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Town's NISP payments about to escalate

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Windsor has budgeted \$268,000 to pay for its portion of the Northern Integrated Supply Project in 2009, but the annual payments for the program are about to get a lot bigger.

"The single biggest payment will be our annual payment in 2012, at \$5.4 million," said Windsor Director of Finance Dean Moyer.

Northern Water, which will oversee NISP, is a collaborative effort between 15 municipalities and water districts, which began in 2000.

It has roots reaching back to the mid-1980s, but was formalized eight years ago. Windsor has been a player in Northern Water since its formation and is currently a 8.25 percent shareholder in the project.

The project will eventually create two reservoirs to store water from the Poudre and South Platte rivers.

The first reservoir, Glade, would be located northwest of Fort Collins and north of Horsetooth Reservoir. At five miles long, 260 feet deep and capable of storing 170,000 acre feet of water, Glade would be the largest reservoir in Northern Colorado. By comparison, Horsetooth is seven miles long but holds 156,000 acre feet.

"Glade would divert water from the Poudre River using the existing Poudre Valley Canal," said Carl Brouwer, a project manager for NISP. "There would be no new dam built on the Poudre itself; we've moved that dam off the main stem of the river."

The second reservoir, Galeton, would be located east of Ault and northeast of Greeley and hold 40,000 acre feet of water. Water for Galeton would be diverted from the South Platte downstream of Greeley, and delivered from two irrigation companies in exchange for the Poudre River water currently used in a swap.

The project will cost an estimated \$400 million, and that cost will be born by participants in the project, in proportion to the amount of water they're requesting from NISP.

Windsor's share of water is 3,300 acre feet, which comes to about \$33 or \$34 million. There are, Brouwer said, multiple ways to fund the project, including special bond financing, loans or upfront payment.

Up until now, the town has paid its share from its cash reserves each year. That strategy will have to change, according to Windsor Town Manager Kelly Arnold.

"I'll be attending a November retreat with other NISP shareholders to discuss the construction and payment schedule," Arnold said at Tuesday's budget meeting.

The project is now, however, expected to be delayed as it waits for approval from the U.S. Army Corps of Engineers.

Northern Water had once hoped to have the Glade Reservoir complete by 2014 but is now looking at a 2016 completion date. Backers believe the project will be completed, in the end, but environmental activists in Fort Collins have fought the project.