and the East Cherry Creek Valley Water and Sanitation District (ECCV), collectively "Parties," entered into the ECCV-SMWSA Barr Lake Pipeline Enlargement Agreement (Agreement) dated as of March 25, 2005 which provided for the oversizing of ECCV's Barr Lake 48 inch water pipeline (Northern Pipeline) and SMWSA's purchase of capacity therein pursuant to certain terms and time frames for contributions by SMWSA set forth in the Agreement; and

WHEREAS, the Town entered into the Agreement of Members of the South Metro Water Supply Authority Regarding the East Cherry Creek Valley Pipeline Enlargement which was fully executed on May 18, 2005 and through which the Town of Castle Rock committed to pay ECCV $1,464,400 for ownership of 1.4 million gallons per day (MGD) of capacity in the Northern Pipeline; and

WHEREAS, on May 31, 2005, the Town sent payment of $1, 464, 000 to ECCV for ownership of Northern Pipeline capacity; and

WHEREAS, SMWSA did not make all payments contemplated under the Agreement; and

WHEREAS, in February 2019, ECCV sent a letter to SMWSA which provided SMWSA with the opportunity to either make final payments to ECCV or forfeit certain capacities in the Northern Pipeline and which included an attachment delineating the capacities each member of SMWSA would either purchase or forfeit totaling 1.428 MGD of which the Town was responsible for 0.5 MGD; and

WHEREAS, on January 1, 2020, the First Amendment to ECCV-SMWSA Barr Lake Pipeline Enlargement Agreement (Agreement Amendment) was fully executed by the Parties; and

WHEREAS, in order for SMWSA to take ownership of the remaining 1.428 MGD of capacity in ECCV's Barr Lake Northern Pipeline, the Agreement Amendment requires SMWSA to pay up to $1,184,673 by March 31, 2020 or forfeit their rights to this capacity;

WHEREAS, the Town intends to purchase all remaining capacity totaling 1.428 MGD for an amount up to $1,184,673 by March 31, 2020 per the terms of the Agreement Amendment.

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

Section 1. Approval. The purchase of additional capacity in East Cherry Creek Valley Water and Sanitation District's Barr Lake Northern Pipeline by the Town of Castle Rock, Colorado is hereby approved.

Section 2. Encumbrance and Authorization for Payment. In order to meet the Towns' financial obligation under this purchase, the Town Council authorizes the expenditure and payment of up to $1,184,673 from expenditure account 211-4375-443.75-46.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 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:

_____
Lisa Anderson, Town Clerk

TOWN OF CASTLE ROCK

_____
Jason Gray, Mayor

Approved as to form:

_____
Robert J. Slentz, Town Attorney

Approved as to content:

_____
Mark Marlowe, Director of Castle Rock Water