



**MEMORANDUM**  
**JANUARY 3, 2018**

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**TO:** BOARD OF DIRECTORS  
ANDY MUELLER  
ERIC KUHN  
PETER FLEMING

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

**SUBJECT:** 1998 EAGLE RIVER MOU PROJECT STATUS

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**NO ACTION REQUESTED:** For Discussion and Board Direction

**STRATEGIC INITIATIVE(S):** 7. Water Needs/Project Development  
8. Colorado's Water Plan  
12. Financial Sustainability

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2017 was a relatively quiet year for ERMOU Project investigations. 2018 is starting off at a much more rapid pace with significant, sensitive MOU matters under negotiation. The Board may wish to address these matters subject to negotiation in executive session.

Between the date of this memorandum and the January Board meeting two meetings are scheduled, one with all the ERMOU parties and one with the combined Eagle River Water and Sanitation District (ERWSD) and Upper Eagle Regional Water Authority (UERWA). We will report any additional information from those meetings

### **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 2017 Board meeting and is 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,*

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*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 were conducted on 25% cost share basis; 25% River District, 25% Eagle Park Reservoir Company, 25% Climax, and 25% Homestake Partners

### **Progress in 2017**

Progress in 2017 could be characterized as “procedural”. The parties committed to meet on a monthly basis and begin working through issues that are important to resolve before a project can move forward. Some of these items were:

- Determining an appropriate cost share mechanism as ERMOU investigations become focused a specific project(s) and specific participant participation. Consistent with the ERMOU, the parties agreed that future investigations, permitting, design and ultimately construction will be conducted on a pro-rata basis based on a participants anticipated yield from a project(s).
- The West Slope parties to the MOU determined that they would be satisfied with an additional 2,000 A-F of yield (over and above the 2,000± A-F of yield developed by reclamation and development of Eagle Park Reservoir which was the Phase 1 ERMOU project). The Homestake Partners (Colorado Springs and Aurora) continue to be committed to developing the full 20,000 AF of average annual yield contemplated in the MOU.
- 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.