

*Responses to Questions for the Transit Loss Policy Working Group
Meeting on July 19, 2006*

Here are some preliminary answers to the questions posed in June.

Public Agency Questions:

1. Can we generate a rough estimate of costs for the participants for 2007 budget planning by August 1, 2006?

Answer: Assume \$2,000 plus \$1,000 for smaller entities and \$5,000 for entities actively exchanging water daily.

2. Intergovernmental Agreements (IGA's) bind contracting parties to each other. In this case, the EPCWA and CSU will each be contracting individually with USGS to cooperate in the cost of maintaining the gauges. Therefore, is a Memorandum of Understanding a more appropriate form of agreement? Should the MOU:

a. Define a Technical Review Committee?

b. Describe the separate liability of each entity to USGS?

Answer: Go with an MOU to define roles and relationships. Like the Preble's permit MOU, each entity is still on the hook individually with USGS.

3. Should the Authority form a sub-group? **Answer: No.**

4. If so, and if there is an MOU, how should the sub-group be represented in the MOU?

Answer: N/A

5. Are there elements of the current arrangement between CSU and other parties with USGS that should be retained in the new arrangement? **Answer: Don't know.**

6. What is an appropriate role for SECWCD? **Answer: Don't know.**

7. Can other entities become signatories to the MOU? (e.g. Manitou Springs) **Answer: Yes.**

Technical Review Committee Questions:

8. What is the composition of the Technical Review Committee? **Answer: Five members: CSU, EPCWA north, EPCWA south, private parties (FMIC) and a fifth member selected by the other four.**

9. What are the tasks of the TRC? **Answer: These seem appropriate.**

a. Cost allocation

b. Operations

c. Interface with SEO and USGS

d. Future extensions of the model

Private Party Questions:

10. Is a contract required between private parties and EPCWA? **Answer: No, prepay the estimated annual cost.**

11. What is an appropriate contribution by private parties to the capital cost of the model update? **Answer: Some contribution is appropriate, the money should be retained for shortfalls in operating cost in the future.**

12. What is a fair and equitable cost allocation for FMIC shares?
- a. How will the FMIC board allocate costs to shareholders.
 - b. Should all of FMIC be considered one (1) entity for purposes of calculating the 20% pro-rata cost share?

Answer: The FMIC board of director's need to answer these questions.