

RESOLUTION NO. 2021-

A RESOLUTION APPROVING THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF CASTLE ROCK AND THE CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN DISTRICT FOR WATER SERVICE AND IMPROVEMENTS

WHEREAS, the Town of Castle Rock, acting by and through its Water Enterprise (the “Town”), operates an integrated municipal water supply system, providing potable water service within the Town’s corporate limits, and to certain extraterritorial properties; and

WHEREAS, located immediately south of the Town, the Bell Mountain Ranch Subdivisions are provided water service by the BMR Metropolitan District (“BMRMD”); and

WHEREAS, due to the passage of time and changed circumstances, and for the purpose of achieving economies of scale, BMRMD intends to dissolve and transfer its assets, service function, and responsibilities to the Consolidated Bell Mountain Ranch Metropolitan District (“CBMRMD”); and

WHEREAS, concurrent with BMRMD’s dissolution, the Town will acquire from CBMRMD, among other assets, the Denver Basin water rights, water treatment plant, water storage tanks, and distribution system previously owned by BMRMD in exchange for the Town’s perpetual commitment to provide water service to the Bell Mountain Ranch Subdivisions (the BMR Subdivisions”); and

WHEREAS, CBMRMD will pay system development fees to the Town for buy-in to the overall existing Town system as well as renewable water resource fees for development of renewable water supply and for improvements necessary to connect the BMR Subdivisions to the Town’s system, which will be financed by the Town over a 30-year period and at an interest rate of 2.54%; and

WHEREAS, the BMR Subdivisions will receive water service from the Town in the same manner and to the same service level standards as properties within the municipal limits of the Town, subject to a ten percent (10%) extraterritorial surcharge on all fees and charges, including the system development fees and renewable water resource fees; and

WHEREAS, the Town’s provision of water service to the BMR Subdivisions is premised on the Town’s comprehensive water service and management regulations, as the same now exist and may hereafter be amended from time to time, being applicable to and fully enforceable within the BMR Subdivisions; and

WHEREAS, for the purpose of memorializing the terms and conditions of this arrangement, the Town and CBMRMD will enter into an Intergovernmental Agreement for water service and improvements (the “IGA”); and

WHEREAS, it is a principal purpose of this IGA to provide the BMR Subdivisions with a long-term renewable water supply; and

WHEREAS, for that purpose, the Town has purchased 1,000 acre-feet of additional Water Infrastructure Supply Efficiency (“WISE”) renewable water, part of which was previously reserved for other areas of unincorporated Douglas County, which water will be supplied, subject to availability, to help meet the BMR Subdivisions’ annual water demand of approximately 144 acre-feet; and

WHEREAS, Article XIV, Section 18.2(a) of the Colorado Constitution and Section 29-1-203, C.R.S., permit and encourage political subdivisions of the State to make an efficient and effective use of their powers and responsibilities by cooperating and contracting with each other.

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

Section 1. Approval. The IGA between the Town and CBMRMD for water service and improvements in the form attached as ***Exhibit 1*** is hereby approved.

PASSED, APPROVED AND ADOPTED this 2nd day of November, 2021, 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:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director Castle Rock Water