

Board of County Commissioners

970-328-8605 970-328-8629(f) eagleadmin@eaglecounty.us www.eaglecounty.us

September 28, 2023

Lauren Ris, Director Colorado Water Conservation Board 1313 Sherman Street, Room 721 Denver, CO 80203

RE: Non-Reimbursable Project Investment: Shoshone Hydro Plant – Water Right Permanency

Dear Director Ris:

As Chair of the Board of Commissioners of Eagle County, Colorado (Eagle County), I am pleased to support the Colorado River Water Conservation District's (Colorado River District) Non-Reimbursable Project Investment application to be considered as part of the 2024 Water Projects Bill. For more than 20 years, the Colorado River District and more than 17 other western Colorado governments and water entities, including Eagle, Summit, Grand, Garfield and Mesa counties and many of the municipalities therein, have been working together to find a way to permanently preserve the Shoshone flows. The 2013 Colorado River Cooperative Agreement between Denver Water and 17 West Slope governments/water user organizations including Eagle County expressly recognizes the importance of – and memorialized the need to provide permanent protection of – the historical flow regime created by the Shoshone Plant. Colorado River water users benefit greatly from Shoshone's flows, and I am motivated to protect those benefits in perpetuity.

The historical flow regime created by the Shoshone Plant supports dependable legal water supplies relied on by Eagle County constituents and citizens in other West Slope counties. Residential and commercial users depend on water supplies developed in reliance on the historical flow regime created by operation of the Shoshone Plant, and public water supplies will be impaired if these historical flows diminish.

Further, commercial river outfitters and recreationalists using the river need these flows as temperatures increase and flows decrease to keep local economies afloat and recreation a central economic driver for the state. Those economic drivers rely on the recreational flows provided by Shoshone's call to support a river recreation industry that contributes \$18.8 billion in economic output and over \$10 billion annually to the state's GDP, with nearly \$4 billion coming directly from the Colorado River basin on the Western Slope¹.

¹ 2019 Business for Water Stewardship Report (https://businessforwater.org/co-rivers-key-to-economy); Total economic output calculated with the multiplier effect.



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In addition, communities large and small along the Eagle River and Colorado River mainstem also benefit from the enhanced water quality Shoshone flows provide. Water delivered through the Eagle River and Colorado River to the Shoshone Plant dilutes pollutants in the source drinking water for communities like Eagle, Edwards, Gypsum and downstream communities in Garfield and Mesa counties. Without the higher flows provided by the Shoshone call, Eagle County municipal suppliers experience higher pollutant concentrations in their supply sources, which increase costs to the public to achieve regulatory compliance for municipal drinking and wastewater treatment. Western Slope communities also depend on Eagle River and Colorado River flows for agriculture uses that include not only farms and ranches but irrigation for subdivisions, parks, and other public environments.

Shoshone's flows also provide critical habitat to four fish listed under the Endangered Species Act in the 15-Mile Reach of the Colorado River. For most of the year, the river would not come close to meeting the flow targets set by the Upper Colorado Endangered Fish Recovery Program. All Colorado River water users – both east and west slope users – rely upon the benefits of the Shoshone flows as a bedrock for the success of the Upper Colorado River Endangered Fish Recovery Program and to provide continued compliance with the Endangered Species Act. In addition, Shoshone permanency preserves Historic User Pool (HUP) water supplies and allows Colorado's \$11.9 billion agricultural economy to continue alongside critical habitat protections under the Recovery Program.² In addition, Shoshone flows are one of the four identified long-term protection measures for the Upper Colorado River Wild and Scenic River Alternative Management Plan.

During the last 23 years of severe drought, the benefit of the Shoshone call to the flow of the river has become even more evident and important. If the power plant were to cease operation without permanent protection of the water right through an instream flow, the negative economic and environmental impacts to Western Colorado and to the State of Colorado would be immediate and profound.

Sincerely,

Kathy Chandler-Henry

Kathy Chandler-Seary

Chair

² Colorado Office of Economic Development & International Trade, 2019.



COUNTY ATTORNEY'S OFFICE

108 8th Street, Suite 219 Glenwood Springs, CO 81601 (970) 945-9150

September 18, 2023

Via electronic mail
Lauren Ris, Director
Colorado Water Conservation Board
1313 Sherman Street, Room 721
Denver, CO 80203

RE: Non-Reimbursable Project Investment: Shoshone Hydro Plant - Water Right Permanency

Dear Director Ris:

Garfield County is writing to express our support for the Colorado River Water Conservation District's ("River District's") Non-Reimbursable Project Investment application to be considered as part of the 2024 Water Projects Bill. For more than 20 years, the River District and 17 other Western Colorado governments and water entities, including Garfield, Summit, Grand, Eagle, and Mesa Counties and many of the municipalities therein, have been working together to find a way to permanently preserve the Shoshone flows. The 2013 Colorado River Cooperative Agreement between Denver Water and 17 Western Slope governments/water user organizations expressly recognizes the importance of – and memorialized the need to provide permanent protection of – the historical flow regime created by the Shoshone Plant.

Colorado River ("River") water users benefit greatly from Shoshone's flows, and we need to protect those benefits in perpetuity. Shoshone's flows provide critical habitat to four fish listed under the Endangered Species Act in the 15-Mile Reach of the River. Garfield County has supported your, Colorado Water Conservation Board ("CWCB"), protective efforts in the 15-Mile Reach by leasing Garfield County owned water rights in Ruedi Reservoir to the CWCB for in steam flow. As you are aware, for most of the year, the River would not meet the flow targets set by the Upper Colorado Endangered Fish Recovery Program. Garfield County believes it is important to protect this critical habitat and that the leasing of water rights to the CWCB provides economic and environmental benefits to Garfield County residents.

All River users – both east and west slope users – rely upon the benefits of the Shoshone flows as a bedrock for the success of the Upper Colorado River Endangered Fish Recovery Program and to provide continued compliance with the Endangered Species Act. In addition, Shoshone permanency preserves Historic User Pool (HUP) water supplies and allows Garfield County's \$35.9 million agricultural economy to continue alongside critical habitat protections under the Recovery Program.^a In addition, Shoshone flows are one of the four identified long-term

^a United States Department of Agriculture, 2017 Census of Agriculture, Garfield County, Colorado, https://www.nass.usda.gov/Publications/AgCensus/2017/Online Resources/County Profiles/Colorado/cp08045.pdf

protection measures for the Upper Colorado River Wild and Scenic River Alternative Management Plan.

Further, in Garfield County commercial river outfitters and recreationalists using the river need these flows as temperatures increase and flows decrease to keep local economies afloat and recreation a central economic driver. A study by Earth Economics estimates that recreation within Garfield County (from No Name to DeBeque) supports 950 jobs and \$140 million spent on recreation. Those economic drivers rely on the recreational flows provided by Shoshone's call to support a river recreation industry that contributes \$18.8 billion in economic output and over \$10 billion annually to the Colorado's GDP, with nearly \$4 billion coming directly from the Colorado River Basin on the Western Slope^c. The Colorado River Basin holds the second largest number of river recreation jobs at 26,800 and supports \$555 million in tax revenues.

In addition, communities along the Colorado River in Garfield County also benefit from the enhanced water quality Shoshone flows provide, diluting pollutants in the source drinking water for towns like New Castle, Silt, Rifle, and Parachute. Without the higher flows provided by the Shoshone call, higher pollutant concentrations and higher turbidity create higher costs for municipal drinking and wastewater treatment and are ultimately passed on to the residents of those municipalities.

There is no doubt that the benefit of the Shoshone call to the flow of the Colorado River has is critical to the habitat in and along the river and to the economy of Garfield County. If the Shoshone Plant were to cease operation without permanent protection of the water right through an instream flow, the negative economic and environmental impacts to Garfield County, the Western Slope, and to the State of Colorado would be irreversible.

Thank you for your consideration.

Sincerely

Heather K. Beattie

Garfield County Attorney

^b 2018 Middle Colorado Watershed Council, *The Economic Contribution of Recreation in the Middle Colorado Watershed*, https://midcowatershed.org/resources/ (report located under Partner Resources).

^c 2019 Business for Water Stewardship, *Economic Contributions of Water-related Outdoor Recreation in Colorado*, https://businessforwater.org/co-rivers-key-to-economy (total economic output calculated with the multiplier effect). ^d *Id*.



SHOSHONE PERMANENCY UPDATE November 6, 2023

TO: COLORADO WATER CONSERVATION BOARD AND STAFF

FROM: COLORADO RIVER WATER CONSERVATION DISTRICT STAFF

Dear CWCB Directors and Staff:

The Colorado River District, on behalf of a broad coalition of West Slope local governments and water users, wishes to thank the CWCB for its continued consideration of our non-reimbursable project investment request of \$20 million to support the permanent protection of the historical Shoshone flow regime ("Shoshone Permanency").

Due to an unexpected delay in the Seller's schedule, the anticipated late-October approval of the Purchase and Sale Agreement for the Shoshone Water Rights (PSA) is now scheduled for mid-December. We therefore respectfully request that the CWCB postpone any action on the grant request until its January 2024 meeting. In the interim, we appreciate that the Board and Staff set aside time during your November 15th meeting to discuss the Shoshone water rights, and to allow us to provide an update on the Shoshone Permanency project.

We hope that this memo provides helpful feedback on the important questions discussed at the CWCB's September Finance Committee meeting. In the discussion below, we provide an overview of the funding request (which is more fully described in our August 1, 2023, application), followed by summaries of the Board's questions (grouped by general topic), and our brief answers. We look forward to discussing the project further on November 15th.

I. Summary of proposal, the grant request, and funding.

For more than 20 years, the Colorado River District and 17 other western Colorado governments and water entities, including Summit, Grand, Eagle, Garfield, and Mesa Counties and many of the municipalities and major water organizations therein, have been working together to find a way to permanently preserve the Shoshone flows. The 2013 Colorado River Cooperative Agreement between Denver Water and 17 West Slope governments/water user organizations expressly recognizes the importance of – and memorialized the need to provide permanent protection of – the Shoshone flows. We are now on the cusp of the unprecedented alignment of multiple factors that presents a real opportunity to finalize this long-standing goal.



The project will require the acquisition of the Shoshone water rights by the Colorado River District and a joint water court application by the CWCB and Colorado River District to change the use of the rights to add instream flow use by the CWCB as an alternate purpose when the rights are not being used to generate hydropower. We anticipate that the proposed instream flow reach would run from the point of diversion at the Shoshone Dam (at the Hanging Lake Tunnel) to a point approximately 2.4 miles downstream at the outfall of the Shoshone Power Plant penstocks. We anticipate collaborating with CWCB staff to explore whether to extend the protected reach downstream a bit further, to a point immediately upstream of the confluence of the Colorado River and Grizzly Creek.

Permanent protection of the Shoshone Flows will secure multiple benefits to the West Slope and across the state. The project aligns strongly with the Colorado Water Plan's focus to support vibrant communities and thriving watersheds, while also advancing a top priority of the Colorado Basin Roundtable. Among the multiple benefits, the project will: (a) provide ecosystem benefits and provide fundamental support for the Upper Colorado River Endangered Species Recovery Program; (b) help to ensure reliable, clean water for irrigation from the New Castle area to the Grand Valley; (c) secure critical streamflow to support the Upper Colorado River Wild & Scenic Alternative Management Plan (from Kremmling to No Name); (d) provide water quality benefits to towns that rely on the Colorado River for source drinking water, such as New Castle, Rifle, Palisade, Clifton, and the greater Grand Junction area served by the Ute Water Conservancy District; and (e) ensure and promote the economic development of the important recreational economy in Grand, Summit, Eagle, Garfield, and Mesa Counties.

The funding strategy for acquisition of the Shoshone Water Rights relies on a diverse partnership of local, state, and federal funding sources. Our broad West Slope coalition proposes to contribute \$30 million (\$20 million from the Colorado River District, with the remaining \$10 million from our coalition members, including Grand County, Summit County, Eagle County, Garfield County, Mesa County, the Eagle River Water and Sanitation District, the Upper Eagle Regional Water Authority, the City of Glenwood Springs, the Town of Rifle, the Ute Water Conservancy District, and a consortium of irrigation entities in the Grand Valley). More specifically, to achieve the truly legacy goals of Shoshone Permanency, we are seeking a contribution from the CWCB of \$20 million. In recognition of the critical importance of the Shoshone Flows to the continued success of the Upper Colorado River Endangered Fish Species Recovery Program and other benefits to federal interests, we have initiated discussions with the United States to contribute the remaining \$49 million of the acquisition costs through funding made available as part of the Inflation Reduction Act. The alignment of multiple, historic funding opportunities backed with strong local partnerships provides a unique time-sensitive opportunity to achieve Shoshone Permanency.

II. Are there any less expensive alternatives to achieve Shoshone Permanency?

Our West Slope coalition has considered alternative means to secure the Shoshone flows on a permanent basis for many years. We have concluded that, while the proposed acquisition of the Shoshone water rights requires a significant investment, other options would not provide sufficient protection of the historical flow regime. A few of the many alternatives we considered are discussed below.

A. A permanent Shoshone Outage Protocol Agreement.



The Shoshone Outage Protocol is an agreement entered in 2016 by which the Colorado River District, Denver Water, the Middle Park Water Conservancy District, the Municipal Subdistrict of Northern Water, and the Bureau of Reclamation agree to release or bypass water from their systems during river conditions when the Shoshone Water Rights would normally place an administrative call but cannot because the power plant is down for maintenance or otherwise is not operating. Aurora Water also participates in the outage protocol through a separate agreement with the River District and other West Slope entities.

The Shoshone Outage Protocol ("ShOP") is an important agreement and, when implemented, it has added flow that helps to protect river conditions. However, the ShOP Agreement has a limited term and, even under current conditions, the ShOP falls short of protecting the Shoshone flows in several significant respects.

- 1. ShOP has a limited 40-year term and cannot realistically be made permanent. The ShOP Agreement has a 40-year term (effective for 32 more years). The Bureau of Reclamation participates in ShOP through its operations at Green Mountain Reservoir, which usually provides the most significant contribution to the ShOP flow rate. Reclamation maintains that it would require a change in federal law through an Act of Congress to authorize a ShOP Agreement for more than a 40-year term. Moreover, several years ago, the River District proposed a permanent ShOP arrangement to the other ShOP participants. That proposal was rejected without any willingness to engage in further negotiations.
- 2. Even when implemented, as it has been this year, ShOP does not provide sufficient protection of the historical flow regime. The Shoshone Water Rights consist of the senior right of 1,250 c.f.s., and a junior right for 158 c.f.s., for a total of 1,408 c.f.s. By its terms, the ShOP is limited to a target flow of 1,250 c.f.s. during the irrigation season, and only 900 c.f.s. during the non-irrigation season. In recent years, it has become apparent that the junior 158 c.f.s. right plays a more significant role in protecting streamflow, reducing stream temperatures, and preventing fish kill than initially believed. In addition, the terms of the ShOP Agreement limit each entity's participation in important and meaningful ways. This year provides a clear example. The Shoshone Power Plant has been down for an extended period this year due to a maintenance issue and a rockfall hazard that has prevented safe access to the facility. Due to the extended outage, Reclamation has indicated that, even in this wet water year, its available ShOP supply has been depleted and it will not be able to provide enough flow from Green Mountain Reservoir to meet the target flows set by the ShOP Agreement. Reclamation currently estimates the ShOP shortfall this winter to be approximately 5,000 acre-feet. The depletion of the available ShOP supply would have been much worse (and would have occurred earlier, during summer high stream temperatures) if this had been an average or dry year. In contrast, if there had been a Shoshone Call (or a future instream flow call) instead of ShOP operations this year, Reclamation would have had access to additional water and would not be facing a shortfall this winter.
- 3. ShOP does not provide the certainty of a water court decree. The ShOP Agreement is not decreed and therefore is subject to potential changes in interpretation and/or changes in administration on the river. Perhaps more importantly, a new junior appropriator would not be bound by the ShOP Agreement. Thus, the water committed to the streamflow by existing ShOP participants is subject to being intercepted by a new junior potentially reducing or eliminating the good deeds of the ShOP parties to support the stream flow.



B. A new instream flow appropriation.

The West Slope coalition also considered whether a new instream flow appropriation could protect the historical flow regime. We rejected that idea because a new instream flow would have a much more junior priority and would not protect the flows created by the much more senior Shoshone rights. Even if an instream flow appropriation had been made in 1973, when the instream flow act was first created, its priority would be far too junior to protect the historical flow regime.

C. A recreational in-channel diversion.

A new Recreational In-Channel Diversion (RICD) would have a junior priority that, like a new instream flow appropriation, would not come close to protecting the historical flow regime. In theory, the River District could seek to change the Shoshone rights for RICD purposes (which would eliminate the need for the CWCB to use the water rights for instream flow use). However, the cost of the acquisition of the water rights would be the same as for instream flow purposes, and there would be an added disturbance and cost of installing a man-made diversion structure in the reach. Additionally, RICDs usually are limited to the warm-weather peak recreation use months, which means that major goals of the permanency effort would not be met because the Shoshone flows would not be protected in colder low-flow winter periods. Low flows in the winter can cause significant water quality problems for municipal providers that have intakes on the mainstem of the river and can adversely impact the viability of the endangered fish.

On balance, the West Slope coalition determined that while the cost of the Shoshone Permanency effort is significant, the benefits that will be secured in perpetuity outweigh the expense. This is particularly true when weighed against the alternative strategies, which would not meet the coalition's goals of permanently protecting the historical flow regime.

III. What are the terms of the PSA that relate to the requested grant, and how does the PSA consider the CWCB's role in the Shoshone Permanency project?

While the proposed PSA has not yet been finalized, we can inform the CWCB that the PSA contains four key conditions that must be completed before the transaction closes. Importantly, those conditions must be satisfied before any of the requested CWCB grant funding would be irretrievably committed to the project. The four pre-conditions are:

- A. <u>Negotiation of an instream flow agreement with the CWCB</u>. The PSA contemplates that the River District and the seller will negotiate with the CWCB for an agreement that authorizes the CWCB (exclusively) to use the Shoshone Water Rights for instream purposes when the rights are not being used for hydropower generation.
- B. A change of water right decree. The PSA provides that the parties anticipate being co-applicants with the CWCB in the filing of an application and adjudication of a change of water right decree to allow the Shoshone Water Rights to be used by the CWCB for instream flow purposes in accordance with the terms of the instream flow agreement.



- C. <u>Approval by the P.U.C.</u> The PSA contemplates that the seller will petition the Colorado Public Utilities Commission to approve the sale of the Shoshone Water Rights and the disposition of proceeds.
- D. <u>Secured funding</u>. The PSA requires the River District to secure funding for the negotiated purchase price prior to the commencement of the P.U.C. process.

If the CWCB approves our request for a Non-Reimbursable Investment, the CWCB funds will not be at risk or expended until all contingencies in the Agreement have been completed. In effect, the transaction will not close if the end-goal of Shoshone Permanency is not secured.

IV. Why was the grant request made for fiscal year 2024 funding, instead of waiting until the project was complete?

The timing of our request has been driven by the convergence of our positive negotiations with the seller and the historic financial opportunities that currently exist at the local, state, and federal level to support the acquisition. For example, federal funding under the applicable provisions of the Inflation Reduction Act must be committed by September 30, 2026. At the same time, this request aligns with historic severance tax funding levels (following a notoriously volatile and unpredictable cycle), which has created opportunities to advance legacy-level actions that have previously been unattainable due to financial constraints.

In recent years, the State of Colorado has undertaken similarly bold funding actions, such as providing \$19 million to support the Platte River Recovery Implementation Program, \$15 million to support the Upper Colorado River and San Juan River Basin Recovery Programs, \$30 million in grant funding to support the non-federal cost-share of the Arkansas Valley Conduit, and \$60 million to support Republican River Compact compliance efforts and Rio Grande Basin groundwater management. This request provides a legacy-level opportunity of similar magnitude on the mainstem Colorado River but with truly statewide benefits. Further, a funding request at this stage increases momentum at the federal level to secure the remaining funding.

The requested cash contributions will help to avoid a substantial, long-term and high-interest rate debt obligation by the contributing entities. Given the strong multiple statewide benefits and significant local funding contributions, we believe this project is better suited for grant funding rather than a low interest loan. The request also furthers a Tier 1 priority for the Colorado Basin Roundtable (Project-00988, Permanency of Shoshone Call Flows), which "recognizes that permanent management of the flow of the Colorado River that mimics the Shoshone Call is important to the Colorado River basin and the State of Colorado. Accordingly, the roundtable supports activities that promote the permanency of the Shoshone Call flows, including but not limited to West Slope acquisition of the Shoshone assets."

As with any complex water project in Colorado, there are many moving parts, and some "chicken or egg" pieces necessary to navigate in order to achieve the Shoshone Permanency project goals. We are very eager to work more closely with CWCB Staff to move the project forward – and we are taking steps to facilitate that process, even before the PSA is finalized.



V. What scientific information exists to support the proposed instream flow?

In some respects, the benefits to the natural environment of Shoshone Permanency are self-evident. However, we of course acknowledge that, as with any instream flow decision, the CWCB needs to apply standards set by statute and its adopted rules.

The standards applicable for an instream flow based on a change in use of an existing water right (sometimes called an "acquisition instream flow") are different and, in some respects, simpler than the standards for new instream flow appropriations. Unlike a new instream flow appropriation, an acquisition instream flow is not based on the three statutory findings applicable to new instream flow appropriations. Importantly, the concept of the "minimum amount" does not apply to an acquisition instream flow. Instead, water available pursuant to an acquisition may be used to improve flows to a level higher than the minimum amount needed to preserve the environment.

We are working closely with CWCB and CPW staff and have retained expert consultants to ensure there is more than sufficient evidence to support the statutorily required determination that the amount to be provided for instream flow use is "appropriate to preserve or improve the natural environment to a reasonable degree." Due to physical constraints in the subject reach of the river, the data collection process is difficult, but we have been and continue to actively pursue new data collection within the proposed instream flow reach. Good data already exists in the reach just downstream (we understand that the section of river downstream of the Shoshone Power Plant's penstock outfall is being considered for a Gold Medal water designation).

Although the proposed instream flow reach would be only 2.4 miles in length, the technical modeling report submitted with our grant application demonstrates that the instream flow will help to protect streamflow all the way to the Upper Colorado River Endangered Species Recovery Program 15-Mile Reach of the Colorado River – especially so when future water demand growth is considered.

We look forward to meeting with the CWCB at the November 15th meeting and continuing to work with you and CWCB Staff on this important project.



BOARD OF COUNTY COMMISSIONERS

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208 East Lincoln Ave. | PO Box 68 Breckenridge, Colorado 80424

November 8, 2023

Via electronic mail: Lauren.Ris@state.co.us Lauren Ris, Director Colorado Water Conservation Board 1313 Sherman Street, Room 721 Denver, CO 80203

RE: Non-Reimbursable Project Investment: Shoshone Hydro Plant – Water Right Permanency

Dear Acting Director Ris:

The Board of County Commissioners of the County of Summit is pleased to support the Colorado River Water Conservation District's (Colorado River District's) Non-Reimbursable Project Investment application to be considered as part of the 2024 Water Projects Bill. For more than 20 years, the Colorado River District and 17 other western Colorado governments and water entities, including Summit, Grand, Eagle, Garfield and Mesa Counties and many of the municipalities therein, have been working together to find a way to permanently preserve the Shoshone flows. The 2013 Colorado River Cooperative Agreement between Denver Water and 17 West Slope governments/water user organizations expressly recognizes the importance of – and memorialized the need to provide permanent protection of – the historical flow regime created by the Shoshone Plant.

Colorado River water users benefit greatly from Shoshone's flows, and we are motivated to protect those benefits in perpetuity. Shoshone's flows provide critical habitat to four fish listed under the Endangered Species Act in the 15-Mile Reach of the Colorado River. For most of the year, the river would not come close to meeting the flow targets set by the Upper Colorado Endangered Fish Recovery Program. All Colorado River water users – both east and west slope users – rely upon the benefits of the Shoshone flows as a bedrock for the success of the Upper Colorado River Endangered Fish Recovery Program and to provide continued compliance with the Endangered Species Act. In addition, Shoshone permanency preserves Historic User Pool (HUP) water supplies and allows Colorado's \$11.9 billion agricultural economy to continue alongside critical habitat protections under the Recovery Program.¹ In addition, Shoshone flows are one of the four identified long-term protection measures for the Upper Colorado River Wild and Scenic River Alternative Management Plan.

¹ Colorado Office of Economic Development & International Trade, 2019.

Non-Reimbursable Project Investment Shoshone Water Right Permanency November 8, 2023 Page 2

Further, commercial river outfitters and recreationalists using the river need these flows as temperatures increase and flows decrease to keep local economies afloat and recreation a central economic driver for the state. Those economic drivers rely on the recreational flows provided by Shoshone's call to support a river recreation industry that contributes \$18.8 billion in economic output and over \$10 billion annually to the state's GDP, with nearly \$4 billion coming directly from the Colorado River basin on the Western Slope.² In addition, communities large and small along the Colorado River mainstem also benefit from the enhanced water quality Shoshone flows provide, diluting pollutants in the source drinking water for towns like New Castle, Rifle, Palisade, Clifton, and the greater Grand Junction area served by Ute Water Conservancy. Without the higher flows provided by the Shoshone call, higher pollutant concentrations create higher costs for municipal drinking and wastewater treatment.

During the last 23 years of severe drought, the benefit of the Shoshone call to the flow of the river has become even more evident and important. If the power plant were to cease operation without permanent protection of the water right through an instream flow, the negative economic and environmental impacts to Western Colorado and to the State of Colorado would be immediate and profound.

Thank you for your consideration.

Sincerely,

Elisabeth Lawrence, Chair

 $^{^2}$ 2019 Business for Water Stewardship Report (https://businessforwater.org/co-rivers-key-to-economy); Total economic output calculated with the multiplier effect.