

**SECOND AMENDMENT TO THE AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF CASTLE ROCK
AND DOUGLAS COUNTY FOR THE HIGHWAY 85 WASTEWATER COLLECTION
AND TREATMENT SYSTEM**

THIS SECOND AMENDMENT TO THE AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT (the “Second Amendment”) is made and entered into this 20th day of January, 2026 (“Effective Date”), by and between the Town of Castle Rock, a home rule municipal corporation, acting by and through the Town of Castle Rock Water Enterprise (“Castle Rock”), and the Board of County Commissioners of the County of Douglas (“Douglas County”), (each individually, a “Party”, and collectively, the “Parties”).

RECITALS:

WHEREAS, Castle Rock and Douglas County entered into an Amended and Restated Intergovernmental Agreement on May 22, 2024 (the “Agreement”) for the design, construction, and operation of the Highway 85 Wastewater Collection and Treatment System the “Project”); and

WHEREAS, Castle Rock and Douglas County entered into a First Amendment to the Amended and Restated Intergovernmental Agreement on July 15, 2025 to fund a potential \$4.8 million shortfall not accounted for in the Agreement that was based on a total expected cost of up to \$18.8 million for the project at the 30% design level; and

WHEREAS, the Agreement provides that Douglas County shall commit fourteen million dollars in American Rescue Plan Act funds to the Project; and

WHEREAS, the design-builder for the project has submitted a guaranteed maximum price for the project at \$16,766,642 resulting in a total expected project cost of \$19,784,296 leaving a potential additional \$984,296 shortfall not accounted for in the Agreement for a total funding shortfall of \$5,784,296; and

WHEREAS, Castle Rock wishes to fund the shortfall under specific terms related to reimbursement, interest, and surcharges on system development fees; and

WHEREAS, the Parties agree to incorporate said terms into the Agreement.

NOW, THEREFORE, the Parties, in and for the consideration of the performance of mutual promises set forth herein, the receipt and adequacy of which is hereby acknowledged for themselves and their successors, wish to memorialize this Amendment as follows:

1. **Definitions.** Terms used in this Amendment, when capitalized, shall have the same meanings assigned to them as set forth in the Agreement.

2. **Amendment.** Section 3(A)(ii) of the Agreement is hereby amended to read as follows:

(ii) **Funding Shortfall Commitment.** Castle Rock shall pay up to a maximum of five million, seven-hundred, eighty-four thousand, two hundred and ninety-six dollars (\$5,784,296) beyond the \$14 million in ARPA funding to complete final design and construction (the “Funding Shortfall Payment”). The Funding Shortfall Payment shall be reimbursed to Castle Rock as detailed herein. Any portion of the Funding Shortfall Payment not reimbursed to Castle Rock shall accrue interest at a rate of 5% per year (“Accrued Interest”).

3. **Ratification.** Except as expressly modified by this Amendment, the Agreement remains in full force and effect. To the extent any conflict arises between this Amendment and the Agreement, the provisions of this Amendment shall prevail.

(Signature pages to follow)

IN WITNESS WHEREOF, the parties hereby execute this Second Amendment on the date first written above.

ATTEST:

DocuSigned by:
Lisa Anderson
298A8A4EDEF34F...
Lisa Anderson, Town Clerk



TOWN OF CASTLE ROCK

DocuSigned by:
Jason Gray
A7938A42F3A848A...
Jason Gray, Mayor

Approved as to form:

DocuSigned by:
Mike Hyman
F7347F32A6794D1...
Michael J. Hyman, Town Attorney

Approved as to content:

Signed by:
Mark Marlowe
FEA6D2E651B241D...
Mark Marlowe, Director of Castle Rock Water

ATTEST:

Clerk to the Board

DOUGLAS COUNTY

By: _____

Name: _____

Title: _____

APPROVED AS TO FISCAL CONTENT:

Director of Finance

APPROVED AS TO LEGAL FORM:

Sr. Asst. County Attorney