

RESOLUTION #R-_____

A RESOLUTION DIRECTING LOVELAND WATER AND POWER DEPARTMENT TO PURSUE NEGOTIATIONS FOR AN INCREASE IN THE CITY OF LOVELAND'S PARTICIPATION IN THE WINDY GAP PROJECT FROM 7,000 ACRE-FEET TO UP TO 9,000 ACRE-FEET OF STORAGE

WHEREAS, since the 1970's, the City of Loveland has been a participant in the Windy Gap Project, which is managed by the Municipal Subdistrict of the Northern Colorado Water Conservancy District ("Subdistrict"); and

WHEREAS, the City owns 40 units, which represent raw water, in the Windy Gap project; and

WHEREAS, the Windy Gap Project water rights are junior, and won't supply water during drought without storage; and

WHEREAS, on March 4, 2005 by Resolution #R-26-2005, the City specified a need for 6,000 acre-feet of storage in the Windy Gap Project; and

WHEREAS, on May 6, 2008 by Resolution #R-50-2008, the Council directed Loveland Water and Power Department staff to pursue negotiations for an increase in the City's participation in the Windy Gap Firming Project by up to 2,000 acre-feet, for a total of up to 8,000 acre-feet of storage; and

WHEREAS, on June 24, 2008 by Resolution #R-67-2008, the Council directed Loveland Water and Power Department staff to pursue negotiations for an increase in the City of Loveland's participation in the Windy Gap Firming Project by up to 2,400 acre-feet, for a total of up to 8,400 acre-feet of storage; and

WHEREAS, the storage acquisition opportunities potentially available in the spring and summer of 2008 were 1,000 acre-feet from Platte River Power Authority ("PRPA") and 1,400 acre-feet from the City of Lafayette. The 1,000 acre-foot acquisition from PRPA was completed, but negotiations on the 1,400 acre-feet from the City of Lafayette were not successful, which resulted in the current storage of 7,000 acre-feet.

WHEREAS, the City Council continues to support the opportunity to increase the firm yield of the City's water portfolio and to increase the total participation in the Windy Gap Project up to 9,000 acre feet of storage from the current level of 7,000 acre-feet; and

WHEREAS, if the City were to be successful in the acquisition of the aforementioned 2,000 acre-feet, said acquisition would require payment to the Subdistrict in the amount of \$319,702 through an addendum to the March 1, 2016 *Fifth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and City of Loveland for Participation in the Windy Gap Firming Project*; and

WHEREAS, the cost of acquisition is within the current 2016 Water and Power

Department Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That Loveland Water and Power Department staff are hereby directed to pursue negotiations for an increase in the City of Loveland's participation in the Windy Gap Firming Project from 7,000 acre-feet to 9,000 acre-feet of storage.

Section 2. That this Resolution shall take effect as of the date and time of its adoption.

ADOPTED this _____ day of _____, 2016.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Assistant City Attorney