WORK SESSION AGENDA

March 4, 2014

6:00 p.m.

Council Chambers – 1100 37th Street

CITY OF EVANS – MISSION STATEMENT

"To deliver sustainable, citizen-driven services for the health, safety, and welfare of the community."

1. Snow Removal Update (if necessary)
2. Windy Gap Firming & Northern Integrated Supply Project (NISP) Update (60 mins)
3. Update on the April 8, 2013 Municipal Election (10 mins)
4. Council Discussion

City of Evans, Colorado

Subject:	Windy Gap Firming Project
From:	Utilities Fund Task Force (John Morris, Brian Rudy, Aden Hogan, Jessica Gonifas, Sheryl Trent, Kristan Williams, Dallas Everhart, Fred Starr)
Date:	January 21, 2014

Description

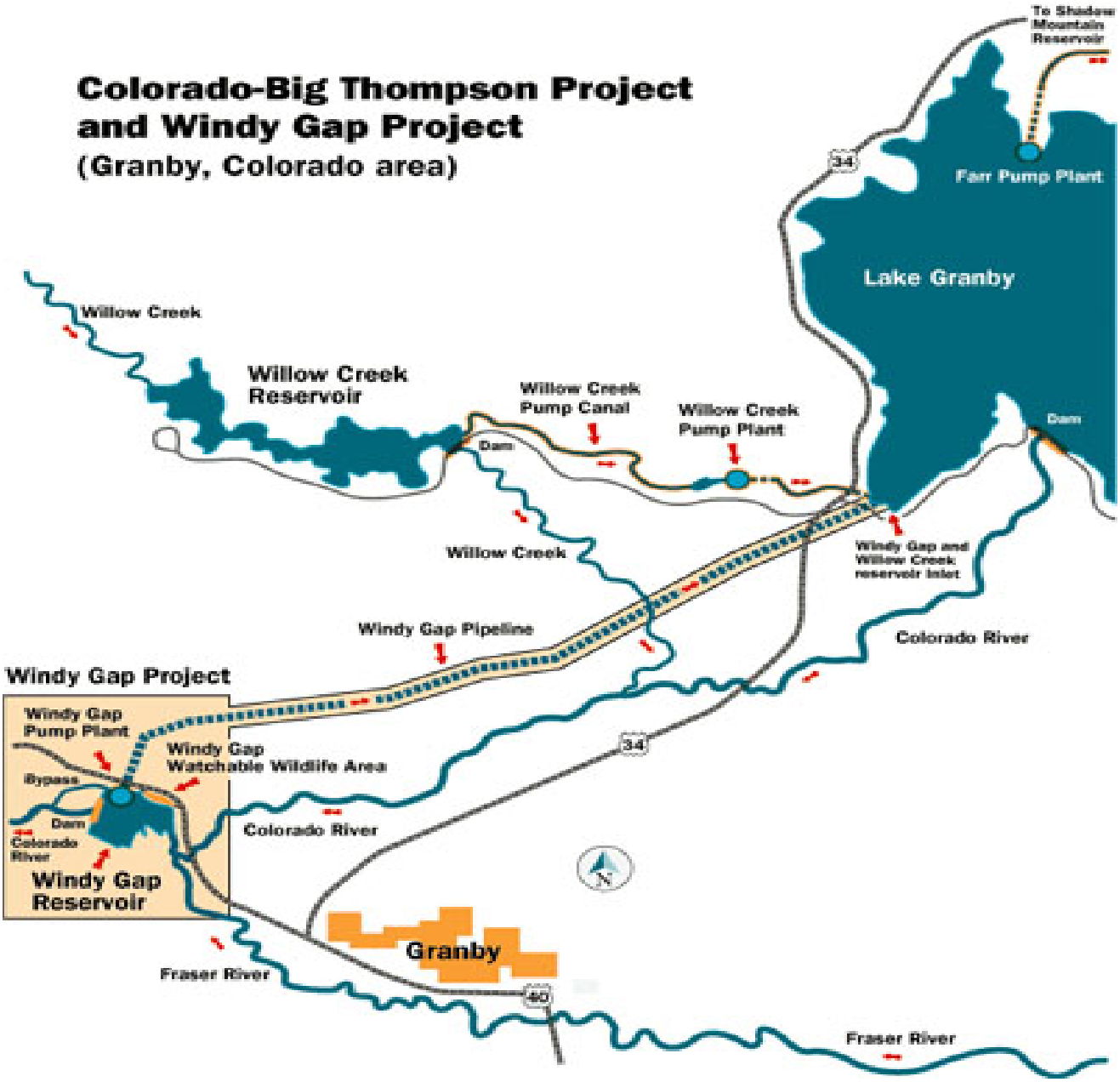
Windy Gap is a Water Supply project designed to deliver 48,000 acre-feet of water per year to the project participants. The project will "firm" water rights (guaranteeing the City the use of water rights at a time when they are most needed) and provide a water storage opportunity during drought years. The benefits of the project include creating the ability to more efficiently manage the City's water supply, plan for future growth, and provide for water storage.

Definitions

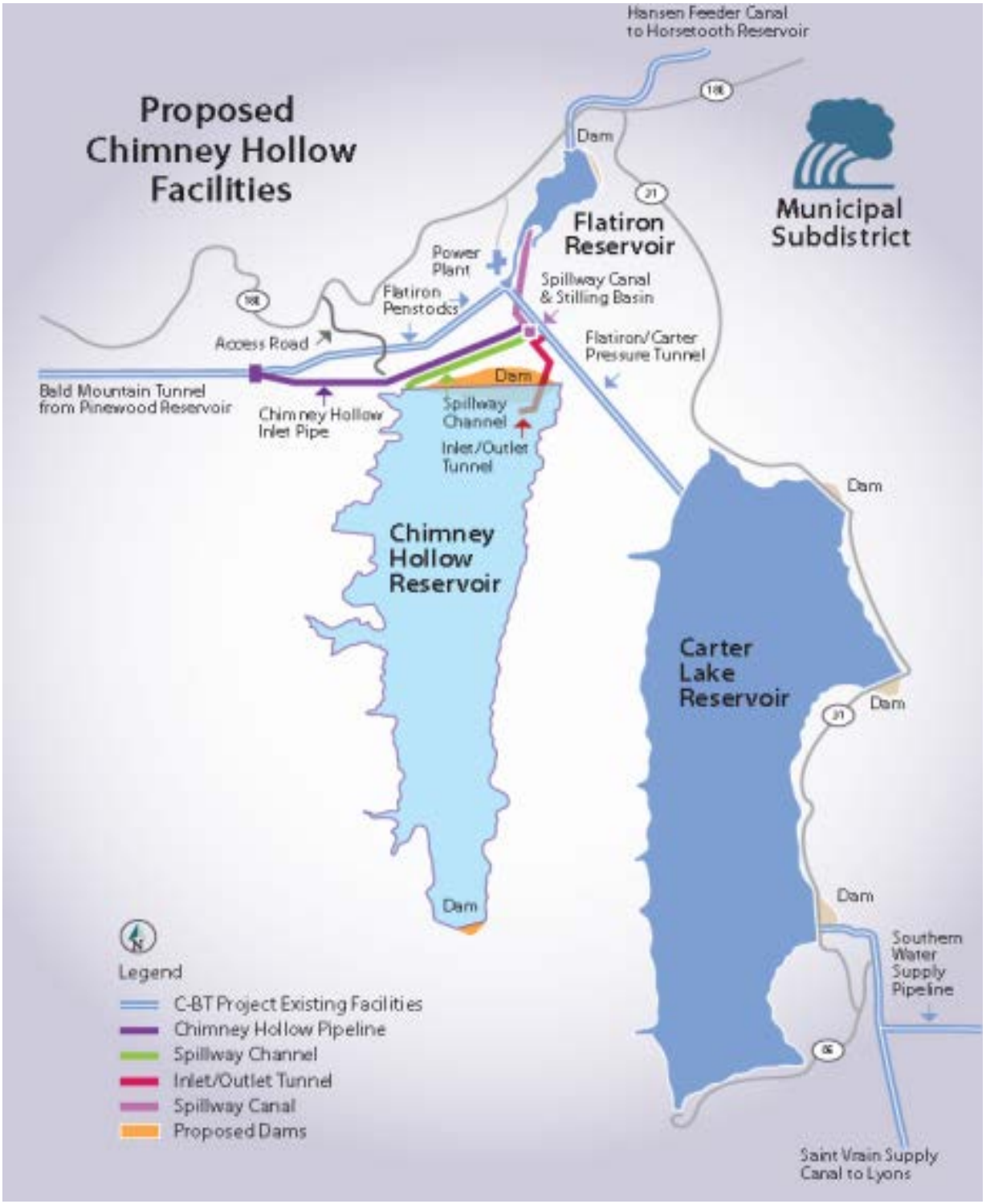
Acre Foot	The amount of water required to cover one acre at a depth of one foot.
Consumption	The City of Evans estimates that each residence consumes 6/10 of an acre foot per year.
Firming	A "Firm" yield is the amount of water that can be expected to be supplied during typical dry years where normal water supplies are reduced. This does vary from year to year based on the amount of water available.
Average annual water yield	The amount of water available from water rights during "Normal Years".

Overview of Windy Gap

The Windy Gap Project is located near the Town of Granby on the Colorado River. The project consists of a diversion dam on the Colorado River, a 445-acre reservoir, a pumping plant, and six-miles of pipeline that moves water to Lake Granby. Water from the Windy Gap project is pumped from Lake Granby to Shadow Mountain reservoir and then through a connecting tunnel to Grand Lake. From Grand Lake, the water enters into the 13.1 mile long Alva B. Adams Tunnel and flows beneath Rocky Mountain National Park into Lake Estes and then to Front Range water users through the Colorado-Big Thompson water project system.



Water from Lake Estes is transported to the new Chimney Hollow Reservoir for storage and use by project participants.



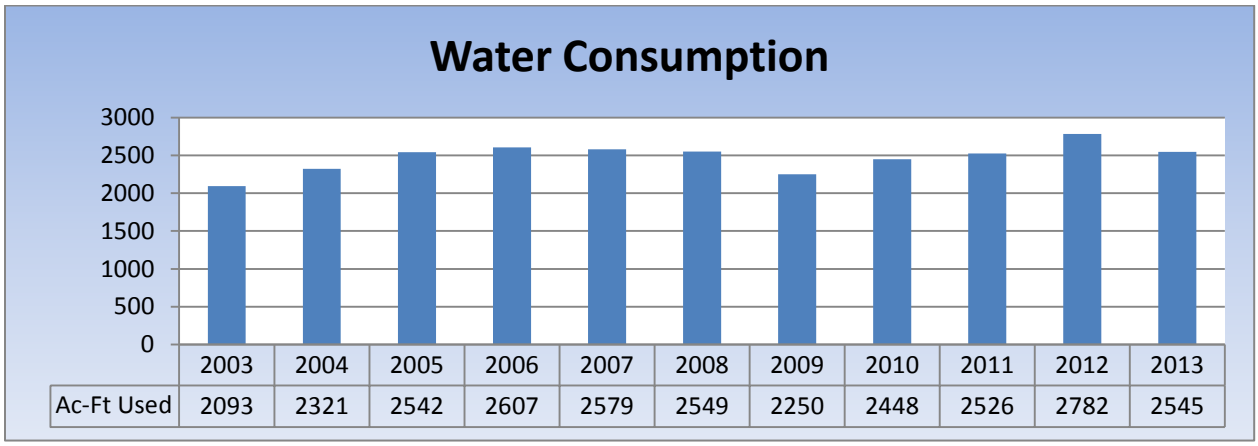
Project Participants

The following is a list of the Windy Gap project participants and their "Firm" water yield.

Participant	Firm Annual Yield (Ac-Ft)
Broomfield	5,600
Erie	2,000
Greeley	4,400
Longmont	5,125
Louisville	900
Loveland	4,000
Superior	1,500
Central Weld County Water District	100
Evans	500
Little Thompson Water District	1,200
Lafayette	800
Fort Lupton	300

Need

The City must plan for the future by securing water rights and a way to access, deliver, and store the water. In extreme drought years, we do not currently have enough water available to meet demand. In a good year, we have the right to use 100% of a gallon of water. In a bad year, we have to share that gallon with everyone else, so we only get a portion of that gallon – as low as 40% in a drought year. Historically, we have experienced a range of 60 – 90% of that gallon available for our customers.



For the period 2003 thru 2013, the City used an average of 2,477 acre-feet of potable water annually, with a high of 2,782 acre-feet in 2012. The current average yield of the City's potable water supply is 5,820 acre-feet with a "Firm" annual yield of 2,756 acre-feet. There is very little cushion between our firm annual yield and those dry years in which we use additional treated water (over our agreed upon cap) from Greeley.

City Participation

On June 15, 2004, the City of Evans entered into an Intergovernmental Agreement ("IGA") with the City of Greeley, to lease with the option to purchase five Windy Gap Units, which would result in 500 acre-feet of water to the City of Evans. This would be a "Firm" yield of 500 acre-feet of water.

Per the terms of the IGA, the lease period started on October 1, 2004 and was to end on September 30, 2005, and "... shall automatically renew each year thereafter", until either:

- Evans purchases the Five Windy Gap Units in accordance with the terms contained in this Agreement; or
- The lease is terminated in writing according to the terms; or
- On December 31, 2015 whichever is earlier.

The December 31, 2015 date may be extended upon written agreement of both parties. If the City wishes to purchase the 5 Windy Gap Units from Greeley, it must exercise its option to purchase within 30 calendar days of the final Federal approval "permitted" to construct the firming project. Currently staff anticipated Federal permitting in August of 2014.

In addition to the agreement with the City of Greeley, on October 5, 2004 the Evans City Council entered into an agreement with the Northern Colorado Water Conservancy District (NCWCD) for participation in the Windy Gap Firming Project. NCWCD will manage the construction and operation of the project. The City agreed to pay its proportional share of the costs incurred by the sub-district in the various phases of the design and construction of the Windy Gap Firming project.

The lease payment is determined by the City of Evans agreement to pay 5/480ths of the total outstanding indebtedness and the Total Annual Assessments for the entire Windy Gap Project. In 2013, the lease payment to Greeley was $119,864.70. The purchase price for Five Windy Gap Units as established in the IGA is $3,308,000.00 plus 4% interest compounded annually, beginning with the date of execution of the agreement, with Evans assuming all outstanding bonded indebtedness and total annual assessment associated with the Five Units. Since the agreement was dated June 15, 2004, the total purchase amount will be calculated from that date to the date of purchase. Assuming the final approval is given on June 15, 2014, the City will be required to pay the City of Greeley approximately $4.9 million. If the period extends to December 31, 2015 the approximate payment to Greeley would be $5.3 million.

At the time of signing the agreement, the City of Evans paid the Municipal Subdistrict $ 70,826.00 for our share of the costs incurred at that time. Since 2004, the City has signed various amendments to this agreement and paid our pro-rata share of costs based on our intention to buy 5 Units from Greeley. For the period 2004 thru 2012, the City of Evans has paid a total of $200,584.00 for our share of the current costs of the Windy Gap firming Project.

The total estimated cost for the next phase of the project is approximately $26 million, over a two year period. The City's proportional costs would be $321,000 in the first year and $215,000 the second year. These costs may change if the estimated cost for design and mitigation for this phase change. At this time, the Municipal Subdistrict as not given the City a firm date by which the first installment would be due. It is possible that the estimated $321,000 could be spread over a two year period. Once the design and mitigation phase is completed, the next phase would be construction which is currently estimated at a cost of $243,143,619.00 of which the City of Evans would be required to pay $4,937,356.00. Based on the amount already paid by the City, and the expected future obligations (based on the project estimates) the City will contribute $5,673,910.00 to the Municipal Subdistrict. This is in addition to the amount to be paid to the City of Greeley.

The total cost for purchasing the five units from Greely plus the contribution to the Municipal Subdistrict could total approximately $12 million. This is a cost of approximately $24,000 per acre-foot of water. This is approximately the same cost per acre-foot on the current market to purchase one unit of Colorado-Big Thompson water. This price however does not include a cost to purchase storage which the City would also gain by participating in the Windy Gap project.

Current Project Status

The Army Corps of Engineers is the lead federal agency for the Windy Gap project. Based on recent updates from the Northern Colorado Water Conservancy District, the Windy Gap project could be approved either mid-year or the end of 2014. Per the IGA the City of Evans would need to make a final decision about exercising the option to purchase the Five Units of the Windy Gap Project **within thirty (30) days** from the date that the project receives approval from the Army Corps of Engineers.

The next phase of the Windy Gap Firming Project is the design and mitigation phase. The City will be expected to contribute toward the costs associated with that phase, which will be managed by NCWCD.

Pros and Cons to Participate in Windy Gap

Pros

- ✓ The Five units of the Windy Gap project will provide approximately 500 acre-feet of water and storage capacity that can be used to provide a more stable delivery of water during dry or drought years.
- ✓ 500 acre-feet of water represents 20% of the City's current average annual consumption of potable water used between 2003 and 2013.
- ✓ Estimated total cost to purchase 5 Units from Greeley and participate with the municipal sub district is $12 million. The cost per acre-foot of water would be $24,000 as compared to $22,000 - $24,000 if the City purchased the shares on the open water market.

Cons

- ✓ If the City decides not to participate in the Windy Gap project, it will lose the 500 acre-feet of water and be dependent on dedication of water by new development to support the effects of growth.
- ✓ The City will not be reimbursed for the costs it has incurred to date.
- ✓ The City may experience an increase in water use not related to new development but from an increase in consumption. Water to meet this need will need to come from existing water supplies either through conservation methods or from the purchase of water from non-development sources.
- ✓ The City will be expected to participate in the on-going operation and maintenance costs associated with the project, which have not been clearly determined at this time.

Recommendation

We recommend that the City continue to participate in the Windy Gap project and identify funding options required for the project.

Conclusion

The Windy Gap project provides the City with an average annual yield of 500 acre-feet of potable water supply. Because the Windy Gap project is expected to be permitted within the next 6 – 12 months, the City needs to determine if it wants to continue participating in the project which will requiring the City to purchase of the 5 Units from the City of Greeley per the IGA. This project will require an increase in rates and fees; and qualifying for a loan, grant, or bond in order to make the payments as necessary.

Water Fund CIP – NISP

Subject: City of Evans participation in NISP Project

From: Utilities Fund Task Force (John Morris, Brian Rudy, Aden Hogan, Jessica Gonifas, Sheryl Trent, Kristan Williams, Dallas Everhart, Fred Starr)

Date: February 26, 2014

Description

This paper summarizes the City of Evans participation to date in the Northern Colorado Water Conservation District, Northern Integrated Supply Project (NISP) and the effect on the Water Fund Capital Improvement Program. It provides a brief description of the NISP project and the steps taken by the City to date. It also identifies the future considerations to be taken by the City.

Overview NISP

The Northern Integrated Supply Project is a proposed water storage and distribution project that will supply 15 Northern Front Range water partners with 40,000 acre feet of a new reliable municipal water supply to participating communities. The project consists of:

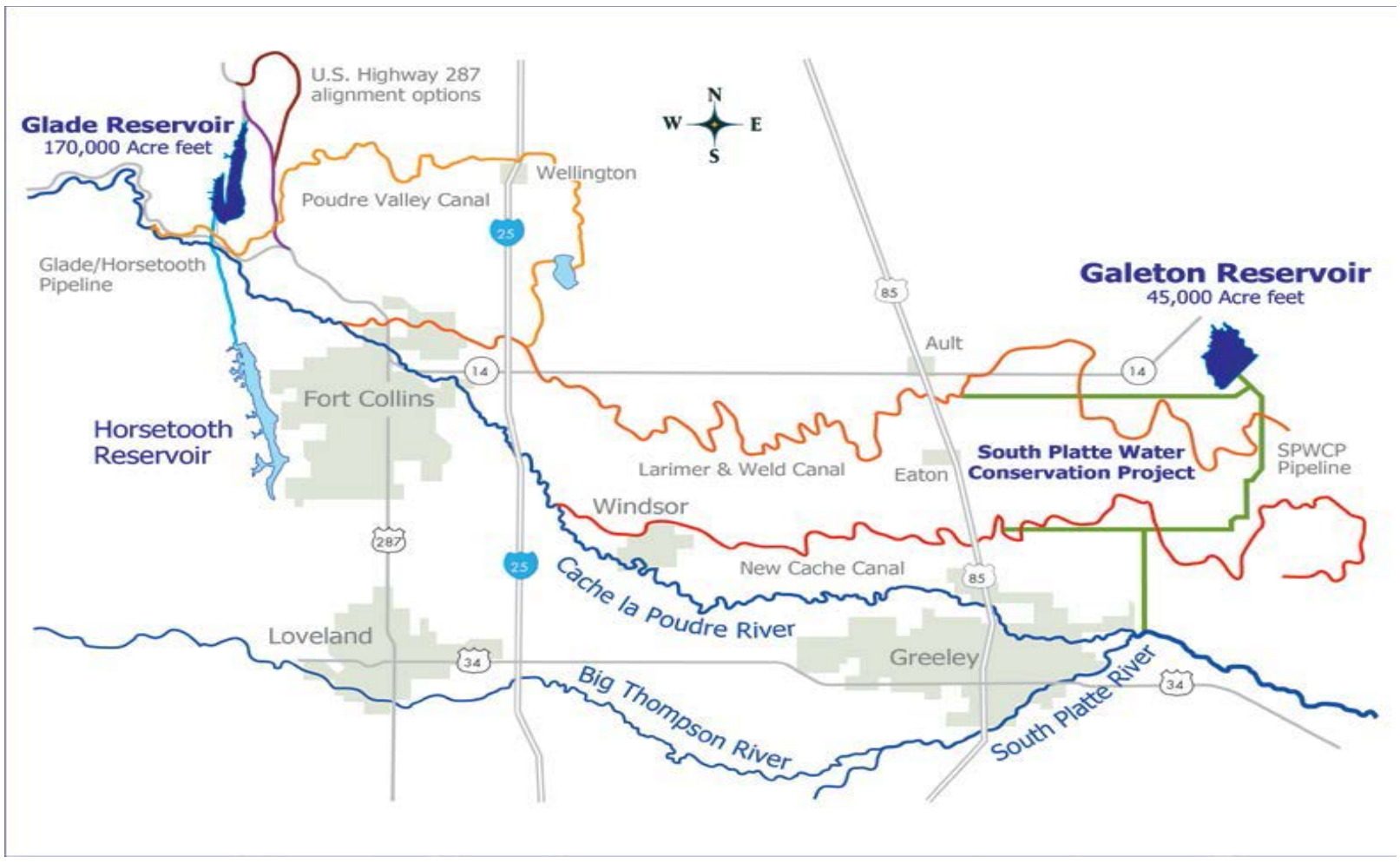
- Two water storage reservoirs (Glade and Galeton)
- A forebay reservoir (a small reservoir located upstream of the main reservoir used to trap sediment prior to pumping water into the main reservoir)
- Two pumping plants – one at each reservoir
- A network of pipelines to deliver water for exchange with two irrigation companies
- Improvements to an existing canal to divert water off of the Poudre River near the canyon mouth

For more project information please see: http://www.northernwater.org/WaterProjects/NISP.aspx

Need

The City must plan for the future by securing water rights and a way to access, deliver, and store the water. In extreme drought years, we do not currently have enough water available to meet demand. In a good year, we have the right to use 100% of a gallon of water. In a bad year, we have to share that gallon with everyone else, so we only get a portion of that gallon – as low as 40% in a drought year. Historically, we have experienced a range of 60 – 90% of the gallon available for our customers.

For the period 2003 thru 2013, the City used an average of 2,477 acre-feet of potable water annually, with a high of 2782 acre-feet in 2012. The current average yield of the City's potable water supply is 5,820 acre-feet with a "Firm" annual yield of 2,756 acre-feet. There is very little cushion between our firm annual yield and those dry years in which we use additional treated water (over our agreed upon cap) from Greeley.



City Participation

On December 3, 2002, the City of Evans approved Resolution 108-2002, authorizing the Mayor to enter into an agreement with Northern Colorado Water Conservancy District for the City's participation in the Northern Integrated Supply Project (NISP).

As a participant in the NISP project the City of Evans would receive 4% or 1,600 acre-feet of a new water source from the project. The City also has a 4% obligation of the cost of the project, the total cost of which is currently estimated to be $490 million. Based on this estimated cost, the City of Evans would pay $19.6 million dollars to participate in the NISP project and will need to consider various funding options to meet its financial obligations for the NISP project. The City's cost per acre foot of water provided by the NISP project is approximately $12,500.

The NISP project consists of a number of development Phases in which the City of Evans has participated in since entering into the agreement in 2002. As each Phase of the project commences, the participating communities sign an interim agreement with the Northern Colorado Water Conservancy District agreeing to pay their proportional share of the cost of each phase. The annual cost to the City varies with the scope of each phase but based on the terms of the previous interim agreements, the City has paid between $36,000 and $60,000 annually. We are currently in the Third Phase of the project and our expected 2014 financial participation is $40,000 which has been approved in the budget. For the period since 2002, the City has paid approximately $528,000 to the Northern Colorado Water Conservancy District for participation in the NISP project. If the City chooses not to participate in the NISP project, the $528,000 paid to date is not recoverable.

According to a recent study conducted by Ciruli Associates, general support for this project exceeded 72%. Please see attachment for the full study.

Current Project Status

The Army Corps of Engineers is the lead federal agency for compliance with the National Environmental Policy Act (NEPA). The NEPA process is intended to help public officials make decisions based on understanding of environmental consequences, and take actions that protect, restore, and enhance the environment. The Corps is using the Environmental Impact Statement (EIS) process to make a final permit decision on NISP.

The Corps began the EIS process in August 2004 and issued a draft for public comment in April 2008. In February 2009, the Corps announced they would move forward with a supplemental Draft Environmental Impact Study (DEIS) to include additional studies primarily centered around hydrologic and flow modeling.

According to the Corps, the supplemental DEIS is anticipated to be completed and released in 2014 for public comment. A final Environmental Impact Study would then be completed in 2015 with a final permit decision expected in fall 2016. Historically, significant delays are likely to occur during the public hearing process as additional information is presented by various stakeholders.

Pros and Cons to Participate in NISP

Pros

- ✓ The 1,600 acre feet of the NISP project will provide additional water
- ✓ NISP will create new storage capacity
- ✓ Provides a more stable delivery of water during dry or drought years
- ✓ 1,600 acre-feet of water represents 60% of the City's current average annual consumption of potable water used between 2003 and 2013
- ✓ The cost per acre-foot of water with NISP is estimated to be $12,250 as compared to $22,000 – 24,000 if the City purchased the shares on the open water market today

Cons

- ✓ If the City decides not to participate in the NISP project, it will lose the 1,600 acre-feet of water and be dependent on dedication of water by new development to support the effects of growth.
- ✓ The City will not be reimbursed for the costs it has incurred to date.
- ✓ The City may experience an increase in water use not related to new development but from an increase in consumption. Water to meet this need will need to come from existing water supplies either through conservation methods or from the purchase of water from non-development sources.
- ✓ Participation in a water storage system which is currently in the permitting stage, if the City chooses not to participate in this particular project an alternative project may not be available to meet the City's needs.

Next Steps

We recommend continuing to participate in the NISP project for the foreseeable future, as the cost is limited and the risk is low. We would recommend that the City's Water Attorney and Water Engineer give a more complete analysis of the capacity of the NISP project. Additionally, a cost/benefit analysis of the NISP project in context with other utility related projects such as Windy Gap, a new WWTF, stormwater issues, optional water storage projects and a regional water treatment facility is critical. The analysis should focus on the priorities of each of the projects to

- support the growth needs of the community
- maximize existing water resources
- effectively manage the water supply system
- identify and recommend financial resources available for funding the water projects

Conclusion

The City is committed to providing high quality and reliable utility services to its citizens. By participating in the NISP project the City will have the option of securing a new, renewable water supply which will benefit the residents of Evans into the future. The City will need to decide if participating in the NISP program will be a cost effective solution for securing the amount of water available by the project. As growth along the Front Range continues, there will be continued demands for both water sources and storage that may be unavailable or cost prohibitive to the City of Evans in the future.

Northern Colorado Voters Continue to Strongly Support NISP

Ciruli Associates Follow-up Poll Shows Unwavering Approval of Water Supply Project

After five years of extended Environmental Impact Statement (EIS) studies, public support for the Northern Integrated Supply Project (NISP) remains steady. A survey conducted in July 2013 with 900 voters in Larimer, Weld and Morgan counties shows voter support for the project at 72 percent. The 2013 survey follows a survey conducted in August 2008 with 800 Larimer and Weld county voters that showed NISP had combined county support of 70 percent.

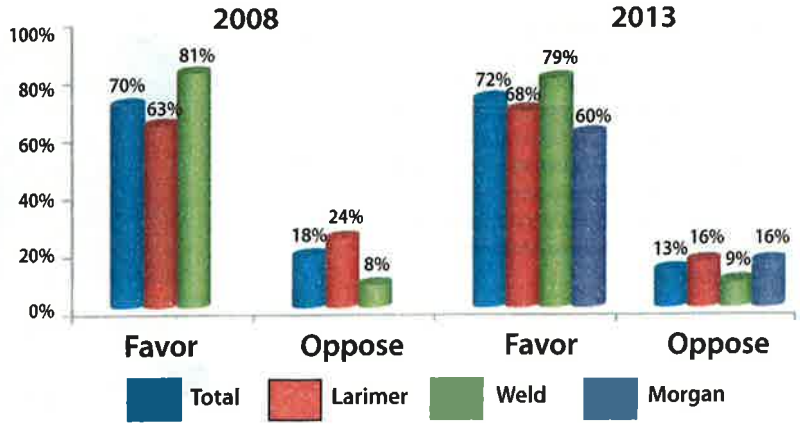
The NISP project would build two new reservoirs, along with necessary pump stations and pipelines in Larimer and Weld counties.

The project would store runoff from the Poudre River. A draft supplemental EIS is due in 2014.

Ciruli Associates conducted both surveys for the consortium of water providers proposing the Northern Integrated Supply Project. The latest telephone survey, conducted in July 2013 with 900 registered voters in Larimer (400), Weld (300) and Morgan (200) counties, has a statistical range of accuracy of plus or minus 3.3 percentage points for the entire sample.

NISP Maintains Support of Super Majority of Northern Colorado Voters – 72%

Question:
NISP has been proposed by 15 water providers in northern Colorado and would build two new water storage reservoirs, called Glade in Larimer County and Galeton in Weld County, and associated pump stations and pipelines. The project's primary purpose is to store runoff for use by cities and towns. The project is currently being studied by the U.S. Corps of Engineers in an environmental impact process. Based on what you know at this time, would you say you strongly favor the project, somewhat favor, somewhat oppose or strongly oppose the project? (2013)



Ciruli Associates, N800, 2008
Ciruli Associates, N900, 2013

NISP Support Among Urban Voters

Voters in the largest cities in each county are as supportive of the project as their county counterparts. Support in Fort Collins, at 60 percent, is three points higher than five years ago. The City of Fort Morgan's voters are even more supportive than voters across Morgan County.

NISP Support in Northern Colorado Counties and Major Cities: Intensity of Support and Opposition

Voter Position	Larimer	Fort Collins	Weld	Greeley	Morgan	Fort Morgan
Strongly favor	33%	27%	38%	38%	25%	27%
Somewhat favor	39	33	41	36	35	39
Somewhat oppose	7	9	6	5	6	4
Strongly oppose	6	10	3	3	10	7
Don't know	14	21	12	18	25	22

Ciruli Associates, N400 Larimer, N300 Weld, N200 Morgan, 2013

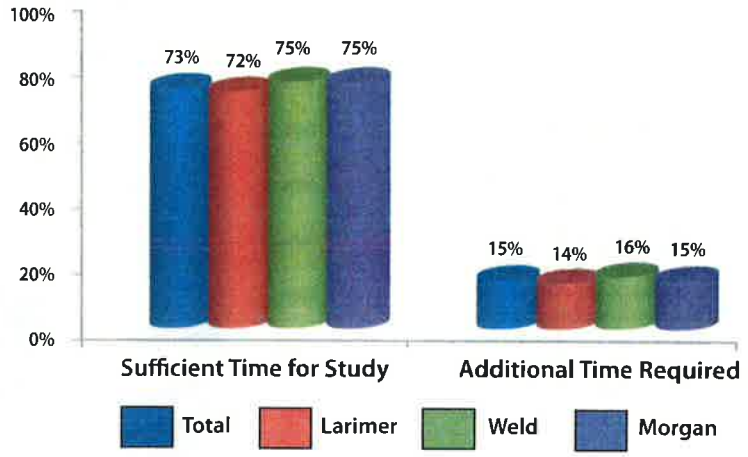
EIS – Long Enough

Nearly three-quarters of the public (73%) believes the EIS process has had "sufficient time" for study. The EIS process began in 2004, and an additional supplemental study has been underway since 2008.

The nine-year study has cost $12 million. The U.S. Corps of Engineers, who have conducted the study, have said it will be completed in 2014.

Sufficient Time for Study – 73% Region-wide

Question:
As I mentioned, the NISP project has been in an EIS since 2004. An additional or a supplemental study has been conducted since 2008. After nine years, the study has cost 12 million dollars. The U.S. Army Corps of Engineers, who is conducting the study, has said it will be done next year in 2014. Do you believe 10 years is sufficient time for study or do you believe additional time for study is required?



Ciruli Associates, N400, N300, N200, 2013

Governor John Hickenlooper wrote to the U.S. Corps of Engineers in 2012 requesting the process be expedited. The public strongly agrees (84%) that the Governor was correct in writing the Corps and urging it to finish the study as soon as possible.

NISP SUPPORT/ENDORSEMENTS Oct. 2013

NISP participant communities
Dacono, Eaton, Erie, Evans, Firestone, Fort Lupton, Fort Morgan, Frederick, Lafayette, Severance, Windsor, Central Weld County Water District, Fort Collins-Loveland Water District, Left Hand Water District, Morgan County Quality Water

Ditch & reservoir companies
District 6 Water Users Association
Lake Canal Ditch Company
Larimer and Weld Irrigation Company
New Cache la Poudre Irrigating Company
Windsor Reservoir and Canal Company

Water conservancy districts
Central Colorado Water Conservancy District
Lower South Platte Water Conservancy District
Northern Colorado Water Conservancy District
St. Vrain & Left Hand Water Conservancy District

Conservation districts
Boulder Valley Conservation District
Longmont Conservation District
West Greeley Conservation District
Big Thompson Conservation District
Fort Collins Conservation District

Editorial support
Erie Review
Fort Morgan Times
Greeley Tribune
Lafayette News
Longmont Times-Call
Louisville Times
Loveland Reporter-Herald
Windsor Beacon

Fire districts
Frederick-Firestone Fire Protection District

West Slope agencies & organizations
Club 20
Southwestern Water Conservation District
Ute Water Conservancy District

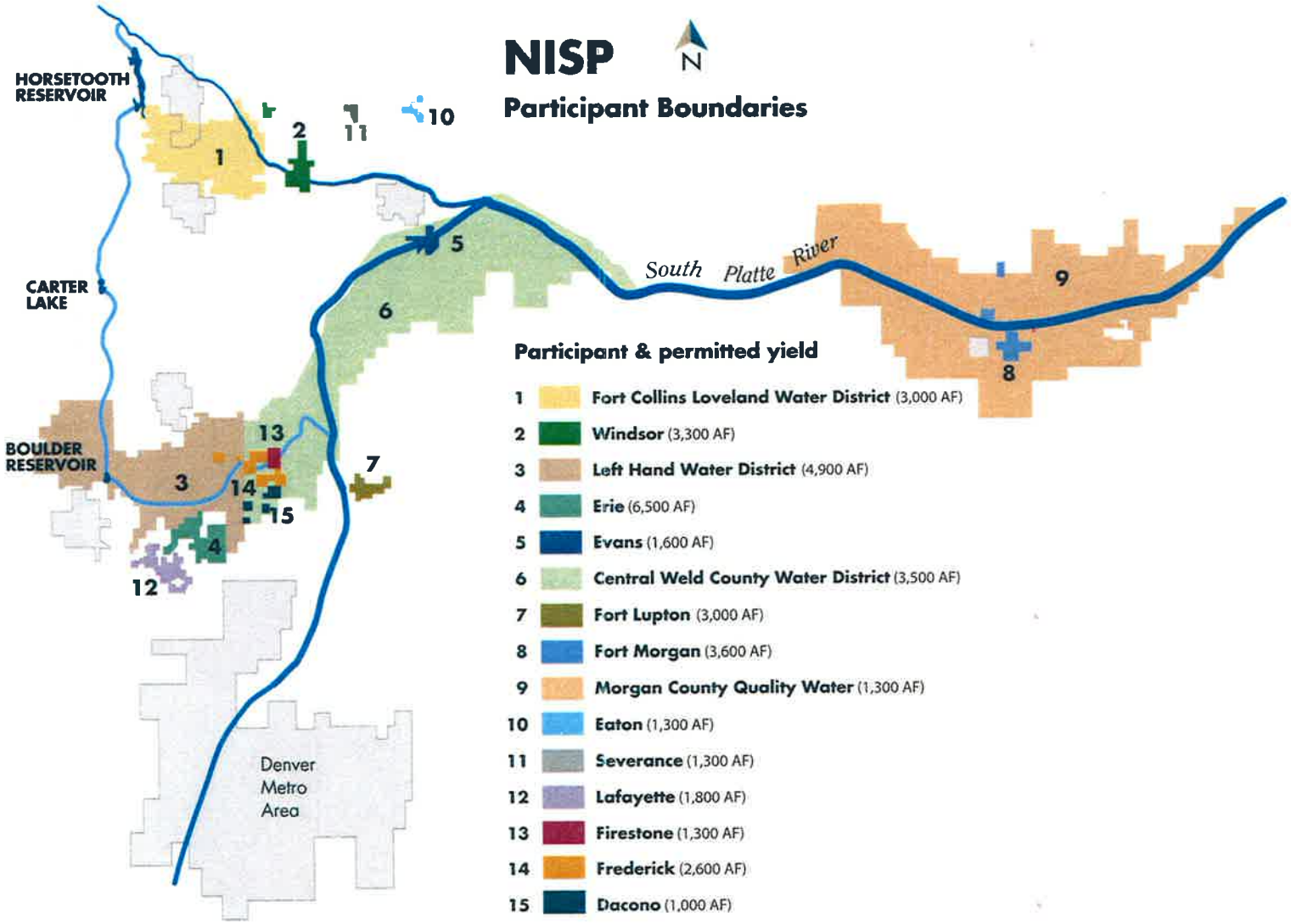
Agricultural organizations
Agland, Inc.
Barn Media & the Colorado Agriculture News Network
Colorado Association of Wheat Growers
Colorado Cattlemen's Association
Colorado Corn Growers Association
Colorado Dairy Producers
Colorado Egg Producers Association
Colorado Farm Bureau
Colorado Livestock Association
Colorado Pork Producers Council
Colorado State Grange
Colorado Sugarbeet Growers Association
Eaton Local Sugarbeet Growers
GreenCO
Rocky Mountain Agribusiness Association
Rocky Mountain Farmers Union
Valley Irrigation of Greeley
Western Sugar Cooperative

Business organizations
Accelerate Colorado
Action 22
Associated General Contractors of Colorado
Colorado Association of Commerce & Industry
Colorado Contractors Association
Fort Collins Board of REALTORS ®
Front Range District, Colorado Counties, Inc.
Northern Colorado Legislative Alliance
Poudre Valley REA
Progressive 15
United Power
Upstate Colorado Economic Development
Weld Community Development Group
Weld County Builders Assoc, Inc.
Weld County Council

Chambers of commerce
Berthoud Area Chamber
Carbon Valley Chamber
Erie Chamber
Evans Area Chamber
Fort Lupton Chamber
Fort Morgan Chamber
Greeley Chamber
Lafayette Chamber
Longmont Area Chamber
Mead Area Chamber
Windsor Chamber
Town of Pierce

County commissioners
Morgan County Commissioners
Weld County Commissioners

Public/elected officials
U.S. Rep. Cory Gardner
State Sen. Greg Brophy
State Sen. Angela Giron
State Sen. Kevin Grantham
State Sen. Ted Harvey
State Sen. Mary Hodge
State Sen. Cheri Jahn
State Sen. Vicki Marble
State Sen. Kevin Lundberg
State Sen. Scott Renfroe
State Sen. Lois Tochtrop
State House Minority Leader Mark Waller
State Rep. Randy Baumgardner
State Rep. Perry Buck
State Rep. Brian DelGrosso
State Rep. Steve Humphrey
State Rep. Frank McNulty
State Rep. Carole Murray
State Rep. Kevin Priola
State Rep. Bob Rankin
State Rep. Lori Saine
State Rep. Jerry Sonnenberg
State Rep. Amy Stephens
State Rep. Ed Vigil
Former U.S. Sen. Wayne Allard
Former U.S. Sen. Hank Brown
Former state Senate Minority Leader Josh Penry
Former state Sen. Jim Isgar
Former state Sen. Bruce Whitehead
Former state Rep. Diane Hoppe
Don Ament, former state agriculture commissioner
Tom Donnelly, Larimer County commissioner
Steve Johnson, Larimer County commissioner
Lew Gaiter, Larimer County commissioner


NISP
N
Participant Boundaries
HORSETOOTH RESERVOIR
CARTER LAKE
BOULDER RESERVOIR
South Platte River
Denver Metro Area
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
Participant & permitted yield
1 Fort Collins Loveland Water District (3,000 AF)
2 Windsor (3,300 AF)
3 Left Hand Water District (4,900 AF)
4 Erie (6,500 AF)
5 Evans (1,600 AF)
6 Central Weld County Water District (3,500 AF)
7 Fort Lupton (3,000 AF)
8 Fort Morgan (3,600 AF)
9 Morgan County Quality Water (1,300 AF)
10 Eaton (1,300 AF)
11 Severance (1,300 AF)
12 Lafayette (1,800 AF)
13 Firestone (1,300 AF)
14 Frederick (2,600 AF)
15 Dacono (1,000 AF)

NISP Northern Water
Northern Integrated Supply Project

NISP General Fact Sheet

NISP

Northern Colorado Water Conservancy District
220 Water Ave.
Berthoud, CO 80513

Phone: 970-622-2229
Email: Bwerner@ncwcd.org
www.gladereservoir.org

Participants:
4 water districts
11 cities and towns
Serving 200,000 people

- Dacono
- Eaton
- Erie
- Evans
- Firestone
- Fort Lupton
- Fort Morgan
- Frederick
- Lafayette
- Severance
- Windsor
- Central Weld County Water District
- Fort Collins-Loveland Water District
- Left Hand Water District
- Morgan County Quality Water

NISP Components;

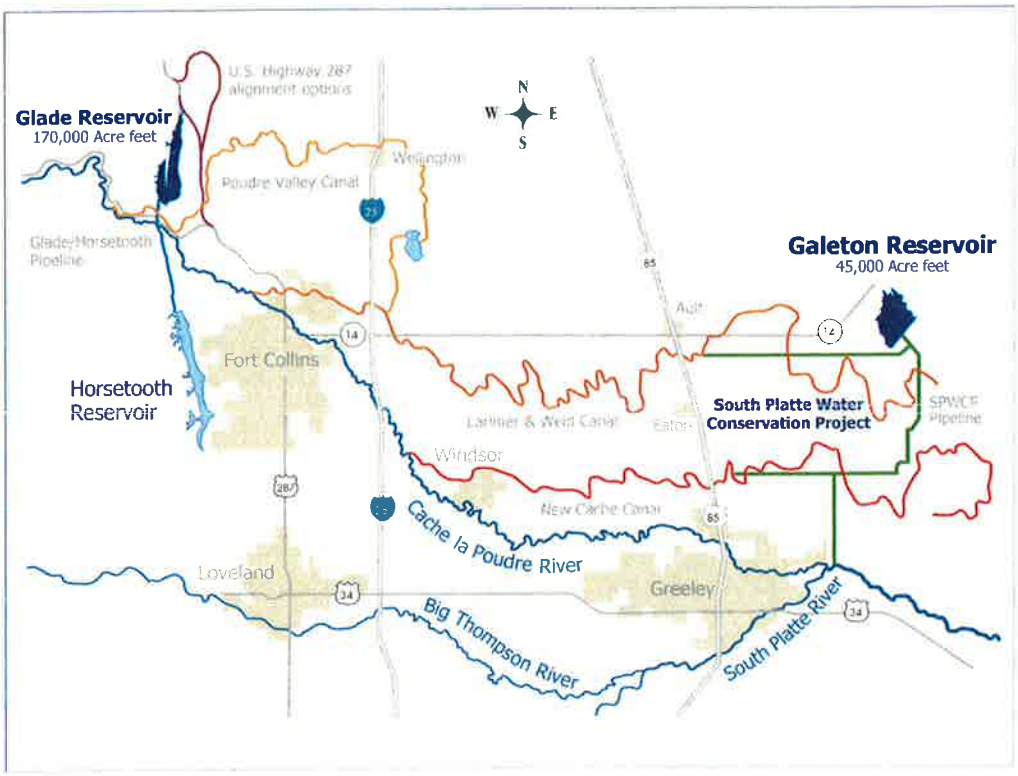
- Two reservoirs
- 40,000 acre-feet annual yield
- Two water pump stations
- Pipeline

Estimated Cost:

- $490 million

The Northern Integrated Supply Project is a regional water supply project coordinated by the Northern Colorado Water Conservancy District on behalf of 15 Front Range water providers. NISP would supply participating water providers with approximately 40,000 acre-feet of new, reliable water supply annually.

NISP would include two new reservoirs, two water pumping stations and pipelines. The map below shows the components:



Glade Reservoir

Glade Reservoir would be located northwest of Fort Collins and north of Horsetooth Reservoir. It would be 5 miles long, 260 feet deep and have the capacity to store 170,000 acre-feet of water, slightly larger than Horsetooth Reservoir. The water to fill Glade Reservoir would be diverted from the Poudre River using the already existing Poudre Valley Canal. There will be no new structures on the river. U.S. Highway 287 between Fort Collins and the Wyoming border divides the proposed Glade Reservoir site. Therefore, about seven miles of the highway would be relocated.

South Platte Water Conservation Project (Galeton Reservoir)

Galeton Reservoir would be located east of Ault and northeast of Greeley. It would hold about 40,000 acre-feet of water at full capacity. The water to fill Galeton would be diverted from the South Platte River downstream from Greeley. Galeton water would be delivered to two agricultural irrigation companies in exchange for Poudre River water they currently use.

More than half of the water that NISP will divert from the Poudre River is water that has already been diverted for decades.