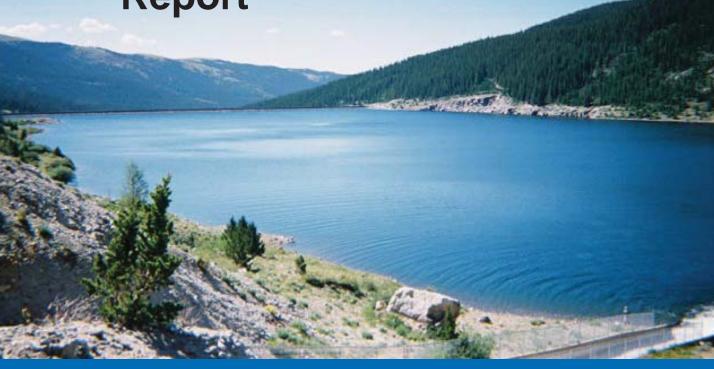
Green Mountain Reservoir
Substitution and Power Interference Agreements
Environmental Assessment (EA)

Final Scoping Summary Report





U.S. Department of the Interior Bureau of Reclamation

Green River Reservoir Substitution and Power Interference Agreements

TABLE OF CONTENTS

1.0	Intro	oduction	1
	1.1	Project Overview	1
2.0	Sco	ping Process	3
	2.1	Scoping Announcements	3
	2.2	Agency Scoping	3
	2.3	Public Scoping	
	2.4	Scoping Results	4
3.0	Next	t Steps	6

Appendices

Appendix A Scoping Announcements

Appendix B Agency Scoping

Appendix C Public Scoping

Appendix D Comment Letters Received During Scoping

1.0 INTRODUCTION

In response to a request from Colorado Springs Utilities (Springs Utilities), the U.S. Bureau of Reclamation (Reclamation), an agency of the Department of the Interior, is considering approving a Green Mountain Reservoir Substitution Agreement with Springs Utilities and a Power Interference Agreement with Springs Utilities and Western Area Power Administration (WAPA), an agency of the U.S. Department of Energy. The execution of the proposed agreements would allow Springs Utilities to provide a reliable source of municipal water to the citizen owners and customers of Springs Utilities. Reclamation, the lead federal agency, is preparing an Environmental Assessment (EA) to analyze the effects of entering into these agreements with Springs Utilities.

The National Environmental Policy Act (NEPA) of 1969, as amended, was established by congress to assure that environmental considerations are taken into account before moving ahead with federal agency projects. This first phase of the public involvement process required by NEPA is scoping, which 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. This report summarizes the issues identified during public and agency scoping, and documents the results of the entire scoping process to date.

1.1 Project Overview

Green Mountain Reservoir is located on the Blue River approximately 12 miles southeast of Kremmling, Colorado. The reservoir is owned and operated by Reclamation to provide compensatory

storage to West Slope residents for water diverted to the East Slope via the Colorado-Big Thompson Project. Springs Utilities is obligated to provide substitution 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.

The purpose of the project is to comply with the requirements of the Blue River Decree by confirming a flexible and reliable plan for substitution and power interference with Reclamation and WAPA. Springs Utilities' need for the proposed project is based on the following issues:

Need for the addition of new **substitution water sources** – Springs Utilities seeks approval for alternate sources of substitution water to provide maximum operational flexibility in meeting substitution obligations during dry years. The addition of new sources of water assures that adequate sources of replacement are available to complete the fill of Green Mountain Reservoir. The proposed project would add Wolford Mountain and Homestake reservoirs as sources of replacement water to those sources already authorized by the Blue River Decree. Reclamation may approve the use of these additional water sources on a longterm basis, but must approve the substitution plan annually.

Green River Reservoir Substitution and Power Interference Agreements

 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 the project would provide Reclamation with a reliable substitution plan for Springs Utilities' diversions, and would provide certainty to Reclamation, Springs Utilities, and other interested parties regarding operations of the Blue River Decree.

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 (Vail), and the Town of Breckenridge (Breckenridge). Springs Utilities also signed a Supplemental MOA in October 2003 that 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 the EA, must be completed prior to Reclamation's decision to approve the substitution plan set forth in the MOAs. Reclamation must approve the plan annually per Paragraph 4 of the 1964 Decree of the Blue River Decree.

2.0 SCOPING PROCESS

Reclamation used several methods to inform the public and interested agencies of the proposed project and to solicit their input, including:

- Scoping Announcements
- Agency Scoping Interviews
- Public Scoping Meeting

Each of these activities is described in the following sections.

2.1 Scoping Announcements

Public notices were published on February 20 and 27, 2008 in *The Summit Daily News*.

A postcard, "Notice of Public Open House," was mailed to all individuals on Reclamation's project mailing list.

Reclamation issued a press release on February 29, 2008. The press release was electronically mailed to approximately 130 people on Reclamation's project-specific mailing list. The press release announced the scoping meeting and provided an overview of the project, the dates of the scoping comment period, and a contact for more information.

A scoping newsletter was provided at the Public Scoping Meeting and to agencies as part of the agency scoping interview process. The newsletter described the project purpose and need, proposed alternatives, and the NEPA process.

Refer to Appendix A for a copy of these scoping announcements. In addition, the

newsletter is posted to Reclamation's website at:

http://www.usbr.gov/g//nepa/quarterly.cfm#ecao.

2.2 Agency Scoping

Agency scoping was conducted through individual stakeholder telephone interviews. These interviews were conducted in March and April 2008. Representatives from the following agencies were contacted:

- Bureau of Land Management (BLM), Kremmling Field Office
- U.S. Environmental Protection Agency (EPA)
- U.S. Fish and Wildlife Service (USFWS)
- U.S. Forest Service (USFS), White River National Forest, Dillon Ranger District
- Colorado Division of Wildlife (DOW)
- Colorado Department of Public Health and Environment (CDPHE), Water Quality Control Division
- Office of the State Engineer, Colorado Division of Water Resources, Division 5, Glenwood Springs Office
- Denver Board of Water Commissioners (Denver Water)
- Colorado River Water Conservation District (CRWCD)
- Northern Colorado Water Conservancy District (NCWCD)
- Municipal Subdistrict, NCWCD
- Northwest Colorado Council of Governments (NWCCOG)
- Summit County Commissioners

Agencies were initially contacted by email to introduce project participants, summarize

the project, describe agency scoping to be conducted for this project, and to provide an electronic copy of the scoping newsletter. During the agency scoping interviews, the project description, purpose and need, proposed alternatives, key environmental issues and agency concerns were discussed. A summary of the interviews is provided in Appendix B. The comments received are incorporated into the list of issues presented in Section 2.4 *Scoping Results*.

2.3 Public Scoping

A public scoping meeting was held by Reclamation on March 6, 2008 at the Silverthorne Library in Silverthorne, Colorado. A total of eight attendees signedin. Two documents were available at the meetings and are contained in Appendix C:

- Comment sheet
- Scoping newsletter

The meeting was an open house format with eight display boards (Appendix C; public display boards also available on Reclamation's project website). Representatives of Reclamation, Springs Utilities and URS (Reclamation's third-party NEPA consultant) were available to discuss the project with attendees and record questions and comments. The comments and concerns presented at the public scoping meeting are summarized in Section 2.4 Scoping Results. The public comment period extended 30 days between March 6 and April 4, 2008. Two written comments were provided on the project and may be found in Appendix D. One of the written comments was received after the scoping period ended on April 25. The comments provided by the CDPHE and the Municipal Subdistrict are summarized in Section 2.4 Scoping Results.

2.4 Scoping Results

Individual issues, questions or statements identified during scoping, including those submitted as either written or oral comments, are summarized below. All of the comments and questions received during scoping will be considered in the EA.

- Effect of implementing the 2003 MOAs on stream flow variations including:
 - Fluctuations related to timing and amount of flow
 - Effect on aquatic biological resources in the Colorado River and Blue River
 - Effect on recreational uses, in particular the Blue River (kayaking and fishing)
- Effects on Colorado River stream flows below the Windy Gap Project diversion point from utilizing water from the Williams Fork Reservoir as a substitute supply.
- Effects of water transfers on water temperature and subsequently fish.
- What is Reclamation's power right and how is it administered?
- How does the Historic Users Pool (HUP) operate and would the HUP be affected by stream flow variations as a result of implementing the 2003 MOAs?
- Would the Green Mountain Reservoir Pumpback project (also known as the Blue River Pumpback) considered by Denver Water be affected by implementation of the 2003 MOAs?
- The effect of Springs Utilities' re-use and conservation programs on the water substitution agreement.

Green River Reservoir Substitution and Power Interference Agreements

- o Is Springs Utilities maximizing their efforts to reuse transbasin water to extinction under their existing conservation program?
- The effect of BLM's Wild and Scenic River designations on stream reaches within the study area of this project.
- Will additional water be diverted from the West Slope to the East Slope as part of the project?

3.0 NEXT STEPS

A copy of this report, as well as other project-related information, can be found at Reclamation's website at: http://www.usbr.gov/g//nepa/quarterly.cfm# ecao. Additional comments, questions, or concerns, at any time during the planning process, can be directed to:

U.S. Bureau of Reclamation, Eastern Colorado Area Office Attn: Kara Lamb 11056 W. County Rd. 18E Loveland, CO 80537 klamb@gp.usbr.gov Fax: 970-663-3212

Reclamation will continue to provide the public and agencies with periodic updates of the project throughout the development of the EA. The Draft EA will be released to the public for a 30-day comment period.

Appendix A Scoping Announcements

Appendix A Scoping Announcements

Public Notice: The Summit Daily News – February 20 and 27, 2008

Postcard: "Notice of Public Open House"

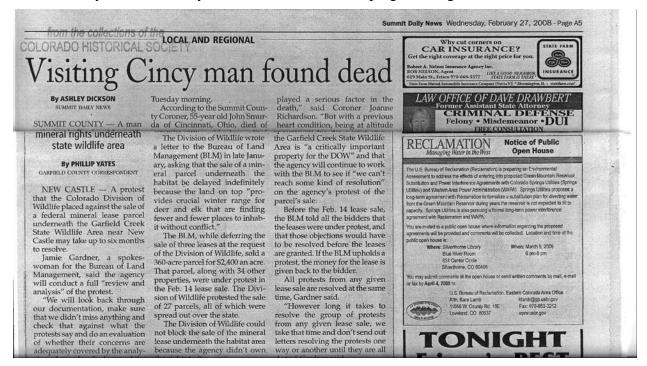
Scoping Newsletter

Press Release

Summit Daily News February 20, 2008 – Notice of Scoping Meeting



Summit Daily News February 27, 2008 – Notice of Scoping Meeting





Notice of Public Open House

The U.S. Bureau of Reclamation (Reclamation) is preparing an Environmental Assessment (EA) to address the effects of entering into proposed Green Mountain Reservoir Substitution and Power Interference Agreements with Colorado Springs Utilities (Springs Utilities) and Western Area Power Administration (WAPA). Springs Utilities proposes 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.

Reclamation is seeking comments from the interested public, organizations, and agencies regarding the proposed agreements.

You are invited to a public open house where Reclamation representatives will be available to answer questions and provide information regarding the proposed project and the EA process. Location and time of the public open house is:

Where: Silverthorne Library Blue River Room 651 Center Circle Silverthorne, CO 80498

When: March 6, 2008 Drop in between 6-8 p.m.

You may submit comments at the open house or send written comments by mail, e-mail or fax by April 4, 2008 to:

U.S. Bureau of Reclamation, Eastern Colorado Area Office

Attn. Kara Lamb

11056 W. County Rd. 18E Loveland, CO 80537

klamb@gp.usbr.gov Fax: 970-663-3212

www.usbr.gov/gp/nepa/quarterly.cfm





Notice of Public Open House

The U.S. Bureau of Reclamation (Reclamation) is preparing an Environmental Assessment (EA) to address the effects of entering into proposed Green Mountain Reservoir Substitution and Power Interference Agreements with Colorado Springs Utilities (Springs Utilities) and Western Area Power Administration (WAPA). Springs Utilities proposes 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.

Reclamation is seeking comments from the interested public, organizations, and agencies regarding the proposed agreements.

You are invited to a public open house where Reclamation representatives will be available to answer questions and provide information regarding the proposed project and the EA process. Location and time of the public open house is:

Where: Silverthorne Library Blue River Room 651 Center Circle

Silverthorne, CO 80498

When: March 6, 2008

Drop in between 6-8 p.m.

You may submit comments at the open house or send written comments by mail, e-mail or fax by April 4, 2008 to:

U.S. Bureau of Reclamation, Eastern Colorado Area Office

Attn. Kara Lamb

11056 W. County Rd. 18E klamb@gp.usbr.gov Loveland, CO 80537 Fax: 970-663-3212

www.usbr.gov/gp/nepa/quarterly.cfm





Notice of Public Open House

The U.S. Bureau of Reclamation (Reclamation) is preparing an Environmental Assessment (EA) to address the effects of entering into proposed Green Mountain Reservoir Substitution and Power Interference Agreements with Colorado Springs Utilities (Springs Utilities) and Western Area Power Administration (WAPA). Springs Utilities proposes 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.

Reclamation is seeking comments from the interested public, organizations, and agencies regarding the proposed agreements.

You are invited to a public open house where Reclamation representatives will be available to answer questions and provide information regarding the proposed project and the EA process. Location and time of the public open house is:

Where: Silverthorne Library Blue River Room 651 Center Circle

When: March 6, 2008 Drop in between 6-8 p.m.

Silverthorne, CO 80498

You may submit comments at the open house or send written comments by mail, e-mail or fax by April 4, 2008 to:

U.S. Bureau of Reclamation, Eastern Colorado Area Office Attn. Kara Lamb

11056 W. County Rd. 18E Loveland, CO 80537

klamb@gp.usbr.gov Fax: 970-663-3212

www.usbr.gov/gp/nepa/quarterly.cfm



RECLAMATION Managing Water in the West

Notice of Public Open House

The U.S. Bureau of Reclamation (Reclamation) is preparing an Environmental Assessment (EA) to address the effects of entering into proposed Green Mountain Reservoir Substitution and Power Interference Agreements with Colorado Springs Utilities (Springs Utilities) and Western Area Power Administration (WAPA). Springs Utilities proposes 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.

Reclamation is seeking comments from the interested public, organizations, and agencies regarding the proposed agreements.

You are invited to a public open house where Reclamation representatives will be available to answer questions and provide information regarding the proposed project and the EA process. Location and time of the public open house is:

Where: Silverthorne Library Blue River Room 651 Center Circle Silverthorne, CO 80498 When: March 6, 2008 Drop in between 6-8 p.m.

You may submit comments at the open house or send written comments by mail, e-mail or fax by April 4, 2008 to:

U.S. Bureau of Reclamation, Eastern Colorado Area Office

Attn. Kara Lamb

11056 W. County Rd. 18E Loveland, CO 80537

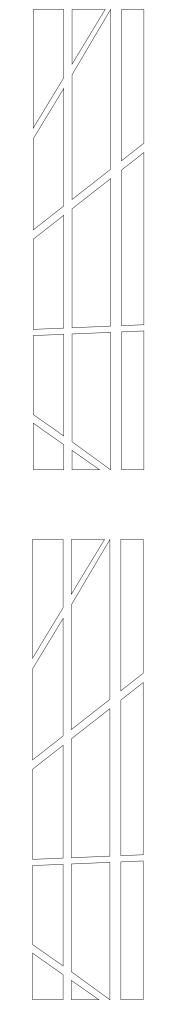
klamb@gp.usbr.gov Fax: 970-663-3212

www.usbr.gov/gp/nepa/quarterly.cfm



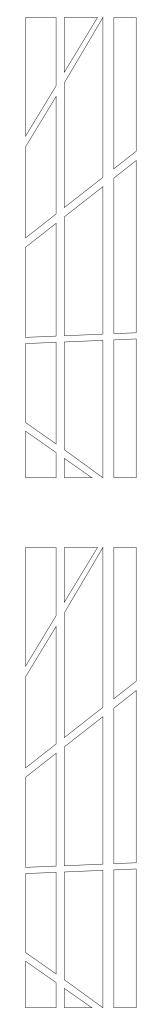
Lisa Pine Seamless Composition 700 N. Colorado Blvd, #122 Denver, CO 80206

Lisa Pine Seamless Composition 700 N. Colorado Blvd, #122 Denver, CO 80206



Lisa Pine Seamless Composition 700 N. Colorado Blvd, #122 Denver, CO 80206

Lisa Pine Seamless Composition 700 N. Colorado Blvd, #122 Denver, CO 80206



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:



- 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 longterm 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

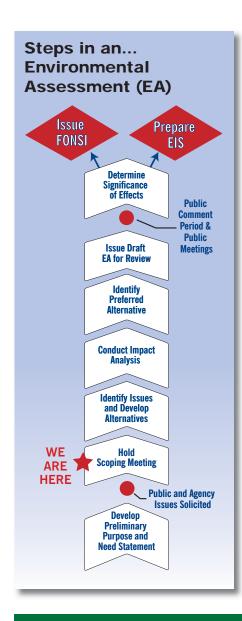
Scoping, as defined by National Environmental Policy Act (NEPA), is an early and open process to gather information from the public and interested agencies on the issues and alternatives to be evaluated in the EA. The purposes of scoping and the scoping meeting are to:

- 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



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

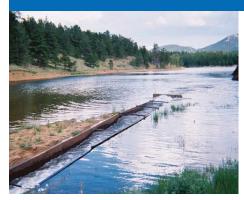


West Hoosier Creek Diversion

- 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 transmountain 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 shortterm 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:

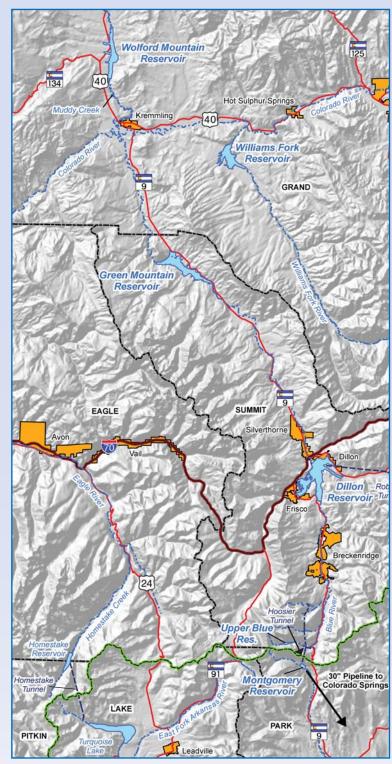
Ms. Kara Lamb U.S. Bureau of Reclamation Eastern Colorado Area Office 11056 West County Road 18E Loveland, CO 80537 Fax: 970-962-4326 klamb@gp.usbr.gov

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



E-mail Subject: Green Mountain Res contract agreements E-mail Body: All,

Next Thursday, March 6th, we'll be holding a public open house in Silverthorne to start the public comment process on a series of contracts regarding Colorado Springs Utilities and use of Green Mountain Reservoir water. The open house will be at the Silverthorne Library in the Blue River room from 6 p.m. to 8 pm. The press release included in this message has the details. Maybe I'll see you there!

Best, Kara Public Information Bureau of Reclamation

Eastern Colorado Area Office Loveland. Colo.

Media Contact: Kara Lamb, 970-962-4326

klamb@gp.usbr.gov

For Release on: February 29, 2008

Reclamation to Host Public Meeting

On Thursday, March 6, Reclamation is hosting a public open house to introduce a new environmental review and public scoping process. The purpose of the open house is to collect comment on two contracts between Reclamation and Colorado Springs, and several other parties, for diversion of water from Green Mountain Reservoir and for interruption of power production.

The open house will be held from 6 p.m. to 8 p.m. at the Silverthorne Library (Blue River Room), in Silverthorne CO, at 651 Center Circle.

Under the National Environmental Policy Act, Reclamation will be analyzing the direct, indirect and cumulative effects of issuing Green Mountain Reservoir Substitution and Power Interference Agreements to Colorado Springs Utilities. Springs Utilities is proposing a long-term agreement with Reclamation to formalize a substitution plan between the City of Colorado Springs and multiple users of Blue River water for diversion from Green Mountain Reservoir in years when the reservoir is not expected to fill to capacity. Because this would also impact power production at the Green Mountain Powerplant, Springs Utilities is pursuing a formal long-term power interference agreement with Reclamation and the Western Area Power Administration.

The open house will present the proposal for both long-term agreements, explain the environmental review process, and provide the public an opportunity to submit written comments on the proposals. Written comments can also be submitted to Reclamation via regular mail or fax. Please address comments to Carlie Ronca, 11056 W. County Road 18E, Loveland, CO 80537 or fax to Ms. Ronca at (970) 663-3212.

For more information on the proposed contracts or the NEPA process, please contact Kara Lamb at (970) 962-4326 or e-mail klamb@gp.usbr.gov.

###

Reclamation is the largest wholesale water supplier in the United States, and the nation's second largest producer of hydroelectric power. Its facilities also provide substantial flood control, recreation, and fish and wildlife benefits. Visit our website at http://www.usbr.gov.

Appendix B Agency Scoping

Appendix B Agency Scoping

Agency Scoping E-mail
Agency Scoping Interview Summary Table

Good Morning All,

The U.S. Bureau of Reclamation (Reclamation) is preparing an Environmental Assessment (EA) to analyze the direct, indirect, and cumulative effects of issuing Green Mountain Reservoir Substitution and Power Interference Agreements to Colorado Springs Utilities (Springs Utilities). URS Corporation is a third-party contractor providing consulting services.

Springs Utilities proposes a long-term agreement with Reclamation to formalize a substitution plan between the City of Colorado Springs, Colorado River Water Conservation District, City and County of Denver, Northern Colorado Water Conservancy District, Vail Summit Resorts, Inc., Town of Breckenridge and Summit County for diverting water from 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 Western Area Power Administration (WAPA). The alternatives to be evaluated in the EA include operational changes only and would result in no land disturbing activities.

Attached is a scoping newsletter that explains the proposed project further. Mid-to late next week, URS will contact you or an alternate contact at your agency, if provided, to further discuss your concerns and comments about the proposed project and to determine the level of participation from your agency. If you do not wish to participate in an agency stakeholder interview, please respond to me via email or to the phone number below.

Thank you,

Andrea

(See attached file: FINAL BlueRvr newsletter.pdf)

Andrea Parker Senior Scientist Denver Tech Center 8181 E. Tufts Avenue Denver, CO 80237 Phone (303) 796-4764 Fax (303) 694-3946

Please consider the environment before printing this e-mail.

This e-mail and any attachments are confidential. If you receive this message in error or are not the intended recipient, you should not retain,

Green Mountain Reservoir Substitution and Power Interference Agreements EA Agency Scoping – Stakeholder Interviews

1) Initial email sent to agencies on 3/6/08 to introduce project participants, summarize project, and describe agency scoping to be conducted for this project. Project Newsletter attached to email. 2) URS conducted agency stakeholder interviews in March 2008 during the scoping period. URS briefly described the project and Proposed Action. URS solicited issues and concerns with the proposal from the agencies, asked if the agency saw any opportunities that Reclamation should consider, and asked what the agency would like their involvement to be in the future on this project (i.e., receive draft EA?).

Organization	3.1.1 Primary Point-of-Contact	Phone No.	Notes	Add to Draft EA Mailing List
U.S. Fish and Wildlife Service	Patty Gelatt	970-243-2778 x 26	4 endangered fish occur in the reach of Blue River between Rifle to Lake Powell d/s of Wolford Reservoir; Also concerned about flow changes in Muddy Creek between Wolford and Green Mountain reservoirs.	>
Bureau of Land Management Kremmling Field Office	Bernice Sterin	970-724-3000	URS attempted to contact BLM; Ms. Sterin attended the Open House on 3/6/08.	>
U.S. Environmental Protection Agency	Deborah Lebow EPA Region 8 NEPA	303-312-6223	No immediate concerns but requested to review the draft EA because it is a water supply project	>
U.S. Forest Service White River National Forest Dillon Ranger District	Maribeth Gustafson	970-945-2521	URS attempted to contact USFS.	
Colorado Division of Wildlife	Tom Kroening	970-725-6200	Mr. Kroening attended the Open House on 3/6/08; Mr. Kroening sent an email to URS on 3/25/2008 stating he did not have additional comments on the EA beyond what he stated at the Open House and prefers to comment on the Draft EA during the comment period	>
Colorado Department of Public Health and	Kathleen Reilly	303-692-3573	Ms. Reilly asked if the Green Mountain Reservoir EA is related to the Southern Delivery System EIS; In an email dated 4/8/2008 stated concerns	>

Appendix B Agency Scoping

Organization	3.1.1 Primary Point-of-Contact	Phone No.	Notes	Add to Draft EA Mailing
Environment – Water Quality Control Division			about water temperature impacts from the transfers. If the water in the streams above the reservoir is drawn down significantly, it may affect the temperature and subsequently the fish in those segments.	Agra
Office of the State Engineer, Colorado Division of Water Resources, Division 5, Glenwood Springs Office	Kyle Whitaker, Supervisor of Division 5 Office in Glenwood Springs	970-945-5665 x 5015	URS attempted to contact Office of the State Engineer.	
Denver Water	Travis Bray	303-628-6551	Discussed project with T. Bray and the issues/concerns that were expressed at the 3/6/08 scoping meeting. He feels comfortable that all issues Denver Water is concerned about are adequately included in those issues already expressed. T. Bray requested that initial scoping email and newsletter be forwarded to him for information (<i>update</i> : <i>sent on 4/1/08</i>).	>
Colorado River Water Conservation District (CRWCD)	Mike Eytel	970-945-8522	M. Eytel is primary point of contact for CRWCD for this project and will coordinate with E. Kuhn and Peter Fleming (CRWCD legal counsel) if necessary. Note that CRWCD jointly prepared the MOA with CSU – CRWCD is letting CSU administer the NEPA process. No additional concerns.	>
Northern Colorado Water Conservancy District (NCWCD)	Alan Berryman	970-532-7700	A. Berryman reported that most of NCWCD's issues are being addressed cooperatively with DW and CSU through CSU's substitution filing in water court. In addition, NCWCD is working through water rights issues regarding the municipal subdistrict that are separate from this NEPA process. A. Berryman requested an advance copy of the model methodology and assumptions to be used for this project as well as the preliminary results that are generated from the modeling exercise. URS forwarded the request to Reclamation. Reclamation coordinated directly with A. Berryman.	>
Northwest Colorado Council of Governments (NWCCOG)	Gary Severson	970-468-0295	URS attempted to contact NWCCOG.	
Summit County Commissioner	Bob French	970-453-3411	URS attempted to contact the Summit County Commission.	

Appendix C Public Scoping

Appendix C Public Scoping

Comment Form

Attendance Sheets

Scoping Newsletter (refer to Appendix A for copy)

Display Boards



GREEN MOUNTAIN RESERVOIR SUBSTITUTION AND POWER INTERFERENCE AGREEMENTS ENVIRONMENTAL ASSESSMENT (EA) PUBLIC SCOPING MEETING COMMENTS

Fax: 970-663-3212

Email: klamb@gp.usbr.gov

What difference can you make? Your input is an important part of the public involvement process. Your comments or suggestions can assist us in adequately identifying the public's concerns and issues to be considered in the Environmental Assessment (EA). Space is provided below to write down any comments you wish the U.S. Bureau of Reclamation to consider. You may hand in your statement at the end of this meeting or, if you prefer, mail, fax or email it to the address printed below.

Please print legibly:		
Name:		
Address:		
Representing:		
Comments:		
Signature	Date	
Written comments must be received no later t	han April 4, 2008 .	

U.S. Bureau of Reclamation Eastern Colorado Area Office 11056 W. County Road 18E Loveland, CO 80537



Ms. Kara Lamb U.S. Bureau of Reclamation Eastern Colorado Area Office 11056 West County Road 18E Loveland, CO 80537

GREEN MOUNTAIN RESERVOIR SUBSTITUTION AND POWER INTERFERENCE AGREEMENTS ENVIRONMENTAL ASSESSMENT (EA)

Public Scoping Meeting
March 6, 2008 – Silverthorne, CO

Py. 10f 2

Please Print Legibly

SIGN-IN SHEET

Name / Agency or Representing	Mailing Address	Would you like to be on the distribution list for:	be on the st for:
	(Include Zip Code)	Scoping Summary Report	EA
Dima Lucas/ Bue Valley Ranch	1999 Broadway Suite 1800 Denver Co 18202	X	X
ZACH MACGOLIS	805 1309/264 BRIAN AVE		
TOWN of SILVERZHORNE	SILVERTUBLE CO 8049B	X	人
Shannen Schwab	Po Bux 2744		
Col. Div. of Wildlife	Siberthane a 8045%	X	\searrow
Bunned Sterin	8970000		
RUM	Grennel, M. Ce	L:	<u></u>
Hown Stieghmand Francisof Town	Silverthorms Co	7	X



GREEN MOUNTAIN RESERVOIR SUBSTITUTION AND POWER INTERFERENCE AGREEMENTS ENVIRONMENTAL ASSESSMENT (EA)

Public Scoping Meeting March 6, 2008 – Silverthorne, CO

pg.20f2

Please Print Legibly

ξ

SIGN-IN SHEET

Name / Agency or Representing	Mailing Address	Would you like to be on the distribution list for:	o be on the ist for:
	(Include Zip Code)	Scoping Summary Report	EA
The Eyful cloredo Rise District	PDB 1120 Clenusud Springs, CD 80424 meyfel@ clu-cd.org	7e5	<i>Y</i> e <i>S</i>
IRFF LEIGH			



Green Mountain Reservoir Substitution and Power Interference Agreements Environmental Assessment



Welcome

to the

PUBLIC SCOPING MEETING

for the

Green Mountain Reservoir
Substitution and Power
Interference Agreements
Environmental Assessment

March 6, 2008



REGULATORY AGENCIES



U.S. Department of the Interior, Bureau of Reclamation (Reclamation) www.usbr.gov

Mission:

■ Manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

Project Role:

■ Reclamation is the lead federal agency for the Green Mountain Reservoir Substitution and Power Interference Agreements EA. In this role they will be in charge of the NEPA process and make the final determination.



U.S. Department of Energy, Western Area Power Administration (WAPA) www.wapa.gov

Mission:

- Market and deliver reliable, cost-based hydroelectric power and related services within a 15-state region of the central and western U.S.
- Market and transmit electricity from multi-use water projects operated by Reclamation, U.S. Army Corps of Engineers and the International Boundary and Water Commission.

Project Role:

■ WAPA would be part of the long-term Power Interference Agreement with Colorado Springs Utilities and Reclamation.



Colorado Springs Utilities (Springs Utilities) www.csu.org

Mission:

Springs Utilities is a community-owned utility that provides reliable natural gas, electricity, water and wastewater services to customers in the Pikes Peak region.

Project Role:

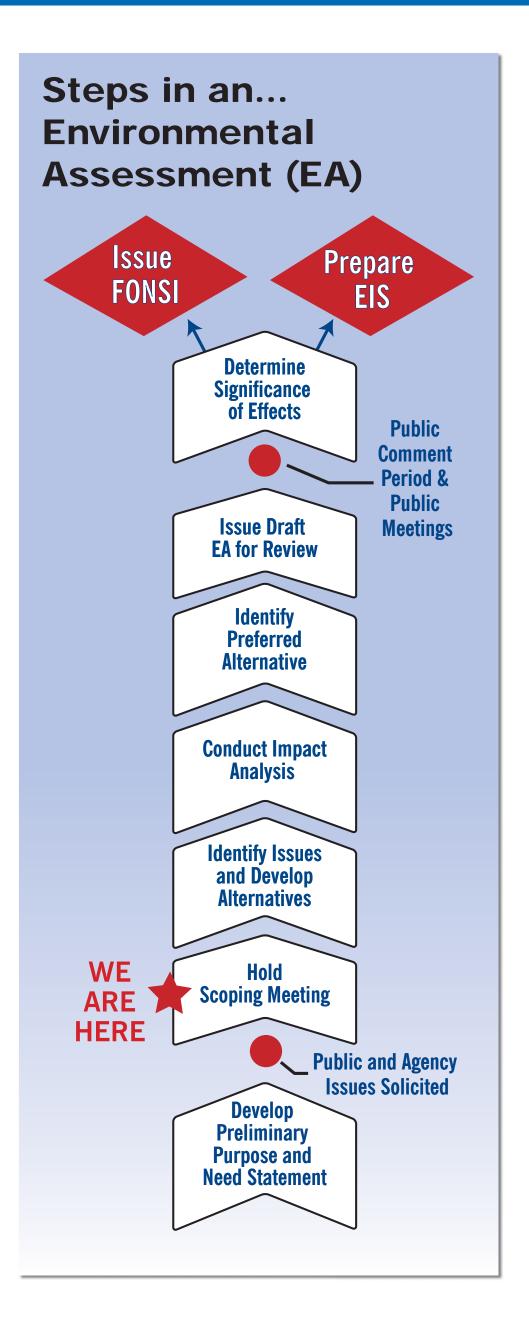
Springs Utilities is the Applicant.



The EA will describe:

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

Public involvement is an important part of the NEPA process. Opportunities for public involvement exist during scoping and during review of the Draft EA.

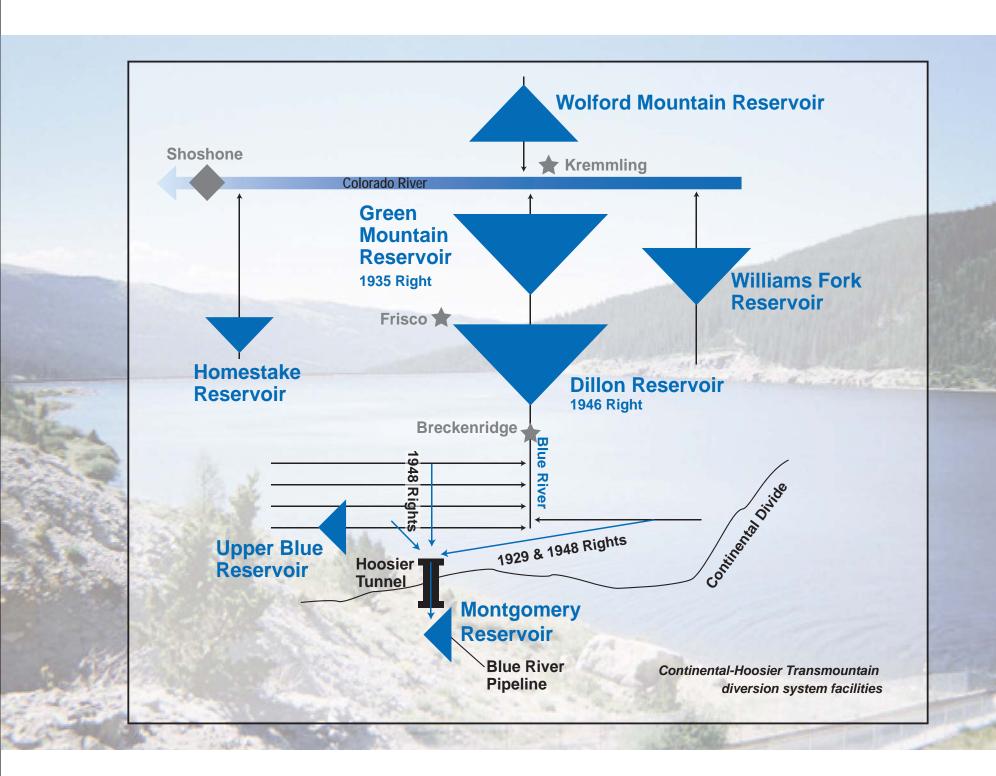






Project Background

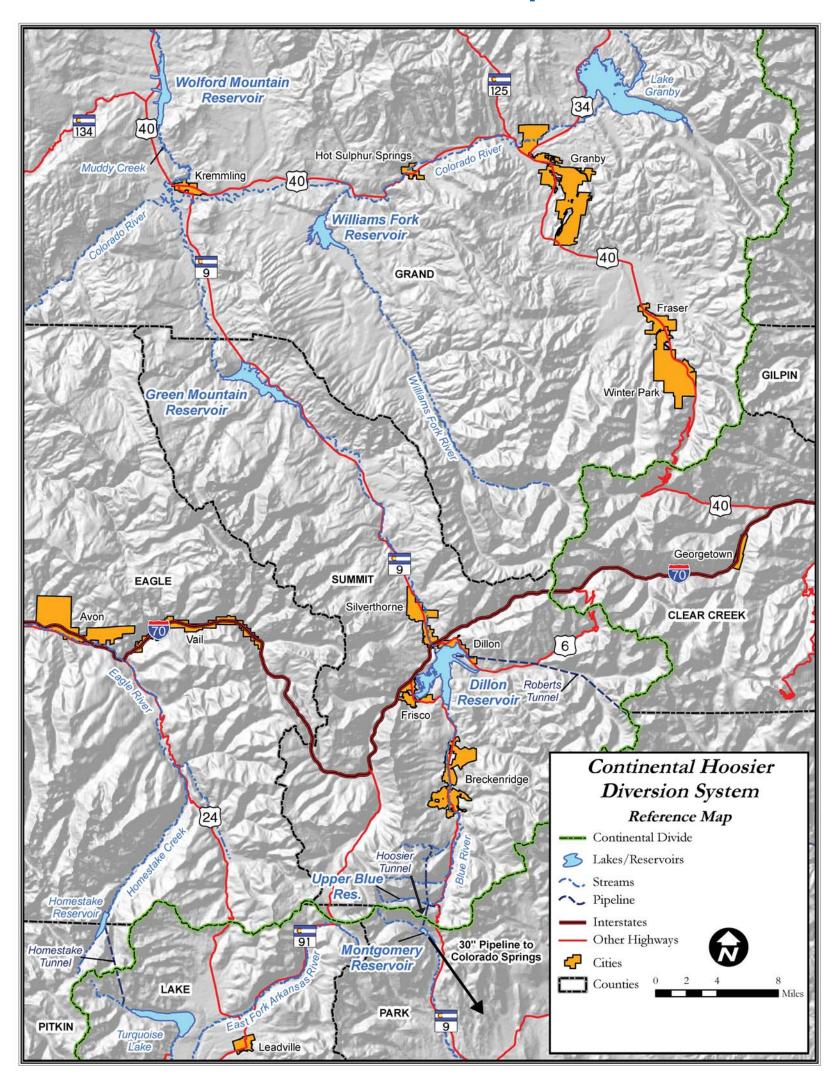
Green Mountain Reservoir is owned and operated by Reclamation with rights to fill the reservoir senior to Springs Utilities' 1948 water rights. In dry years when Green Mountain Reservoir does not fill, Reclamation requires water from Springs Utilities and Denver Water to help meet the fill deficit. Springs 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.







Continental-Hoosier Diversion System Reference Map







PROJECT 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 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:

- **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.







Upper Blue Reservoir Spillway







PRELIMINARY ALTERNATIVES

NO ACTION ALTERNATIVE

- If Reclamation does not issue a Finding of No Significant Impact (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 Memorandum of Agreement (MOA) are not part of the No Action, except those portions that deal directly with the Blue River Decree.

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.



Green Mountain Reservoir Substitution and Power Interference Agreements Environmental Assessment

ENVIRONMENTAL RESOURCES

The following environmental resources have been identified for analysis in the EA.

- Water Rights, Reservoir Operations, Hydroelectric Generation
- Surface Water and Hydrology
- Water Quality
- Aquatic Resources
- Wildlife Resources
- Threatened and Endangered Species
- Floodplains, Wetlands, and Riparian Resources
- Vegetation and Soils
- Recreation and Land Use
- Socioeconomics
- Cultural Resources



West Hoosier Creek Diversion



Montgomery Reservoir



Blue River water flowing into North Catamount Reservoir



Appendix D Comment Letters Received During Scoping

Appendix D Comment Letters Received During Scoping

Public Comment Email: April 8, 2008, Colorado Department of public Health & Environment, Water Quality Control Division

Public Comment Letter: April 25, 2008, Trout, Raley, Montano, Witwer & Freeman, P.C. on behalf of the Municipal Subdistrict, Northern Colorado Water Conservancy District.



"Kathleen Reilly" <kreilly@smtpgate.dphe.state.co.us>

04/08/2008 03:31 PM

To <Andrea_Parker@URSCorp.com>

cc "STEVE Gunderson"

<sgunders@smtpgate.dphe.state.co.us>

Subject Re: Fw: Green Mountain Reservoir Substitution and Power

Interference Agreements EA

Andrea:

I appreciate the opportunity to comment on the project. As you requested, here is the written comment on the Division's principal concern.

I consulted other members of the staff who are more familiar with the scientific aspects and the possible impacts on water quality. The principal one that emerged is water temperature that could be affected by the transfers. If the water in the streams above the reservoir is drawn down significantly, it would affect the temperature and subsequently the fish in those segments. I hope this is helpful , and again I appreciate the opportunity to review and comment.

Kathleen Reilly
Water Quality Control Division
Restoration & Protection Unit
Colorado Department of Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530
303/692-3573
kathleen.reilly@state.co.us

Trout, Raley, Montaño, Witwer & Freeman, P.C.

Attorneys at Law 1120 Lincoln Street • Suite 1600 Denver, Colorado 80203-2141 (303) 861-1963 • Fax (303) 832-4465 www.troutlaw.com

April 25, 2008

Via email: klamb@gp.usbr.gov

U.S. Bureau of Reclamation Eastern Colorado Area Office Attention: Kara Lamb 11056 W. County Rd., 18E Loveland, CO 80537

Re: Scoping Comments of Municipal Subdistrict, Northern Colorado Water Conservancy District, on proposed Green Mountain Reservoir Substitution and Power Interference Agreements

Dear Miss Lamb:

Thank you for extending the deadline for the Municipal Subdistrict, Northern Colorado Water Conservancy District, to submit scoping comments on the proposed Green Mountain Reservoir Substitution and Power Interference Agreements.

The Municipal Subdistrict is the owner of the Windy Gap Project Reservoir and Pipeline, and the associated water rights, located on the Colorado River below the confluence with the Fraser River. The Windy Gap Project diverts water from the Colorado River through the Adams Tunnel to the east slope of Colorado for the benefit of the Windy Gap Project participants.

The Municipal Subdistrict is concerned that Colorado Springs's proposed use of water in Williams Fork Reservoir as a substitute supply, will decrease flows in the

Kara Lamb April 25, 2008 Page 2

Colorado River below the Windy Gap Project diversion point at certain times of the year. The Williams Fork Reservoir is an on-channel reservoir located on the Williams Fork River, which is a major tributary of the Colorado River below the Windy Gap Project. The use of Williams Fork Reservoir water for substitution by Colorado Springs would be an additional use of water in the Reservoir that may cause an additional draft on the Williams Fork River during the reservoir's subsequent filling cycle. This could in turn decrease flows in the Colorado River below the Williams Fork River confluence at times when the Williams Fork Reservoir is filling.

The Williams Fork Reservoir generally fills in the spring, which is also generally when the Windy Gap Project water rights are likely to be in priority and able to divert. Decreased flows in the Colorado River below the Williams Fork River confluence during the spring could affect the Windy Gap Project water rights because those water rights cannot legally divert unless certain downstream minimum stream flows in the Colorado River below the Williams Fork River are maintained and downstream senior water rights are satisfied.

The Municipal Subdistrict understands that, as part of the Environmental Assessment, the effects of the proposed substitution on flows in the Colorado River basin are being modeled. The Municipal Subdistrict is interested in reviewing the results of this modeling and believes that the modeling should evaluate the effects of the use of water from Williams Fork Reservoir on flows in the Colorado River below the Williams Fork confluence. Specifically, the modeling should evaluate how releases made from Williams Fork Reservoir for substitution, and subsequent diversions necessary to replace the water that has been released for the substitution, affect flows in the Colorado River below the confluence with the Williams Fork River. The modeling should also include wet, average, and dry hydrological conditions, and be on at least a daily time step.

Please consider the above comments as part of the Environmental Assessment for the proposed action. Thank you.

Sincerely,

Douglas M. Sinor

For

Trout, Raley, Montaño, Witwer & Freeman, P.C.

cc: Alan Berryman Andrea Parker

