

RECLAMATION

Managing Water in the West

Green Mountain Reservoir Substitution and Power Interference Agreements Environmental Assessment Scoping Newsletter

March 2008

The U.S. Bureau of Reclamation (Reclamation) is preparing an Environmental Assessment (EA) to analyze the effects of entering into the proposed Green Mountain Reservoir Substitution and Power Interference Agreements with Colorado Springs Utilities (Springs Utilities) and Western Area Power Administration (WAPA). Springs Utilities proposes to enter into a long-term agreement with Reclamation to formalize a substitution plan for diverting water from the Green Mountain Reservoir during years the reservoir is not expected to fill to capacity. Springs Utilities is also pursuing a formal long-term power interference agreement with Reclamation and WAPA to address lost power generation as a result of the proposed substitution plan.

This newsletter provides information on the proposed project, alternatives, and how to get involved in the NEPA process.

PURPOSE AND NEED

Springs Utilities is obligated to provide substitute water for diversions from the Blue River in years when Green Mountain Reservoir may not fill. Springs Utilities currently does this on an annual basis subject to the terms of the Blue River Decree. During both substitution and non-substitution years, Springs Utilities repays WAPA for interfering with power generation from the Green Mountain Reservoir hydroelectric plant. In the past, this has been accomplished through informal, annual, as-needed agreements with WAPA.

Springs Utilities' need for the proposed project is based on the following issues:



Upper Blue Reservoir

- **Need for a long-term substitution plan with Reclamation** – A formalized long-term plan would ensure that Springs Utilities could effectively manage existing water supplies and be assured of a reliable plan to achieve consensus on meeting the terms and conditions of the substitution requirements.
- **Need for the addition of new water sources of substitution water** – Springs Utilities requires flexibility in operations to ensure that adequate water supplies from alternate sources are available in dry years.
- **Need for a long-term power interference plan with Reclamation and WAPA** – A formalized long-term plan would ensure that Springs Utilities would not interfere with power generation from the Green Mountain Reservoir hydroelectric plant.

Reclamation must operate and maintain Green Mountain Reservoir to fulfill its purpose of assuring

replacement water and power generation to the west slope of Colorado. Approval of a long-term agreement would provide Reclamation with a reliable substitution plan for Springs Utilities' diversions.

PURPOSES OF SCOPING

Scoping, as defined by National Environmental Policy Act (NEPA), is an early and open process to gather information from the public and interested agencies on the issues and alternatives to be evaluated in the EA. The purposes of scoping and the scoping meeting are to:

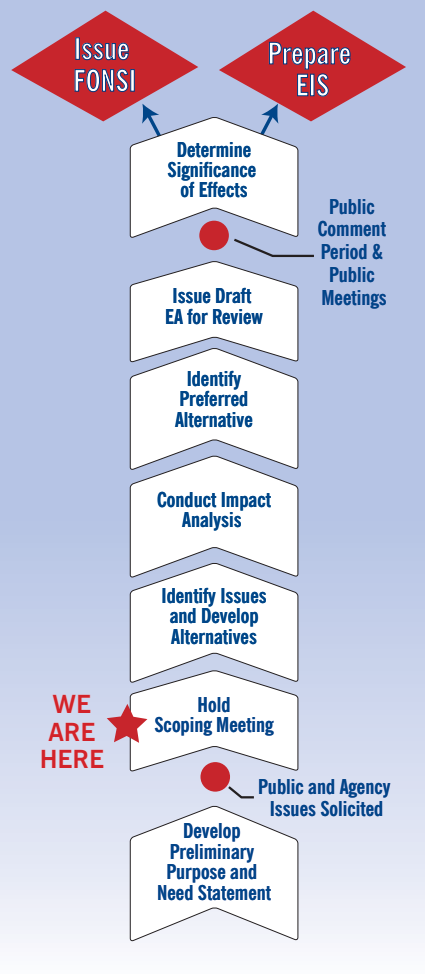
- Inform the public and agencies about the background, purpose, and features of the project.
- Identify preliminary alternatives that may be considered in the analyses.
- Solicit input regarding the types of potential impacts from the proposed activities that should be addressed in the EA.

PUBLIC SCOPING OPEN HOUSE — MARCH 6, 2008
Come anytime between 6-8 p.m.

Silverthorne Library, Blue River Rm
651 Center Circle, Silverthorne, CO

**The public comment period extends
30 days, ending on April 4, 2008**

Steps in an... Environmental Assessment (EA)



NATIONAL ENVIRONMENTAL POLICY ACT

NEPA was established by Congress in 1969 to assure that environmental considerations are taken into account before moving ahead with federal agency projects.

The purpose of the EA is to determine whether the proposed action would have significant environmental effects. If no significant effects are identified in the EA, a “Finding of No Significant Impact” (FONSI) is issued by Reclamation.

An Environmental Impact Statement (EIS) would be required if it is determined that the action would have significant effects on the environment.

The EA will describe:

- Proposed Action and alternatives
- Purpose and Need
- Existing environmental conditions
- Potential effects (direct, indirect and cumulative)
- Proposed mitigation, if needed

AGENCY AND STAKEHOLDER INVOLVEMENT

Reclamation is coordinating with the following key regulatory agencies and stakeholders. Their input will be solicited during the NEPA compliance process.

- U.S. Bureau of Land Management
- U.S. Environmental Protection Agency
- U.S. Fish and Wildlife Service
- U.S. Forest Service
- Western Area Power Administration
- Colorado Department of Public Health and Environment, Water Quality Control Division
- Colorado Division of Wildlife
- State Engineers Office, Division of Water Resources
- Northwest Colorado Council of Governments
- Colorado River Water Conservation District
- Northern Colorado Water Conservancy District
- Summit County
- Denver Water

ENVIRONMENTAL RESOURCES

The following environmental resources have been identified for analysis in the EA. This list is not intended to be exhaustive or final, but contains resources that can reasonably be expected to require environmental analysis. Reclamation will also consider recommendations and comments provided during NEPA scoping regarding the resources to be analyzed in the EA.

- Water Rights, Reservoir Operations, Hydroelectric Generation
- Surface Water and Hydrology
- Water Quality
- Aquatic Resources



West Hoosier Creek Diversion

- Wildlife Resources
- Threatened and Endangered Species
- Floodplains, Wetlands, and Riparian Resources
- Vegetation and Soils
- Recreation and Land Use
- Socioeconomics
- Cultural Resources

PROJECT BACKGROUND



Blue River water flowing into N. Catamount Reservoir

Reclamation owns, operates and maintains the Colorado-Big Thompson Project (CBT) which stores, regulates, and diverts water from the Colorado River on the western slope of the Continental Divide to the eastern slope of the Rocky Mountains. It provides supplemental water for irrigation of land, municipal and industrial use, hydroelectric power, and water-oriented recreation opportunities. To assure irrigation and power generation under prior rights on the Colorado River were protected, Green Mountain Reservoir was constructed on the Blue River. Spring runoff is stored in this reservoir and later released to meet the requirements of the Colorado River.

Springs Utilities diverts water from the headwaters of the Blue River

through its Continental-Hoosier trans-mountain diversion system facilities, upstream of Dillon and Green Mountain reservoirs. Green Mountain Reservoir is owned and operated by Reclamation with rights to fill the reservoir senior to Springs Utilities' 1948 water rights. A hydroelectric power plant is located at the base of the Dam and uses the regulated streamflow of the Blue River and the water released from storage in Green Mountain Reservoir to generate electricity.

In dry years when Green Mountain Reservoir does not fill, Reclamation requires water from Springs Utilities and Denver Water to help meet the fill deficit. Springs Utilities must obtain approval from Reclamation for a substitution plan to make replacements to Green Mountain Reservoir, or otherwise forego diversions from their Continental-Hoosier System. Historically, there have been numerous short-term substitution plans that have been implemented using varying sources of water and operational conditions, including releases from Dillon, Upper Blue, Williams Fork, and Wolford Mountain reservoirs.

In May 2003, Springs Utilities entered into a Substitution Memorandum of

Agreement (MOA), which formalized a long-term substitution plan. The parties to this MOA are Springs Utilities, Colorado River Water Conservation District (River District), City and County of Denver (Denver Water), Northern Colorado Water Conservancy District, Summit County, Vail Summit Resorts, and the Town of Breckenridge. Springs Utilities has also signed a Supplemental MOA in October 2003 which addresses protection of the Upper Blue River entities' exchanges under certain conditions. The parties to that agreement include Summit County, Vail, and Breckenridge. Reclamation is not a party to the MOAs. The NEPA process, through this EA, must be completed prior to Reclamation's decision to approve the substitution plan set forth in the MOAs.

PROPOSED ACTION

- Reclamation would enter into up to a 40-year Substitution Agreement with Springs Utilities. This Agreement would approve Springs Utilities' proposed substitution plan according to the terms and conditions set forth in the 2003 MOAs Springs Utilities already has with other entities. The MOAs allow Springs Utilities to use Wolford Mountain Reservoir and Homestake Reservoir (not authorized to be used as substitution sources under the Blue River Decree) as sources of substitution water when Reclamation determines that Green Mountain Reservoir will likely not fill in dry years.
- A long-term Power Interference Agreement would be formalized with Reclamation and WAPA. Under the agreement, Springs Utilities would compensate for lost hydropower with power generated from their own facilities, at a location determined by WAPA.

PRELIMINARY ALTERNATIVES

In accordance with NEPA, the EA will evaluate a reasonable range of alternatives to the proposed action presented by Springs Utilities. The EA will evaluate the alternatives based on environmental, engineering, and economic factors and provide a clear basis for comparison by the decision-maker and the public. The list of alternatives will be based on input received from the agencies and public during scoping. A preliminary list of alternatives for consideration and comment during scoping includes:

NO ACTION ALTERNATIVE

■ If Reclamation does not issue a FONSI, Springs Utilities would continue to operate under the Blue River Decree using a combination of water from the Blue River and Williams Fork River. Under the Blue River Decree, Springs Utilities cannot use Wolford Mountain

Reservoir or Homestake Reservoir as sources of replacement water.

- Power interference would remain short-term, annual agreements.
- Terms and conditions agreed to in the May 2003 MOA are not part of the No Action, except those portions that deal directly with the Blue River Decree.

REQUEST FOR COMMENTS

All interested parties, including federal, state, and local agencies, non-governmental organizations and the general public, are encouraged to submit written comments to Reclamation regarding the scope of the environmental analyses to be addressed in the EA.

Comments that will be most useful to Reclamation in preparing the EA include:

- (1) significant issues relevant to the project;
- (2) elements of the environment that could be affected by the project; and
- (3) alternatives to the project.

Please take this opportunity to provide your comments. You may:

- Fill out a comment sheet at the Scoping meeting on March 6, 2008
- Send your comments by mail, fax, or e-mail to the address below:

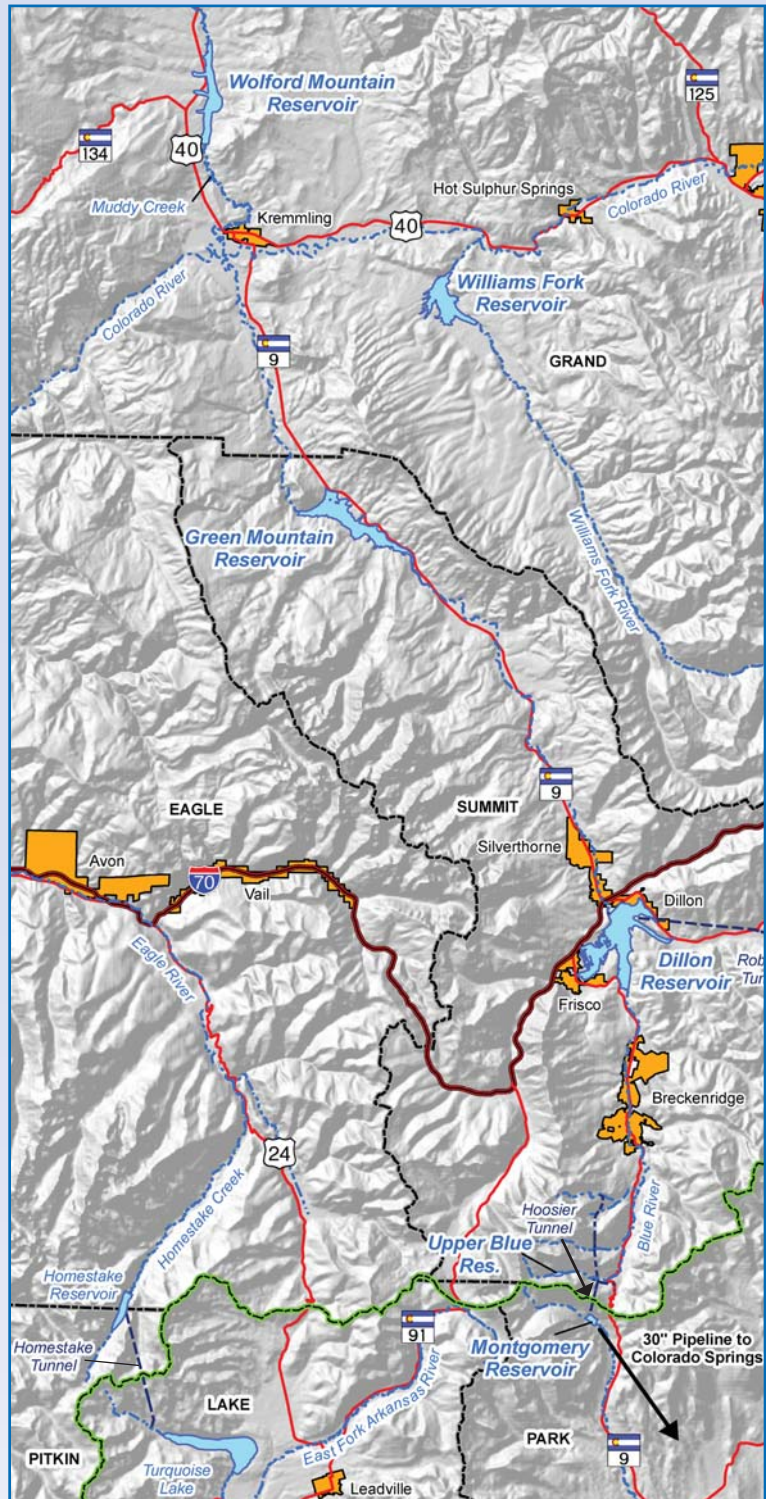
Ms. Kara Lamb
U.S. Bureau of Reclamation
Eastern Colorado Area Office
11056 West County Road 18E
Loveland, CO 80537
Fax: 970-962-4326
klamb@gp.usbr.gov

For additional information on the Springs Utilities proposal or the NEPA process, please contact:

Ms. Kara Lamb
at either (970) 962-4326 or
klamb@gp.usbr.gov;
or visit Reclamation
on-line at www.usbr.gov.

TIMING

- All comments must be received by Reclamation by April 4, 2008.
- Reclamation intends to complete the Environmental Assessment by September 2008.



**Continental-Hoosier Diversion System
Reference Map**

