

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: July 28, 2010

Board Item: 2-A-4

2010 Montezuma Shaft Agreement

Action by Consent

Action

Information

Under the terms of several prior agreements, Keystone Ski Area is allowed to pump up to 1500 acre feet of water from the Montezuma Shaft of the Roberts Tunnel for snowmaking. Denver Water needs to reconstruct the East Portal of the Roberts Tunnel. During a portion of the construction project, the Roberts Tunnel will be closed and empty, and Keystone will be unable to use the Montezuma Shaft as a source of its snowmaking water.

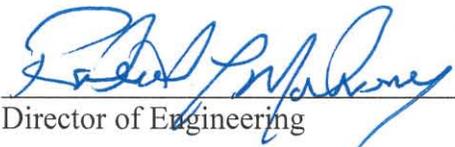
At the request of Keystone and Summit County, Denver Water has agreed to compress the construction schedule by six weeks and to delay the start of construction from November 1 to December 15, 2010 to accommodate Keystone's snowmaking needs. Under the proposed agreement, Keystone will pay \$120,000 to reimburse Denver Water for the increases in costs resulting from the accelerated construction schedule. If the accelerated schedule delays the reopening of Roberts Tunnel and results in the inability to fill Cheesman Reservoir, both Keystone and Summit County will forego future deliveries of water as described in the agreement.

Recommendation:

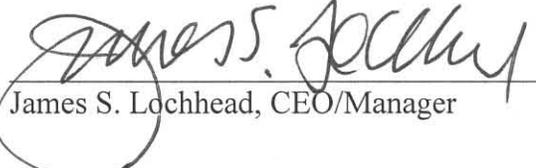
It is recommended that the Board approve the 2010 Montezuma Shaft Agreement with Vail Summit Resorts, Inc., d/b/a Keystone Resorts Management, Inc. and the Board of County Commissioners of Summit County.

Respectfully submitted,

Approvals:



Director of Engineering



James S. Lochhead, CEO/Manager



General Counsel