

**Water Supply Reserve Account – Grant and Loan Program  
Water Activity Summary Sheet  
Agenda Item 23a**

**Applicant:** Huerfano County Water Conservancy District

**Water Activity Name:** Red Wing Augmentation Facility – Huerfano Regional Augmentation Project

**Water Activity Purpose:** Structural Water Project

**County:** Huerfano

**Drainage Basin:** Arkansas

**Water Source:** Huerfano River

**Amount Requested:** \$250,000

**Source of Funds:** \$200,000 (Statewide Account)

\$50,000 (Arkansas Basin Account)

**Matching Funds:** \$330,000 cash (\$50,000 Huerfano County Water Conservancy District and \$280,000 CWCB Water Project Loan)

<b>Staff Recommendation</b>
Staff recommends approval of up to \$200,000 from the Statewide Account and up to \$50,000 from the Arkansas Basin Account to help fund the Red Wing Augmentation Facility – Huerfano Regional Augmentation Project.

**Water Activity Summary:**

The Red Wing Augmentation Facility is an important part of a permanent regional augmentation plan covering the Huerfano River Basin within Huerfano County. In addition to this grant, the regional plan was initially funded by a \$2.22M loan from the CWCB's Water Project Loan Fund as well as pledged tax revenue. The regional plan will provide augmentation water to entities now using water unlawfully because of the absence of working augmentation plans and will support future uses of water on this over-appropriated stream.

The Red Wing Augmentation Facility will enable upstream storage and release of historic consumptive use water from the Priority #7 water right, historically diverted through the William Craig Ditch. The District has acquired six-sevenths of the William Craig Ditch. It also acquired the Camp Ranch property, upon which the ditch was used for irrigation. This interest is anticipated to yield an average of approximately 150 acre feet (AF) per year of consumptive use water.

Located immediately offstream of the upper Huerfano River, the Red Wing Augmentation Facility will consists of (1) a diversion structure co-located with the existing Wilson Ditch, (2) a waste-way or augmentation station shortly below the headgate, (3) a splitter box dividing the water diverted between the District and the Wilson Ditch, (4) a pipeline from the splitter box to the Red Wing Augmentation Facility, (5) the lined pond itself, having a capacity of 25 AF, (6) outlet works into a second pipeline delivering releases back to (7) an augmentation station at the river, together with (8) appropriate measuring devices and telemetry. Water will be diverted from the river pursuant to an appropriate right of exchange.

For almost five years, by using temporarily leased water rights, the District has provided augmentation water to an increasing number of water users via individual annual leases of consumptive use water pursuant to approved Substitute Water Supply Plans (SWSP) and Rule 14 Plans. Since the limited statutory life of the plans is about to expire, the District must initiate a permanent augmentation plan.

The regional augmentation plan will provide consumptive use water to existing customers of the District (privately- and publically-owned residential supplies for over 300 homes, plus the Huerfano County Road & Bridge Department), to new water users in the basin, and to other out of priority water users that are not currently strictly administered. Water users will buy permanent augmentation certificates from the District for consumptive use water in amounts to cover their depletions, as well as annual administrative fees.

**Discussion:**

The Red Wing Augmentation Facility appears to provide multiple benefits. It is an integral part of a larger water activity – establishing a permanent regional augmentation plan for out-of-priority uses of water in the Huerfano River Basin. This activity meets multiple needs and issues by providing replacement water for domestic and residential water supplies, county road maintenance and replacement of pond evaporation. The Town of Gardner and its public school will not be able to continue to operate without the success of the Red Wing Augmentation Facility and the regional augmentation plan that this storage supports.

There are five entities which currently participate in the initial phase of this activity, by annual SWSPs or by Rule 14 Plans, and expect to be served by the permanent augmentation plan: Huerfano County Road & Bridge Department (water for dust control and road maintenance) and private and public water systems serving over 300 homes including: Malachite Spring, CO 61 Homeowners Association, Gardner Water & Sanitation District, and Paradise Acres HOA. Others have expressed interest, including energy companies in need of water for drilling, and residential properties that cannot be used until adequate replacement water supplies are developed (remaining lots within Paradise Acres and CO61). In addition, there are numerous out-of-priority existing water users that will be curtailed by the Division Engineer's Office if the regional augmentation plan is not successfully implemented. This was evidenced by a letter from Steve Witte, Division Engineer.

Additionally, the waters of the Huerfano Basin are subject to the terms of the Arkansas River Compact. Therefore, use of Huerfano River water must be in compliance with the Compact. This project helps ensure Compact compliance by eliminating out-of-priority depletions in violation of the Compact.

Due to these considerations, staff believes this project meets many of the Statewide Evaluation Criteria.

**Issues/Additional Needs:** None

**Staff Recommendation:**

Staff recommends approval of up to \$200,000 from the Statewide Account and up to \$50,000 from the Arkansas Basin Account to help fund the Red Wing Augmentation Facility – Huerfano Regional Augmentation Project.

All products, data and information developed as a result of this grant must be provided to the CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and will help promote the development of a common technical platform.

In accordance with the revised WSRA Criteria and Guidelines, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

**Reporting:** The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the tasks identified in the scope of work including a description of any major issues that have occurred and any corrective action taken to address these issues.

**Final Deliverable:** At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

**Engineering:** All engineering work (as defined in the Engineers Practice Act (§12-25-102(10) C.R.S.)) performed under this grant shall be performed by or under the responsible charge of professional engineer licensed by the State of Colorado to practice Engineering.