



Legislation Details (With Text)

File #: 17-181 **Version:** 1 **Name:**
Type: Consent Agenda **Status:** Agenda Ready
File created: 4/18/2017 **In control:** Town Council
On agenda: 7/25/2017 **Final action:**
Title: A Resolution to Enter Into the Second Amendment to Fifth Interim Agreement with the Northern Colorado Water Conservancy District for Participation in the Windy Gap Firing Project (Fifth Phase);
Sponsors:
Indexes:
Code sections:
Attachments: 1. Second Amendment to Fifth Interim Agreement 4.14.17, 2. Resolution

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

SUBJECT: CONSENT

Consideration Of A Resolution to Enter Into the Second Amendment to Fifth Interim Agreement with the Northern Colorado Water Conservancy District for Participation in the Windy Gap Firing Project (Fifth Phase); And Setting Forth Details In Relation Thereto.

DEPARTMENT: Public Works

PRESENTER: Gary Behlen, Public Works Director

FISCAL INFORMATION:

Cost as Recommended: \$621,880.00
Balance Available: \$826,100.00
Budget Line Item Number: 500-70-110-605000-100005
New Appropriation Required: No

STAFF RECOMMENDATION: Approve Resolution approving said amendment, authorizing the Town Administrator to execute said amendment, and authorizing Staff to expend funds.

SUMMARY AND BACKGROUND OF SUBJECT MATTER: The Board of Trustees previously approved agreements with the Municipal Sub-District, Northern Colorado Water Conservancy District on July 23, 2002, February 11, 2003, August 10, 2004, January 24, 2006, December 11, 2007, June 9, 2009, June 22, 2010, January 10, 2012, August 28, 2012, March 25, 2014, October 28, 2014 and January 12, 2016 to participate in the Windy Gap Firing Project (WGFP). The Town of Erie owns 14 units of Windy Gap water and has planned to purchase up to an additional 6 units. The Town of Erie has been successful in locating the additional 6 Units, and will be presenting an Agreement to the Board to acquire those 6 additional Units in the near future.

Windy Gap water is desirable for the Town of Erie because the water is fully consumable (available for total

consumptive use, reuse, sale of effluent, etc.) and because it is deliverable through the existing Northern Colorado Water Conservancy District (NCWCD) Southern Water Supply Pipeline Project and the Town of Erie's pipeline. The WGFP has always been contemplated as a component of the Windy Gap Project and there are 13 participants in the WGFP. The WGFP is necessary in order to provide additional storage to firm the annual yield of the Windy Gap water rights.

The first, second, third and fourth phases of the WGFP are complete. The work completed to date includes preliminary studies to evaluate potential reservoir sites, engineering and environmental studies, alternatives analysis, completion of the Draft Environmental Impact Statement (DEIS) and the Final Environmental Impact Statement (FEIS), issuance of a 1041 Permit from Grand County, a new Carriage Agreement with the US Bureau of Reclamation (BUREC) and the issuance of a Record of Decision by BUREC. The work on the fifth phase of the Project in 2017 consists of remaining environmental and permitting tasks, detailed engineering design including preparation of plans and specifications for contractor procurement, additional land acquisition and implementation of required mitigation and enhancement measures. The Chimney Hollow Reservoir site for the WGFP was acquired in 2004 for approximately \$4,000,000, and construction is scheduled to commence in 2018.

Erie's pro rata share of the continuation of work will total \$621,880 in 2017. This cost is actually less than was previously anticipated because Erie's pro-rata share of future costs has decreased. The WGFP is permitted for 90,000 acre feet, but only 86,180 acre feet were subscribed until approximately 30 days ago. Erie's participation level sufficient to firm-up 20 Windy Gap Units is 6,000 acre feet, which it has subscribed to since the inception of the project. Erie's pro-rata share of the unsubscribed storage is an additional 301 acre feet and Erie has allocated it to the entity which will sell the 6 additional Windy Gap Units to Erie, as part of the consideration for those Units. Erie will continue to save money by not subscribing to the additional capacity as the Project moves forward. However, in the event that the purchase of the Windy Gap Units is not completed, that storage capacity would again be available to Erie.

Staff recommends the Board of Trustees authorize the Second Amendment to the Fifth Interim Agreement with the Municipal Sub-District, Northern Colorado Water Conservancy District, acting by and through its Windy Gap Firming Project Water Activity Enterprise, which commits the Town of Erie, acting by and through its Erie Water Activity Enterprise, to contribute a total of \$621,880, for continued participation in Phase Five of the Windy Gap Firming Project.

ATTACHMENTS:

a. Second Amendment to Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise, and the Town of Erie, acting by and through its Erie Water Activity Enterprise