



COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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TO: Colorado Water Conservation Board

FROM: Kirk Russell, Finance Section Chief

DATE: March 19-20, 2025 Board Meeting

ITEM: 23. Chatfield Reservoir Reallocation - Sale of Orphan Shares

Staff Recommendation

Staff recommends the Board approve the sale of up to 1000 acre-feet of Orphan Shares in the Chatfield Reservoir Reallocation Project to the Ground Water Management Subdistrict of the Central Colorado Water Conservancy District by and through its Water Activity Enterprise.

Introduction

The Groundwater Management Subdistrict (GMS) Water Activity Enterprise of the Central Colorado Water Conservancy District (CCWCD) is requesting the CWCB sell 1000 AF of available “Orphan Shares” in the Chatfield Reservoir Reallocation Project. (One share in the project is equal to one acre-foot (AF) of storage space in the Project)

CWCB sold 500 shares to Dominion Water and Sanitation District in 2019 and 924 shares to Colorado Parks and Wildlife in 2024. This sale to GMS Water Activity Enterprise will exhaust CWCB’s inventory of available Orphan Shares.

Reallocation Project Update

In May 2014, the U.S. Army Corps of Engineers 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. The additional storage space was made available for municipal water providers and agricultural organizations. The space is managed by the Chatfield Reallocation Management Company (CRMC). As a result of delays and cost increases, the CWCB agreed to purchase shares that were ‘orphaned’ by organizations originally involved in the reallocation planning effort.

Construction of the Chatfield Reallocation Project was substantially complete in 2020 allowing for water to be stored in the reallocation space within the reservoir. The Project included recreational mitigation; environmental mitigation; first cost of storage charges; and significant adjustments to the marina.

The CCWCD has leased the 1000 AF of Orphan Shares from CWCB for the last three years for use in its Subdistricts and is now interested in a purchase of the 1000 AF. The CRMC will review the sale at its April 2025 Board Meeting.



Table 1 provides a breakdown of the charges related to CWCB's financial commitment in developing the Orphan Shares and establishes the current sale price per share based on the project expenses to date. If the sale and transfer of stock does not occur prior to the CRMC's FY25/26 OMRR&R Assessment, the price will increase accordingly.

Table 1

Description	Project Charges	Charges per Share
Original 1st Cost Storage	\$134,000,000	\$6,504.85
2017 Updated Estimate	\$171,000,000	\$8,300.97
FY21/22 Project Assessment		\$33.03
FY22/23 Project Assessment		\$54.61
FY 23/24 Project Assessment		\$56.07
FY24/25 Project Assessment		\$121.36
TOTAL		\$8,566.04

The current and proposed ownership in the Reallocation Project is detailed in Table 2.

Table 2

Entity	Current Ownership	Pending Purchase from CWCB	Total Projected Ownership	%
Castle Pines Metro District	100		100	0.49%
Castle Pines North Metro District	1,006		1,006	4.88%
Castle Rock	848	1,152	2,000	~ 9.71%
Center of Colorado WCD	141		141	0.68%
Central Colorado WCD	4,274		4,274	20.75%
Groundwater Management Subdistrict Water Activity Enterprise of the CCWCD	-	1,000	1,000	4.85%
Centennial Water & San District	6,922		6,922	33.60%
CPW Environmental Pool	1,000		1,000	4.85%
CPW	924		924	4.49%
CWCB "Orphan Shares"	2,152		-	
CWCB Environmental Pool	1,100		1,100	5.34%
Denver Water	1,633		1,633	7.93%
Dominion Water & San District	500		500	2.43%
Total Shares	20,600		20,600	