

**The Fort Morgan
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Northern water schedule pushed back

By JOHN BRENNAN, Times Editor
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The funding and construction schedule for a large water project in which Fort Morgan plans to participate has been pushed back a year.

The Northern Integrated Supply Project, or NISP, had been scheduled to begin construction in 2011. But due to delays in the review process for the environmental impact statement on the project, it was the consensus of the project participants to delay the implementation schedule another year, Fort Morgan Utilities Director Gary Dreessen told the city's water advisory board Thursday.

That is not necessarily a bad thing, Dreessen said.

In addition to delaying the start of construction — which still depends on the issuance of a permit by the Army Corps of Engineers — the action also pushes back the largest payments Fort Morgan and the 14 other NISP participants will have to make.

“Everyone’s OK with it, and it’s OK for Fort Morgan too,” Dreessen said. “It gives us more time to get our financing lined up. Nobody’s in a growth mode, nobody’s chasing water right now.”

According to the new financial commitment projections, Fort Morgan will have to contribute \$270,000 to NISP in 2009, as well as \$648,000 in 2010 and \$527,000 in 2011. The biggest payments of about \$5.87 million each year will now start in 2012 and continue through 2016, according to the projection.

NISP proposes to divert water from the Cache La Poudre River and store it in a new reservoir to be built near Fort Collins. Unlike Fort Morgan’s current supply of domestic water, the Colorado-Big Thompson project, NISP will allow the city to carry over its allotments from year to year and build up its amount of stored water.

In addition to Fort Morgan, the Morgan County Quality Water District and 13 other municipalities and water systems have pledged to participate financially in NISP, which is spearheaded by the Northern Colorado Water Conservancy District.

The comment period for the EIS on the project ended in mid-September, Dreessen said, and he expects the Corps of Engineers to issue the permit. NCWCD officials said a recent meeting that they expect the city of Fort Collins to sue the Corps, but that Corps officials believe the EIS is sound and are prepared to defend it in court, Dreessen said.

Water advisory board chairman Jack Odor said that as the permitting process for NISP continues to play out, it is important for Fort Morgan to continue buying C-BT water shares in the meantime.

“You have to stay in both games,” Odor said. “NISP is long-term.”

Odor also asked about the status of the city's pursuit of financing for NISP, and Fort Morgan City Councilman James Powers said he speaks regularly with organizations that are prepared to offer loans or other assistance.

"I'd like to look at some out-and-out free money, too," Powers said.

Odor suggested a future work session to include the water board and the city council as well as NCWCD and funding agencies to start work on a firm plan for how to finance the city's NISP commitment and how to pay it back.

Water development policy

The water board also discussed further revisions to a draft of the city's water development policy at Thursday's meeting.

The policy outlines the requirements for new developments to purchase water either from the city or on the open market, and includes residential developments as well as small and large commercial and industrial water users.

The board has been working on revisions to the policy for several months, and with the changes discussed Thursday the water board felt it was time for the city council to review the document.

Among the changes was to use a three-year rolling, weighted average of the cost paid by the city for water as the selling price of the water to new customers. Dreessen said this makes more sense than the city's previous practice of using the most recent price paid by the city, because the water market fluctuates so much.

Dreessen will make another revision to the policy document based on Thursday's discussion and include it in the packet for the water board's next meeting, but only for the board's review — it will not be placed on the agenda for any further discussion by the board.

City Manager Pat Merrill, who was at Thursday's meeting, said he would try to schedule a discussion of the water development policy at a city council work session in November.

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