

Case No. 4-03CW108

Application of Upper Gunnison River Water Conservancy District

Agenda Item #31 CWCB Meeting July 20-21, 2010 Injury with
Mitigation Proposal

Applicant

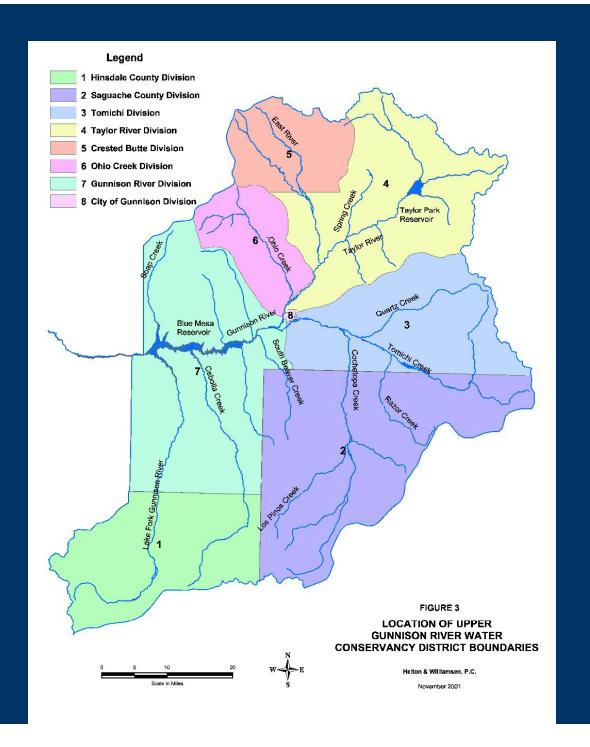
- The current Applicant is the Upper Gunnison River Water Conservancy District (UGRWCD)
- UGRWCD will transfer the rights to Lake San Cristobal Water Activity Enterprise ("the Enterprise"), consisting of Hinsdale County, the Town of Lake City and UGRWCD.
- The Enterprise will be subject to the terms and conditions of the stipulation and decree.

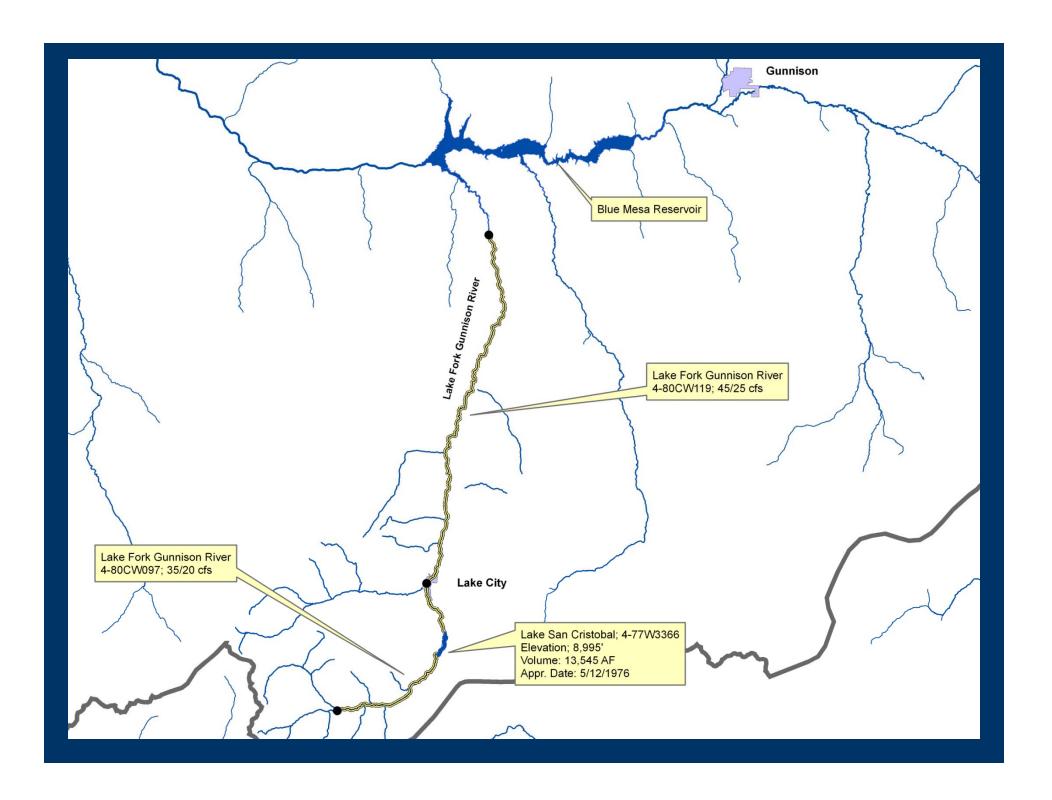
Injury with Mitigation (Rule 8i(3))

- Small injury to the Board's NLL water right on Lake San Cristobal in the Lake Fork Gunnison River Basin
- Appears that mitigation proposed by Applicant will enable the Board to continue to preserve the natural environment to a reasonable degree despite the injury
- Second meeting of two-meeting process

Application Background

- Application is for storage right and approval of plan for augmentation including exchange:
 - Conditional 950 acre-foot storage right in Lake San Cristobal
 - Plan for augmentation and exchange to replace out-of-priority depletions on Lake Fork and within the UGRWCD Boundary





Extent of Proposed Injury

- Applicant's operation of the new Obermeyer gate structure would drop the lake level by as much as 3 feet below the Board's NLL water right
 - Will injure the water right by lowering the lake level below its decreed amount during augmentation releases
- Most of the augmentation water will be needed during the 5-month irrigation season and during dry years.

Mitigation

 Improvements to Lake San Cristobal and the Lake Fork Gunnison River



- 1. Utilize the outlet structure to maintain the lake level at its natural decreed elevation as long as possible each year
- 2. Replace un-replaced OOP depletions on the Lake Fork Gunnison River
- 3. Applicant has agreed to dedicate 100 af/yr to CWCB for downstream ISF use until Applicant needs the stored water for augmentation

Alternatives Considered

- Applicants considered a larger project that would have raised the lake level, which would have inundated the lake by 3 feet
- Inundation of the Board's NLL pursuant to ISF Rule 7
- Modification of the Board's NLL pursuant to ISF Rule 9

CDOW evaluation

- CWCB and CDOW staff have met on several occasions and with Applicant regarding Applicant's proposal
- CDOW agrees that the proposed mitigation and operation plans mitigate injury to the NLL water right by benefitting the natural environment preserved by that right
- Mark Uppendahl, of CDOW, provided his recommendation in May, 2010 and is available today to answer questions

Proposed Terms and Conditions

- The District will not store water in Lake San Cristobal under this Decree until the outlet structure is in place and fully operational, and the dedicated 100 acre-feet has been assigned to the CWCB, thus providing the agreed-upon mitigation measures.
- The outlet structure must be maintained permanently as a condition of making releases from Lake San Cristobal.
- CWCB and Colorado Division of Wildlife staff shall have inspection access.

Proposed Terms and Conditions (continued)

- If the Enterprise ceases to maintain the mitigation measures, the CWCB will no longer accept the injury to the NLL Right.
- This court shall retain jurisdiction to enforce the terms of the settlement with the CWCB as a water matter.
- Additional terms and conditions may be added.

Dedication of 100 acre-feet

- Dedicated water will be used by CWCB to bring its existing ISFs on the Lake Fork Gunnison River up to their decreed amounts
- Applicant and CWCB will enter into an agreement to stipulation regarding the dedicated water
- Decreed uses will be piscatorial, fishery, wildlife habitat and augmentation, which will allow the water to be used to augment the existing ISF water rights.
- If either ISF is short of its decreed amount, CWCB may request all of part of the 100 acre-feet to be released at a rate to be determined at CWCB's discretion.

Dedication of 100 acre-feet (Duration)

- The 100 af will be available to CWCB for a period of not less than 20 years or until:
 - USBR terminates the districts water service contract of r Blue Mesa; and
 - Applicant's sales of Augmentation Certificates commit stored water in excess of 850 AF.
- The IWM will be reassessed after a period of 20 from the date of the decree to
 - Reassess impacts due to storage operations
 - Reassess whether the 100 af has mitigated for impacts and whether continued dedication of stored water is necessary to mitigate impacts.

Staff Evaluation & Recommendation

- Determine that
 - the natural environment of Lake San Cristobal could be preserved to a reasonable degree
 - despite the proposed injury
 - if Applicant maintains the proposed mitigation and
 - agrees to appropriate terms and conditions.
- Approve the pretrial resolution of this case.