Linda J. Bassi Chief, Stream and Lake Protection Section Colorado Water Conservation Board 1313 Sherman St., Rm. 721 Denver, CO 80203 4/27/2018

Re: Lease of Ruedi Reservoir Water for Frying Pan River Winter Instream Flow Enhancement

Dear Linda:

By this letter the Colorado River Water Conservation District (River District) acting through its Colorado River Water Projects Enterprise ("Enterprise"), expresses interest in leasing Ruedi Reservoir water to the CWCB for Frying Pan River winter instream flow enhancement. It is understood that funding for a lease would be from the CWCB's Construction Fund pursuant to 37-60-123.7, C.R.S.

In the fall of 2017 the River District entered into discussions with the Roaring Fork Conservancy ("RFC") regarding the possibility of enhancing instream flow in the Frying Pan below Ruedi Reservoir during the winter months under certain conditions. We understand that it is beneficial to maintain Fryingpan winter flows at 70 cfs, or 31 cfs above the 39 cfs decreed instream flow. This enhanced flow need is outlined in more detail in the companion letter provided by the RFC.

The River District's Enterprise maintains five perpetual Ruedi contracts with the Bureau of Reclamation totaling 11,413.5 acre-feet of firm annual yield. Currently, approximately 7,500 acre-feet is available for leasing pursuant to the Enterprise water marketing policy. The Enterprise proposes to lease water from its 5,000 acre-foot Contract No. 079D6C0106 as this contract includes explicit language in ¶ 6.b. that the water may be used "...to supplement winter instream flows in the Fryingpan River." The use of other Enterprise contracts may be appropriate as well.

The terms of a lease for in-channel water uses are set forth in the <u>Marketing Policy of the</u> <u>Colorado River Water Conservation District's Colorado River Water Projects Enterprise</u> dated January 17, 2018. Key terms include:

- 1. Contracts are for one project year (July 1, -June 30). Contracts may be renewed annually subject to water availability and any Board authorized changes to the water marketing policy,
- 2. The cost for a contract entered into for project year 2018 will be \$65.25/AF plus a \$400 non-reimbursable application fee.

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The River District is pleased to have this opportunity to work with the CWCB on a lease that would benefit winter stream flows in Fryingpan River below Ruedi Reservoir. We look forward to working with you to complete this transaction. Please let us know if we can provide any additional information to assist in CWCB's consideration of this proposal.

Respectfully,

John M. Currier, P.E.

Chief Engineer

Colorado River District

Cc: Heather Tattersall Lewin, Roaring Fork Conservancy

Mark Fuller, Ruedi Water and Power Authority