

CASTLE ROCK WATER

**RESOLUTION:
APPROVING THE PURCHASE OF ADDITIONAL
CAPACITY IN EAST CHERRY CREEK VALLEY
WATER AND SANITATION DISTRICT'S BARR LAKE
NORTHERN PIPELINE**

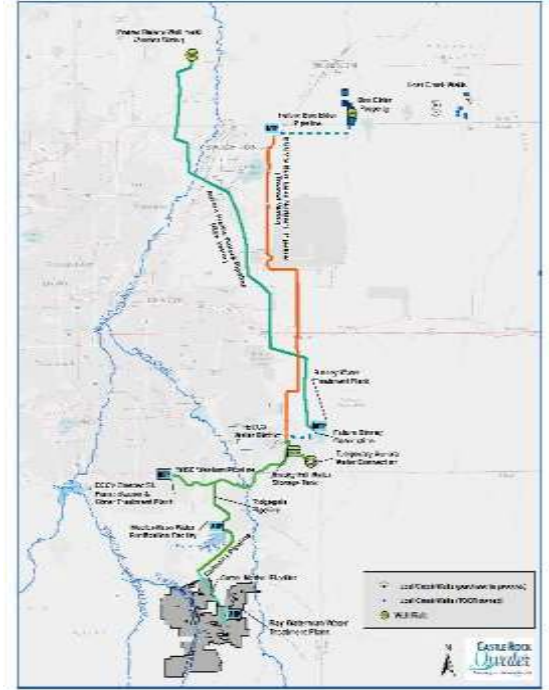
JULY 7, 2020



NORTHERN PIPELINE CAPACITY PURCHASE

BACKGROUND

- In early 2000's, two pipelines were considered to convey WISE water
 - Aurora's Prairie Water's Project Pipeline
 - ECCV's Barr Lake Northern Pipeline
- Town paid \$1.4 M to ECCV in 2005 for 1.4 MGD capacity in Northern Pipeline
 - Per Agreement, additional funds were due by SMWSA but never paid
 - Town's capacity reduced
- ECCV recently requested a true-up by March 31, 2020
 - Except for the Town, no participants interested in true-up
 - Extended to June 30 and then to July 31



General Location Map

NORTHERN PIPELINE CAPACITY PURCHASE

UPDATE

- Staff learned the Purchase Volume differed from what was presented to Town Council on March 17, 2020
- ECCV has agreed to an extension of the payment deadline to July 31, 2020

COMPARISON					
	Town Current Ownership (MGD)	Purchase Volume (MGD)	Purchase Amount (\$)	Ownership After Purchase (MGD)	Capacity Remaining to Purchase (MGD)
March 2020 Understanding	0.9	1.428	\$ 1,184,673.00	2.328	0.672
1 st Amendment & June 2020 Invoice	1.079	0.913	\$ 1,184,673.22	1.992	1.008

General Location Map

NORTHERN PIPELINE CAPACITY PURCHASE

DISCUSSION

- By 2030, the Town will want to convey 3 MGD from Northern Supplies (Box Elder)
- Town currently owns 1.079 MGD of capacity
 - Could increase to 1.992 MGD with purchase
- Benefits
 - Close proximity to Northern Supplies
 - Currently available at reduced cost



General Location Map



Typical irrigation well in the Lost Creek Basin

NORTHERN PIPELINE CAPACITY PURCHASE

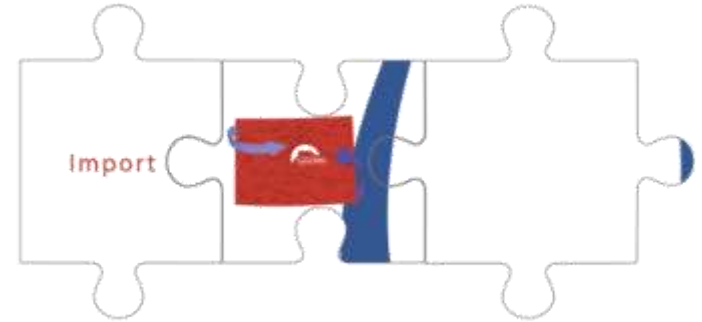
BUDGET & SCHEDULE

Costs

- Maximum cost of \$1,184,673.22 for 0.913 MGD additional capacity in 2020
 - \$1.3 M per MGD
 - Budgeted \$2.9 M for purchase in 2029 (\$1.8 M per MGD)
 - Equivalent new pipeline for this capacity in the tens of millions of dollars

Schedule

- Payment due to SMWSA for payment to ECCV by July31, 2020
- Remaining 1.008 MGD can be purchased at later date



RECOMMENDATIONS

- Staff
- **Questions?**





THANK YOU

I MOVE TO APPROVE RESOLUTION NO. 2020-060
APPROVING THE PURCHASE OF ADDITIONAL CAPACITY
IN EAST CHERRY CREEK VALLEY WATER AND
SANITATION DISTRICT'S BARR LAKE NORTHERN
PIPELINE.