



**COLORADO**

**Colorado Water  
Conservation Board**

Department of Natural Resources

1313 Sherman Street  
Denver, CO 80203

P (303) 866-3441

F (303) 866-4474

John Hickenlooper, Governor

Mike King, DNR Executive Director

James Eklund, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Tim Feehan, Deputy Director, Resource Management

DATE: August 29, 2014

SUBJECT: **Agenda Item 14, September 11-12, 2014 Board Meeting  
Finance/Interstate, Federal and Water Information Section  
Animas-La Plata (A-LP) Project Update**

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### **Staff Recommendation**

This item is informational only and does not require Board action.

### **Discussion:**

#### Project Water

On April 29, 2013, the CWCB transferred \$23,686,420 to the Bureau of Reclamation ("Bureau") to be credited towards its purchase of the State's water allocation in A-LP. This leaves a remaining balance of \$346,054 for the State to acquire its full water allocation of 10,460 acre feet. The Bureau is still working on its final cost allocation for the Project, which is anticipated to be complete by the summer of 2015. In our purchase contract with the Bureau, executed in June of 2012, \$25.5 million was estimated as the State's final construction cost for its project water allocation. Current Bureau estimates indicate no adjustment to that number will be necessary.

#### Durango Pumping Plant Credit (DPP)

CWCB staff is still working with the Bureau to receive credit for the 46 acres that the State transferred for the Project's use, and on which the DPP resides. The Bureau agreed that some portion of the land's value will be credited back to the State through its repayment contract for the water purchase, as well as the cost of the appraisal, when a final value for the land has been determined. The final appraisal report for the land has been completed, identifying a 2002 appraised value of \$4,356,000. We are currently working with the Animas La-Plata Water Conservancy District and the Bureau in determining the final operation and maintenance easement for the DPP. Given that the \$4,356,000 appraised value is based on the full 46 acre parcel, the value of any land that is not included in the final easement will be subtracted from the \$4,356,000. The Bureau has received letters from the Association, Animas-La Plata Water Conservancy District, and CWCB on their formal positions on what should be the final permanent easement footprint. A final decision from the Bureau on this issue is anticipated in the next few weeks.



Staff has received notification from the Bureau that the State's remaining purchase agreement balance of \$346,054 will be credited, based on the outcome of the appraisal, and that any remaining credit will be paid directly to the State.

### Lake Nighthorse Recreation

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, but operated and maintained by the Association, the Bureau would be the responsible entity in executing an annexation agreement with the City.

For the past year the Association Members, Bureau, and the City have been working through issues associated with annexation, the extent of recreational amenities, tribal cultural resources, the Bruno Treaty (hunting and fishing), police enforcement, liability and other issues. Discussions have been lengthy and difficult at times, but significant progress has been made. The recreational master plan developed for the lake and surrounding lands was used as a guidance document in developing a scaled-down, initial-phase recreation plan, summarized below:

- Boating (CWCB provided a \$700k grant to construct the existing boat ramp)
- Overflow parking beyond parking currently provided at the boat ramp (30 spaces)
- Swim beach
- Limited day-use, to include trails
- Entrance facility
- Boat check station (mussel inspection)
- City and County police protection
- Reduced annexation footprint that would only encompass amenities and areas of use, and not the entire property

The Bureau has finalized its comments to the annexation and lease agreements to the City and Association members for their review. The Bureau has requested that each Association member have its respective board or counsel review and approve the recreation plan and the supporting documents (lease and annexation agreements).

The Bureau is working through some sensitive issues with both Tribes, such as the Brunot Treaty and cultural resources, which will take some time to resolve. Whatever the final recreation plan turns out to be, it will require an Environmental Assessment (EA) review and approval by the Bureau, which is a lengthy process in itself. At this time it is doubtful that recreation on Lake Nighthorse will be available to the public in 2015.

### Water Purchase

CWCB staff has been working with the Archuleta La-Plata Water District (District) for the past year in developing a purchase agreement for the District to acquire 2,500 AF (supply) or 1,250 AF (depletion) from the State's 10,460 AF (supply) project water allocation. The Board formally approved the purchase at its July 2014 meeting and the purchase agreement is currently at the Bureau for signature. It anticipated that the purchase agreement will be fully executed by all parties in the next few weeks and the initial purchase of 50 AF closed by the end of September 2014.

