

**Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet**

Applicant: The Greenway Foundation

Amount Requested: \$27,000.00

Water Activity Name: Chatfield Reservoir
Reallocation Environmental Impact Statement and
Feasibility Report

Source of Funds: Basin Account – South
Platte

Water Activity Purpose:
Study/Analysis of Structural Water Project

Matching Funds: Yes entire user group
\$206,000.00

County:
Multiple – Denver Metro area

Drainage Basin:
South Platte

Water Source:
South Platte River

Water Activity Summary:

Since 1974, the Greenway Foundation has led the effort to enhance and preserve the South Platte River and its tributaries throughout the Denver metropolitan area. Over the last three decades, over \$60 million of environmental and recreational amenities have been added to these valuable natural resources. The Greenway Foundation is a Colorado non-profit, formed as a 501(c(3)) in 1976. In fulfillment of our mission, The Greenway Foundation maintains an endowment of \$5 million that is used to fund our programs and staff activities.

For this funding request, the Greenway Foundation is acting on behalf of our Chatfield Reservoir Reallocation project partners including:

- | | |
|---|---|
| • City of Aurora | City of Brighton |
| • Castle Pines Metro District | Castle Pines North Metro District |
| • Town of Castle Rock | Centennial Water & Sanitation District |
| • Center of Colorado Water Conservancy District | Central Colorado Water Conservancy District |
| • Colorado State Parks | Denver Botanical Gardens |
| • Parker Water & Sanitation District | Perry Park Special Utility District |
| • Roxborough Metro District | South Metro Water Supply Authority |
| • Western Mutual Ditch Company | |

The 15 entities represent nearly 600,000 residential water customers in the Colorado. Additionally, Denver Water and various other water users in the Denver Metro area would receive indirect benefits related to the

Chatfield Reservoir reallocation associated with better water supply sustainability, improved operations, and reduced competition for other water supply projects. In all, the Chatfield Reservoir Reallocation project would directly or indirectly impact at least 25% of the state's population.

Twenty one years ago the State of Colorado requested that the Federal government, through the US Army Corps of Engineers (USACE), evaluate the efficient use of Chatfield Reservoir to meet part of the increasing demand for water supply in the South Platte River basin. Based on recently completed analysis of antecedent flood conditions, it appears that up to 20,600 acre-feet of storage in Chatfield could be reallocated from joint flood control-conservation purposes to other authorized purposes including municipal and industrial water supply, agriculture, and recreation and fishery habitat protection and enhancement (Section 808, WRDA 1986).

Procedurally, the USACE must complete an environmental impact statement and feasibility report (EIS/FR) to justify the project and receive project approval from the Assistant Secretary of the Army. The EIS/FR is cost shared with the local non-federal sponsor (the CWBC) 50:50 through a feasibility study cost share agreement (FCSA).

This project is a subset of the overall EIS/FR including the preparation of the preliminary draft of the EIS/FR and the draft EIS/FR.

The goals of the study are to determine the feasibility of reallocating storage in Chatfield Reservoir. Of particular importance is the determination of three issues:

- The capital cost of storage (which relates to the cost to the local water users to reimburse the federal government for the original cost to build Chatfield Reservoir)
- The feasibility and cost of mitigating the impacts of the increased storage on the recreational facilities in the reservoir.
- The feasibility and cost of mitigating the impacts of the increased storage on the environment within the reservoir.

The EIS/FR will be crafted to evaluate these issues and determine the feasibility and cost of storage and mitigation. Based on the EIS identified "preferred alternative" and the FR estimated costs, and the public review comments and responses, the Assistant Secretary of the Army will be provided with the information needed to execute a ROD.

Once the ROD has been executed, the CWCB and the USACE, along with the local water users and other project stakeholders will move toward developing an operational plan for the reservoir and executing water contracts. The CWCB and the local water users will also move forward to design and implement the required mitigation activities.

Given the recent inability of the 109th congress to pass a budget for this federal fiscal year there is a funding gap that would result in project delays and possible cost increases. To prevent this, the local water user group has agreed to provide cash contributions of \$206,000 of the required funding, which leaves a \$130,000 needed to fill short-term funding gap.

The Water Supply Reserve Account request for the South Platte and Metro Roundtables will be used to help finalize the EIS/FR. The key scope activity that will be performed utilizing the Water Supply Reserve

Account will be Task 5, and more specifically the screening and refinement of alternative reallocation plans and the preparation of the Preliminary Draft EIS/FR, both discussed on page 9 of 11 of the scope of work.

The attached scope of work is currently being conducted by TetraTech and has an expected cost of \$898,790.79. The USACE has funded this scope of work under contract DACW45-03-C-0016 to a level of \$529,165.38 as of August 2006. The \$130,000 will be used to help fill the \$369,625.41 between that funded and that needed to complete the EIS/FR.

Discussion:

This activity would address critical water supply needs identified in the Statewide Water Supply Initiative (SWSI) and was identified as a potential project to meet future needs. The project has multiple participants and has the potential to address multiple needs including municipal/industrial, agricultural and recreation and the environment. Having addition storage in Chatfield Reservoir would be a great asset to the water user group. Identifying additional sources of wet water supplies will be a future challenge for the group.

Issues/Additional Needs:

A detailed budget was not provided. This budget needs to identify the specific subtasks within Task 5 that are subject to this grant, the level of effort and rates, and the specific deliverables.

The budget discussions indicates that \$330,000.00 is needed to fill the funding gap but also states that there is a \$369,625.41 need for additional funding. Is there still as gap and how will this be filled?

It is important to emphasize that no past costs can be reimbursed under this program. Also no forwarding funding is allowed tasks will need to be invoiced based on work perform (see criteria and guidelines).

The processing of invoicing and payment will need to be clarified.

The CWCB will also be funding activities in the next state fiscal year. Future requests should be reduced commensurate with the funding that is provide to fill this administrative gap (i.e., this is not a de facto cost increase for the USACE).

The reference map and articles of incorporation for the Greenway Foundation was not included.

The application did not provide information on service area, taps, and fees. Given the large number of participants and the nature of this application (reallocation of storage) staff feels that the collection of information is not critical to the funding decision.

The estimated firm yield for the storage of water under a junior water right appears to be considerably higher than other estimates staff has seen.

Staff Recommendation:

Staff recommends approval of up to \$27,000.00 to The Greenway Foundation for participation in the Chatfield EIS/FR for the benefit of the downstream water user group. This approval is contingent on the resolution of the items in the issues/additional needs section.