

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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TO: Colorado Water Conservation Board Members

Bill Ritter, Jr.
Governor

FROM: Tom Browning, Acting Deputy Director

Mike King
DNR Executive Director

DATE: September 2, 2010

Jennifer L. Gimbel
CWCB Director

SUBJECT: **Agenda Item 29, September 13-15, 2010 Board Meeting
Chatfield Reservoir Reallocation, City of Brighton Storage Space Transfer**

Background

The purpose of the Chatfield Reservoir Reallocation Project (Project) is to convert flood control storage space in the existing federal reservoir, owned and operated by the U.S. Army Corps of Engineers (USACE), into joint-use water supply storage space for municipal, industrial, and agricultural uses. An original consortium of 16 Water Users entered into Letters of Commitment with the CWCB related to the reallocation of storage space in reservoir. The Contracts established a distribution of the proposed 20,600 acre-foot storage space based on an agreement developed and endorsed by the 16 Water Users. The Water Users were divided into an upstream group and downstream group to facilitate the distribution process.

At its July 2007 meeting in Craig, the CWCB approved an agreement on behalf of the Water Users to redistribute 100 AF of relinquished storage space by Hock Hocking, LLC. Later, the Board at its March 2008 meeting approved an agreement to redistribute 2,000 AF of storage space relinquished by Parker Water & Sanitation District (PWSD). All of the relinquished space, in both cases, was "purchased" by existing Water Users except that Mount Carbon Metro District acquired 400 AF of the PWSD space. The redistribution approvals were handled in accordance with the procedures outlined in the Letters of Commitment.

More recently, the City of Brighton has notified the CWCB in writing of its intent to relinquish its 1,425 AF of allocated space in the reservoir. Once again, the Water Users have developed a redistribution agreement for the subject transaction. Key documents related to the transaction are attached; however final executed documents were not available as of the date of this memorandum. Staff and party representatives will provide the Board with an explanation of the transaction and will seek Board approval of the redistribution agreement.

Staff Recommendation

Staff recommends that the Board approve the Water Users redistribution agreement and related CWCB resolution (attached) for the redistribution of storage space in Chatfield Reservoir. Staff further recommends that the Board allow the CWCB Director to sign the CWCB resolution upon satisfactory execution of all necessary documents by the Water Users.

Attachments: CWCB Resolution with Exhibits A through F