



Town of Castle Rock

Agenda Memorandum

Agenda Date: 10/20/2020

Item #: 15. **File #:** TMP 2020-682

To: Honorable Mayor and Members of Town Council

From: Mark Marlowe, P.E., Director of Castle Rock Water

A Resolution Approving the Participation Agreement for Design of Stream Reclamation Improvements for McMurdo Gulch Priority 2 Project between the Cherry Creek Basin Water Quality Authority and the Town of Castle Rock

Executive Summary

The purpose of this memo is to request Town Council authorization of a Resolution Approving the Participation Agreement between the Cherry Creek Basin Water Quality Authority (Authority) and the Town of Castle Rock (Town), for Design of Stream Reclamation Improvements for McMurdo Gulch (see **Attachment 1**). The Town has partnered with the Authority on a number of projects since 2011 on McMurdo Gulch, with the Authority contributing over \$1,050,000 to date. In 2016, through a Services Agreement with Muller Engineering, Inc. (MEC), the Town performed a stream assessment of McMurdo Gulch. The "McMurdo Gulch 2016 Reach Assessment Report" (Report) identified high priority areas where McMurdo Gulch was experiencing degradation. From these high priority areas, the Town has developed a Priority 2 Project to continue the work that has been ongoing since 2011.

In 2019, the Town requested project funding participation from the Authority for design of the Priority 2 Project, based on the 2016 Report. The Authority's mission is to preserve and protect water quality in the Cherry Creek Reservoir and the Cherry Creek Watershed. Stream reclamation efforts such as these support that mission. Therefore, the Authority approved funding of this project as part of the 2020 Capital Improvement Project budget to contribute design phase funding for this Project in the amount of \$60,000. Further development of this project scope and the approval of the Stormwater Bank Loan allowed for the scope of the project to be expanded. The Town went back to the Authority for additional funding and an additional \$15,000 was approved for design. At the same time, the Town requested project funding participation from the Authority for construction phase funding with the expectation that the Authority will budget \$540,000 in their 2021 Capital Improvement Program.

Below is a breakdown of total projected project budgets by funding partner. Construction funding will be included in a future amendment to the Participation Agreement.

Funding Partner	Design (2020)	Construction (Future)	Total Participation
Town	\$225,000	\$1,620,000	\$1,845,000
Authority	\$75,000	\$ 540,000	\$ 615,000
Total	\$300,000	\$2,160,000	\$2,460,000

Discussion

McMurdo Gulch is a western tributary to Cherry Creek, extending along the eastern edge of the Town. The entire McMurdo Gulch channel is approximately 6.7 miles long from the headwaters to the confluence with Cherry Creek and encompasses a tributary area of approximately 6.5 square miles. Since 2011, the Town and Authority have partnered on two projects on McMurdo Gulch. A reclamation plan was implemented in 2011 on McMurdo Gulch by the Town, stabilizing nine improvement reaches along the channel totaling a combined channel improvement length of approximately four thousand lineal feet over 2.8 miles of stream. These nine improvement reaches were separated by healthy and stable segments of stream that had not experienced degradation yet. The project cost approximately \$1.5 million of which the Authority contributed \$630,000. A second project was initiated in 2018 including stream reclamation in three additional locations; a total stream channel length of approximately two thousand feet in length. The project cost approximately \$1.7 million of which the Authority contributed \$420,000. This project is in the final stages of construction at this time.

The Priority 2 Project is a continuation of the successful phasing of improvements on McMurdo Gulch based on priorities identified in the 2016 Report. The Priority 2 improvements include stream reclamation in five locations; a total stream channel length of approximately three thousand seven hundred feet in length (see **Attachment 2**).

The Participation Agreement, attached hereto, was prepared by the Authority's legal counsel and reviewed and approved by the Town's Legal Department. The Authority Board then reviewed and approved for signature the Participation Agreement at their June 18, 2020 meeting.

Under the terms of this agreement, funds will be received following the execution of this agreement to implement preliminary and final design of the Priority 2 Project. The Authority will participate as an active partner to ensure a jointly agreeable design and construction documents estimated to be complete for bidding in Fall 2021. Any funds not spent of the Authority's contribution will be refunded back to the Authority. Funds in excess of this agreement are the responsibility of the Town.

Budget Impact

The Town budgeted \$225,000 for the McMurdo Gulch design in 2020. The Authority agreed to contribute in the amount of \$75,000 for a total design budget of \$300,000. Funds will be credited to the Stormwater Capital Revenue Account No. 212-4475-332.20-00.

<i>Funding Participation</i>	<i>Amount</i>
<i>Town of Castle Rock Budget</i>	<i>\$225,000</i>
<i>Authority Contribution</i>	<i>\$ 75,000</i>
<i>Total Design Budget</i>	<i>\$300,000</i>

Staff Recommendation

Staff recommends executing the Participation Agreement between the Town and the Authority, for the

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McMurdo Gulch Stream Reclamation Project for the Authority's fund contribution of \$75,000.

Proposed Motion

"I move to approve the Resolution as introduced by title."

Attachments

Attachment A:	Resolution
Exhibit 1:	Participation Agreement for Design of Stream Reclamation Improvements for McMurdo Gulch.
Attachment B:	Project Site Map