

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

John W. Hickenlooper
Governor

FROM: Tim Feehan, Assistant Director

Mike King
DNR Executive Director

DATE: July 3, 2013

James Eklund
CWCB Director

SUBJECT: **Agenda Item 13, July 16-17, 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:

Durango Pumping Plant Credit (DPP)

Love Appraisals, out of Cortez, Colorado has been retained to perform the appraisal on the 46 acres associated with the DPP. The cost of the appraisal is currently estimated at \$20,000, which will initially be covered by CWCB, but will be credited back to CWCB by the Bureau of Reclamation (BOR) through the State's repayment contract. Love Appraisals is tentatively scheduled to commence work in early August 2013, with the final appraisal report completed by the end of September 2013.

Protocol – Project Water Administration

The State Engineer's Office (SEO) has recently submitted a new redlined draft of the Protocol to A-LP Association Members, BOR, and the Southwest Water Conservation District (SWWCD) for review. The purpose of the Protocol is to identify guidelines and provide reference documents for use by SEO in the State of Colorado when administering the water rights of the A-LP Project. For the past two years the SEO, Association Members, and the SWWCD have been working together to develop a final document. A meeting has been scheduled on Monday, July 8, 2013 in Durango, Colorado to discuss the redlined draft

Retained Jurisdiction

The Attorney General's Office (AGO), 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. For the past 6 months all involved parties have been working together to develop a stipulation that defines the limit of project water diversions, either through pumping or non-stored allocation. It appears all parties have come to an agreement on the wording of the stipulation. The SEO and AGO have agreed to

release retained jurisdiction on A-LP after August 13, 2013, upon execution of the stipulation and completion of the Protocol.

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, but 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. In June of 2103 the Ute Mountain Ute and Southern Ute Tribal Counsels met to discuss long term recreation at Lake Nighthorse. The meeting resulted in a resolution from both Tribes summarizing their general concerns over recreation, such as, Bruno hunting and fishing rights, future water facility expansions, level of development, water quality, etc., and specifically that annexation of the property by the City of Durango. The Association members and the City of Durango will be meeting on Tuesday, July 9, 2013 in Durango to discuss the possibility of having the City of Durango providing long term recreation management, but *without* annexation.

Operation, Maintenance and Replacement Budget

The estimated cost to CWCB for the fixed Operation, Maintenance, and Replacement (OM&R) costs associated with A-LP for calendar year October 1, 2013 to October 1, 2014 is \$126,778. This equates to \$12.12 per acre foot. Payment by CWCB to the A-LP Association is due by October 1, 2013. The \$126,778 in annual cost includes CWCB portion of expense to replace the evaporative loss in the reservoir.