

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Tim Feehan, Assistant Director

DATE: March 8, 2013

SUBJECT: **Agenda Item 25, March 19-20, 2013 Board Meeting**
Finance/Interstate, Federal and Water Information Section
Animas-La Plata (A-LP) Project Update

Staff Recommendation

This item is informational only and does not require Board action

Discussion:

Project Water

At its February 2013 Board Meeting, the Southwestern Water Conservancy District (District) approved the transfer of 450 cfs to the A-LP Association to be used by the association members for municipal and industrial purposes, delivered and administered through A-LP. The 450 cfs would be transferred from the 600 cfs conditional water right currently held by the District. This is the end result of years of negotiations between the District and the Association on how much water would be sufficient to meet the needs of the A-LP under varying hydrologic conditions. Staff and other A-LP members were very appreciative of the District's Board and staff in proposing a settlement to this long-standing issue.

Retained Jurisdiction

The Attorney General's Office (AGO's), State Engineer's Office (SEO), and staff continue to work with the Ute Tribes in reaching an agreement on retained jurisdiction. In December of 2012, the parties filed a motion to extend retained jurisdiction to August of 2013, which the court approved. All involved parties are currently working on a stipulation that defines the limit of project water diversions, either through pumping or non-stored allocation. Upon the development of an agreed stipulation by all parties, the SEO and AGO have agreed to release retained jurisdiction on A-LP after August 13, 2013.

Durango Pumping Plant Credit (DPP)

The Bureau has informed staff that it will not accept the CWCB's \$1.5 million credit proposal for the 46 acre parcel deeded to the District for the Durango Pumping Plant without a full (yellow book) federal appraisal on the land. In December of 2012, staff formally requested a Statement of Work from the Bureau to initiate the appraisal process. Any further progress on this issue is on hold until a formal Statement of Work is received from the Bureau.

Lake Nighthorse Recreation

For the past year the City of Durango (City) has been working on finalizing its recreation plan on and around Lake Nighthorse. The City is recommending that the area be annexed to the City to allow it to provide police and emergency support. Given that the land is owned by the Bureau and operated and maintained by the Association, the Bureau would be the responsible entity in executing an annexation agreement with the City.

A number of project participants have expressed concerns over the City's recreation annexation requirement. At its February 2013 Association Meeting, the Association made a motion requesting that the Association be considered as an applicant to perform recreation management at Lake Nighthorse, which was accepted. A letter from the Association to the Bureau summarizing the above request has been submitted.

In an effort to formally identify all project participants' concerns, a recreation meeting has been scheduled on March 13, 2013 in Durango. The intent of this meeting will be to collectively summarize all of the Association members' concerns. The results of the March 13, 2013 meeting will then be presented at a joint meeting on March 26, 2013 among the City, Colorado Parks and Wildlife, Bureau, Animas La-Plata Water Conservancy District, and the Association to develop an agreed path forward.

Transfer of Project from Construction to Operations and Maintenance

The Association has been diligently working with the Bureau to transfer A-LP from construction to operations and maintenance. The transfer is currently scheduled to occur sometime in early April 2013. This is significant step forward and triggers the final cost allocation for the project and essentially releases the project to the Association to operate and maintain. In preparation for the transfer, the Association has requested payment from the State for its share of operation and maintenance for a 6-month period, at a cost of \$61,580.