



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Town Council

Board Meeting Date: 1/12/2021

File #: 20-596, Version: 1

SUBJECT: CONSENT AGENDA

A Resolution of the Board of Trustees of the Town of Erie Approving the Seventeenth Interim Agreement Between the Northern Colorado Water Conservancy District, Through its Northern Integrated Supply Project Water Activity Enterprise and the Town of Erie, Acting By and Through its Erie Water Activity Enterprise

DEPARTMENT: Public Works

PRESENTER: Todd Fessenden, Public Works Director

FISCAL SUMMARY:

Cost as Recommended:	\$2,372,500
Balance Available:	\$2,272,500
Budget Line Item Number:	500-70-110-603500-100007
New Appropriation Required:	No

STAFF RECOMMENDATION:

Approve the Resolution approving the Town to enter into the Seventeenth Interim Agreement for Participation in the Northern Integrated Supply Project.

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

The Board of Trustees previously approved numerous agreements with the Northern Colorado Water Conservancy District, acting by and through its Northern Colorado Water Conservancy District Northern Integrated Supply Project Water Activity Enterprise, (NCWCD) to participate in the Northern Integrated Supply Project (NISP or the Project). The Town of Erie, acting by and through its Erie Water Activity Enterprise, (Erie) is participating in the Project for a permitted firm yield of 6,500-acre feet per year of water for future water demands. At this time, NCWCD has requested that each participant in NISP enter into a Seventeenth Interim Agreement for Participation in NISP (Agreement) to continue its participation into 2021 and to provide funds in support of the Project in 2021, as discussed in more detail below. The proposed Agreement between Erie and NCWCD is attached hereto, and the Project participants' financial contributions for 2021 are listed in Exhibit B to the Agreement. Estimated financial contributions for years 2022 and 2023 also are shown on Exhibit B; however, the Participants are not providing those contributions this year, and they do not require approval by Erie at this time.

As background, NISP is a water project coordinated by NCWCD to develop additional water resources for 15 participant water providers within northern Colorado. Erie has participated in this group for the past 17 years to cooperatively pursue the project. NISP is intended to provide a new water supply to meet part of the Town's anticipated future water demands, and it is an important project necessary to meet those demands.

NISP is very substantial project consisting of 2 large reservoirs and all related facilities. Numerous phases of NISP have been completed to date. Most of the work to date has been completed to comply with the National Environmental Policy Act (NEPA), to develop a plan to meet State mitigation requirements, and to commence design work and geotechnical investigations. The phases of the Project are summarized below:

- Phase 1 investigated Poudre River and South Platte River water rights and potential reservoir sites in the Poudre Basin.
- Phase 2 consisted of additional reservoir site investigations, alternatives analyses, environmental studies, and financial analyses.
- Phase 3 has commenced and is continuing with the permitting activities with the U.S. Army Corps of Engineers and other agencies, in addition to other NEPA compliance activities.
- Phase 3A (2010 - present) consists of additional time for the same activities in Phase 3 and, thus far, has resulted in the issuance of the Final Environmental Impact Statement (FEIS) and State of Colorado approval of a fish and wildlife mitigation and enhancement plan.
- Phase 4 consisted of the preliminary design and the first phase of geotechnical investigation for the Glade Reservoir, the largest reservoir in the project, and has been completed.
- Phase 5 will consist of the second phase of geotechnical investigation and embankment design advancement for Glade Reservoir, 30% design for the Highway 287 relocation, and completion of the Galeton Dam preliminary design.
- Phase 6 will consist of continuing the refinement of the conveyance and delivery system, negotiations concerning the South Platte Water Conservation Project, which consists primarily of Galeton Reservoir, land and easement definition and potential purchase, and potential advancement of time-sensitive mitigation activities. The conveyance system is of particular importance to Erie.
- Phase 7 will involve the development of a NISP Allotment Contract for all the Participants, financial planning for the Project, legal defense of the Project permits, and overall Project administration.

It should be noted that NCWCD recently obtained 1041 approval for the Project from Larimer County and 401 Certification for water quality from the State.

Erie staff, in coordination with water resources and legal consultation, has determined that NISP has the potential to provide up to 6,500 acre-feet of firm annual water yield to partially meet Erie's projected, ultimate raw water demand. NISP provides a good opportunity to acquire a large portion of Erie's future water supply and flexibility within the NCWCD system with Erie's CBT and Windy Gap

Units. A portion of water from NISP could possibly be delivered to Erie through the same facilities that currently deliver CBT and Windy Gap water from Carter Lake to Erie, eliminating the need for separate facilities for that portion of the water delivery. The Town has also met with NCWCD staff numerous times to discuss participation in a new conveyance system.

Fiscal Impact:

The Agreement would commit Erie to contribute a total of \$2,372,500 for its continued participation in Phases 3A, 5, 6, and 7 of NISP in 2021. If authorized, the funds would be due to NCWCD by January 15, 2021.

Board Priority(s) Addressed:

- ✓ Prosperous Economy
- ✓ Safe and Healthy Community
- ✓ Environmentally Sustainable

ATTACHMENTS:

1. Resolution
2. Agreement