



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Linda J. Bassi, Stream & Lake Protection Section
Ted Kowalski and Michelle Garrison, Interstate, Federal & Water Information Section

DATE: March 17, 2016

AGENDA ITEM: 18 - Ruedi Lease Renewal

Background:

After receiving Board approval at the May 2015 meeting, the CWCB staff negotiated a short-term lease with the Ute Water Conservancy District ("Ute Water") to use a portion of the water that Ute Water owns in Ruedi Reservoir ("Ruedi water") for instream flow ("ISF") use in the 15-Mile Reach of the Colorado River. The CWCB sought the leased water to supplement existing ISF water rights and preserve/improve the natural environment of the four endangered fish species present in the 15-Mile Reach of the Colorado River. The lease allowed the CWCB to use 6,000 AF of Ruedi water, with a potential increase to 12,000 AF, at a price of \$7.20 per acre-foot. The lease was finalized in late August. Under the lease, 9,000 AF of water was released from Ruedi Reservoir in September and October at a total cost to the CWCB of \$64,800.

The release of 9,000 AF from Ruedi Reservoir resulted in higher flows in the 15-Mile Reach and provided some operational flexibility for the USFWS and operators of other reservoirs that release water in late summer to benefit the endangered fish habitat. The released water was allowed to pass through both the Ruedi Reservoir hydropower plant and the Orchard Mesa Irrigation District's power plant on its way to the 15-Mile Reach, providing some additional local benefits. In addition, the releases were made so that releases from Ruedi Reservoir did not exceed 300 cfs, which maximizes hydropower benefits and assures that the flows in the Fryingpan River are not so high that they limit the opportunities for recreational fishing. By most accounts, the operational regime worked very well for everyone involved, but staff has scheduled an additional meeting with local stakeholders for March 21, 2016 to discuss last year's operations and this year's potential operations if the lease were to be renewed.

The lease expires April 30, 2016, with an option to renew. Ute Water has expressed interest in renewing the lease for one year at the current price of \$7.20 per acre-foot. The lease would again offer 6,000 AF with an optional increase. Maximum cost to the CWCB would be \$86,400 if the full 12,000 AF were utilized. Over \$435,000 is available in the Species Conservation Trust Fund account for leasing of water for instream flow purposes



Staff recommendation: Staff recommends that the Board approve a one-year renewal of the lease of Ruedi water from the Ute Water Conservancy District subject to the following conditions:

1. At a public meeting in El Jebel, CO on March 21, 2016, staff will present information on the potential lease renewal and hear and consider comments and concerns regarding Ruedi reservoir operations and the possible impacts of this lease renewal.
2. Releases of Ruedi water under the Water Lease Agreement shall not cause the releases out of Ruedi Reservoir to exceed 300 cfs and shall not cause flows in the Fryingpan River below Ruedi Reservoir to exceed 350 cfs. Staff shall coordinate with the Bureau of Reclamation to ensure that this condition is met.
3. If CWCB and Ute Water desire to renew the Water Lease Agreement after this second year, CWCB staff will notify local stakeholders of the potential renewal and seek input, and will seek the Board's approval for any lease renewal at a subsequent regularly scheduled CWCB meeting.
4. CWCB staff shall consult and coordinate weekly with CPW staff on proposed releases to minimize impacts to the fishery below Ruedi Reservoir.

