

## The Gunnison Basin Roundtable

March 13, 2009

Mr. Todd Doherty  
Intrastate Water Management and Development Section  
COLORADO WATER CONSERVATION BOARD  
1580 Logan Street, Suite 600  
Denver, CO 80203

Re: Grant Request from the Water Supply Reserve Account  
City of Ouray  
Develop Augmentation Water Supplies

Dear Mr. Doherty:

This letter is presented to advise you that the grant application submitted by the City of Ouray for \$50,000 from Basin Account funds from the Water Supply Reserve Account for the development of augmentation water supplies for the City of Ouray was reviewed by the Gunnison Basin Roundtable and its Project Screening Committee, recommended for approval by that committee, and approved by a majority vote of the Gunnison Basin Roundtable during our meeting on March 2, 2009.

This water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes. The requirements/language from the statute is provided in Part 3 of the Criteria and Guidelines.

Major findings for the entire state from the Statewide Water Supply Initiative (SWSI) that apply to this project are as follows:

*(1) To the extent that these identified M&I projects are not successfully implemented, Colorado will see a significantly greater reduction in irrigated agricultural lands as M&I water providers see additional permanent transfers of agricultural water rights to provide for the demands that would otherwise have been met by specific projects and processes.*

The purpose of this project is to provide a firm augmentation water supply for the City of Ouray during severe drought conditions while facilitating continued irrigation of agriculture.

*(2) Supplies are not necessarily where demands are: localized shortages exist, especially in headwater areas, and compact entitlements in some basins are not fully utilized.*

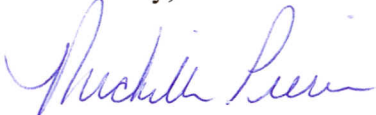
One primary source of water supply is the Red Mountain Ditch, which is a transbasin diversion from the under-appropriated Animas River Basin to the over-appropriated Upper Uncompahgre River Basin.

*(3) The ability of smaller, rural water providers and agricultural water users to adequately address their existing and future water needs, which is significantly affected by their financial capability.*

The aim of this project is to provide a reliable water supply for the City of Ouray during drought periods and allow for continued irrigation in the Uncompahgre River Basin. The SWSI Water Needs Assessment identified the need for augmentation supplies in Ouray County (see SWSI, Table 6-25, pg. 6-57).

A Water Rights Inventory and a study of Augmentation Alternatives have been developed for the City of Ouray. The goal to develop augmentation supplies without permanent dry-up of irrigated lands has been reviewed and approved by the City Council.

Sincerely,



Michelle Pierce  
Chair

Cc: Ralph Grover (e-mail)