7887 E. 60th Ave.
Commerce City, CO 80022
c3gov.com

# Legislation Details (With Text)

| | | | | | |
|---|---|---|---|---|---|
| **File #:** | Res 2017-63 | **Version:** 1 | | **Name:** | Water Resources Agreement |
| **Type:** | Resolution | | | **Status:** | Passed |
| **File created:** | 6/28/2017 | | | **In control:** | City Council |
| **On agenda:** | 7/17/2017 | | | **Final action:** | 7/17/2017 |

**Title:** RESOLUTION APPROVING AMENDED AND RESTATED WATER RESOURCES AGREEMENT FOR PHASE 4A ERUS

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution, 2. Water Resources Agreement

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 7/17/2017 | 1 | City Council | adopted | Pass |

RESOLUTION APPROVING AMENDED AND RESTATED WATER RESOURCES AGREEMENT FOR PHASE 4A ERUS

he city has the opportunity to purchase more 4A water from SACWSD. SACWSD is using funds from 4A water sales raise more money for the purchase of augmentation water. SACWSD wants to buy augmentation water now because large block of water is available.

he city is in the process of purchasing additional 4A ERUs based on previous authorization from city council and roposes to raise significant additional funds as discussed below. The city will have purchased approximately 577 ERUs 2016 & 2017 but will need another 1,723 ERUs in the future for additional facilities and parks. The City receives pproximately $500,000 in annual revenue in the Water Acquisition Fee Fund. It is possible to use that to fund over $6.5 illion in a lease-purchase transaction. That would enable the purchase of a significant number of ERUs at the current scounted rate of $6,850 per ERU (minus the connection fee). It is desirable to purchase the ERUs without the onnection fee since the price of water rights is escalating faster than the connection fees charged by SACWSD.

he only option offered by a financial institution is to use COPs to secure the funding for such a large water purchase, sing the revenue in the Water Acquisition Fee Fund to repay the COPs. The city owned facility proposed to provide the quity to secure COPs is the Municipal Service Center since it is the closest in value to the amount being financed ($6.8 illion and $6.5 million respectively). The other advantage of a lease-purchase deal is that the interest rate is proposed be 1.91% for the first 5 years.

**Staff Responsible (Department Head** ): Roger Tinklenberg
**Staff Member Presenting** : Roger Tinklenberg

**Financial Impact** : $6.5 million financing over 20 years
**Funding Source** : Water Acquisition Fee Fund

**Staff Recommendation** : Approve Resolution
**Suggested Motion** : I move to approve Resolution 2017-63.