



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Town Council

Board Meeting Date: 6/23/2020

File #: 19-510, Version: 1

SUBJECT: CONSENT AGENDA

A Resolution of the Board of Trustees of the Town of Erie Approving a Consent Agreement with the Southern Water Supply Project Participants and the Southern Water Supply Project Water Activity Enterprise

DEPARTMENT: Public Works

PRESENTER: Todd Fessenden, Public Works Director

FISCAL INFORMATION:

Cost as Recommended:	\$75,000
Balance Available:	\$5,185,000
Budget Line Item Number:	500-70-110-605000-100228
New Appropriation Required:	No

STAFF RECOMMENDATION:

Approve the Resolution

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

At the March 13, 2018 Board of Trustees meeting a Consultant Contract was awarded for the design of the Zone 3 Waterline Improvements Phase 2. The design is complete and easements are now needed prior to bidding the project. One of the pipeline segment alignments is within an existing Southern Water Supply Project (SWSP) Easement which is owned and operated by Northern Colorado Water Conservancy District (NCWCD). The existing pipeline within this easement provides water directly to Erie's Water Treatment Facility and the City of Broomfield.

The Town entered into an allotment contract in January 1994 with the NCWCD for capacity in the pipeline. As part of the contract, any use of the easement by other utilities will be reimbursed to the entities benefiting from the pipeline at the original cost of the easement with an interest rate of 9% from the date of acquisition to the date of conveyance. This puts the cost of utilizing the easement at over \$190,000 if the rate is compounded or \$75,000 if the rate is not compounded. Town staff approached Broomfield with the suggestion that the rate be non-compounded as this was not clear in the original agreement and Broomfield agreed, if supported by a land valuation which we performed with Western Land Group. We also agreed to extend the same interpretation to Broomfield in the future should they desire to work out a similar deal with Erie. Town Water Counsel Vranesh and Raisch coordinated with NCWCD to engage SWSP Partners at NCWCD Counsel's request, which resulted in the attached agreement.

Board Goal: This serves the Board's goal for Infrastructure - Fund and provide essential infrastructure that corresponds with the planned rate of growth.

ATTACHMENTS:

a. Resolution

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b. Consent Agreement

c. Allotment Contract from 1994