



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Lauren Ris, Assistant Director for Water, DNR

DATE: January 23, 2017

AGENDA ITEM: #18 Chatfield Reallocation Sale of Orphan Shares

Staff Recommendation:

Staff recommends that the Board approve CWCB staff to draft the process, terms and associated agreements for selling CWCB's shares in the Chatfield Reallocation Project to Dominion Water and Sanitation District (Dominion).

Additional Information:

Dominion will be the first new participant in the Chatfield Reallocation Project, and as such there are a number of agreements that need to be worked out in coordination with the Chatfield Reallocation Mitigation Company for transferring CWCB's current shares in addition to the specific terms of the sale. Dominion is interested in entering into an agreement with CWCB to incrementally purchase up to 500 acre feet over 13 years.

The terms of the sale will include:

- Cost per acre-foot, presently calculated at \$7,000 per acre-foot plus the buy-in fee of \$457 per acre-foot. The buy-in fee is based on historic costs incurred and includes a 4% interest charge, compounded annually. The buy-in fee will change with each annual purchase under the agreement. The per acre-foot amount will be re-evaluated upon completion and final billing for the Chatfield Reallocation Project by the U.S. Government.
- The number of shares to be acquired over a specific timeframe.
- The payment of operation and maintenance fees as assessed by the U.S. Government or the Chatfield Reallocation Mitigation Company.

Documents to be drafted include:

- Purchase Agreement with Dominion
- Share Transfer Documents
- Escrow Agreement to facilitate distributing the buy-in fee
- Acquisition Documents: Assignment and assumption of Shares
- Water Provider Agreement to join CRMC

