



**COLORADO**

**Colorado Water  
Conservation Board**

Department of Natural Resources

1313 Sherman Street  
Denver, CO 80203

P (303) 866-3441  
F (303) 866-4474

Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Rebecca Mitchell, CWCB Director

**TO:** Colorado Water Conservation Board Members

**FROM:** Lauren Ris, Deputy Director

**DATE:** March 20, 2019

**AGENDA ITEM:** 9b. Sale of Chatfield Storage Space to Dominion Water & Sanitation

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**Introduction:**

The Dominion Water and Sanitation District (Dominion) is interested in purchasing units from CWCB in the Chatfield Storage Reallocation Project (Project). One unit in the Project is equal to one acre-foot (AF) of storage space. Staff received approval from the Board in September 2018 for terms to sell 500 CWCB units in the Project to Dominion through a 15-year option agreement. One of the approved terms was subject to CWCB staff developing a policy for determining the price of future sales in CWCB storage projects. Since this meeting however, CWCB and Dominion have continued conversations and have agreed on recommending that the Board approve Dominion's purchase of 500 units in the Project at one time. To finance its purchase, Dominion is seeking a CWCB loan. See Agenda Item 10c for Dominion's loan request.

Subject to the Board's approval of the sale, Dominion and CWCB will enter a purchase agreement. As part of the sale, Dominion will also be required to enter into a Water Provider Agreement with the Department of Natural Resources (DNR), which will require Dominion's membership in the Chatfield Reallocation Mitigation Company and make Dominion subject to the same payment obligations as the other Project participants. CWCB will bring a storage sale policy to the Board for approval at a later date, but such a policy is no longer applicable to this situation.

**Staff recommendation:**

Staff recommends that the Board approve the sale of 500 units in the Chatfield Storage Reallocation Project to Dominion Water and Sanitation District.

**Background:**

Chatfield Dam and Lake (Chatfield) is an on-stream, multi-purpose reservoir built between 1967 to 1975 and is located at the confluence of the South Platte River and Plum Creek. The dam and reservoir are owned and operated by the U.S. Army Corps of Engineers (USACE). Chatfield's primary purpose is flood control but some of its storage space is used as a multipurpose pool for water supply. Denver Water is the sole user of Chatfield's originally allocated storage space for water supply.

In the mid-1990s, DNR, acting through CWCB and on behalf of numerous local water providers, requested the USACE to reallocate a portion of Chatfield's flood control storage for water supply storage. The USACE ultimately determined Chatfield can accommodate a reallocation of 20,600 AF from the flood control pool to a



multipurpose pool for water supply without compromising Chatfield’s primary flood control function. Storing the additional 20,600 AF in Chatfield will raise operational water levels 12 feet from the historical operational high level of 5,432 feet to 5,444 feet. Construction cost of the Reallocation Project is to mitigate both the environmental and recreational impacts a 12-foot rise will have at the reservoir site. Improvements to the dam or spillway are not required.

In May 2014, by approving the Feasibility Report/Environmental Impact Statement and Record of Decision, USACE made the determination that Chatfield Reservoir can accommodate an additional 20,600 AF of water storage for water supply without compromising its flood control function. This additional storage space will be used by municipal water providers and agricultural organizations to help meet the diverse needs of the state. Current ownership in the Project is detailed in Table 1.

**TABLE 1: CHATFIELD REALLOCATION PROJECT PARTICIPANTS AS OF FEBRUARY 2019**

Participant	Storage Amount	Percentage
Centennial Water and Sanitation District	6,922 AF	33.60 %
Colorado Water Conservation Board	6,796 AF	32.99 %
Central Colorado Water Conservancy District	4,274 AF	20.75 %
Castle Pines North Metro District	1,006 AF	4.88 %
Colorado Parks and Wildlife	1,000 AF	4.85 %
Castle Rock	461 AF	2.24 %
Center of Colorado Water Conservancy District	131 AF	0.64 %
Castle Pines Metro District	10 AF	0.05 %
<b>TOTAL</b>	<b>20,600 AF</b>	<b>100 %</b>

The Chatfield Reallocation Mitigation Company was formed in 2015 to implement the Project. It is comprised of all of the participants in the Project and oversees the Project work, including managing contractors.

Mitigation work for the Chatfield Storage Reallocation Project began in November 2017 and various recreational and environmental construction activities are scheduled to last through the spring of 2020.

See the Board memo for agenda item 10c for additional Project background and construction status.

Dominion is a wholesale water district in Northwest Douglas County formed in 2004. Dominion’s 33,000-acre service area includes Sterling Ranch Authority Board (3,400 acres), Chatfield Valley Framework Entities, and other retail water and wastewater providers that serve existing residents and businesses south of Chatfield Reservoir.

