



## MEMORANDUM

7/5/2017

---

**TO:** BOARD OF DIRECTORS, CRWCD ENTERPRISE  
ERIC KUHN, GENERAL MANAGER  
PETER FLEMING, ESQ.

**FROM:** JOHN CURRIER, P.E. CHIEF ENGINEER

**SUBJECT:** EPRC AND ERMOU PROJECT STATUS

---

*Board Action Requested.* It is requested that the Board ratify John Currier's election to the Eagle Park Reservoir Company Board of Directors as the River District's director.

*This memorandum also provides a brief update on activities of the ERMOU parties since January.*

### EAGLE PARK RESERVOIR COMPANY BOARD OF DIRECTORS

The Eagle Park Reservoir Company elects seven directors each June at its annual shareholder meeting. There are three at-large directors while four represent the major shareholders; Vail Associates, Upper Eagle Regional Water Authority, Eagle River Water and Sanitation District, and the River District. Eric Kuhn has been the River District director since the company's formation. With Eric's impending retirement John was elected as his replacement for the 2017 – 2018 fiscal year, subject to ratification by River District Enterprise Board of Directors. It is requested that the Board ratify John's election to the EPRC Board of Directors.

### EAGLE RIVER MOU STATUS

#### Background

An extensive history of the Homestake Project from the early 1950s up through the current investigations was presented to the Board at the January Board meeting and briefly recapped here.

In the wake of the failed Homestake II project and as an outcome of the early '90s Eagle River Assembly process, the 1998 Eagle River MOU laid the framework for developing a cooperative East Slope – West Slope water project in the headwaters of the Eagle River. The objective statement in the MOU best states the goal:

*“Develop a joint use water project in [sic] Upper Eagle River basin that minimizes environmental impacts, is cost effective, technically feasible, can be permitted by local, state*

*and federal agencies, and provides sufficient yield to meet the water requirements of project participants and hereinafter defined.”*

The contemplated yield defined in the MOU is:

- 10,000 AF of firm dry year yield for the West Slope
- 20,000 AF of average annual yield for Aurora and Colorado Springs
- 3,000 AF of storage space for Climax

In 2016 reconnaissance level investigations were conducted for a Homestake Creek based alternative (a/k/a Whitney Creek alternative) and an Eagle River based alternative (a/k/a Eagle Park Reservoir Enlargement). These investigations have been conducted on 25% cost share basis; 25% River District, 25% Eagle Park Reservoir Company, 25% Climax, and 25% Homestake Partners.

### **Progress since January**

Progress since January can be characterized as “procedural”. The parties have committed to meet on a monthly basis and are working through issues that are important to resolve before a project can move forward. Some of these items are:

- Determining an appropriate cost share mechanism for future investigations. This is a work in progress and is not as easy as it sounds. The ERMOU contemplates allocating investigation costs pro-rata on the yield desired from a project(s). Thus, determining a cost allocation requires a frank discussion of the yield the various parties hope to develop. The River District has been pushing for this discussion for at least a year and it is now taking place.
- Starting to evaluate what an Education and Outreach program would look like and how best to implement such a program.
- Exploring developing a legal entity, such as a water authority, to streamline future contracting and investigations.
- Exploring “out-of-the-box” project alternatives to those currently or recently investigated.

All these items are in progress, none are complete. As these discussions among the ERMOU parties continue and evolve we will keep you apprised.