

## correspondence

### Arapahoe County says: Union Park will be built

Dear Mr. Trampe,

I regret that the District feels that it is unable to join with Arapahoe County in a constructive dialogue to explore the ways of achieving our mutual interest: keeping Colorado water in the state for use by Coloradoans. The District's opposition to the County's efforts to put the excess, unused waters of the Gunnison Basin to a legitimate intra-state use — waters now enjoyed by the downstream states — hampers our mutual concern of keeping Colorado water in Colorado, to the delight of Arizona and California. Your constituents can't be

any happier about this than mine are. I have always felt that the state-wide benefits of Union Park far exceed the impact the District believes the diversion will cause, and look forward to the day when the District joins the effort to achieve these goals which are so vital to our state's future.

The Union Park Project will be built, and will include a transmountain diversion of a portion of the now unused flows. This is the principal reason for the County's decision to fund the project. As always, my door remains open for discussions with the District about how we can work together

in a manner consistent with the County's goals. It is up to us, the leaders of the state's local governments, to work together to protect the state's water resources from permanent loss to other states. A negotiated resolution, acceptable to both parties, will often be more favorable to all concerned than a judicial resolution. I sincerely hope that the District, under your leadership, can join in the effort to save this resource.

Sincerely yours,  
John J. Nicholl, Chairman  
Board of County Commissioners

### POWER says: The community will not tolerate transmountain diversion

Dear Mr. Nicholl:

POWER has seen a copy of your letter to William S. Trampe, President, Upper Gunnison River Water Conservancy District, dated May 16, 1991. We understand you will not be receiving an answer from the District to that letter. The reason is likely self-evident. POWER, however, thinks your letter should not go unanswered and that if Arapahoe is reasonable as to its aspirations and activities on behalf of all of the people of the Front Range, there is a very workable solution to our common water problem.

First of all, however, we make it crystal clear that this community will not tolerate transmountain diversion at the headwaters of the Gunnison River, at Taylor River, Union Park, or elsewhere. All of the waters of the Gunnison River are appropriated and decreed, they have been fully used and they are absolutely essential to the present and future welfare of this Gunnison River community. The people of this community will not stand to be treated as the white man treated the native Americans a century ago, and anyone's effort to divert the water from the headwaters of the Gunnison will be faced with determined and never ceasing opposition, legal, political, environmental and social.

But we do not disagree with your stated desire to see that all of the waters available to this State are decreed and used in Colorado, and that the water to be released to the Lower Basin States be not more than what to which they are entitled. The only way this can be done, however, is by capturing the water and measuring it at the state line below Fruita, pumping water back using the right of way of U.S. Highway 50 as its pipeline route until it can be dumped into a

reservoir, Dillon or Granby, for transmountain diversion. The benefit of this plan is that there can then be no doubt as to what waters are available.

When you talk of waster waters, you are ignoring the fact that the waters you are discussing are measured at the lower reaches of the Gunnison River and have already been used four or five times by the residents of this community. The Front Range's battle with the Western Slope will be interminable if the water involved is sought to be taken out at the headwaters. Problems over how much water is available and the damage that would be caused by the removal of those waters are insoluble.

You state: "It is up to us, the leaders of the state's local governments, to work together to protect the state's water resources from permanent loss to other states. A negotiated resolution, acceptable to both parties, will often be more

favorable to all concerned than a judicial resolution."

We urge you to implement this language by foregoing Arapahoe's present application for water out of Union and Taylor Parks and adopt the Colorado Aqueduct Return Project as your plan for transmountain diversion. In the long run, this plan for diversion would produce water for the Front Range at a lesser cost per acre foot of water and produce a far greater amount of water than your present plans, and it would mute, if not eliminate, the need for the Western Slope's opposition. A plan such as NECO's present plan, which puts a cap on the future development of the Gunnison River basin communities will never work.

If you need further information concerning C.A.R.P., a preliminary plan has been prepared and we would make it available to you.  
GUNNISON POWER, INC.

## FERC sets hearings on Rocky Point

The Federal Energy Regulatory Commission has scheduled two meetings to discuss the issues in an environmental impact statement on the Rocky Point Pumped Storage Project proposed on the Taylor River in Gunnison County as well as affects to nearby Chaffee County.

The scoping meetings will provide a public forum to determine the significant issues that should be analyzed in depth in the EIS, which will consider both site specific and cumulative environmental impacts and reasonable alternatives to the proposed project.

Both scoping meetings will be held on Sept. 25 in Gunnison. The first meeting will focus on resource agency concerns and be held from 1 p.m. to 4 p.m. at the Aspinall-Wilson Center, Western State College, 909 Escalante Drive. The second meeting, intended primarily for the public, will be held from 7-10 p.m. at the Gunnison High School Auditorium, 800 W. Ohio Ave.

Federal, state and local resource agencies and the public are invited to present any information they believe will assist commission staff in defining and clarifying the scope of the EIS.

Statements may be made orally or in writing during the meetings. The public record will remain open until Nov. 1, for written comments. Written comments should be addressed to the Secretary, Federal Energy Regulatory Commission, 825 N. Capitol St., N.E., Washington, D.C. 20426. All correspondence should clearly show on the first page: Rocky Point Pumped Storage Project, Colorado, Project No. 7802-005.

For additional information contact Kathleen Sherman at (202) 219-2834.

*copy, FYI, from MZ*



*(also sent to Campbell, Brown)*

September 4, 1991

The Honorable Tim Wirth  
U.S. Senator  
Attn: Jim Martin  
1129 Pennsylvania St.  
Denver, CO 80203

Dear Senator Wirth:

A controversial energy project proposed by private investors, Dave Miller of Natural Energy Resources Company and corporate partner Black and Veatch Engineering threatens the Gunnison River Basin. It is called the Rocky Point Pumpback Hydroelectric Storage Project, to be located on Forest Service lands in Taylor Park--using the Taylor Reservoir (owned by the Bureau of Reclamation) as an afterbay, with a new forebay reservoir to be constructed above it on Matchless Mountain. Thousands of acre feet of water are to be flushed back and forth to produce power at peak hours, drastically affecting the fishery and operation of the Bureau's Taylor Reservoir. The forebay and service area is sited on a Bighorn Sheep calving area and Elk migratory area (part of the U.S.F.S. Almont Triangle). The many negative impacts foreseen are too numerous to list here.

This ill-advised project, estimated to cost around 1 billion dollars, is expected to be a net energy consumer not producer, using more electrical energy in its operation than it produces. Still its proponents hope to profit if they find buyers for the peak power, which they propose to sell at a higher rate than the non-peak power they will buy to operate the pumpback project. There is no energy need for this speculative project in the Rocky Mountain area it seeks to serve and so to use/destroy valuable public resources and facilities under these circumstances is illogical and reprehensible.

Rocky Point is seeking a license from the Federal Energy Resource Commission and the deadline for intervenors to file and fully participate in these considerations is September 23. Among local intervenors will be Gunnison County, the Upper Gunnison Water Conservancy District, Ralph Clark III, and POWER.

We are very concerned, however, that the federal agencies whose resources and responsibilities would be so greatly affected, intervene in this FERC process. This will assure that these public interests are all surfaced and established from the first of this process. We understand that both the Grand Junction Projects Office and the Regional Salt Lake Office of the Bureau of Reclamation have appropriately recommended that agency intervene. Please support and help to gain whatever agency or Interior Department approvals are necessary to assure this intervention by the Bureau of Reclamation.

Intervention by the U.S. Forest Service and the U.S. Fish and Wildlife Service is also only appropriate and we hope you may be able to encourage their involvement. To come in later, merely responding to an E.I.S., is not adequate. These agencies have responsibilities by law and policy which they can only meet by being integrally involved through intervention.

Thank you for your concern with this matter.

We are most grateful for your and your staff's ongoing concern with wise management of the water resources in the Gunnison Basin.

Sincerely,

Ralph Clark III  
Chairman

and members, POWER Steering Committee

RC:mas

and your men raped, murdered, and massacred the civilians. Now that the U.S. did not win the Vietnam war, it turns its back. Haven't you punished these people long enough? I worked years and years with children who were the war victims. Children burned by your bombs, without proper medical care, whose chins adhered to their shoulders forever. Children not only with faces and bodies destroyed, but also their souls scarred eternally. Children suffering from losing both parents, all relatives and friends in the world, children who were so innocent, so young but so desperate, so desolate, they confided in me, "Miss, I will not suffer any more physical pain and mental torment if I die now. I will be happy if I die because I'll reunite with my loved-ones. I won't be so lonely."

Millions of them still walk around today desolate, hopeless in Vietnam. You hold a grudge against the Vietnamese, but how do they feel about what you had done to them? U.S. G.I.'s got cancer from Agent Orange, but they left Vietnam no later than 1975. Where can the Vietnamese natives go? They continue to die of cancer caused by the defoliant spray, suffered from miscarriages, birth defects and other diseases related to the spray.

I am proud of Americans for being very kind, charitable people, and care deeply for others who are less fortunate. I know many Americans want to help the Vietnamese people. But I am not proud of some of us who turn our back to the people of the land we had destroyed.

Please don't help arm the government. Just help the needy war victims. Help them to recover the economy. And please help to restore the Vietnamese rain forests which are very vital not only to the Vietnamese but to all people on earth.

Jacqueline Nguyen-Phuoc lives in Fort Collins

damage after abuse or neglect has occurred are exorbitant, but more importantly, because of the suffering and loss of lives to Colorado's children.

Fortunately, many people in this state have taken heed of this advice and need to be commended. Through the foresight of the legislators and Gov. Roy Romer, Colorado has joined 48 other states in this effort. In July 1989, Romer signed HB 1216 into law which created the Colorado Children's Trust Fund. The Fund exemplifies an ingenious financial partnership between state and federal governments, local communities, private citizens, businesses, corporations, and foundations

have savings responsibilities. While evaluation of prevention services is difficult, the results we are seeing are enlightening. In the first two years of operation, the Fund has allocated over \$303,000 to 18 agencies whose programs serve 23 counties across the state. Parents are learning new and appropriate skills to be better parents; and children are safer as a result.

The staff and volunteers in these community-based prevention programs need to be recognized for their excellent work and foresight as well. By extending support and assistance to families early, child abuse is being prevented before it becomes the tragic stories like those cited

citizens equipped to handle critical social, economic, and environmental issues facing us in the next century.

Funded by a \$10 surcharge on marriage license fees, the Children's Trust Fund also accepts contributions and donations which are tax deductible. Remember, children make up 30 percent of Colorado's population and 100 percent of Colorado's future. For more information or to make a contribution, contact the Colorado Children's Trust Fund at (303) 692-5600 Ext. 29.

Joyce C. Jennings is program director of the Colorado Children's Trust Fund  
The Denver Post, Nov 30, 1991, p. 28

## Foe calls Union Park dam a 'waterdoggle'

MARLENE ZANETELL

**M**ORE THAN five years of legal wrangling over plans to divert water from the Upper Gunnison River Basin across the Continental Divide to metro Denver climaxed last summer in a five-week trial over Arapahoe County's proposed Union Park project. The state water court's later decision on the amount of water available for this transmountain diversion, in the words of a recent Denver Post headline, "puts the project in doubt." To say the least.

A flock of attorneys from at least three different law firms combined to argue Arapahoe's case for a Union Park water right. The result?

Attorneys for the Arapahoe County Commissioners proved there is indeed unappropriated water available for the Union Park Project: all of 20,000 acre feet annually maximum. This is a far cry (only one fifth) from the 100,000 or more acre feet they sought and which the Natural Energy Resources Company (NECO) of Palmer Lake claimed to be available when that company sold the Union Park design to the Arapahoe Commissioners

for the private gain of NECO investors.

Let's see now. The mammoth Union Park Reservoir would require 900,000 acre feet of water to fill. At 20,000 acre feet per year it would take 45 years to fill. That is 45 years before water would likely go east across the Continental Divide.

Oops. Seems this reservoir would start to silt up before Arapahoe's taxpayers (in Aurora, Littleton, Englewood, etc.) see a resulting crop of water. If they live that long. Conceivably, Arapahoe's consulting water engineers could go from their present work as expert Water Court witnesses to work constructing this "Big Dam of Little Waters" and then directly to work on plans to "de-commission" the silt-ridden waterdoggle.

Arapahoe County has estimated the total cost of Union Park at \$500 million. If so, then each of the 20,000 annual acre feet available to this project would cost \$25,000. We say "water is liquid gold" in

the American West, but this should set a new dam gold standard: never has so much been spent to gain so little.

Clearly, this water project is not feasible or apt to ever hold water. As a mere idea Union Park has already "succeeded" — as a jobs program for Colorado water lawyers. The legal appeals that attorneys now contemplate could keep the Union Park "business" going in water court for years to come.

Oh, we have paid dearly, too, in the Gunnison Basin. But it feels different here. You do not fail or flag when forced to fight for your way of life, for the future, for this beautiful and blessed place and its "creatures great and small." We are grateful, but not surprised, that many individuals and entities throughout the state and the nation have shown they, too, value Colorado's Gunnison Basin and joined us in this costly fray.

We say to our friends and neighbors in Arapahoe County, "Let us stop here." Union Park has proven to be a bad idea on all sides of the Continental Divide.

Marlene Wright Zanetell lives in Gunnison

16. The model should not include forensic engineering that is aimed at stopping further development of water from the Gunnison River Basin.
17. The developed spreadsheet should not include unreasonable assumptions that produces theoretical water shortages upon which the division engineer will declare the river basin to be over appropriated.
18. The CWR&PDA Phase-1 study was identified in the scope of work as an appraisal level study. This is contrary to the representation recently made by both the Colorado River and Upper Gunnison Districts in their diligence Case (88CW183) related to the Upper Gunnison Project.
19. Majority of the sponsoring agencies have legal mandates that call for development and efficient management of our water resources. These mandates must be kept in mind when conducting this study and thus insure development of a management tool that will be consistent with these legal mandates.

During the meeting, I expressed concerns related to the lead agency for the study. We would strongly recommend the CWCB be the lead agency. Such a role by CWCB would be appropriate and in line with their legislative mandate, and will further remove any potential stigma that may be attached to the study arising out of any potential local bias.

All of you, as representatives of the sponsoring agencies, have a golden opportunity here to demonstrate that appropriate tools can be developed to better manage our water resources. Anything short of developing such tools, would be nothing more than engaging, in an exercise of advancing forensic engineering, reinventing the wheel, and wasting taxpayers dollars. I am sure you will agree with me, that Colorado deserves better. Thank you.

Very truly yours,

WRC ENGINEERING, INC.

*A.S. Andrews, P.E.*  
A.S. Andrews, P.E.  
President

ASA/kap

cc: Commissioner John Nicholl  
Mr. Jeris Danielson, State Engineer  
Mr. David Walker, CWCB

August 8, 1991



Messrs: Canon, Gross, Hokit, Kepler, Seaholm, Trampe, and Ullinberg  
Sponsors Representatives  
Gunnison River Basin Water Management and Planning Project

WRC File: 1736/1

Gentlemen:

As a member of the Public Focus Group for the subject study, I would like to provide you in writing my comments, the majority of which were shared with you verbally during your August 6, 1991 meeting in Montrose. As I stated to you during the meeting, I represent myself as a private consulting engineer (citizen), and also represent Arapahoe County. My specific input is as follows:

1. Arapahoe County is interested to see the outcome of this study to be a credible accounting spreadsheet and a model that accurately simulates the historic and future operations of the Gunnison River Basin facilities.
2. Any modeling of existing conditional water rights must be based on the contemplated draft of the subject right on the stream system and the overall in-basin demand projections. Both the subject right must have a realistic chance of being developed, and the amount of water used must be based on a reasonable quantity of water being put to beneficial uses.
3. The modeled consumptive use (c.u.) must be based on actual figures versus optimum c.u. as previously modeled in the Phase-I of the Colorado Water Resources and Power Development Authority Study.
4. Arapahoe County would strongly object to developing a model that will engage in ushering water downstream through unreasonable assumptions and fictitious constraints and thus benefit downstream states at the expense of Colorado water users.
5. Arapahoe County would urge the sponsors of this study; and in particular CWCB, and the State Engineer's representatives, to see that in developing this model, that Colorado's ability to develop its compact entitled water is not impaired. The bulk of Colorado's compact entitled water from the Colorado River, that has not yet been developed, is available in the Gunnison River Basin.
6. The developed model should include an optimizing routine, when the Basin water is put to a max beneficial use in Colorado and provide a tool to better manage the basin water resources.

CONSULTING ENGINEERS

August 8, 1991  
WRC File: 1736/1  
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7. In light of all the spreadsheet and modeling presently completed for Gunnison River Basin, we believe a budget of \$360,000 for this study to be extremely high. We encourage utilization of the information from the existing Gunnison Basin models and thus cut the cost of this study.
8. As a representative of Arapahoe County I would like to request in writing that my name be included as a member of the Public Focus Group for this study.
9. Both the Accounting Spreadsheet and the Model should be well documented, for easy access and use, and be available to any party wishing to purchase it at a nominal fee. No part of the model should be considered a proprietary by the Consultant or any other private party.
10. This modeling effort should not be aimed at solidifying recent statements made by Mr. Johnston of USBR in the water court which is contrary to Colorado's interest in developing its compact entitled water under the Colorado River Compacts.
11. In modeling the Aspinall unit, the primary purpose of the unit must be considered which is to store water and make it available during dry years for releases and thus protect Colorado Compact water users against any call from Lower Basin States. Further, the hydro power right cannot call upstream municipal and agricultural beneficial uses.
12. It was represented in the draft scope of work that the model would be used to determine water availability. Further, the water availability would be used to evaluate shortages, integrating project operations, and study effects of alternative water development plans. I am extremely concerned about the focus been placed on water shortages, integration of projects, and lack of a definite alternative addressing water export from the basin. Unrealistic shortages could be translated into rebound calls, and integration of project could prevent further water development in the basin.
13. Temperature should not be the sole criteria in determining consumptive use. The dates water is diverted and used to irrigate be used to determine the beginning and ending of c.u. periods.
14. Reasonable ratios of water diverted to water consumptively used must be used to determine future irrigation water needs. Such ratios would encourage good irrigation management practices.
15. In modeling water rights that are under appeal to the supreme court, the model must reflect the results with and without these rights in effect.



environmental and economic future. In fact, further study will support the irrefutable claim that a high altitude cyclic storage reservoir can actually enhance the Gunnison way of life by guaranteeing multi-year drought protection.

4) Background Justification: The background justification for the study in the plans and contracting documents is inaccurate and misleading.

Comment: The proposed project is not a logical follow-up to the recently completed Phase I Gunnison Water Study. The Phase I Study was devoted to identifying surplus Gunnison waters that could be exported to the South Platte Basin. The intent was to generate revenue for the construction of several small water facilities that would enhance the Gunnison's tourist economy. Most of the study funds were used to model four specific export proposals, including Arapahoe County's Union Park Water Conservation Project, Aurora's Collegiate Concept, the Colorado Water and Power Authority's Taylor Park Reservoir Diversion idea, and a Blue Mesa Reservoir Pump Back option. Unfortunately, the Phase I Feasibility Study was not conclusive, because of belated pressures from a few misinformed Gunnison activists. This study did, however, identify substantial surplus Gunnison waters. It also recommended a follow-up Phase II Study to further evaluate the Gunnison's export options. The proposed new Gunnison Water Management Project is limited to an elementary planning model and a daily water accounting spreadsheet exercise. These management tools are already being used in the overappropriated basins, and are unnecessary for the underutilized Gunnison Basin.

5) Taxpayer Savings: There are some basic review steps that should have been taken to reduce the project cost.

Comment: For example, consideration should have been given to broadening one of the sophisticated Gunnison Basin models that was used extensively during the recent Gunnison water court hearings. Either one of the highly experienced consulting firms that prepared the court models could provide a flexible planning model for less than half the dollars appropriated by the legislature. Also, daily water accounting spreadsheets are routinely used in Colorado's water short basins to administer water by priority. If a spreadsheet is necessary, Gunnison water experts should be able to adapt one without an expensive outside contract. This is especially true since BOR data shows that the Gunnison Basin only consumes 17% of its native flow. In fact, strict water accounting has not been required, because this underutilized Gunnison Basin seldom has a priority call of any type.

6) Water Policy Crisis: A major Gunnison water policy conflict is surfacing within Colorado and between Colorado and the federal government. The outcome of this conflict is

certain to have a significant impact on Colorado's long-term water future.


Comment: At the recent water export trial between Arapahoe County and Gunnison opposers, a U.S. Attorney surprised the court with the claim that the Bureau of Reclamation owned and controlled Colorado's unallocated Compact waters from the Gunnison River. Incredibly, the Gunnison and Colorado River Water Conservancy Districts agreed with this federal position, and even asserted that the untapped Gunnison was off-limits for exports to other Colorado basins. This would mean all future East Slope diversions would come from the over depleted Colorado River Mainstream tributaries. This alarming policy position is in direct conflict with the Colorado State Engineer's recent statement to a Gunnison audience that Colorado hydrology dictates future East Slope diversions from the Gunnison Basin. The obvious immediate intent of the new policy is to block Arapahoe County's diversion plans. If the new federal/West Slope position prevails, Colorado will never be able to develop its Colorado River Compact entitlements. Most of Colorado's Compact losses to the down river states are from the untapped Gunnison Basin. Coloradans should recognize a large part of the legal opposition to Colorado interbasin water sharing is being funded by out-of-state interests.

Phase I Study excluded as evidence in the recent Arapahoe County diversion trial. Curiously, the Gunnison opposers are now discrediting the same 3 year study that the state conducted with Colorado taxpayer money at their request.

Because of the emotional conflict between misguided local activists and the urgent statewide need to beneficially use and protect Colorado's wasted Gunnison waters, the proposed Gunnison Study should be restructured as a logical Phase II follow-up to the unfinished Phase I effort. With this change in direction, Colorado water leaders could soon have invaluable insights regarding the state's most critical long-term water supply and demand issues. The restructured study should be under the strict control of the Colorado Water Conservation Board. The Gunnison sponsors should not call the shots, because they have been vigorously opposing any and all out-of-basin export proposals in water court.

The enclosed critique provides additional comments on the major faults in your proposed Gunnison Study Plan.

Sincerely,



Dave Miller  
Public Focus Group Member

ADM/bm

Enclosure: Gunnison Water Management Study Critique

cc: Governor Romer, Legislators, Colorado Attorney General, Colorado State Planning and Budgeting, U.S. Bureau of Reclamation, CDNR, SEO, CRWCD, UGRWCD, UVVVA, TCWCD.

CRITIQUE OF PROPOSED GUNNISON RIVER BASIN  
WATER MANAGEMENT AND PLANNING STUDY PLANS

1) Project Management: The Sponsors Committee members currently plan to jointly share the management of this \$360,000 study effort. The Sponsors Committee is manned with staff representatives from the Colorado Water Conservation Board (CWCB), the Upper Gunnison River Water Conservation District (UGRWCD), the Tri-County Water Conservancy District (TCWCD), the Uncompahgre Valley Water Users Association (UVVUA), the Colorado Division of Water Resources/State Engineers's Office (SEO), the Colorado River Water Conservancy District (CRWCD), and the U.S. Bureau of Reclamation (BOR).

Comment: To avoid subversion of state funds it is imperative that the Colorado Water Conservation Board serve as lead agency and designate a project director. The outside contractors, Public Focus Group members, and other interested parties must also have a single point of contact. Task committees are more effective when there is an identifiable head. Published minutes explaining the key committee decisions should be provided to all Public Focus Group members. The lead agency responsibility is consistent with CWCB's legislative charter. CWCB is the largest contributor of Colorado taxpayer funds for the project. Leadership under CWCB would hopefully eliminate local bias and assure maximum statewide application and benefit.

2) Conflict of Interest: One of the Study Sponsor Committee members is a governor appointed board member of CWCB.

Comment: It is inappropriate for a political appointee, who sits in judgement on state water policy matters, to also serve as an influencing working member of the project management team. CWCB board members are required to take an oath to uphold state water interests. This Gunnison resident readily admits that the Gunnison Basin is his first concern. He has also prejudged the issue with public statements against Gunnison water exports to the dryer Colorado basins that have greater need.

3) Project Objectives: The proposed study objectives have been narrowly defined to satisfy a shortsighted, erroneous point of view for the water rich Gunnison Basin.

Comment: The objectives should be changed to specifically evaluate the statewide need for surplus Gunnison waters and viable development options to satisfy future needs. The resulting information would be invaluable for Colorado officials to assure development and beneficial use of the state's wasted and threatened Colorado River Compact entitlements. A well planned out-of-basin diversion can be accomplished without detrimental impact to the Gunnison's

Summary of Benefits

ROCKY POINT PUMPED STORAGE PROJECT

(1000 Megawatts)

World's highest head, most efficient peaking power facility.

Contributes to national clean energy and clean air goals.

Reduces future need for additional coal-fired plants in the West.

Increases 24 hour productivity of existing fossil fueled plants.

Reduces power costs -- estimated 30 year savings over fossil peaking power alternatives is \$11.3 billion (1987 dollars).

Could help solve major Grand Canyon environmental problems caused by daily peaking power water surges.

Improves local tax base, employment, infrastructure.

Minimal local environmental impact.

OTE: This \$997 million Gunnison, Colorado project will provide power for southwestern United States users starting in 1998. For info call Dave Miller, resident, Natural Energy Resources Company, (719) 481-2003.

Allen D. (Dave) Miller  
P.O. Box 567  
Palmer Lake, Colorado 80133  
(719) 481-2003 • FAX (719) 481-4013

*B. Miller*

August 16, 1991

Directors of Sponsoring Organizations  
Gunnison River Basin Water Management And Planning Study  
C/O Colorado Water Conservation Board  
1313 Sherman Street, Suite 721  
Denver, Colorado 80203

RE: Need to Restructure Proposed  
Gunnison Water Management Study

Gentlemen:

After attending your first Public Focus Group meeting in Montrose on the 6th of August, I am compelled to point out the immediate need to restructure your proposed Gunnison Water Management Study. As currently planned, the project is a serious misuse of Colorado taxpayer money. It is also potentially harmful to Colorado's long-term water interests.

The original purpose of the state's recently completed Phase I Gunnison Basin Water Study was to determine the best of four proposed out-of-basin diversion options that could be used to finance construction of several desired recreational reservoirs to enhance the Gunnison's tourist economy. Unfortunately, this \$500,000 state funded study was politically changed midstream to be inconclusive. This was because of late blooming pressures from local activists opposed to interbasin water sharing. However, Phase I did identify substantial surplus Gunnison waters. It also clearly recommended further analysis of the viable transmountain options in a follow-up Phase II Study.

Colorado has an urgent need to develop its invaluable Colorado River Compact waters that are currently in jeopardy. These entitled waters are flowing unused from the Gunnison to water short California and Arizona growth areas. However, instead of continuing with the priority Phase II Study, the Gunnison Sponsors have changed the objectives into a plan that would micromanage a water surplus basin. The Gunnison has never required the strict water administration that is necessary for Colorado's overappropriated basins. It is obvious the Gunnison sponsors' real intent is to use the proposed study to develop complex water management barriers to out-of-basin water sharing.

This unreasonable local resistance to water exports is best illustrated by Gunnison attempts to have Colorado's

COMMENTARY

# The Need For More Water Storage — Now

Remember, the Chatfield Flood Control Dam wasn't built until after the 1965 flood

By Leonard Rice

The U.S. Soil Conservation Service water supply outlook, as of May 1, 1991, contains the following estimates of runoff for the April through September, 1991, period at the gages shown:

	April Runoff (1000 AF)	Percent 1961-1985 Average
South Platte River at South Platte	190	89
Arkansas River above Pueblo	285	91
Rio Grande near Del Norte	540	106
Gunnison River near Grand Junction	950	74
Colorado River near Dotsero	1,330	84

Yampa River near Maybell	810	79
Animas River near Durango	450	93

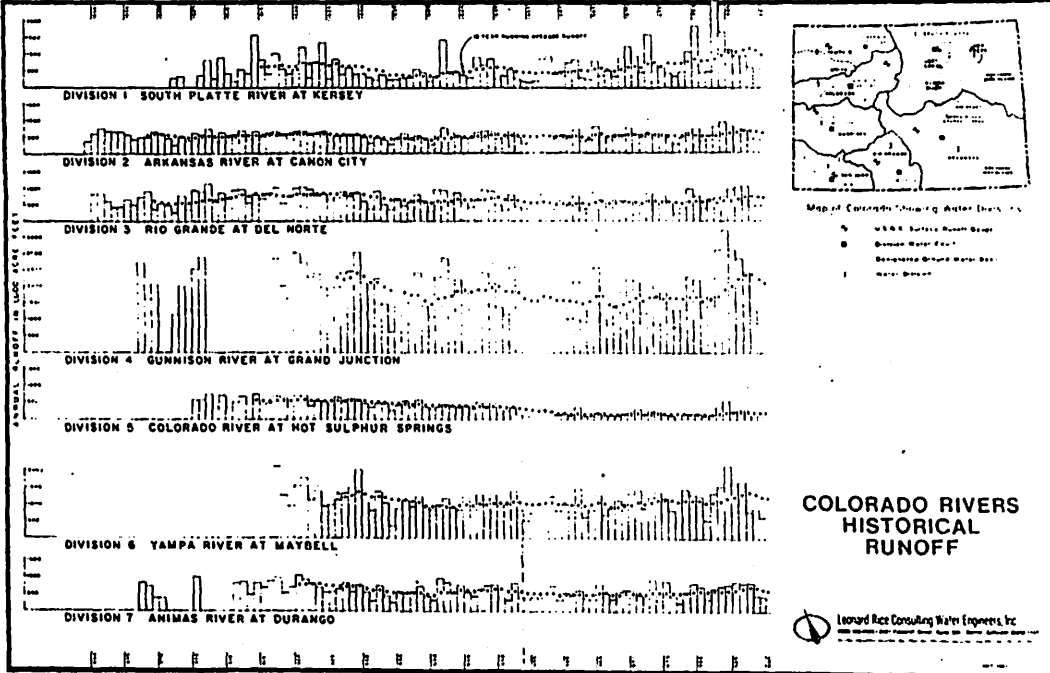
It appears that we are in for another dry year. The forecast are for below average runoff in six of the seven basins.

Colorado's water supply is derived mainly from river runoff generated by melting of the high mountain snowpack. Recent forecasts of the 1991 runoff prepared by the U.S. Soil Conservation Service based on May 1 snowpack measurements indicate that Colorado is in for another year of below average water supply. This is the fifth consecutive year that forecasts for seven of Colorado's major rivers have been for below average runoff. The one exception is that for 1991 the estimat-

ed supply of the Rio Grande near Del Norte is predicted to be 6 percent above average.

The importance of this information is that Colorado's water supply is subject to climatic cycles that range from severe drought to floods. In addition, most of the annual runoff from melting snow occurs in spring and early summer, while demand occurs all through the year, especially in late summer and early fall. To accommodate these vagaries of nature it is essential to have storage to "Bank" the excess flow when available for use during the dry periods.

The last severe drought in Colorado occurred during the early 1950s. Since that time, Colorado's population and demand for water has increased at a far greater rate than has the construction of new storage facilities. Although some water



COLORADO RIVERS  
 HISTORICAL  
 RUNOFF

Leonard Rice Consulting Water Engineers, Inc.

COMMENTARY

*"It is essential to 'bank' excess water flow for use during dry periods."*

users experienced water shortages during the 1950's drought, there was in general enough reservoir capacity to provide sufficient carryover storage to make up for the deficit in natural supply. Whether that situation will be true when the next severe drought occurs, as it surely will, is a question that needs to be addressed now, not when it happens. Given the length of time it takes to plan, finance and build a water storage project, it is never to soon to start.

Unfortunately, however, the reality is that we will wait until we experience a severe situation such as is now occurring in California and then wonder why we don't have enough storage to provide for our needs. After all, the Chatfield Flood Control Dam was not built until after the 1965 flood. ■

Leonard Rice is a Denver water engineer operating his own firm, Leonard Rice Consulting Water Engineers Inc.

To the reader:  
Editorial space in Section II of today's Daily Journal is devoted to Arapahoe County's description of its controversial Union Park water diversion project and to an abridged version of Water Judge Robert Brown's order in a case related to Union Park.

# Union Park: fresh battleground

By JACK PHINNEY  
Daily Journal Editor  
Union Park, the proposed development that would divert

water from western Colorado to the metropolitan area, is, as Gov. Roy Romer points out, a long way from happening.

But it is viewed as an imminent threat or an urgent need, depending on one's point of view.

The proposed diversion project would draw water from the high country northeast of Gunnison, bring it across the Continental Divide and deliver it to Arapahoe County.

Romer pointed out recently that Union Park will require a long approval process. "After significant water court hearings," he said, "Arapahoe County will need to obtain federal approvals from both the Corps of Engineers and the Environmental Protection Agency."



environmental protection agency.

As to where he stands, Romer said he thinks "its premature for me to take a position at this time."

Others are not so reluctant to express their views.

One of those is Dave Miller, president of Natural Energy Resources Co. and unquestionably the state's most outspoken promoter of Union Park.

It was Miller who originated the Union Park plan and persuaded Arapahoe County to adopt it. It is Miller who persistently extols its merits. He rails against western Colorado "no-growth activists" who vehemently oppose Union Park.

"West Slope leaders should remember that metro Denver has old water rights for at least five major upper Colorado River diversions," Miller said. "Most of these rights were secretly acquired by surrogates before the days of environmental enlightenment. In contrast, Union Park is being openly pursued as a statewide environmental-enhancing drought-insurance project in Colorado's wettest basin that has never been touched by diversions."

Union Park, Miller contends, "will benefit the Gunnison Basin and all of Colorado — not just farsighted Arapahoe County. The unprecedented Union Park concept provides

## Letter to the editor

To the Editor:

Reference your May 15 article on Collegiate Range and Union Park.

From your Griswold quotes, it is obvious Tom is trying to rewrite history to save face.

Aurora made out-of-court peace with Arapahoe in 1990, because it was losing the Arapahoe/NECO (Natural Energy Resources Co.) complaint that Aurora improperly purchased Collegiate from a renegade NECO board member. In 1986 Griswold rushed Aurora into claiming surplus Gunnison water because he had inside information that NECO was about to file on Union Park. As a professional engineer, Griswold should have considered the ethics and engineering feasibility before his hasty action on a flawed concept.

The real reason Aurora dropped Collegiate was because it was not technically and environmentally feasible. The "good faith" gesture is another ruse to avoid public embarrassment for a \$2 million mistake.

Union Park is a totally different concept from Collegiate. Union Park is exciting, and worth some in-depth reporting.  
Dave Miller  
Palmer Lake

To the Editor:

In your May 15 article about the decision of Aurora not to further pursue the Collegiate Range Project, the competing Union Park Project was mentioned, along with questions which have been raised by Aurora officials about not only Union Park but also its principal promoter, Allen D. (Dave) Miller.

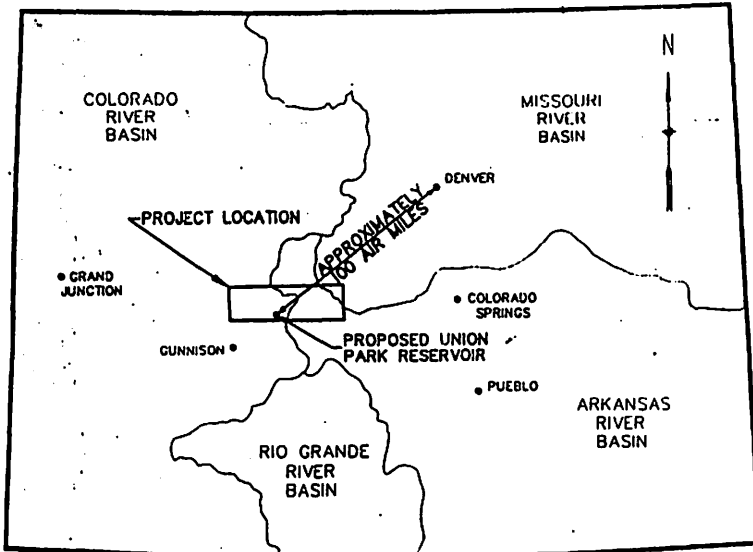
Then you reported that "other observers have been kinder to Union Park," and you quote a retired Denver engineer, Dale Raitt, that Union Park is "the finest multipurpose water alternative ever conceived for Colorado."

As it happens, I received the press release from which that quotation was taken and I called Mr. Raitt to express concern about the veracity of some of the things which were said, as well as to determine who actually wrote the material which Mr. Raitt signed.

I asked him if Dave Miller had written it. Mr. Raitt said that Mr. Miller indeed had.

Small wonder the "other observers" are kind to Union Park!

Bob Tonsing  
Littleton



• Where Union Park reservoir would be. Detailed map of area is on Page 1 of Section II.

## Gunnison Basin: the big picture

The Gunnison River Basin encompasses 8,020 square miles, or about 8 percent of the area of Colorado. Elevations vary from 4,500 feet to 14,300 feet above sea level. Average annual precipitation ranges from less than 10 to more than 40 inches. Settlement of the basin began in 1873, with mining being the principal industry. Livestock raising and farming followed the decline of the mining industry. Seventy-one percent of the land in the Gunnison Basin is federally owned, 28 percent is privately owned, and approximately 1 percent is owned by the State of Colorado. Approximately 5 percent of the lands of the basin are used for crop production, with the remaining 95 percent being used for grazing and timber production and recreation purposes.

The Gunnison River is formed by the confluence of the Taylor and the East Rivers at Almont, 11 miles northeast of Gunnison. The river flows through Gunnison, the county

(continued on page 7, column 2)

## Waterpower '91 to be in Denver

Engineers working in the hydropower field will gather in Denver July 24-26 for Waterpower '91.

With 22 topic sessions, some 200 papers and more than 100 exhibits, the conference will bring together nearly 2,000 hydropower professionals from 15 nations. Sponsors are the U.S. Bureau of Reclamation

and the Western Area Power Administration. Conference manager is the American Society of Civil Engineers.

Invited speakers include Interior Secretary Manuel Lujan Jr. and Federal Energy Regulatory Commission Chairman Martin Ailday.

Sessions will be at the Colorado Convention Center.

river, which flows 40 miles more to enter the Colorado River near Grand Junction. The Gunnison River's 74-year average flow at this confluence is 1.8 million acre-feet per year.

The 72-year average flow of the Taylor River at Almont is 241,300 acre-feet per year. The average flow of the East River at this town is 272,700 acre-feet per year. There is just one large water development on the two streams. This is Taylor Park Reservoir which can store 111,260 acre-feet and has a water right for this amount. The water is used by the Uncompahgre Valley Water Users Association. The annual flow at the reservoir, which was completed in the late 1930s, is 139,120 acre-feet. The Taylor Park Reservoir when full covers 2,240 acres.

## — Union Park

massive West Slope compensatory storage to guarantee optimal Gunnison River flows for 12 months of the year instead of two."

That sounds like a good deal for everyone. Why, then, does the Gunnison Country Times, in a recent editorial, condemn Union Park as "a poorly planned water grab by a county not yet prepared to be a Front Range power"?

The answer might be found in the newspaper's further comment:

"The Arapahoe County Commissioners obviously think the world is theirs for the taking," the editorial says. "Arapahoe County will take our water — all of our water — any way it can ... water used for more than 100 years by county ranchers ... The world may be for the taking, but the Western Slope and its citizens are not. Aurora, a much more sophisticated entity, understands that. Arapahoe County is only just learning. It could become an expensive and politically painful lesson."

At a trial under way at Gunnison County Courthouse, Water Judge Robert Brown is trying to determine whether the Upper Gunnison Basin produces enough water to allow a diver-

sion project such as Union Park.

The trial began in early June and promises to spill over into July. So far, it has been alleged that so-called instream flow rights held by Gunnison County ranchers are jeopardized by Arapahoe County's plans. Earlier this year, these rights were upheld by the water court after being challenged by Arapahoe County.

During lengthy questioning by lawyer Barney White, Alan Leak of WRC Engineering, Denver, said Arapahoe County is considering condemnation proceedings against holders of the rights — the only privately held instream flow rights in the state.

Leak testified that Union Park, in capturing excess spring runoff, would eliminate the need for flood control at Blue Mesa Reservoir on the Gunnison River. But arguments such as this only feed the opposition of groups such as Gunnison Basin POWER (People Opposing Water Export Raids) whose slogan is "Not one drop over the hill!"

DENVER DAILY JOURNAL  
(Denver County)  
M-F, 1,625

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## — Gunnison

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seat of Gunnison County. Flowing another eight miles, the river enters Blue Mesa Reservoir which when full, inundates 15 miles of the streambed. It then flows through Morrow Point Reservoir and Crystal Reservoir and enters the Black Canyon of the Gunnison, where it is entrenched a mile below the adjacent mesas. Below the canyon, near Delta, the North Fork of the Gunnison enters the



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# Gunnison river

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Hinkle site were not feasible because of adverse geologic conditions. And, in concluding that the Cochitopa Unit was not justified, the analysis focused only on the Banana Ranch Reservoir site, not on other reservoir sites or structures along Cochitopa Creek.

9. In the 1973 report, the bureau recommended that "current advanced planning stages a total environmental study be made to determine what environmental alternatives there may be to enhance the esthetic values of the project features."

10. In 1984, as part of its diligence work for the 1983-84 period, the applicant obtained a report from Western Engineers, with aerial photos of the sites for the water rights, and made a cost estimate for the six decreed reservoirs, even though the Castleton and Banana Ranch sites had been found to be geologically infeasible.

11. After 1973, funding of large water projects by the U.S. Congress through the Bureau of Reclamation became virtually nonexistent. This restrictive policy became more entrenched during the years of the Carter administration (the

"Carter hit list" which targeted various water reclamation projects) and the Reagan administration (the federal policy of requiring state and local matching funds).

12. From inception to 1975, the Bureau of Reclamation spent \$907,900 on the Upper Gunnison Basin Project. This includes \$173,000 spent in 1970-75.

13. From 1975 to 1984, the applicant and the Colorado River District paid \$21,000 for work performed by Western Engineers. This work was found by the court to be sufficient to support diligence.

14. There was a significant economic downturn in the Gunnison Valley beginning in the mid-1970s and extending to at least 1984. There was slumping in agriculture, a decline in mining activity, and a decrease in the enrollment at Western State College at Gunnison. This downturn discouraged the applicant from pressing its conditional rights more vigorously during the two diligence periods from 1975 to 1984.

15. In 1981, because of the federal decision to stop funding major water projects through the Bureau of Reclamation, the Colorado legislature created

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the Colorado Water Resources and Power Development Authority. The purpose was to aid in the financing and construction of large water projects in Colorado.

16. During the diligence period from 1985 to 1988, the following work was done: a. Western Engineers studied the Banana Ranch Reservoir site, apparently without knowledge of the bureau's 1970 report. Western reached the same conclusion that the bureau did

— that the Banana Ranch site was geologically unsuitable for development. Western also studied the Monarch, Ohio City, and Castleton sites, and concluded (as the bureau in 1973) that the decreed Castleton site was not a suitable site for construction because of landslides. Some of Western's work may have duplicated the bureau's work, but some was new.

b. In 1986, the applicant finally recognized that the Bureau of Reclamation was not going to finance and build the Upper Gunnison Basin Project. Meanwhile the applicant learned of the role the Colorado Water Resources and Power Development Authority could play in helping develop the project. The applicant asked the authority for an in-depth study of the Upper Gunnison River Basin. The authority agreed to do a Phase I Feasibility Study, and hired HDR Engineering Inc. to provide consulting services.

## HEAVY CONSTRUCTION-7

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# Gunnison river

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The study was completed in 1989 and produced six alternative development plans to meet projected in-basin water demands.

The study identified Alternative No. 5 as the preferred plan. This plan called for a 20,000 acre-ft. reservoir in the Ohio Creek sub-basin and a 25,000 acre-ft. reservoir in the Tomichi Creek sub-basin. The study also concluded that, regarding potential financing, the various alternatives were infeasible.

15. Andy Andrews, an engineer, was the only witness presented by Arapahoe County at the trial. He said the authority's study was of no value for purposes of showing diligence.

16. As part of the diligence work claimed by the applicant, attorneys provided legal advice in support of the diligence application and in pursuit of litigation to oppose transbasin diversion applications by Arapahoe County and Aurora, filed in 1986. Total fees were \$71,000.

17. The court concludes that

a lengthy delay in completion of a project does not necessarily justify denial of a diligence application. Circumstances surrounding the delay must be examined. It is the 25-year delay in completion of construction in this case that is the major basis for Arapahoe's opposition to the application. In fact, the project is still in very early stages of development. Arapahoe argues that the significant delays, with preliminary feasibility work still being done, warrant cancellation of the water rights. On the face of it, this is a compelling argument. But the court concludes that the delays through 1984 were essentially beyond the control of the applicant and do not warrant cancellation of the water rights.

18. Of course, the primary issue in this case is whether the applicant did sufficient diligence work during the latest diligence period (1985 through 1988) to justify continuing the conditional status of the water rights. The court concludes that the answer is "yes" because the court accepts the work of Western Engineers and the Colorado Water Resources and Power Development Authority as significant after minimal work had been done during the two prior diligence periods.

19. Arapahoe's expert witness, Andrews, opined that there was no progress made during the latest diligence period. However, the court concludes that significant progress was made. The authority's study goes substantially beyond the diligence work of prior studies, and the information developed is important to the completion of the project.

20. In almost every instance, the authority's study concluded that an alternative site was preferable to the decreed reservoir site. Thus, Arapahoe County contends that a new project has been born which is not

related to the decreed project, and that work performed in connection with these alternatives cannot be considered for due diligence. The court rejects this legal theory. It is necessary to study alternate sites to get an EA permit for construction of a project. And the court should not require that the water adjudicated for the original site be abandoned and a new right adjudicated at the new location, should not require the applicant to start over merely because the project will be better served by a feature in an alternate location.

21. The court concludes that the attorney's fees for initial investigation in 1988 of the Arapahoe and Aurora applications are diligence expenses, but that the fees incurred to oppose the Arapahoe and Aurora applications are not, since the litigation expenses incurred in opposing these applications did not directly protect or advance the conditional water rights which are the subject of this decree.

22. The court expects that during the next diligence period the applicant will significantly narrow the scope of its project to the features which are most likely to be constructed within the foreseeable future, that it will make appropriate transfers of water rights, and that it will complete all necessary Phase I Feasibility Studies; further, with respect to the features to be given priority, that it will make significant progress toward completion of Phase II Feasibility Studies and the Environmental Impact Statement phase of its project development.

DECREE: The conditional water rights are continued, except that the rights for Taylor Creek Canal, East River Canal, Quartz Creek Canal and Ohio City Reservoir are canceled.

Judge Robert Brown.  
Water Division No. 4

May 30, 1991

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## —Union Park

Continued from page 4, column 2

cal demand and pump water to the Union Park during periods of low electrical demand, thus enhancing the feasibility of the subject multi-purpose water project. The system is also designed to allow pumping of water from Taylor Park, Texas Creek, and Willow Creek in lieu of pumping the same water at the Willow Creek Pumping Plant. This may allow a downsizing of the Willow Creek Pumping Plant and related facilities during more detailed evaluations and analysis of the project. Arapahoe County and the Parker Water and Sanitation District have applied for a preliminary hydropower permit from the Federal Energy Regulatory Commission.

### 6. Willow Creek Collection System and Tunnel:

Water from Willow Creek and its tributaries is proposed to be diverted by gravity to Union Park Reservoir through the Willow Creek Collection System and Tunnel. This gravity system is proposed as an alternative to save the cost of power to pump the same water at the Willow Creek Pumping Plant or the Union Park Pump-Power Generation System. This system comprises diversion facilities, open channels and a tunnel which collect and divert water from Bertha Gulch, three unnamed tributaries of Cow Creek, and Willow Creek.

The capacity of the collection system facilities was sized based on the estimated water availability from the respective streams at the different locations on the collection system. For example, the capacity from Willow Creek to the east portal of Bertha Gulch Tunnel is 263 cfs, while the capacity of the tunnel is 340 cfs.

### E. Taylor Park Dam and Reservoir

The existing Taylor Park Dam and Reservoir could play a key role in minimizing the cost of both the water supply and hydroelectric power components of the Union Park Reservoir project. Taylor Park Dam and Reservoir was constructed from 1935 to 1937 by the U.S. Bureau of Reclamation. It is on the Taylor River approximately 30 miles northeast of the City of Gunnison.

The dam is a zoned, earthfill dam and is 206 feet high. The dam's top and base widths are 35 feet and 1,000 feet respectively. The crest length is 675 feet and is 9,344 feet above sea level. The structure contains 1.12 million cubic yards of material. The outlet works consist of a concrete-lined tunnel through the right abutment, controlled by two 48-in. needle valves. The dam is equipped with an uncontrolled, side-channel, concrete weir with a concrete-lined chute in the left abutment.

The reservoir capacity at 9,330 feet above sea level is 106,200 acre-feet. The surface area of the reservoir at this elevation is 2,040 acres.

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conditional priority for 277 cubic feet per second; gets its water from Tomichi Creek, intercepted tributaries, and that released from Monarch Reservoir (not that released from what is identified in recent diligence applications and decrees as Ohio City Reservoir).

I. Banana Ranch Reservoir, conditional priority for 21,733 acre-feet; gets its water from Cochetopa Creek and tributaries, and surface drainage. Would supply water to Cochetopa Canal and Pass Creek Canal.

J. Flying M Reservoir, conditional priority for 15,457 acre-feet; gets its water from Los Pinos Creek and its tributaries and from Pauline Creek through the Cochetopa-Meadow Ditch Enlargement, and surface drainage. Would supply water to Los Pinos Canal and Pass Creek Canal.

K. Upper Cochetopa Reservoir, conditional priority for 12,693 acre-feet; gets its water from Cochetopa Creek, tributaries and surface drainage. Would supply water to Stubbs Canal.

L. Cochetopa Meadows Ditch Enlargement, conditional priority for 11 cubic feet per second; gets its water from Pauline Creek, tributary of Cochetopa Creek. Would deliver water to the Flying M Reservoir through Los Pinos Creek.

M. Cochetopa Canal, conditional priority for 240 cubic feet per second; gets its water from Cochetopa Creek and that released from Banana Creek Reservoir.

N. Pass Creek Canal, conditional priority for 45 cubic feet per second; gets its water from Cochetopa Creek and that released from Banana Creek Reservoir.

O. Los Pinos Canal, conditional priority for 51 cubic feet per second; gets its water from Los Pinos Creek and that released from Flying M Reservoir.

P. Stubbs Gulch Canal, condi-

tional priority for 277 cubic feet per second; gets its water from Cochetopa Creek and that released from Upper Cochetopa Reservoir (and at times also from Flying M and Banana Ranch Reservoirs).

4. The decrees in Cases 5590 and 5591 relate to the water rights for the Upper Gunnison Basin Project, which consists of the Curecanti (now Aspinall), Fruitland Mesa, Tomichi, Cochetopa and Ohio Creek Units. This entire project received varying degrees of federal authorization under the Colorado River Storage Project Act. The Curecanti Unit received construction authorization, Fruitland Mesa was accorded status as a "participating unit," and the remaining three units — referred to in the act as "Upper Gunnison" were in a category that authorized the Secretary of the Interior to conduct further investigations.

a. No evidence was presented to the court that the water rights involved here have ever been actually designated by federal legislation as "participating units" under the act.

4. The original decrees in Cases 5590 and 5591 recognized the following:

a. That the Upper Gunnison Basin Project is one project with multiple "interrelated features."

b. That the project should promote integrated or unified distribution of waters in the Upper Gunnison Basin.

c. That the claimant's pursuit of diligence to effect the completion of the project was to be done in a manner commensurate with the size and complex nature of the project.

d. That the project would be constructed by the federal government. The Colorado River Water Conservation District applied for the water rights for the project because at that time the federal government refused to submit state court jurisdiction to obtain decrees for water rights.

e. That local conservation districts would be formed to contract with the federal government for actual construction of the project.

6. On Jan. 26, 1962, the conditional water rights described in paragraph 3 of this decree were assigned by the Colorado River Water Conservation District to the present diligence applicant, the Upper Gunnison River Wa-

Wednesday, June 26, 1991

ter Conservancy District.

7. Since then, the applicant has worked with the Colorado River District and the Bureau of Reclamation for the development of the project features. The District Court of Gunnison County and the Division 4 Water Court made findings over the years (from 1961 to 1984) that reasonable diligence had been shown. These courts entered orders continuing the conditional status of the water rights involved in each diligence period subsequent to the date of entry of the original conditional decrees. Diligence was last approved by a decree of this court on July 2, 1985, for the period 1981 through 1984.

8. The court finds that the following activities relevant to the water rights were performed prior to the present four-year diligence period which began Jan. 1, 1985.

a. In 1951, the Bureau of Reclamation conducted a reconnaissance study of the Upper Gunnison Project.

b. In 1964, the bureau issued a report in which it evaluated comprehensive, intermediate and small-scale development and concluded that small-scale development would be the most desirable. The report recommended feasibility investigations of the entire basin, rather than individual unit development which had been recommended in the 1951 report.

c. In 1970, the bureau conducted a number of site-specific feasibility studies and concluded that construction of a reservoir at the decreed site for the Banana Ranch Reservoir was infeasible.

d. In 1973, the bureau published the "Upper Gunnison Project Colorado, Concluding Report, August 1973." Among its findings:

• The only developments that were economically justified were a single-purpose Ohio Creek Unit to provide water to the City of Gunnison, and the East River Unit near Crested Butte to provide municipal water and new reservoir opportunities for recreation and fishing.

• Although the Ohio Creek and East River Units were economically justified, they were not appropriate for federal development because of their small size. Both units "could be considered for development by state or private interests," the bureau said.

e. The bureau's 1973 report concluded that the Castleton site and its alternative, the

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## —Union Park

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distance of 42 miles in Gunnison, Chaffee and Park Counties to a point upstream of Antero Reservoir on the South Fork of the South Platte River.

The proposed aqueduct consists of the following:

Minor changes in the original sizing and lengths of these facilities have been made as part of this study based on a more de-

tailed analysis of the aqueduct hydraulics and profile.

The first tunnel (Jones Mountain Tunnel) extends from Union Park Reservoir almost straight east until it daylights in the South Cottonwood Creek Valley. From the tunnel, a pipeline will follow the creek alignment until it reaches the Arkansas River Valley where it will be routed directly to a crossing under the Arkansas River by an inverted siphon one

mile north of Buena Vista. The continuing pipeline and flume will traverse directly to the second tunnel heading in the upper reaches of the South Fork of Seven Mile Creek. The second tunnel (Trout Creek Tunnel) is northwest of Trout Creek Pass. The final flume (or pipeline segment) will traverse the relatively flat terrain between the Trout Creek Tunnel outlet and Antero Reservoir.

The aqueduct is proposed to pass through the following sections: 32 and 33 of Township 14S, Range 82W; 4, 3, 2 and 1 of T 15S, R 81W; 6, 5, 4, 3 and 2 of T 15S, R 80W; 6, 5, 4, 3 and 2 of T 15S, R 80W; 36 of T 14S, R 80W; 31, 32, 29, 28, 27, 22, 23, 13 and 12 of T 14S, R 79W; 7, 6, 5, 4, 3, 2 and 1 of T 14S, R 78W; 36 of T 13S, R 78W; 31, 30, 20, 19, 17, 16, 10, 9 and 3 of T 13S, R 77W; 34, 35, 36, 26 and 25 of T 12S, R 77W; 30 of T 12S, R 76W.

### 3. Union Park Collection System:

The Union Park Collection System consists of a series of diversion structures and tunnels which collect water from watersheds tributary to the East and Taylor Rivers and deliver this water to the Willow Creek Pumping Plant for pumping into Union Park Reservoir. The components of the collection system are listed in the accompanying table.

The tunnels will pass through the following sections: 34, Township 12S, Range 86W; 1, 2, 3, 12 of T 13S, R 86W; 7, 8, 13, 14, 15, 16, 17, 22, 24, 25 of T 13S, R 85W; 30, 31, 32 of T 13S, R 84W; 4, 5, 9, 10, 13, 14, 15, 23, 24 of T 14S, R 84W; 1, 9, 10, 11, 12, 16, 17, 18, 23 of T 14S, R 83W; 32, T 13S, R 82W; 4, 5, 6, 9, 16, 20, 21, 29, 32 of T 14S, R 82W.

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## —Union Park

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In addition to the described collection system, a small forebay structure will be constructed along the tunnel route between Spring Creek and Willow Creek. It will function as the forebay to the Willow Creek Pumping Plant.

### 4. Willow Creek Pumping Plant:

The Willow Creek Pumping Plant is a 144,000 horsepower pumping facility designed to pump inflows from the Union Park Collection System into Union Park Reservoir. The Plant will be just southwest of the Willow Creek Diversion Structure.

The plant will consist of four 36,000 horsepower pumps, each designed to pump 345 cfs at a design head of 775 feet. The pumping plant facility will be about 200 feet wide, 200 feet high, 300 feet long, and will require excavation of up to 220,000 cubic yards of rock and topsoil.

The pumping plant discharge tunnel to Union Park Reservoir will be 8,800 feet long, 11 feet inside diameter, and concrete lined.

### 5. Union Park Pump-Power Generation System:

The Union Park Pump-Power Generation System is a hydroelectric pumped-storage system to be located between Union Park Reservoir and Taylor Park Reservoir. The hydroelectric system will utilize the existing Taylor Park Reservoir as the lower reservoir and the proposed Union Park Reservoir as the upper reservoir in the system. (Taylor Park Reservoir was constructed by and is owned by the U.S. Bureau of Reclamation to provide storage and deliver water to the Uncompahgre Valley Water Users Association.)

The Union Park Pump-Power Generation System will be operated as a hydroelectric pumped storage facility to meet the service needs of electric utilities and the Willow Creek Pumping Plant by generating electricity with a turbine-generator during periods of high electrical demand with water released from the higher reservoir to the lower reservoir. The revenues generated during the power generation cycle will be used to buy back power during periods of low electrical demand to pump water from the lower to the upper reservoir and to buy power for the Willow Creek Pumping Plant.

Water for the system will be diverted by gravity from Willow Creek (through the Willow Creek Collection System and Tunnel) and by pumping from the Taylor River in Taylor Park Reservoir. The Taylor River diversion point is on the shore of Taylor Park Reservoir at a point South 83°21'02" West a distance of 11,054 feet from the northwest corner of Section 21, Township 14S, Range 82W in Gunnison County. Diversions from Taylor Park Reservoir will be pumped to Union Park using a single pump-turbine system.

A pump-turbine is proposed for the water transfer facility because of its proven history of providing reliable service. The size of the pump-turbine was selected to match the expected maximum inflow into Taylor Park Reservoir in other than extreme flood conditions. Based on review of the Taylor Park Reservoir release records to date, a 1,000 cfs pumping rate would meet all but the extremely high and rare inflow conditions. The pumping rate of 1,000 cfs and a design head of 600 feet results in a unit capacity of 60 MW. The maximum unit discharge in the generating direction will be approximately 1,450 cfs. A single unit, located in an underground powerhouse, was selected for economic reasons and for minimum environmental impacts.

The powerhouse cavern will be sized to accommodate a 60 MW single-stage vertical reversible pump-turbine which directly couples to a motor-generator. To house the pump-turbine, motor-generator and all necessary auxiliary electrical and mechanical equipment, the cavern excavation will be approximately 90 feet wide, 100 feet high, and 125 feet long and will require excavation of about 40,000 cubic yards of rock. The machine hall will have a floor elevation of approximately 9,230 feet. The powerhouse cavern will be composed of two bays: the control-machine bay and the transformer bay. An access tunnel will enter the powerhouse cavern at the machine hall level. In addition to the access tunnel, two emergency exits will be provided.

The hydroelectric project is an integral part of the proposed Union Park Reservoir Project. Its purpose is to provide lower cost electric power to the Willow Creek Pumping Station during periods of high electri-

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### Aqueduct Segment

Aqueduct Segment	Length (miles)
11 ft. diameter tunnel under Continental Divide	12.50
6 ft. diameter pipeline to Arkansas River	11.43
6 ft. diameter siphon under Arkansas River	1.80
6 ft. diameter pipeline from Arkansas River	2.70
Flume from pipeline to tunnel	2.76
11 ft. diameter tunnel under Arkansas-Platte Divide	5.70
Flume from tunnel to Antero Reservoir	4.95

Total Length 41.84

Diversion Location	Connecting Tunnel Structure Capacity (CFS)	Size (Ft.I.D.)	Length (ft.)	Capacity (CFS)
East River	80	10	3,300	80
Copper Creek	40	10	34,000	120
West Brush Creek	50	10	8,180	170
Middle Brush Creek	65	10	3,040	235
East Brush Creek	50	10	21,870	285
Cement Creek	125	10	25,000	410
Spring Creek	225	10	50,600	675
Taylor River	290	14	7,720	1140
Texas Creek	100	14	10,840	1240
Willow Creek	140			
Deadman Gulch to Spring Creek	40	4	3,090	40

## — Union Park

Continued from page 1, column 2

(seller) and Arapahoe County (purchaser) signed an agreement for sale of the Union Park Reservoir Project. Under the provisions of the agreement, Arapahoe County acquired (1) a conditional decree to store approximately 325,000 acre-feet of water for power purposes in the Union Park Reservoir issued by the Water Court in Montrose in Case No. 82CW340; (2) water storage rights for municipal and transmountain diversion purposes at Union Park Reservoir filed by NECO with the Water Court in Montrose in Case No. 86CW226; (3) all other facilities, structures, rights-of-way, governmental permits, titles and interests associated with the Union Park Reservoir Project. From the original decree in Case No. 82CW340, NECO retained 4,450 acre-feet of water storage at the Rocky Point Reservoir alternate point of storage. Arapahoe County ratified the existing contracts between NECO and the City of Gunnison and Parker Water and Sanitation District.

Arapahoe County became a substitute applicant in Case Nos. 86CW226 and 88CW020 filed by NECO. Case No. 86CW226 is currently pending with the Water Court in Montrose. In addition, the Board of Arapahoe County Commissioners has filed an application with the Water Court in Case No. 88CW178, requesting conditional storage rights, surface water rights and for a change of water rights. On Nov. 30, 1990, Arapahoe County filed an amended application to Case Nos. 86CW226 and 88CW178 for additional points of diversion and storage and for a plan of augmentation, if the Water Court rules that such an augmentation plan is necessary.

### D. Project Description

The Union Park Reservoir Project comprises a number of facilities aimed at diverting, storing and delivering unappropriated water to Arapahoe County. These facilities include Union Park Dam, Union Park Reservoir, Union Park-Antero aqueduct (tunnels and conduits to deliver water from Union Park Reservoir to the South Platte River Basin upstream of Antero Reservoir), Union Park Collection System (diversion structures and tunnels on the East River and tributaries and Taylor River and tributaries), Union Park Pump-Power Generation System, Willow Creek Pumping Plant and Willow Creek Collection System and Tunnel.

A general description of the different features of the project is as follows:

#### 1. Proposed Union Park Dam and Reservoir

Lottis Creek, a tributary of the Taylor River, flows into Union Park from the south and meanders westward to the dam site at or near the mouth of Union Canyon. The cross-section geometry of the Union Canyon

mouth permits the consideration of several types of dams. The permitted dam types could include earth-core rockfill, roller compacted concrete, concrete gravity and asphalt, or concrete faced rockfill. Selection of the dam type will be made after further geophysical analysis and design.

The dam axis will be at one of two sites as follows:

- The south abutment is at a point which bears south 15°20'19" west a distance of 22,332 feet from the northwest corner of Section 21, Township 14 S, Range 82 W, Gunnison County. The dam axis intersects Lottis Creek at a point which bears south 15°20'19" west a distance of 21,700 feet from the northwest corner of said Section 21.

- The north abutment is at a point which bears South 18°36'00" West a distance of 20,564 feet from the Northwest corner of said Section 21, thence South 41°36'25" West along the dam axis a distance of 1,790 feet to the south abutment. The dam axis intersects Lottis Creek to a point approximately 700 feet from the north abutment.

The proposed reservoir will have a capacity of 900,000 acre-feet at a normal maximum operating level of 10,052 feet above sea level. The reservoir at maximum level will occupy part or all of Sections 20, 28, 29, 30, 31, 32, 33 and 34 of Township 14S, Range 82W and Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 21 and 22 of Township 15S, Range 82W.

Provisions will be made for roads, boat ramps and other facilities located as required to fully develop the recreational potential of the reservoir. Motorized recreation may be prohibited depending on environmental and water quality considerations.

#### 2. Union-Antero Aqueduct

The proposed Union-Antero Aqueduct will extend from Union Park Reservoir a dis-

Continued on page 2, column 1



DAVID J. GAUKEL has joined the Colorado Contractors Association as assistant director of its Highway Division, a new position. Said CCA President Harold Elam of Elam Construction Inc., Grand Junction, "We look forward to his contributions as a member of the staff." Jay R. Lower, executive director, announced the appointment.



26 June 91

# Hope for water, work

With Two Forks vetoed by the EPA, Arapahoe County's Union Park Project has moved into the spotlight as an ingenious way of helping the metropolitan area meet its future water needs, as well as a prospective source of work for companies in the heavy construction field. The complex and controversial project is described in these pages, as is a successful effort by Upper Gunnison River interests to defend their water rights, which Arapahoe County challenged and would have liked to see erased — since the Upper Gunnison is at the heart of Union Park.

# Existing water rights protected despite opposition of Arapahoe

Editor's note: Judge Robert Brown of Water Division 4 recently extended to 1997 the conditional water rights of the Upper Gunnison River Water Conservancy District. Brown overturned a referee's ruling canceling the rights. Arapahoe County contended that the rights should be canceled "for failure to prosecute then with reasonable diligence." The judge's order follows.

1. The applicant for water rights was referred to the referee, who on Dec. 27, 1989, issued a ruling which declared the conditional water rights to be canceled for failure to prosecute them with reasonable diligence. The referee found that studies performed during the diligence period duplicated studies previously accepted as diligence. He also found that the studies did not relate to all of the structures in the application, and that the work done was not sufficient to constitute diligence.

B. Ohio Creek Canal, conditional priority for 277 cubic feet of water per second; gets water from Ohio Creek, Pass Creek and Castle Creek; and that released from Castleton Reservoir.

C. Taylor River Canal, conditional priority for 302 cubic feet per second; gets its water from the Gunnison River and that released from Taylor Park Reservoir.

D. East River Canal, conditional priority for 82 cubic feet per second; gets its water from East River.

E. Ohio City Reservoir, conditional priority for 22,757 acre-feet; gets its water from Quartz Creek and tributaries, and surface drainage. Would release water to Quartz Creek Canal.

F. Monarch Reservoir, conditional priority for 29,200 acre-feet; gets its water from Tomichi Creek, Long Branch Creek, Marshall Creek and tributaries, and surface drainage. Would release water to South Crookton Canal.

G. Quartz Creek Canal, conditional priority for 277 cubic feet per second; gets its water from Quartz Creek, intercepted tributaries of Quartz Creek and Tomichi Creek, and that released from Ohio City Reservoir.

2. The applicant protested the referee's ruling.

3. Four of the structures and conditional water rights for which diligence is sought in this case are described in A through D below. These four rights were conditionally decreed Jan. 27, 1961, in the District Court of Gunnison County (Case No. 5590). The remaining 12 structures and conditional water rights for which diligence is sought are described in E through P below. These 12 rights were conditionally decreed Dec. 15, 1961, in the District Court of Gunnison County (Case No. 5591). The priority date is Nov. 13, 1957.

A. Castleton Reservoir, conditional priority for 9,000 acre-feet of water; gets its water from Castle Creek and natural drainage. Would supply water to Ohio Creek Canal.

District Court, Water Division 4, Colorado

Case No. 88-CW-183.

May 30, 1991, Order:

The Upper Gunnison River Water Conservancy District filed for a quadrennial finding of reasonable diligence in December 1988.

Statements of opposition were filed by Aurora and Arapahoe County, but, prior to trial, Aurora withdrew from the case.

Representing the applicant: L. Richard Bratton and Anthony W. Williams. Representing Arapahoe County: Paul J. Zillis and Robert E.T. Krassa.

Evidence was presented at trial from April 30, 1991, through May 2, 1991. Judgment is based on that, and on counsel's oral arguments presented May 3, 1991.

The court finds:

1. The application for water rights was referred to the refer-

## Arapahoe County's Union Park Project

### A. Objective

The objective of the Union Park Reservoir Project is to provide a dependable water supply to meet Arapahoe County's future water supply needs. The project will divert unappropriated water from the upper reaches of East River and its tributaries and the Taylor River and its tributaries to storage in Union Park Reservoir. This water will be subsequently delivered to Arapahoe County and its contractual users, City of Aurora, Parker Water and Sanitation District and Castlewood Water District. At the time this report was prepared, the City of Gunnison had requested to withdraw from the Union Park Reservoir Project.

be approximately 100 air miles southwest of Denver and approximately 30 miles northeast of Gunnison. The proposed reservoir site is in Union Park, a high mountain park. Directly north of Union Park is the existing Taylor Park Reservoir.

### C. Project Background

The concept of the Union Park Reservoir Project was developed by Natural Energy Resources (NECO). In Case No. 82CW340, NECO secured from the Water Court a conditional water storage right decree for hydroelectric power generation. Subsequently, NECO filed an application with the Water Court in Case No. 86CW226 for water storage rights, surface water rights and a change of water rights.

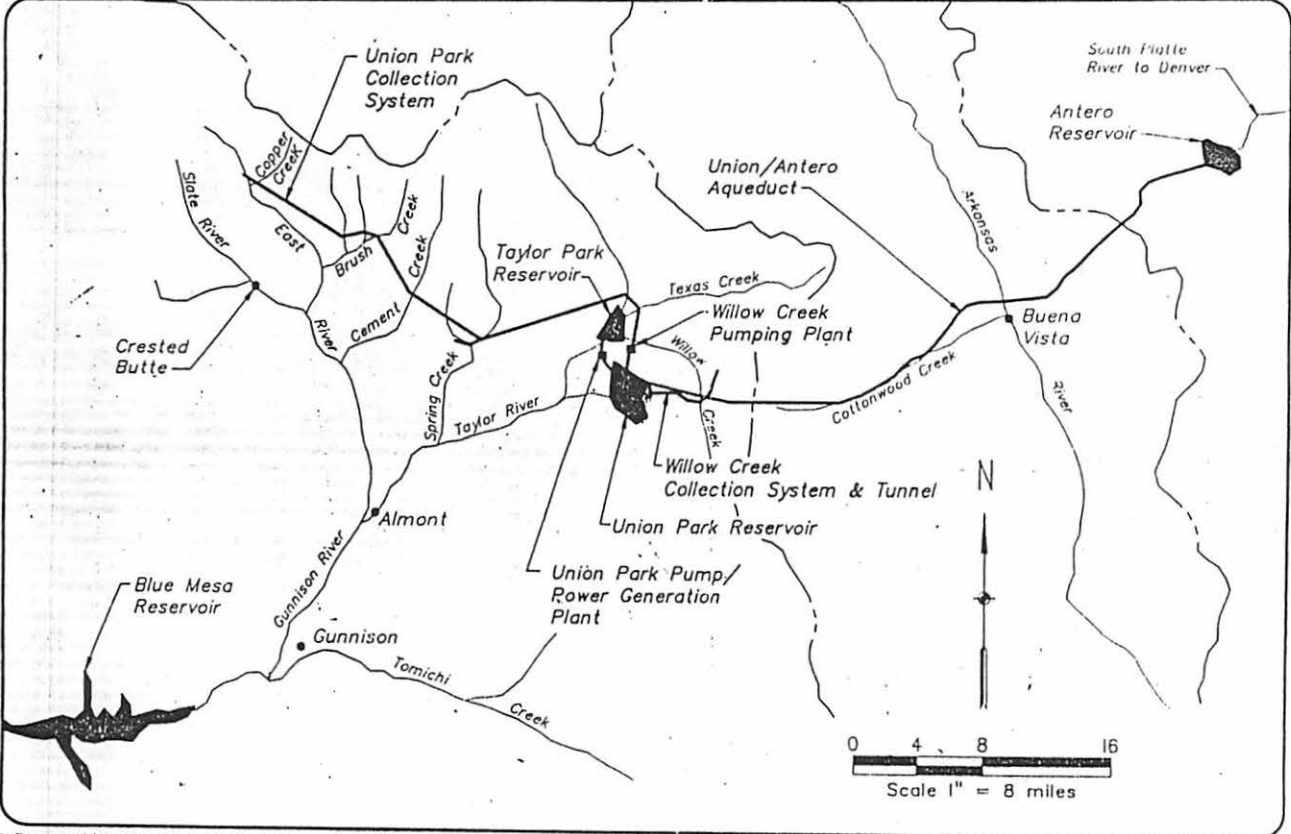
### B. General Location

The major feature of the project, Union Park Reservoir, will

On Aug. 29, 1988, NECO

Continued on page 2, column 4

Continued on page 4, column 1



Proposed location of Union Park Reservoir, which Arapahoe County wants for diversion of water across the Continental Divide into the South Platte River.



# NECO Take Pride award no great honor

CBCP  
June 11/11

continued from page one

of our "environmental" president. NECO is responsible for planning the Union Park transmountain diversion project and the Rocky Point hydropower project.

But it turns out that the award is no great honor. In fact, the applications were not even screened. In 1989, all in NECO's category, Colorado corporations, were sent to the national level without being looked at first. There they were judged; the losers, like NECO, received certificates of merit and were designated semi-finalists.

Kate Jones, director of the program for the State of Colorado, said that since 1989 the policy has changed; all applications are now screened on a state level.

At the national level, every applicant not found to be a winner is named a semi-finalist and is sent a certificate "in recognition of demonstrated commitment and exceptional contribution to the volunteer stewardship of America's natural and cultural resources." In 1989, the certificate was signed by Manual Lujan, Jr., and Barbara Bush, among others.

## The Union Park/Two Forks connection

Dave Miller, NECO president, nominated his company for the award. The projects, he wrote, "were conducted to enhance the Western states' environment, while realizing a reasonable return for the company's investors." He added that NECO's work "informed the... federal permitting officials that Colorado had overlooked sound water supply and power alternatives for both

population growth and environmental protection. This realization led to EPA's veto of Denver's environmentally destructive Two Forks Dam."

The application for the award does not mention environmental damage that might occur if the water projects are ever built. The High Country Citizens' Alliance cites potential detriment to plants, elk, deer, bighorn sheep, trout and aquatic life in the Taylor River Basin, in the East River Basin, and downstream all the way to California. HCCA adds that downstream salinity might be increased if the basin's water is withdrawn, and that endangered fish habitat might be affected.

The Union Park Project is being opposed by the National Wildlife Federation, the Colorado Wildlife Federation, the High Country Citizens' Alliance, Western Colorado Congress and POWER. Many of these groups also oppose Rocky Point for environmental reasons, and no conservation organizations support either project.

## Taylor Park woman objects

Martha Todd, from Rainbow

Subdivision in Taylor Park, wrote to the Department of the Interior last year, objecting to the NECO award. What follows are excerpts from a response by Clifton White, director of Take Pride in America.

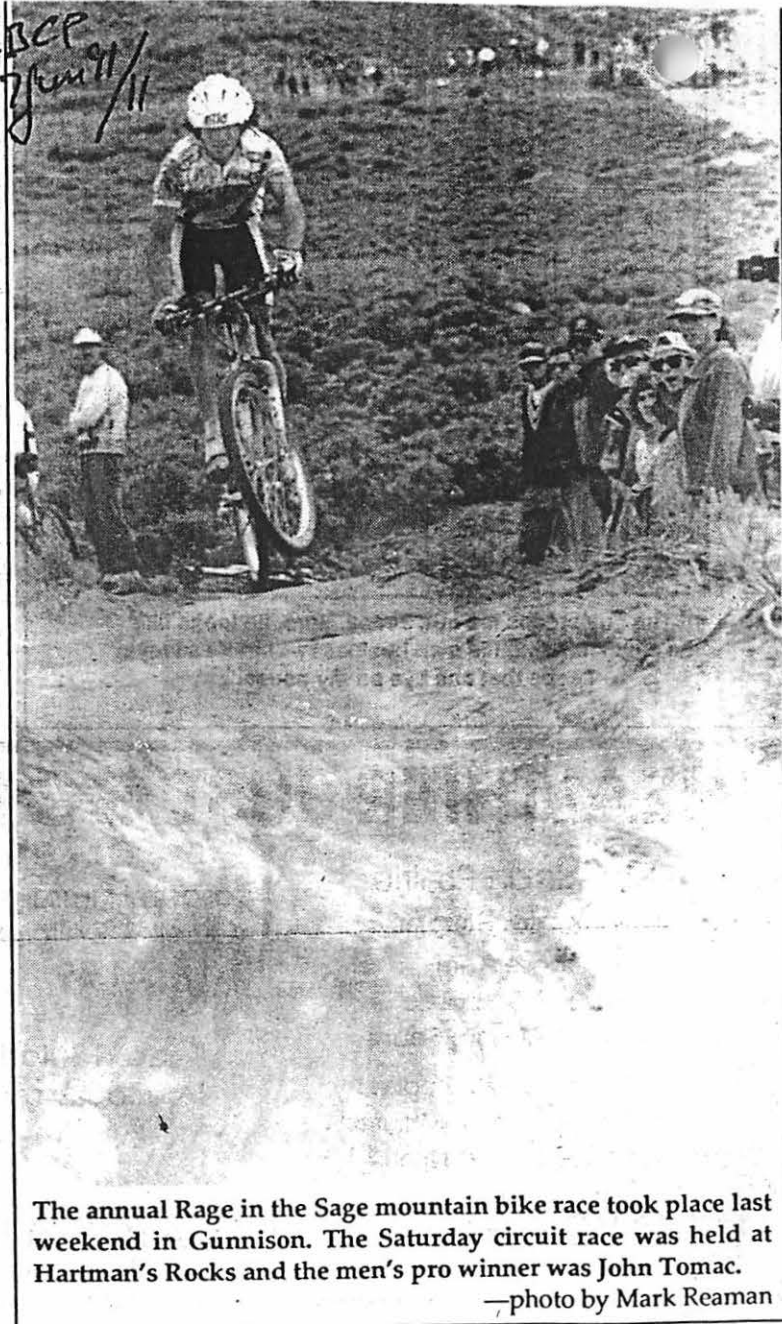
"At the national level, all applications received are considered national semi-finalists. These applications are then screened by a panel of federal agency personnel who are active in the Take Pride campaign and are considered experts in their fields.... The NECO application was judged by the pre-screening committee and did not receive enough points to be designated a national finalist. If it had received enough points, it would have been subjected to still another screening by our Blue Ribbon Panel of Judges, on which Mrs. Bush served as Honorary Chair. Had it been deemed good enough by the Blue Ribbon Panel, it would have been declared a national winner. Obviously, the project was not outstanding enough to 'make the cut' at the national level.

"You should be assured that top honors were not accorded to NECO," the letter reads.

Saturday, June 15

## Mt. Crested Butte clean up set

Mt. Crested Butte Town clean up will take place Saturday, June 15, beginning at 8:00 a.m. Please pick up your trash bags at the Town Hall during office hours starting June 10. If you can clean up your neighborhood by 10:00 a.m. and place your trash bags along the roadside, we'll be happy to collect them. After 10:00 a.m. all trash will need to be taken to the dumpster located at the Ski Area parking lot. Absolutely no construction material will be accepted! Your help is greatly appreciated, let's keep in clean and green.



The annual Rage in the Sage mountain bike race took place last weekend in Gunnison. The Saturday circuit race was held at Hartman's Rocks and the men's pro winner was John Tomac.

—photo by Mark Reaman

# State board, Arapahoe County strike deal

by Laura Anderson

The State of Colorado and Arapahoe County negotiated a deal Monday. Under the terms of the stipulation, which had not been signed as of press time, the state's Colorado Water Conservation Board agreed to drop its legal opposition to the Union Park transmountain diversion project. In exchange, Arapahoe County will not deplete instream flows held by the state if it ever builds Union Park.

The Colorado Water Conservation Board is a state agency, the only entity allowed to own water but leave it flowing in streams. The legislature permits it to file for instream rights to protect fish at a minimal level. Many of the streams that Arapahoe County seeks to deplete to build the Union Park Project have instream flows held by

the state.

The problem, according to Steve Sims, a lawyer with the State Attorney General's Office, is that the state was not allowed to file for water until after the original Union Park developer, the Natural Energy Resources Company, had obtained water rights for power generation in Union Park. Thus, the state's rights are junior to some of those now held by Arapahoe County.

With the agreement, all of the state's water, junior as well as senior, will be protected.

Another segment of the stipulation deals with flooding. One of the state's instream flow rights is in Lottis Creek, which would be inundated if Union Park were ever built, since the creek would be underneath the reservoir. Arapahoe County has agreed to abide by whatever rules and regulations the Colorado Water Conservation Board

comes up to mitigate for flooding an instream flow. However, these rules and regulations have yet to be formulated.

According to Colorado Water Conservation Board member Tyler Martineau, the board authorized the Attorney General's Office to negotiate with Arapahoe County May 31 at a board meeting. The board voted on the matter in executive session; Martineau, from Gunnison, said that he was not at liberty to make the results of the vote public, but that he opposed negotiation with Arapahoe County. Afterward, in public meeting, the board directed the \$80,000 project proposed

Attorney's General's Office to negotiate.

Martineau stressed that the settlement does not mean that the Colorado Water Conservation Board in any way supports the Union Park Project "despite what [NECO developer] Dave Miller may say."

Martineau commented that he believed the board would ratify the settlement in public; the next meeting of the board is July 22 and 23 in Gunnison. He added that the normal proceedings of the board are to allow public input before making decisions.

However, Sims said that it was his understanding that he had the authority to "sign off" on the

agreement. He said that he intended to run it by the director of the board who would show it to "key" board members.

Sims said that once the agreement is final, the Colorado Water Conservation Board will withdraw its opposition to Union Park. The Colorado Division of Wildlife will also withdraw its opposition. "It has no water rights affected," Sims explained. The only state entity that will continue to oppose Arapahoe County's Union Park Project is the State Engineer's Office, which does not plan to take an active role in this month's water availability trial.

# Chamber building gains support

by Denis Hall

Members of the Crested Butte Town Council, staff, public and Chamber of Commerce, met in a work session last Monday night to discuss

it maximizes the investment. I want a functional building there this year, although I feel that this is the wrong location for a teen center."

Bill Roseberry described the favored proposal, the one comprising

Gordon, new Director of the Chamber of Commerce, told the council that the lodging tax is required to be spent on marketing and advertising.

Councilman Jim Starr and Bill Roseberry both agreed with



# Rocky Mountain News

May 9, 1991 DENVER, COLORADO 133rd year, No. 17

## Colorado has chance to slake its thirst while helping environment

Colorado's water future is in serious jeopardy. Federal officials are trying to solve California's long-term water shortage with Colorado's unused Colorado River Compact waters. Meanwhile, Colorado's natural resource experts are preoccupied with a confused water development gridlock caused by the Two Forks Dam veto.

Colorado desperately needs a large reservoir to conserve its surplus Gunnison Basin flood flows for drought protection and growth, instead of for California hot tubs. The untapped Gunnison currently loses an annual average of 1 million acre-feet to the thirsty Lower Basin states. This is four times the current Denver area consumption. This serious loss is steadily growing because of improved irrigation technology and the retirement of salty land caused by overirrigation. In contrast, Colorado's drier Upper Colorado Basin has been severely depleted with 18 major diversions to the Front Range.

It is fortunate that far-sighted Arapahoe County has been working for several years on a large Gunnison storage project that would stop the threats to Colorado's water future. This \$468 million Union Park Water Conservation Project is a lower-cost, environment-enhancing alternative to Two Forks.

During wet cycles, surplus Gunnison Basin flood waters would be pumped into Union Park's off-river storage for gravity release to both slopes during critical multi-year droughts. In addition to this urgently needed drought insurance, Union Park can satisfy the Denver area's 50-year growth needs for about half the safe-yield cost of Two Forks.

Colorado water interests can also stop further overdepletion of the Upper Colorado Basin by dropping their less-efficient Two Forks, Homestake II, Muddy Creek, Green Mountain, Williams Fork, Eagle Piney, Straight Creek and East Gore proposals.

Instead of more environmental damage to a single basin, Union Park will enhance the river environments of both slopes.

The current Union Park water right delays will soon be resolved — either by negotiations or Colorado Supreme Court rulings. Although Union Park can guarantee more water in Gunnison rivers, when needed, than ever before, there are still divisive no-growth activists who would rather see the public's water flow to California. However, because of Union Park's unprecedented West Slope benefits, there is excellent potential for negotiated water rights instead of costly court rulings.

Today's water decisions can be the most important in Colorado history. Good faith cooperation is essential.

**Dale B. Raitt  
Abner W. Watts**

*Retired executive engineers  
for Bureau of Reclamation  
Lakewood*

GAZETTE TELEGRAPH FRIDAY, MAY 31, 1991

COLORADO SPRINGS

# GAZETTE TELEGRAPH

ESTABLISHED IN 1872

**F**  
**I** FREEDOM  
NEWSPAPERS

## New options needed for water

A few metro Denver water district managers are trying to cajole their citizen water boards into suing the Environmental Protection Agency over the Two Forks veto.

These lifetime Two Forks backers are building their case on the myth that South Platte storage is the only long-term solution for metro Denver growth. EPA knows better. In fact, insiders know that the environmental studies were purposely manipulated by lawyers to only seriously consider the options that could be built with Denver's old water rights. This failure to consider "all reasonable alternatives" was a serious violation of national environmental laws.

The critical water rights for Two Forks (and its numerous follow-on projects) were secretly bought long ago by surrogates from unsuspecting ranchers in the overdepleted South Platte and Upper Colorado Basins. Denver should open its water right records for public review.

Metro Denver's more logical water options, such as the untapped Gunnison Basin and city-farm recycling, were systematically excluded from the studies in the political push for Two Forks. This flawed evaluation process will continue to worsen Colorado's divisive water development gridlock, until Two Forks is officially put to rest.

The overlooked Gunnison Basin is currently losing more than a million acre-feet of Colorado's legal share of the Colorado River to California growth areas. This serious waste of state resources is about four times current Metro Denver consumption.

It is fortunate for metro Denver and Colorado that far-sighted Arapahoe County will soon have water rights for a large Gunnison water conservation project that is far superior to Two Forks. Under Arapahoe's multipurpose storage concept, surplus Gunnison waters will be pumped during wet cycles into the off-river Union Park site on the Continental Divide.

This saved water will be released to both slopes only when needed during severe droughts. Union Park's unprecedented drought protection benefits will be invaluable for Colorado's environment and economy. The safe yield cost to satisfy metro Denver's 50-year growth needs will be about half that of Two Forks.

Instead of continuing to waste citizen money on the obsolete Two Forks dream, metro Denver water leaders should unite behind Colorado alternatives that make balanced environmental and economic sense.

— Dave Miller  
Palmer Lake



**NATURAL ENERGY RESOURCES COMPANY**

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

June 3, 1991

Honorable Roy Romer  
Governor, State of Colorado  
State Capitol Building  
Denver, CO 80203

RE: Colorado's Most Productive Water Saving Device

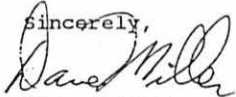
Dear Governor Romer:

Mayor Pena has advised that the Denver Water Department has decided to study the logical alternatives to Two Forks. This new openness is good news for Colorado.

Denver's recent commitment to Front Range water conservation is also encouraging. Low-flow showers and toilets will help. \*However, Colorado's most productive water saving device will be a major conservation reservoir in the untapped Gunnison Basin. The overlooked Gunnison is wasting about four times current Metro Denver consumption to the down-river states. Denver's water conservation potential is minor compared to the fixable Gunnison leak in Colorado's legal share of the Colorado River.

Your consistent plea for cooperative planning and use of Colorado's wasted compact waters is beginning to pay off for the state's environmental and economic future.

Sincerely,



Dave Miller  
President

/tjm

Enclosures: Mayor Pena letter dated May 15, 1991  
Rocky Mountain News and Colorado Springs Gazette  
letters to editor

cc: Mayor Pena and Denver Water Board Members  
Metro Denver Water Provider Board Members  
City of Colorado Springs

*Federico Peña*  
MAYOR



*City and County of Denver*

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AREA CODE 303 640-2721  
640-2720 (V/TDD)

May 15, 1991

Mr. Abner W. Watts  
Mr. Dale Raitt  
11577 W. Arizona Avenue  
Lakewood, Colorado 80226

Dear Mr. Watts and Mr. Raitt,

Thank you for your letter concerning the appropriate next steps in light of the veto of Two Forks by the Environmental Protection Agency. I appreciate your taking the time to make me aware of your recommendation against legal action.

As you know, those arguing in favor of a lawsuit have two reasons which they cite for doing so. First, a lawsuit is the only way left to attempt to go forward with the Two Forks project, specifically. Second, a lawsuit is one way to attempt to protect the water rights on the South Platte River for any type of development in the future.

Two Forks aside, your letter rightly points out that there are alternative water projects which the metropolitan area ought to consider carefully. The Denver Water Department is currently studying these options. In the meantime, it is continuing to promote water conservation throughout the Front Range.

The final decision as to whether to engage in a lawsuit over the Two Forks decision belongs to the Denver Water Department. As it prepares to make that decision, I have encouraged the Department's board to keep in mind the kind of argument which your letter presents.

Again, thank you for taking the time to write.

Sincerely,



Federico Peña  
MAYOR

# Rocky Mountain Biological Lab, Arapahoe County cut deal on water

by Laura Anderson

The Rocky Mountain Biological Laboratory has struck a deal with Arapahoe County. Under the terms of the agreement, signed April 30, RMBL

will drop its legal opposition to Arapahoe County's Union Park Project. In exchange, Arapahoe County will move its planned diversion structures downstream on the East River, so that the biological lab's water rights will no longer be directly affected if the Union Park Project is ever built.

"In response to concerns raised by Rocky Mountain [RMBL] regarding the impact of Arapahoe's amended Water Application on Rocky Mountain's research and educational operations, Arapahoe hereby agrees to move its proposed points of diversion on the East River and Copper Creek to a point below the confluence of those two streams at a location downstream... to avoid impacts on Rocky Mountain, its water rights and ongoing studies at its laboratory," the stipulation reads.

The agreement does not prevent the lab from opposing the project in other ways. According to Wes Light, attorney for RMBL, the lab decided

that its money would be better spent opposing the Union Park Project outside of court. If Arapahoe County moved its points of diversion, the lab's court case would be weakened, according to Light, since its water rights would no longer be potentially harmed.

Wes Light would not reveal how much it might cost RMBL to stay in the legal case, but he said it was "well beyond what RMBL had raised."

RMBL joined the legal case in January, 1991, after Arapahoe County filed an amendment to its original plan. At first, Arapahoe County intended to get all the water to build its massive Union Park Project from the Taylor Basin. But on November 29, 1990, it added diversion points along

the East River and a number of its tributaries. Under the new scenario, water would have been diverted from such places as the East River north of Gothic, Copper Creek, West Brush, East Brush and Middle Brush creeks, Cement Creek, Deadman Gulch and Spring Creek. Diversions would have

continued from page one

wanted to know how far downstream the diversion would have to take place to remove the threat to RMBL's water rights. At first, RMBL director Susan Allen responded "across the hill." However, Allen later determined that if Arapahoe County diverted water well below the lab, around the Mt. Crested Butte Water and Sanitation District pumphouse, ongoing biological research would not be affected, nor would the lab's water

rights.

"My orders are to protect the lab and its water rights," Light said. "When this resolution was proposed, I made sure that it did that."

## Unity serves us well

The decision to settle with Arapahoe County was made by RMBL's 12 member Board of Trustees. While Light will not make the results of the vote public, at least two members of the board, Barbara Frase and Ralph Clark, voted against the

proposal. Clark, who is president of People Opposing Water Export Raids, has decided to resign from the RMBL

asked. He speculated that the county may have political motives such as a 'divide and conquer' strategy.

## "RMBL... continues to believe that the proposed Union Park project is ecologically unwise, and will not support the project in any fashion."

board. "I wear a variety of hats for several different organizations," Clark explained. "There was a major difference of policy [between POWER and RMBL]. POWER has a position of no negotiation." Clark added that he resigned from the RMBL board "regretably."

Ralph Clark explained that unity in opposing transmountain diversion has served the Western Slope well in the past, and was one reason the City of Aurora withdrew its diversion plans earlier this year.

"Arapahoe County did not have to have this agreement [with RMBL]. What is it going to be used for?" Clark

Clark stated, "There is no need for RMBL to acknowledge, even with a 'thank you,' the withdrawal of a threat and imposition upon itself."

He continued that no settlement with Arapahoe County was satisfactory in his mind, short of a total withdrawal from the Gunnison Basin including recovery of all unjustifiable costs imposed on opponents.

## Victory with momentum

Susan Allen called the settlement "a victory with momentum." She pointed out that RMBL mobilized its members after Arapahoe County changed its plan. 150 letters were sent from all over the world to Arapahoe County telling the county that the diversion was a bad idea. "They had an effect," she said. "It illustrates that pressure can work. My next letter [to members] will say there's good news but don't stop here."

Allen added that the scientific studies being done by the lab can still

move," Dave Miller, president of the Natural Energy Resources Company, commented. NECO developed the Union Park concept and sold it to Arapahoe County. "I was encouraging it," Miller continued. "It makes Arapahoe County's court case stronger."

Miller explained that a number of people, including Governor Romer, had been concerned that the work of the RMBL scientists might be harmed by diverting water from the East River and its tributaries.

"Anything to get people to reason together is a good move," Miller added. "I've been trying to say that for a long time - cooperation, not conflicts." While Miller realized that RMBL might still oppose the project elsewhere, he commented, "the court case is the main thing." Miller expects further settlements to be forthcoming between Arapahoe County and opponents.

## Pumping the water?

One question that remains unanswered is how Arapahoe County plans to get its water from the new diversion points to Union Park. "It implies a major conceptual change," Ralph Clark said. The Front Range county now wants to take water from the East River at an elevation of 9100 feet, but Taylor Reservoir has a surface level of 9330 feet, which would

## "This is the first smart thing Arapahoe County has done."

—Chris Meyer

be used in the court cases by other legal opposers. Allen believes that the Union Park Project would harm many of the birds, animals and plants in the East River drainage, particularly those that depend on high spring runoff, which would be diverted by Arapahoe County.

## Arapahoe's first smart thing

"This is the first smart thing Arapahoe County has done," Chris Meyer, attorney for the National Wildlife Federation, commented. The National Wildlife Federation is one of the groups opposing the Union Park Project in court. "We are sorry not to have RMBL as a full-time opponent in court, but we are pleased they have retained their ability to oppose outside the courtroom. They will be able to put their resources into scientific work and spend the lab's money on science, not lawyers. I understand that some people are very disappointed, but opposition has not been divided - RMBL is not supporting the project."

## Minor in the scheme of things

Dick Bratton, attorney for the Upper Gunnison River Water Conservancy District commented that he does not believe the RMBL/Arapahoe County deal will have any effect on the court case. "Every entity doesn't have to oppose Arapahoe County," Bratton said. "They're paying taxes to us and to Gunnison County [to fight Arapahoe County's water rights application]. It doesn't affect the other legal opposers, who won't back down an inch. RMBL's decision is minor in the total scheme of things. In the end, the issue will be decided on facts and the law."

"I hope RMBL will direct some of its financial resources toward those groups that remain in the case since we know they care about water and the environment of Gunnison County," Gary Sprung, president of the High Country Citizens' Alliance, commented.

## A good move

"I think the agreement is a good

move," Chris Meyer, attorney for the National Wildlife Federation, commented. The National Wildlife Federation is one of the groups opposing the Union Park Project in court. "We are sorry not to have RMBL as a full-time opponent in court, but we are pleased they have retained their ability to oppose outside the courtroom. They will be able to put their resources into scientific work and spend the lab's money on science, not lawyers. I understand that some people are very disappointed, but opposition has not been divided - RMBL is not supporting the project."

A trial on whether there is enough water available for Arapahoe County to build its project is scheduled to begin June 3 and may last a month. If the Water Court does not agree to accept Arapahoe County's changes before that trial, according to the settlement, the county will "present evidence of water availability at the points originally applied for [including those on RMBL land.] In such event, Arapahoe hereby agrees to amend its Water Application at the first available opportunity to move those points of diversion downstream...."

Whether Arapahoe County will be able to file an amendment to its project is debatable. The original deadline for amending its application was December 1, 1990. In addition, Water Court Judge Robert Brown ruled that any changes in the facts of the case had to be filed by April 15, 1991. The RMBL/Arapahoe County settlement does not meet either deadline. According to Chris Meyer, it is possible that Arapahoe County may have to file for new water rights to have the amendment accepted.

Those who remain opposed to Arapahoe County in court include the Upper Gunnison River Water Conservancy District, the Crystal Creek Homeowners, the National Wildlife Federation, Gunnison County, the City of Gunnison, the High Country Citizens' Alliance, Rainbow Homeowners, the United States, the State of Colorado, the Colorado River District, and Colorado-Ute.



# editorial

## Ripples of the RMBL deal

*A society without love is like a land without rivers, it is as a desert; but where there are rivers the land is rich, it has abundance, it has beauty.*

Krishnamurti  
Think On These Things

*Why don't we sing this song all together?*

The Rolling Stones

Arapahoe County has a plan to divert water from the Upper East River Valley; consume vast amounts of electricity to pump water uphill; store the water in a giant new reservoir up Taylor Park and send it on across the Continental Divide where it will be used to create more ugly urban sprawl.

Arapahoe County's plan would reduce stream flows in the East River drainage to a trickle. A rich and diverse ecosystem would virtually be destroyed. Arapahoe County's water plan is not based on need; it is based on greed.

The City of Aurora, because of aggressive annexation policies, was for a time the fastest growing population center in America. Presently the population of Aurora is 230,000. Aurora has enough water now. They have enough water for the foreseeable future. In fact, Aurora, which once coveted East River water, has withdrawn its claim. Thank you.

Arapahoe County, however, still aggressively pursues Upper East River drainage water. They have budgeted over one million dollars in 1991 to finance their water grab.

Arapahoe County has recently suffered two court setbacks. They go to court again in June in an attempt to dry up and destroy an ecosystem. Until recently the list of legal opposers to the water grab included the Rocky Mountain Biological Lab in Gothic.

In December, 1990, Arapahoe County, in an amazing display of stupidity coupled with hubris, actually filed for a diversion structure on RMBL land. This filing mobilized well over a hundred scientific, well connected individuals to write reams of letters opposing the project. These letters had their effect and Arapahoe County came, tail between its legs, to RMBL's legal counsel Wes Light ready, willing, and salivating to cut a deal. RMBL said okay.

As of this week, Arapahoe County no longer proposes to divert water from RMBL. They propose to start a little further downstream. RMBL is thus protected from direct, deleterious effects of the water grab.

While this deal is good for the lab, it has created some ripples and floated up some questions.

At least one of the RMBL's 12 member board of directors has resigned as a result of the deal. At least two of the members of the RMBL board voted against the deal. Maybe more. The vote was private.

While lab director Susan Allen says that the lab will continue to oppose the project and, in fact, divert resources which would have been used to help finance the legal battle toward research on the effects of this vast dewatering, it has seen our experience that an individual or a group fights with more resolve when they are actually threatened. Such is no longer the case with the good people at RMBL.

One has to wonder how a decision which makes Dave

Miller happy (he stands to personally gain several million dollars should the project actually happen) is in the best interests of Gunnison County and/or RMBL. RMBL cutting this deal suggests, in the worse case, thinking that they are prepared to commune in their high mountain enclave, continue their valuable work while the rest of the rest of the Upper East River Valley is sucked dry. This is not their position philosophically, morally, ethically; it is now regrettably their legal position.

The people of RMBL have been and will continue to be a

welcome addition to the Upper East River Valley summer community. They lend diversity. They help the economy. They are a source of community pride not to mention they have the best and only marching band in the 4th of July parade.

We can only hope that operating as an anomaly, a sort of biological zoo on the periphery of destruction, is unthinkable and untenable to the majority of the RMBL board and members.

—Lee H. Ervin

## Arapahoe County's second smart thing Hydropower from Blue Mesa: should it take priority over Union Park?

by Laura Anderson

Should the Blue Mesa Reservoir be used for power generation? Or should the water that would have filled it be sent across the Continental Divide to Arapahoe County?

A ruling by Water Court Judge Robert Brown May 6 suggests that domestic water use may take priority over hydroelectric generation. Brown's decision seems to reverse an earlier ruling in April, where he

that domestic use may take precedence over power generation.

After Brown's April ruling, which favored the U.S. Government, Arapahoe County filed a motion for clarification. "Arapahoe County did another smart thing when they filed that motion," Bruce Driver, lawyer for the High Country Citizens' Alliance, commented. In clarifying the motion, Brown apparently reversed his first ruling. According to Driver, the new ruling is "opaque.... The issue is very

opposition to Union Park in exchange for Arapahoe County's moving its diversion points below Gothic.

Arapahoe County's Union Park Project would include an enormous reservoir south of Taylor Park, and would divert massive amounts of water to the Front Range from the Taylor Basin and the East River Basin. The concept is being opposed by most people in Gunnison County.

### "Arapahoe County did another smart thing when they filed that motion."

indicated that if the priority date of the hydro project was earlier, generating electricity would be senior to domestic use.

The way Colorado water law works is that water rights claimed first take precedence over later rights. Given this, one would think that the Aspinall Wilson dams, built in the 1950s, would be senior to Arapahoe County's Union Park Project, which has a 1990 priority date.

The monkey wrench in the business is the Colorado River Storage Project Act, enacted by Congress in the 1950s. This sets up the Aspinall Wilson Storage Unit, which includes Blue Mesa and gives the U.S. Government the right to use the water in the three reservoirs to generate electricity. But a clause in it indicates

complicated," Driver continued. "My concern is that no one knows quite what he decided."

The issue may be resolved after a trial, scheduled for the entire month of June, which will decide whether enough excess water exists to make the Union Park Project feasible. Driver added that even if domestic use takes priority over hydropower, he does not believe that a transmountain diversion project falls under the definition of domestic use.

#### The first smart thing

Arapahoe County's "first smart thing," according to Chris Meyer, lawyer for the National Wildlife Federation, was to work out a deal with the Rocky Mountain Biological Lab where the lab dropped its

Honorable Roy Romer  
Governor, State of Colorado  
State Capitol Building  
Denver, Colorado 80203

May 17, 1991

Re: Rocky Mountain Biological Lab -- Arapahoe Water Agreement  
Dear Governor Romer:

In your April 11, 1991 letter you cited Rocky Mountain Biological Laboratory concerns as a reason for reserving your position on Colorado's Union Park Water Conservation Project.

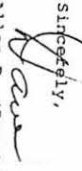
You will be pleased to know that the Lab and Arapahoe County have reached a stipulated agreement. Under this out-of-court settlement, two of Union Park's diversion points will be moved to a lower location to avoid impacting the Laboratory's scientific work. Hopefully, stipulated agreements will also soon be reached with the Colorado Water Conservation Board, Colorado Division of Wildlife, and the Colorado Land Use Commission.

It is interesting to note that the Lab is now receiving unreasonable "heat" from local "not one drop over the hill" activists who are unalterably opposed to any form of cooperation with Front Range water providers (see enclosed editorial). Our enclosed answer is another attempt to provide understanding for those who still refuse to recognize Union Park's local and statewide benefits.

It is difficult to understand why our state water management agencies can evaluate and approve key ground water alternatives. But under Colorado's highly legalistic system, these same agencies are not free to study the relative merits of Colorado's renewable surface water options. Colorado is the only Western state that keeps its water resource data, insights, and policies under wraps, while local conflicting interests unnecessarily consume public resources in endless legal battles. Meanwhile, California grows on Colorado's water surplus.

We sincerely believe that this restrictive water management dichotomy at the state level is the root cause of Colorado's devistive provincialism and resultant water development gridlock.

To protect the public interest and Colorado's position in the competitive arid West, we again urge initiation of a Governor's Strategic Water Committee to consider the state's most crucial water management issues.

Sincerely,  
  
Allen D. (Dave) Miller  
President

/mj/b  
enclosures  
cc: Colorado legislators, water management agencies, providers.

OFFICIAL NEWSPAPER OF CRESTED BUTTE, MT. CRESTED BUTTE AND GUNNISON COUNTY, COLORADO

May 17, 1991 Chronicle and Pilot Page 3

correspondence

Editorial seriously flawed

Dear Lee:  
Your emotional May 10th editorial against the Rocky Mountain Biological Laboratory's April 30th compromise agreement with Arapahoe County is seriously flawed.  
The real Colorado water "grabber" is California - not Arapahoe's Union Park Water Conservation Project. The reality of California's water crisis is behind Colorado's current unity for a "waterless Wilderness Bill."  
Colorado will also soon vigorously oppose federal plans to quadruple Black Canyon of the Gunnison flows for the same reasons. Concerned Colorado leaders are uniting behind Union Park, because high-altitude Gunnison storage is the best environmentally sound answer for saving Colorado entitled waters for future growth and drought protection on both slopes.  
If Colorado did not have reservoirs, about 75% of its renewable surface waters would be lost every year during the 50 day spring run-off. Well conceived reservoirs can benefit river ecosystems - not destroy them. Please remember, every Gold Medal fishery in Colorado is below a dam that can provide adequate flows for 12 months instead of 2.  
The Taylor and East Rivers provide the most graphic comparison for Gunnison citizens. These rivers generate about the

same volume of water, and they drain the two wettest sub-basins in Colorado. However, the Taylor is far more valuable for fishing, recreation, and irrigation, because of the seasonal carry-over capabilities of Taylor Park Reservoir. Union Park's off-river, high altitude storage will further enhance the Gunnison's environment and economy with its guaranteed carry-over protection against several years of severe drought. A key point to remember

is that diversions into Union Park will only occur during the spring run-off in wet years when high altitude valleys are supersaturated with water that can not possibly be used for any local purpose, including wildflowers.  
You can rest assured that our company's shareholders will not profiteer from our \$2.2 million bargain sale of Union Park to Arapahoe County. We do, however, hope to eventually recover our expenses for a project that will have

invaluable long-term benefits for all of Colorado. As with the previously controversial Taylor and Blue Mesa Reservoirs, Gunnison citizens will also be pleased and proud of Union Park. That will be the greatest reward for our environmentally concerned shareholders.  
The Rocky Mountain Biological Lab should be commended for its wise decision to drop its legal action against Union Park's East River Diversion. By

concentrating on the scientific facts, the lab will soon appreciate the overall benefits of Union Park. Ralph Clark's resignation from lab's board is regrettable, because it shows that the leader of People Opposed to Water Export Raids (POWER) will continue his uncompromising campaign against the finest water conservation project in Colorado's history.  
Sincerely,  
Dave Miller  
resident

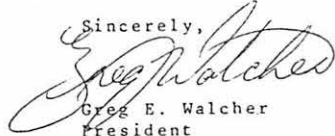


water  
page 2

for this claim is still unclear, particularly since different entities would own and control these different diversions. How would allowing Arapahoe County to build Union Park persuade Denver not to further divert the Colorado River?

You comment that our suggestion for Arapahoe County to withdraw from the court proceedings "is akin to asking a player to fold with five aces." There never really are five aces... except with a wild card. The court process is necessarily a confrontational one, and negotiation is difficult under adverse circumstances. Arapahoe County should follow Aurora's excellent example of showing its good faith, so that serious talks can begin. We look forward to hearing from you again soon.

Sincerely,



Greg E. Walcher  
President

GEW/al

cc: Gerald McDaniel  
Executive Committee  
Tom Eggert  
Paul Tauer

## NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

Honorable Roy Romer  
Governor, State of Colorado  
State Capitol Building  
Denver, Colorado 80203

May 17, 1991

Re: Rocky Mountain Biological Lab -- Arapahoe Water Agreement

Dear Governor Romer:

In your April 11, 1991 letter you cited Rocky Mountain Biological Laboratory concerns as a reason for reserving your position on Colorado's Union Park Water Conservation Project.

You will be pleased to know that the Lab and Arapahoe County have reached a stipulated agreement. Under this out-of-court settlement, two of Union Park's diversion points will be moved to a lower location to avoid impacting the Laboratory's scientific work. Hopefully, stipulated agreements will also soon be reached with the Colorado Water Conservation Board, Colorado Division of Wildlife, and the Colorado Land Use Commission.

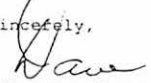
It is interesting to note that the Lab is now receiving unreasonable "heat" from local "not one drop over the hill" activists who are unalterably opposed to any form of cooperation with Front Range water providers (see enclosed editorial). Our enclosed answer is another attempt to provide understanding for those who still refuse to recognize Union Park's local and statewide benefits.

It is difficult to understand why our state water management agencies can evaluate and approve key ground water alternatives. But under Colorado's highly legalistic system, these same agencies are not free to study the relative merits of Colorado's renewable surface water options. Colorado is the only Western state that keeps its water resource data, insights, and policies under wraps, while local conflicting interests unnecessarily consume public resources in endless legal battles. Meanwhile, California grows on Colorado's water surplus.

We sincerely believe that this restrictive water management dichotomy at the state level is the root cause of Colorado's divisive provincialism and resultant water development gridlock.

To protect the public interest and Colorado's position in the competitive arid West, we again urge initiation of a Governor's Strategic Water Committee to consider the state's most crucial water management issues.

Sincerely,



Allen D. (Dave) Miller  
President

/mjb

enclosures

cc: Colorado legislators, water management agencies, providers.



"Voice of the Western Slope, since 1953"  
A coalition of counties, communities, businesses & individuals

303 / 242-3264 \* FAX 303 / 245-8300  
634 Main Street, Suite #6 \* P.O. Box 550  
Grand Junction, Colorado 81502-0550

April 22, 1991

Dave Miller  
PO Box 567  
Palmer Lake, CO 80133

Dear Dave:

Thanks for your latest letter, responding in part to some of the points I made in our earlier correspondence.

Your letter still leaves me with a couple unanswered questions. First, you mentioned the decline in water usage in the Gunnison Basin, and I'm not sure that's been entirely by choice. But in any case, your points about Gunnison water "benefits" are all based upon the understanding that there is tremendous surplus water in the basin, perhaps as much as a million acre-feet. Clearly, there is no consensus among water experts on this point... several doubt that there is that much surplus water in the entire Colorado River system in Colorado. Others tell us that the Gunnison Basin has NO surplus water. How are those numbers quantified?

Second, the Vail Valley example may seem trivial, but our State's history has often shown that populations predictions can be wrong. Perhaps water consumption may decline enough to offset the growth of a town the size of Vail, but how about a town the size of Denver? In the last century, many "experts" thought Leadville would always be the economic center of Colorado, talked of moving the Capitol, predicted a metropolis rivaling New York. Here is the point of the example: we may or may not ever see that kind of growth in the Gunnison Basin, but few Western Slopers are willing to foreclose the option, even those you call "no growth activists." How can you expect these citizens to give away future choices, just to protect someone else's future choices?

Finally, in at least two previous letters, you have suggested that if Union Park were built, "there would be no need to further deplete the overdepleted Upper Colorado Basin." The justification

**ARAPAHOE COUNTY COLORADO**  
5334 S. Prince Street • Littleton, Colorado 80166-0001  
BOARD OF COUNTY COMMISSIONERS

John J. Nicholl  
District No. 1

Thomas R. Eggert  
District No. 2

Jeannie Jolly  
District No. 3

May 16, 1991

(303) 795-4630  
FAX 794-4657

William S. Trampe, President  
Upper Gunnison River Water Conservancy District  
Gunnison, Colorado 81230

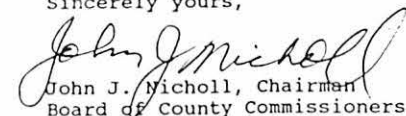
re: Union Park Project

Dear Mr. Trampe:

I regret that the District feels that it is unable to join with Arapahoe County in a constructive dialogue to explore the ways of achieving our mutual interest: keeping Colorado water in the state for use by Coloradans. The District's opposition to the County's efforts to put the excess, unused waters of the Gunnison Basin to a legitimate intra-state use--waters now enjoyed by the downstream states--hampers our mutual concern of keeping Colorado water in Colorado, to the delight of Arizona and California. Your constituents can't be any happier about this than mine are. I have always felt that the state-wide benefits of Union Park far exceed the impact the District believes the diversion will cause, and look forward to the day when the District joins the effort to achieve these goals which are so vital to our state's future.

The Union Park Project will be built, and will include a transmountain diversion of a portion of the now unused flows. This is the principal reason for the County's decision to fund the project. As always, my door remains open for discussions with the District about how we can work together in a manner consistent with the County's goals. It is up to us, the leaders of the state's local governments, to work together to protect the state's water resources from permanent loss to other states. A negotiated resolution, acceptable to both parties, will often be more favorable to all concerned than a judicial resolution. I sincerely hope that the District, under your leadership, can join in the effort to save this resource.

Sincerely yours,

  
John J. Nicholl, Chairman  
Board of County Commissioners

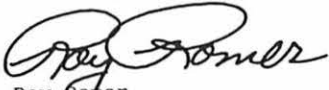


Dave Miller  
Page Two

a lot of work to do in both of these areas, but I think we're beginning to make some progress.

Your perspective on this issue has been helpful to me.

Sincerely,



Roy Romer  
Governor

RR:bp

SUNDAY

May 5, 1991

75¢

## Rocky Mountain News

### Too many water arguments grounded in fantasy instead of facts

With so many sound arguments concerning the benefits and the detriments of trans-mountain water diversions, why do so many people on both sides of the issue continue to base their arguments on highly emotional mythology?

It happened again in a recent letter to the editor, where the writer based her whole argument on the idea that water diverted from the West Slope to the Front Range would dry up the West Slope.

A whole course could be taught on why this "drying up of the West Slope" myth is wrong. But a few basic facts need to be reviewed:

First, because of snow melt, most water in Colorado roars down from the mountains and out of Colorado in less than two

months each year. Even if we do nothing, that water is gone and western Colorado is "dry" for 10 months anyway, whether the water is used or not. Nor is most of that water really that beneficial during the two months we watch it race by.

Second, by law, before water is diverted, the Front Range must build compensatory storage on the West Slope, which is designed to protect existing water users and future but unused water needs and rights. So not only are existing and future water rights protected, but the water is there to enhance the environment and maintain minimum stream flows throughout the year, not just for two months.

Colorado, by law, cannot use more than half of all the water produced in Colorado. That wa-

ter must go downriver to other states. Of the water the state is allowed to use, Colorado uses less than half because of the lack of storage, the location of the water, and/or the inability to divert the water. Thus, more than three-fourths of all the water in Colorado flows out of the state without being affected by us anyway. And, remember, part of the 25% of the water that we do use also will flow downhill, join the other 75%, and leave our state.

Let's stop basing our water arguments and water positions on emotion, and argue the facts instead. Otherwise, we will be doomed to water policies based upon fantasies and emotions and not on the real world.

Ronald W. Rutz  
Fort Collins



The innovative Union Park Water Conservation Project is uniquely designed to store surplus Gunnison waters during wet cycles for gravity release to both slopes during severe droughts -- when river environments are threatened. The safe-yield cost for Metro Denver water users would be about half that of Two Forks. Incredibly, under Colorado water law, state officials are not free to evaluate and compare Union Park's unprecedented benefits, with other water conservation alternatives. Some state officials are actively trying to undermine Union Park in water court. These officials have no state-wide insight into Union Park's extraordinary capability to solve Colorado's most pressing water issues.

Because of the long lead time for water projects and the competition for water in the arid West, Colorado does not have the luxury of time to modernize its water management by natural evolution. Colorado has an urgent current need to make some strategic water development decisions. The stakes are too high for Colorado officials to remain uninformed and noncommittal, while local water providers continue to struggle without state guidelines in a water development gridlock.

As an interim first step toward saving Colorado's water future, I strongly recommend a Governor's Strategic Water Committee to consider our most critical interbasin and interstate water issues. This non-political group of Colorado natural resource experts would provide objective recommendations to promote cooperative solutions that are in line with the state's fundamental water realities. The necessary data is already available. The committee can quickly complete its task -- if local pressures are held in check for a few months of focused deliberation.

Thank you for considering an initiative that is vital to all future Colorado citizens.

Sincerely,

Allen D. (Dave) Miller  
President

cc: Colorado legislators, State water boards, local water districts

# STATE OF COLORADO

## EXECUTIVE CHAMBERS

136 State Capitol  
Denver, Colorado 80203-1792  
Phone (303) 866-2471



Roy Romer  
Governor

April 11, 1991

Dave Miller, President  
Natural Energy Resources Company  
P.O. Box 567  
Palmer Lake, CO 80133

Dear Dave:

Thank you for your recent letters about the Union Park project. I appreciate your efforts to keep me informed.

I know we agree that the issues surrounding the proposal to build Union Park are complicated. For example, you may be aware of the concern this project has caused for scientists at the Rocky Mountain Biological Laboratory. In addition, the Colorado Water Conservation Board and the Division of Wildlife both have filed a Statement of Opposition to the plan.

While I am listening to both sides of this issue, I also believe it's premature for me to take a position at this time. As with Two Forks, Union Park will require a long approval process. After significant water court hearings, Arapahoe County will need to obtain federal approvals from both the Army Corps of Engineers and the U.S. Environmental Protection Agency for the project. Because East River flows through the Gunnison National Forest, the U.S. Forest Service also will need to approve a special-use permit for the project. Forest Service officials have said the complexity of the project will require them to conduct an Environmental Impact Statement.

In any event, I believe this project points to larger questions of how we choose to use water in Colorado. I have consistently stated my belief that the Denver metropolitan area must work together and find a cooperative solution to the area's water needs. If not, I believe our state faces a future involving great environmental damage and institutional chaos. I am also concerned that we become more active in promoting water conservation programs. Water is a scarce and valuable resource in our state, and we need to begin using it more wisely. We have

April 12, 1991

gent Public Letter to All Colorado Citizens and Natural Resource Managers

: Cooperation to Save Colorado's Water Future

ar Citizens and Managers:

lorado's water future is in serious jeopardy. The California drought and the Two Forks veto ve brought the threat to a head.

a threat is real. Federal officials are trying to solve California's long-term water shortage with lorado's unused Colorado River Compact waters. Meanwhile, Colorado natural resource erts are preoccupied with a confused water development gridlock caused by the federal o Forks Dam veto.

lorado desperately needs a large water storage reservoir to conserve its surplus Gunnison sin flood flows for drought protection and growth, instead of for California hot tubs. The lapped Gunnison currently loses an average million acre-feet to the thirsty lower basin states. is is four times current Metro Denver consumption. This serious Colorado loss is steadily owing because of improved irrigation technology and retirement of salty land caused by over- gation. In contrast, Colorado's drier Upper Colorado Basin has been severely depleted with hteen major diversions to the Front Range.

s fortunate that far-sighted Arapahoe County has been working for several years on a large inison storage project that will stop the external and internal threats to Colorado's water ure. This \$468 million Union Park Water Conservation Project is a lower-cost, environment- hancing alternative to Two Forks.

ring wet cycles, surplus Gunnison Basin flood waters will be pumped into Union Park's long- m, off-river storage for gravity release to both slopes during the critical multi-year droughts. addition to this urgently needed drought insurance, Union Park can satisfy Metro Denver 50- ar growth needs for about half the safe-yield cost of Two Forks. Colorado water interests can o stop further over-depletion of the Upper Colorado Basin, by dropping their less efficient o Forks, Homestake II, Muddy Creek, Green Mountain, Williams Fork, Eagle Piney, Straight eek, and East Gore proposals. Instead of more environmental damage to a single basin, ion Park will enhance the river environments of both slopes.

ost of the water rights for Metro Denver's Upper Colorado proposals were secretly acquired er many years without regard to the Gunnison's untapped potential and comparative vironmental and engineering costs. In contrast, Union Park has been openly pursued after reful review of all viable Colorado water options. Union Park is surely the finest multi-purpose ter project ever conceived -- in or out of Colorado.

e current Union Park water right delays will soon be resolved -- either by negotiation or lorado Supreme Court rulings. Although Union Park can guarantee more water in Gunnison ars, when needed, than ever before, there are still divisive no-growth activists who would er see the public's water flow to California instead of Colorado growth areas. However, cause of Union Park's unprecedented West Slope benefits, there is excellent potential for gotiated water rights instead of costly court rulings. Today's water decisions can be the most ortant in Colorado history. Good faith cooperative development is essential.

incerely,  
le B. Raitt and Abner W. Watts,  
tired Bureau of Reclamation Executive Engineers

11577 W. Arizona Avenue  
Lakewood, CO 80226  
(303) 985-9932  
(303) 237-3449

3. Suggest citizens concerned with Colorado's environmental and economic future give copies of this letter to friends and political representatives.

## NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

Honorable Roy Romer  
Governor, State of Colorado  
State Capitol Building  
Denver, Colorado 80203

May 6, 1991

RE: Initiative For Governor's Strategic Water Committee

Dear Governor Romer:

Thank you for your farsighted April 11th comments on the Union Park Water Conservation Project.

I wholeheartedly agree with your belief that Colorado must work hard to find cooperative water solutions to prevent "great environmental damage and institutional chaos".

Unfortunately, Colorado is the only Western state that still relies heavily on cumbersome court procedures to manage its renewable surface waters. This system encourages divisive confusion instead of enlightened cooperation. It is especially ineffective for the larger interbasin and interstate decisions in this age of environmental enlightenment. Seventy percent of the nation's water lawyers are required for the state's counterproductive water wars. These conflicts only benefit the less divisive down-river states. Out-of-state interests are also exploiting Colorado's divisive court battles with their own lawyers who oppose storage of Colorado's water for Colorado.

Because of Colorado's extreme provincialism, water cooperation is highly unlikely, unless there is a strong new initiative from the executive branch. The reality is that legislators, water districts, and state water board members represent geographic areas with historically conflicting interests. These officials are influenced by (and often exploit) local unfounded emotionalism to block water developments that would conserve and beneficially use Colorado's threatened compact entitlements.

A good current example of unreasonable local resistance to cooperative water sharing comes from the overlooked Gunnison Basin. This untapped area generates more water per square mile than any other basin. Its consumptive needs are less than half the flow. The annual loss of Colorado River Compact entitlements to California is about four times current Metro Denver consumption. This serious waste of state resources is worsening, because of irrigation improvements and the Gunnison's long-term shift from agriculture to tourism. In spite of these facts, a small group of no-growth activists have used unfounded scare tactics to force local leaders into dropping their Union Park Participation Agreement.

to plan, develop, and conserve the state's compact waters for beneficial Colorado purposes.

**Political Water Studies.** The Colorado Water Resources and Power Development Authority recently completed a \$500,000 water study to investigate transmountain diversion options from the untapped Gunnison Basin. When the draft study was released, Arapahoe County objected vigorously to some cost data that was four times higher than preliminary industry bids. The Authority refused to change the data. As a result, the diversion alternative preferred by the Upper Gunnison River Water Conservancy District appears in the final study report as the lowest cost option. The former executive director of the Authority has since indicated that he "listened" to the agency's in-house attorney when deciding not to correct the study. It has also come to light that most of the state's funds were used to analyze the District's proposal.

**Improper Fish Testimony.** In a recent water court trial a Colorado Division of Wildlife fish expert verbally testified that flows several times higher than required by the Colorado Water Conservation Board were responsible for the Taylor River's Gold Medal fishery. However, a subsequent review of the expert's written studies revealed the Taylor's excellent fishery is primarily due to reduced fluctuations in water releases from Taylor Park Dam. His studies also disclosed that his court accepted optimal fish flows are unsustainably high, because they were developed at locations several tributaries below the court agreed reference point at Taylor Park Dam. Unfortunately, this misguided state testimony led to a water court ruling that is delaying a large Colorado water conservation project that will store Colorado's wasted compact water to protect both slopes during severe drought cycles.

**Colorado Water Policy and Planning Vacuum.** Colorado has several water development agencies with overlapping legislative mandates to plan, conserve, develop, and manage the state's compact waters for beneficial in-state purposes. These agencies are severely limited in their effectiveness, because state water laws have been purposely structured by Colorado's powerful water establishment to minimize state involvement in public water matters. Colorado is the only Western state that does not allow a dynamic state water policy and planning process to serve as a unifying guide for developing the state's future water conservation projects. The Colorado Water Congress is the powerful lobby group that champions Colorado water management as the most efficient in the West. If this is so, why do seventy percent of the nation's water lawyers feed on Colorado's self-defeating water wars? Why are Metro Denver home owners burdened with water development tap fees that average four times higher than California cities? Why is Colorado's Blue Mesa Reservoir being managed primarily to benefit the lower basin states? Why do states with strategic water policies and planning continue to build water projects and societies with Colorado's unused compact entitlements?

The time has come in this competitive age of environmental enlightenment for Colorado to supplement its traditional water laws with some honest, non-coercive policy and planning guidelines. Colorado desperately needs statewide insight and unity to protect its private and public water entitlements. If Colorado continues its internal water development gridlock, the state will soon lose its water future to external forces.

Dave Miller  
P.O. Box 567  
Palmer Lake, CO 80133  
(719) 481-2003



Post Office Box 471 • Boulder, Colorado 80306

## Board of County Commissioners

13th & Pearl Streets • Boulder County Courthouse • Boulder, Colorado 80302 • (303) 441-3500

April 2, 1991

Dave Miller  
Natural Energy Resources Company  
P. O. Box 567  
Palmer Lake, CO 80133

Dear Mr. Miller:

We want to thank you for taking the time to write to us and send us the material on Colorado water, future and use.

Since we are County government officials, we are not usually involved in State issues, or water issues, however, we are glad to have your information and will consider it carefully.

Sincerely,

Homer Page, Chair  
Boulder County Commissioners

Sandy Hume  
Boulder County Commissioner

Ronald K. Stewart  
Boulder County Commissioner

mb

Sandy Hume  
County Commissioner

Ronald K. Stewart  
County Commissioner

Homer Page  
County Commissioner



will soon be permanently lost to "use it or lose it" growth pressures from California and Arizona.

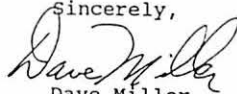
Balanced Water Usage Between Basins An average 60,000 acre-feet of surplus Taylor River water from Union Park will increase the safe annual yield of Metro Denver's existing reservoirs by 120,000 acre-feet. Because of this unprecedented multiplier effect, the safe-yield cost would be half that of Two Forks. This renewable surface supply would be adequate for about 50 years of Metro Denver growth. After that time, Union Park's environmental drought benefits could be further enhanced for both slopes with reversible collection tunnels to other high altitude Gunnison tributaries. With this extraordinary capability, there would be no need to further dewater the overdepleted Upper Colorado Basin. Unlike the 18 diversions from the Upper Colorado, Union Park's high-altitude drought cycle storage is the only concept that has major environmental benefits for both slopes. Because of the negative legacy of previous diversions, this is the key point that is difficult for West Slope water managers to understand and accept. The situation is further complicated when local no-growth activists use false information to incite an uninformed public into "not one drop over the hill" emotionalism. It is easy to yell fire in a crowded theater.

Suggestion To Drop Union Park And Negotiate Your proposal is akin to asking a player to fold with five aces. Arapahoe County should vigorously continue its water right application to protect West and East Slope interests from droughts and the growing down-river threat. Union Park has major statewide benefits that merit full support by the public and all levels and branches of Colorado government. Like many complex matters, reasonable people can usually negotiate fair settlements out of court, when the issues are fully understood. In spite of the current emotionalism, your idea of good faith negotiations should be tried as soon as possible. Why wait for the delay, expense and divisiveness of Supreme Court decisions?

The good offices of Club 20 could serve as an ideal facilitator for organizing a West Slope negotiating team. Hopefully, the East Slope could field a similar group in the interest of Colorado's water future. Someone at state level should probably be the initiator and non-coercive arbitrator.

Thanks for your interest and leadership in Colorado's vital water issues.

Sincerely,

  
Dave Miller  
President

P.S. In the interest of understanding and interbasin harmony, suggest copies of this reply be sent to the entities and media who received copies of your referenced letter of concern.

March 24, 1991

## STATE OFFICIALS ARE JEOPARDIZING COLORADO'S WATER FUTURE

In the absence of state water policies, plans, and objectives, some well-meaning state officials are jeopardizing Colorado's water future by pursuing their own personal agendas. Here are a few recent examples:

Colorado River Compact Giveaway. At a March, 1991 pretrial hearing, a U.S. lawyer asserted that the federal government could release water to California from Blue Mesa Reservoir without regard to Colorado's compact entitlements and transmountain needs. If this position becomes practice, Colorado's water future could be seriously jeopardized by federal operating procedures that would effectively give the state's unused compact entitlements to California. Other lawyers representing several Colorado governmental entities also used this astonishing rationale at the same hearing. These officials are apparently supporting this short-sighted position, because they are currently opposing a large Gunnison storage project that will conserve Colorado compact waters for major statewide environmental and economic benefits.

Single Basin Syndrome. Colorado officials and the Colorado River Water Conservation District continue to endorse major diversions (Two Forks, Muddy Creek, etc.) from Colorado's over-depleted Upper Colorado Basin, while working against a superior alternative from the underutilized Gunnison Basin. The Upper Colorado currently has 18 major diversions to Colorado's East Slope. The wetter Gunnison Basin has none, and it is losing a million acre-feet of Colorado's compact waters to the down-river states. On the other hand, Arapahoe County's Gunnison storage alternative will guarantee higher flows in Gunnison rivers, when needed, while providing invaluable drought insurance for both slopes. Arapahoe's unprecedented project will also provide a fifty year growth supply for Metro Denver at half the safe yield cost of Two Forks. Unfortunately, Colorado officials are refusing to recognize the Gunnison's vast potential to solve the state's most critical water problems.

Legislative Catch 22. A recent change in Colorado water law requires a water developer to prove that it "can and will" construct its project. This change is now being used by attorneys who assert that a developer must prove that it will receive all permits, financing, etc. before a conditional water right is granted. The original, legislative intent was to stop speculation with surplus public waters. Unfortunately, these three words are now jeopardizing public and private water storage initiatives in Colorado. How could any water developer prove in advance that all hurdles "can and will" be overcome before conditional water rights are considered? A few brave legislators tried to correct this legislative Catch 22 during this session, but it was defeated after intense lobbying by lawyers who oppose water development. The state agencies charged with water development and conservation had no input in the hearings.

Instream Flow Misuse. In recent years the Colorado Water Conservation Board has effectively managed the state's minimum instream flow program to assure reasonable fish and recreation flows. However, a majority of the Board members recently decided that inundation of stream segments by new reservoirs could cause injury to the state's minimum stream flow rights. This interpretation is a distortion of the original intent of Colorado's instream flow program. The Board's new rationale is already being used as another hurdle to block water storage projects. Individual Board members, representing local agendas, can now override the Board's legislative mandate



NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

April 3, 1991

Honorable Roy Romer  
Governor, State of Colorado  
State Capitol Building  
Denver, CO 80203

RE: Saving Colorado's Water Future

Dear Governor Romer:

In the absence of state water policies, plans, and objectives some well-meaning state officials are jeopardizing Colorado's water future. This disturbing conclusion is based on recent events and lifetime experiences of many concerned water resource professionals.

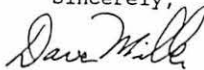
For the last nine years our company has gained considerable insight into Colorado water problems, while working on a large Colorado water storage project. This conservation project will have unprecedented long-term environmental and economic values for the entire state. It will store some of Colorado's wasted (and threatened) compact entitlements for West and East Slope drought protection, while satisfying Metro Denver's fifty year growth projections at half the safe-yield cost of Two Forks. Unfortunately, these invaluable benefits are being improperly delayed by state officials who are following their own agendas.

The enclosed paper provides some astonishing recent examples of how misguided officials are jeopardizing Colorado's water future. We are disclosing these facts with the hope that it will lead to modernization of Colorado's water management practices.

This letter is being widely distributed to alert Colorado citizens to the serious internal and external threats to their water future.

Your views on this vital state matter will surely be of interest to all concerned Colorado citizens. Thank you for your consideration.

Sincerely,



Dave Miller  
President

encl: State Officials Are Jeopardizing Colorado's Water Future.

NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

April 2, 1991

Mr. Greg E. Walcher  
President  
Club 20  
634 Main Street, Suite 6  
Grand Junction, CO 81502-0550

RE: West Slope Water Concerns And Negotiations With Front Range

Dear Greg:

Thanks for your March 15th letter outlining West Slope concerns with Colorado's Union Park Water Conservation Project. Your points are well taken. It is obvious that I have done a poor job of explaining Union Park's benefits for the West Slope. Hopefully, the following will provide a clearer understanding of the specific concerns mentioned in your letter.

Gunnison Benefits Union Park's large off-river reservoir is uniquely designed to give unprecedented benefits to both slopes. During high run-off years, surplus Gunnison water will be pumped into long-term, high altitude storage. These waters will only be released to both slopes during the critical multi-year drought cycles. Computer analysis has confirmed that Union Park can economically satisfy Metro Denver's 50-year growth needs, while guaranteeing more water in Gunnison rivers, when needed, than ever before. For example, since 1976 the Taylor River's Gold Medal fishery had 728 drought days when flows were less than what Union Park could guarantee in a negotiated water decree. Union Park will also provide a world class Lake Trout fishery, flood control, stabilized Taylor Park Reservoir levels, and Taylor River summer flows 100% higher than the reasonable flows set by the Colorado Water Conservation Board. The guaranteed multi-year drought flows will also enhance the dependability of senior Gunnison water rights.

Future West Slope Needs The Bureau of Reclamation's Gunnison-Arkansas studies in the 40's and 50's showed that the Upper Gunnison had 450,000 acre-feet that were surplus to consumptive needs. Since that time, water consumption in the Gunnison Basin has steadily declined because of improved irrigation technology and retirement of land with excessive salt build-up from traditional deep irrigation methods. Over ninety five percent of Gunnison consumption is for irrigation. A ten percent irrigation efficiency savings could more than double the water available for population and industry growth. The record shows a continuing population and industry decline in the Gunnison Basin. Your Vail Valley example of an unforeseen need would be easily offset with the declining consumption from other long-term trends. Colorado urgently needs to use some of the Gunnison's growing water surplus (currently about 1 million acre-feet) to protect its West and East Slope environments during the critical drought cycles. If not, these Colorado entitled waters

# Colorado offers water to California

By James Coates 3-3-91  
Chicago Tribune

DENVER—Mindful of the popular wisdom in the arid West that "whiskey is for drinking and water is for fighting," Colorado leaders are offering to help drought-stricken California in an effort to stave off an interstate battle over water rights.

The rush to find ways to slake the thirst of the nation's most populous state began Feb. 13 when Interior Secretary Manual Lujan suggested to the Colorado legislature that other Western states share with Los Angeles some of their rights to water in the mighty Colorado River.

Colorado leaders quickly responded with a promise of 100,000 acre feet of water, roughly the amount used by Denver in a year, so that California could not go after all the states' precious future water rights on the river.

"We want to help Southern California with its drought situation," said Colorado Gov. Roy Romer. "But it also is in our self-interest to get California to live within its entitlements in the river."

Romer wrote a letter on Feb. 11 to California Gov. Pete Wilson offering to give Los Angeles the 10,000 acre feet of water if California would agree to adopt strict permanent conservation rules to limit water use in the future.

With effective conservation measures, Romer told legislators last week, California wouldn't resort to using its substantial political clout to seize a larger portion of the water supply that the state areas under federal law with Wyoming, Utah, New Mexico, Arizona, Nevada and Colorado.

With more than 10 percent of all American voters now living in California and with the 1990 census giving the state seven more House seats for a total of 52, California's political clout far outweighs that of its fellow Colorado River water users, who will combine for slightly more than 20 seats.

Despite the torrential rains that hit California late last week, the five-year dry spell there has prompted state officials to restrict temporarily the amount of water used for agriculture and to cut water supplies to cities.

The Colorado River is the artery carrying the lifeblood of seven Western states. It starts as a bubbling brook not far from the ski complex at Vail, Colo., and tumbles down the western face of the Rocky Mountains, picking up cascading runoffs.

It then pours into the low deserts to carve the Grand Canyon in Arizona before slowing to a trickle and ending in the Gulf of California.

The Colorado River Compact overseen by Congress and signed in 1922 when California was just another sparsely settled Western state gave California annual water rights to 4.4 million acre feet, Colorado 3 million, Arizona 2.9 million, Utah 1.4 million, Wyoming 840,000, New Mexico 435,000 and Nevada 300,000.

An acre foot, enough to cover 43,000 square feet with 12 inches of water, equals about 330,000 gallons.

This is enough water to meet the needs of three average American households for one year.

Since 1989, California has consumed more than its 4.4-million-acre-foot share while some of the other states, particularly Colorado, have used only a portion of the water they have coming. Colorado has only enough dams to store 2.2 million acre feet and therefore lets 800,000 acre feet that it owns pass down the river.

That water is stored in Lake Mead, the gigantic reservoir outside Las Vegas created by Hoover Dam, which supplies Southern California much of its electrical power as well as its water.

Lake Mead thus amounts to a water bank, which means that Colorado in future years can draw upon the reserves stored there. It is this water that Romer is offering to share with California.

In response to Romer's offer, officials from California and the other water compact states are carefully reading the complex water laws to draft contracts that must be signed by all the parties, a process that officials said will take at least two weeks.

After a meeting in Denver last week with California officials and representatives of the other Colorado River Compact states, a spokesman for Romer said California indicated it wants the water and is considering Colorado's request that it agree not to seek water allocations granted to other states.

The Colorado proposal also urges that California make permanent the temporary cuts in the amount of water used for agriculture. Farmers now account for 83 percent of California's water use, making Colorado's suggestion controversial because of the valuable cash crops at stake.

Meanwhile, Rep. Ben Nighthorse Campbell (D-Colo.), whose district includes much of the Colorado River's headwaters, entered the fray by suggesting that instead of giving the water to California, Colorado should lease it.

The lease money, which Campbell estimates would total billions of dollars, could be used to build more storage reservoirs in Colorado.

This, in turn, would allow the state to keep its entire allocations inside Colorado.

Tom Eggert, a member of the Arapahoe County Commission, said the idea of getting money from California to finance Colorado's own water plans excited him. The county commission is building a pipeline that would pump Colorado River

water from the west side of the Rockies across the Continental Divide and into the Denver area.

"We need to find ways to store our water here in Colorado rather than letting it flow down the river and out to sea where it evaporates and comes back as mountain rains," Eggert said.

"If we don't store it here we're going to lose it to people who will use it to water the sidewalks of Pasadena and to fill the hot tubs of Hollywood."



# Arkansas Valley Journal

"Focusing on Agriculture in Colorado and Adjacent States Since 1949"  
Vol. 44, No. 2 Thursday, March 21, 1991 50 Cents Per Copy

## Colorado should unite behind Union Park water proposal

Dear Editor:

Two out of three key decisions have been made toward solving Colorado's major water problems.

The first was EPA's courageous decision to veto the damaging and costly Two Forks Dam. The second was Aurora's recent decision to drop its Gunnison diversion concept, because of similar environmental and economic faults.

The only basic decision left is for Colorado to unite behind Arapahoe County's multipurpose, environment-enhancing Union Park Water Conservation Project.

Union Park's million acre-feet of off-river storage on the Gunnison side of the Continental Divide will substantially solve Colorado's four most critical water problems.

(1) Union Park will satisfy Metro Denver's 50-year growth needs, for about half the safe yield cost of Two Forks.

(2) Union Park will provide much needed multi-year drought protection for Colorado's environment and economy on both slopes.

(3) Union Park will help correct Colorado's grossly unbalanced water usage between its untapped Gunnison Basin and its over depleted Upper Colorado Basin. (The drier Upper Colorado supplies all of Colorado's transmountain water via 18 diversions to Front Range farm and urban users.)

(4) Union Park will help save Colorado's unused compact entitlements from being permanently lost by default to water short California.

Union Park's unique reservoir site is truly an invaluable asset for all of Colorado — especially for the Upper Gunnison's water based way of life. The entire project could be paid for in 10 years with Rep. Ben Campbell's idea to temporarily lease Colorado's wasted flood flows to California.

Regardless of who ultimately pays, Colorado environmentalists, water developers, and citizens will soon be united in common appreciation of an uncommon water conservation project.

Dave Miller  
President  
Natural Energy Resources CO.  
P.O. Box 567  
Palmer Lake, CO 80133

# Arapahoe sticks with diversion bid

Heather McGregor  
Daily Sentinel

Arapahoe County will stick with its attempt to divert water from the Gunnison River Basin in spite of Aurora's surprise withdrawal from the project Thursday, said Paul Zillis, Arapahoe County water lawyer.

But jubilation for at least half a victory over the thirsty Front Range was rampant in Gunnison Thursday, where a local bank flashed the news on its electronic message sign.

"People are ecstatic but guarded," said Betsy Beardon, a leader in People Opposed to Water Export Raids.

"We hail this as the mother of all withdrawals," said Chris Meyers, an attorney for four conservation groups.

"This should send shock waves through the Arapahoe County commissioners," he said.

But Arapahoe County Commissioner Tom Eggert said the county will pursue the project in spite of losing its partner.

See Water, page 9A

## Water

From Page One

Aurora has spent \$2 million on the \$400 million Collegiate Range Project, which would divert 73,000 acre-feet a year of Gunnison River basin water through tunnels under the Continental Divide.

"We just decided it's time to stop throwing money down the drain in legal fees," said Aurora Mayor Paul Tauer.

Tom Griswold, Aurora's director of utilities, said, "We still hope to work with the people of the Gunnison Basin or on the Western Slope to arrive at some project that's acceptable to everyone."

"Blue Mesa Reservoir is a perfect example, where the Bureau of Reclamation has 200,000 acre-feet for sale," Griswold said.

"Aurora may get the same answer however, whether it's talking across a table or a courtroom."

"As far as transmountain diversions go, there's not a budget and there never will be from our end," said Beardon.

"We've got no desire to become involved in any proposal involving transmountain diversions," said Dick Bratton, attorney for the Upper Gunnison Water Conservancy District.

"That's the official position, and I suspect that's the unofficial position on the street," he said.

Grand Junction  
Paper  
March 8, 1991

## Arapahoe County's second smart thing <sup>CBCP 17 Mar 91/5</sup> Hydropower from Blue Mesa: should it take priority over Union Park?

by Laura Anderson

Should the Blue Mesa Reservoir be used for power generation? Or should the water that would have filled it be sent across the Continental Divide to Arapahoe County?

A ruling by Water Court Judge Robert Brown May 6 suggests that domestic water use may take priority over hydroelectric generation. Brown's decision seems to reverse an earlier ruling in April, where he

that domestic use may take precedence over power generation.

After Brown's April ruling, which favored the U.S. Government, Arapahoe County filed a motion for clarification. "Arapahoe County did another smart thing when they filed that motion," Bruce Driver, lawyer for the High Country Citizens' Alliance, commented. In clarifying the motion, Brown apparently reversed his first ruling. According to Driver, the new ruling is "opaque.... The issue is very

opposition to Union Park in exchange for Arapahoe County's moving its diversion points below Gothic.

Arapahoe County's Union Park Project would include an enormous reservoir south of Taylor Park, and would divert massive amounts of water to the Front Range from the Taylor Basin and the East River Basin. The concept is being opposed by most people in Gunnison County.

### "Arapahoe County did another smart thing when they filed that motion."

indicated that if the priority date of the hydro project was earlier, generating electricity would be senior to domestic use.

The way Colorado water law works is that water rights claimed first take precedence over later rights. Given this, one would think that the Aspinall Wilson dams, built in the 1950s, would be senior to Arapahoe County's Union Park Project, which has a 1990 priority date.

The monkey wrench in the business is the Colorado River Storage Project Act, enacted by Congress in the 1950s. This sets up the Aspinall Wilson Storage Unit, which includes Blue Mesa and gives the U.S. Government the right to use the water in the three reservoirs to generate electricity. But a clause in it indicates

complicated," Driver continued. "My concern is that no one knows quite what he decided."

The issue may be resolved after a trial, scheduled for the entire month of June, which will decide whether enough excess water exists to make the Union Park Project feasible. Driver added that even if domestic use takes priority over hydropower, he does not believe that a transmountain diversion project falls under the definition of domestic use.

### The first smart thing

Arapahoe County's "first smart thing," according to Chris Meyer, lawyer for the National Wildlife Federation, was to work out a deal with the Rocky Mountain Biological Lab where the lab dropped its

RE

Havana  
Pacific Heights  
3 Men & a Little Lac  
Bonfire of the Vanities  
Predator II  
Sheltering Sky

VCR & NINTENDO RENTAL  
AUDIO TAPES & ACCESSORIES

AM

## Is Union Park F reservoir an alternative to Two Forks?

The Denver Post (editorial page) D.P. 16 Mar 91 p.823

Some state legislators are trying to goad the Denver Water Board into federal court to appeal the Two Forks Dam veto. If this attorney-inspired movement succeeds, California will continue to benefit, while Colorado sinks further into years of divisive water-development gridlock. EPA vetoed Two Forks because Colorado ignored its better alternatives. The wasted million acre-feet from the untapped Gunnison Basin is the most obvious example. Colorado is entitled to these flood flows under the Colorado River Compact.

However, instead of storing and using some of these surplus waters, Colorado has allowed the destructive Two Forks idea to dominate its highly legal/political water establishment. Colorado's intimidated water resource engineers have long known that Two Forks would only worsen the excessive dewatering of the Upper Colorado Basin, caused by 18 diversions to the Front Range.

While the federal government was wisely vetoing Two Forks, Arapahoe County has been quietly developing the finest multipurpose water alternative ever conceived for Colorado. During heavy runoff years, surplus Gunnison water will be pumped into the off-river Union Park Reservoir site. This uniquely efficient million acre-feet of high-altitude storage will release valuable water to the river environments of both slopes during critical droughts.

Engineering studies have confirmed Union Park can satisfy metro Denver's future needs for about half the safe yield cost of Two Forks. Union Park also will provide guaranteed drought insurance for both slopes, balanced water usage between basins, and beneficial use of Colorado's threatened compact entitlements.

Colorado is the only state that tries to manage its water with an army of quarreling attorneys. The state makes absolutely no attempt to evaluate its water options based on comparative environmental and engineering merit. Hopefully, Colorado will start some objective water resource planning before all of its major water decisions are made in Washington, D.C., or in California.

DALE B. RAITT, ABNER W. WATTS  
Lakewood

□□□

I am writing to express my extreme opposition to Arapahoe County's proposal to divert water from the Gunnison Basin for use by its growing population on the Front Range.

Implementation of such a plan would have catastrophic effects.

First, this massive diversion would permanently transform a lush and expansive subalpine basin, teeming with flora and fauna, into an arid prairie largely devoid of the previous diversity. In an age when such pristine mountain habitats are in short supply, this would be a grave loss.

Second, the proposed diversion would severely threaten the very existence of the Rocky Mountain Biological Laboratory, a world-famous research institute established in 1928 and located near Crested Butte. The plan calls for a large underground pipeline to pass directly through RMBL property. The digging required to construct such a pipeline would drastically and irreparably harm the fragile subalpine habitats of RMBL and the surrounding area. In addition, the dramatically modified water flow in the area's creeks and rivers would permanently disrupt these aquatic ecosystems.

Such thoughtless actions would terminate all of the many long-term studies in progress at RMBL, which are essential for development in basic research, as well as research on such vital topics as global warming, acid deposition and conservation. As an American scientist who has conducted research at RMBL and the surrounding area, I am outraged by this grossly misguided proposal.

J. HALL CUSHMAN, research fellow,  
Macquarie University,  
Sydney, New South Wales, Australia

THE POST INVITES READERS to write to LETTERS, The Denver Post, P.O. Box 1709, Denver 80201. Lengths of 200 words or less are preferred. Sign name, address, day phone number.

## Selling Colorado's future down the river

LEE OLSON

A RECENT Denver Post editorial applied the word "debacle" to the Two Forks Dam proposal. There's a better word for President Bush's environmental rejection of this long-planned Denver metro water project: "wrong."

We're about to see why — in spades. Interior Secretary Manual Lujan gave the Colorado Legislature a curtain-raiser recently with his plan to send "surplus" water to thirsty Southern California. There really isn't a surplus; that water was given to this area, for growth, by the 1922 Colorado River Compact.

But Interior secretaries often speak bluntly. I recall when former Interior Secretary Stewart Udall, an Arizonan, came to Denver in the 1960s and declared in the Colorado governor's office: "You don't have a water problem here. All you have to do is buy up the water serving northern Colorado agriculture."

There was an uproar, of course, because agricultural water — even when subsidized with low-interest loans — is a pretty good bargain. Californians would agree that agriculture provides needed jobs, taxes and the pleasant environment that comes with the sort of greenbelt we have between Denver and Cheyenne.

Without any artificial water, about all that grows well in the Denver metro area is prickly pear, Spanish bayonet, a few hardy trees — mostly along the stream banks — and the native grasses.

And as to lawns: Communities compete just as corporations and individuals compete. Because the Denver area has a special climate compounded from altitude, dry air and the beneficial effect of winter Chipook winds, we have a lot going for us. We are halfway between the Midwest and California climatologically as well as in miles. But take away our greenery and we

become less competitive against cities with miserable climates, like Omaha and Chicago. Why give away any advantage? Why live in unpleasant surroundings if you don't have to?

Environmentalists may disagree. Some would prefer to see a Denver resembling Rock Springs, Wyo., in the 1940s when water-short residents tried concrete "lawns" painted green. I was there, and that isn't for me. How many of you have turned east from Colorado Boulevard onto East Seventh Avenue on a hot July day? The temperature along that green, well-watered street drops several degrees, at least psychologically. Take that away and you've lost something.

So I'm for lawns. We can conserve on lawns by making them smaller and using Xeriscape plantings, but there comes a point when growth simply requires more diversion of the snowmelt that runs off almost entirely in three spring months.

Compared to the not-so-secret environmental agenda — which is to see Colorado rivers flowing bank-full "naturally" to California — Two Forks' storage of that brief annual runoff would have been a small price to pay for keeping the metro area a pleasant place to live.

Of course, I'm overdramatizing. What really happens in a self-induced water shortage is that everyone panics, tries to make inefficient alternatives look palatable and in the long run votes for solutions even costlier than those rejected earlier.

The alternatives to Two Forks simply don't measure up. If represented some 30 years of good engineering, land purchase and community cooperation.

It's wishful thinking to assume Califor-

nia's long reach may revive Two Forks. But there's a good reason why it should: The decision so far has been very undemocratic. The Denver Water Board sits on its water rights as supplier to a suburban water community about as large as its own, sporadically represented by scores of water authorities. The Denver board and Mayor Peña gave Two Forks a good try. But their hearts weren't in it. When EPA Administrator William Reilly sank his knife in the project, Mayor Peña didn't fight back. Why should he? It was mostly the suburban ox that was being gored.

Now that Denver's percentage of power, in the 100-member General Assembly, is going to sink to 14 percent — with the six suburban counties totalling 42 percent — the time is ripe to create a metro water board with the power to consult all the water users on water decisions. Many of the million-plus suburbanites — many of who use Denver water — had no constituency at all in the Two Forks process.

I believe a metro-wide vote on Two Forks five years ago would have been favorable and would have given the White House a message: If you want those Republican votes in the suburban congressional districts, don't play environmental footsie with their water supply.

Instead, with the suburbs locked away in the back rooms of the Denver area water planning establishment, the president was free to enterprize his environmental options.

He did that, and now his Interior secretary wants to open the way for diversion of the future water supplies of Denver and the suburbs down the Colorado River to Los Angeles.

Bon voyage?

Lee Olson, a longtime Denver Post reporter and editorial writer, is now a freelance writer based in Lakewood.



3. The Legislature should revisit the "Water Right Determination and Administration Act of 1969" and decide whether court determination of water matters is in the best interest of Colorado. We should ask ourselves why a City such as Colorado Springs should spend millions of dollars on engineering and legal fees for its Arkansas River exchange Water Court case. In February 1989, these costs were reported to total \$2.7 million. As of this date the final resolution of this exchange has not been secured from the water court. We must heed Mr. Fetters comment and make the system available to people of normal means.
4. Individual agendas that are carried into water policies advanced by State Institutions and organizations influencing water legislation must be identified and exposed. We should ask ourselves how written comments, representing the views of an individual attorney opposing a proposed water legislation ends up being copied verbatim 47 days later on the Colorado Water Congress stationery. In turn, the CWC letter was provided to the members of the interim water committee in the legislature, that killed the proposed legislation. Organizations such as the Colorado Section of the American Water Resources Association should provide a counter to balance the activities of the Colorado Water Congress in the water legislation arena.
5. Objective and non-political institutions such as Colorado Water Resources Research Institute at Colorado State University and the University of Colorado Natural Resource Law Center should undertake further research to study the impacts of the legal-political complex on Colorado's abilities to manage its water resources wisely. The press, as part of its public responsibility, should investigate the activities of the legal/political complex and educate the public on the details of such activities.

I urge your active participation in bringing about a balanced approach to managing Colorado's water resources. Continuation of the legal control and legal approach to solving our water problems ensures the continuation of the present counterproductive gridlock created by such an approach. Indeed, if we cannot break this gridlock, the water management in our state will continue to have the meaning of an oxymoron. Allowing Colorado's water to flow through our fingers is truly self-contradictory. Colorado's political leaders must take Interior Secretary Lujan's comments appearing in the Denver Post issue of February 13, 1991 seriously when he suggested that the upper Colorado River Basin States help drought-stricken California by donating its unused surplus compact entitled water.

Colorado deserves better. Our future generations will never forgive us if our State compact entitled water continues to flow downstream to the benefit of other States. We must pursue viable solutions with the talents, experience and problem solving abilities available in Colorado today. Together we can make a difference.

highest in the nation, averaging over \$7,000 per tap. Equivalent figures from a number of water providers in Texas averaged \$1,153, Arizona \$1,106, Utah \$1,850, and New Mexico \$847. A recent study completed for the U.S. Geological Survey shows that Colorado Water Court transaction costs for water transfers alone cost up to \$1,700 per acre foot. It is rather ironic that Metro Denver's water tap fees are about five times the average for other western cities that depend on Colorado generated water.

The high cost of the water court adjudication process is unfair to the small water user such as a farmer or a small community. Mr. John R. Fetters of Parker in his letter of January 30, 1991 describes the system to the Division-1 Engineer, Mr. Alan Berryman as follows:

"As you know, the "system" favors wealthy entities that can afford to hire expensive lawyers (or have them on staff) in the securing or maintaining of water rights. While we recognize the expense of moving these rights to other locations is ours, we believe the State has an obligation to make the system available to people of normal means."

Applying water policies created by special interest legislation and litigation, without giving proper attention to the physical and natural setting of the different geographic areas, could have a substantial impact on our abilities to wisely manage our water resources. These laws, whether established by the legislature or the Judicial branch of our governments, are increasingly giving rise to doctrines that distract from effectively managing our water resources. An example of such a doctrine is the so-called "Can and Will" Doctrine.

To combat speculation in water, the legislature in 1979 added Section 37-92-305 (9)(b) to the State water laws. This section of law reads as follows:

"No claim for a conditional water right may be recognized or a decree therefore granted except to the extent that it is established that the water can be and will be diverted, stored, or otherwise captured, possessed, and controlled and will be beneficially used and that the project can and will be completed with diligence and within a reasonable time."

Under the requirements of this section the applicant claiming a conditional water right had to demonstrate to the Water Court the capability to actually complete the project and was not engaged in the activity as a speculator.

This new law is now being misinterpreted by the Courts, as evidenced in the recent decision upheld by the Colorado Supreme Court in the FWS Case. In this case the opposers were successful in convincing the Court to require that an applicant for a conditional water right must have all of its land interests purchased or in place, and that all required project permits must be secured prior to the granting of the conditional water right, or that the applicant must prove in the water court that it will get each permit. Imagine the predecessors of the Denver Water Board attempting to convince the Court in 1905, when they sought a conditional storage right for the Two Forks Project,

that they would be able to secure a dredge and fill permit from the Corps of Engineers and that EPA would not veto such a decision. This legal approach creates a "Catch 22" for the applicant, since most permits cannot be secured without valid decreed water rights. This doctrine could further be used to attack existing conditional rights by relitigating permitting and land acquisition issues. If this decision is not overturned by the legislature, it would be virtually impossible to acquire a conditional water right anywhere in the State of Colorado and illustrates the extremes to which the "Can and Will" Doctrine is being used by those opposing applications in the Water Courts today. We have created a contradictory set of complex laws that are, in reality, a water trust for the down river states.

Another example of the misuse of this doctrine is the City of Florence case in which the Colorado Supreme Court held that all conditional water rights must be taken into consideration in determining water availability before a conditional water right is granted. This case was decided in the Arkansas River Basin which is severely over-appropriated. However, the opposers are asserting the same doctrine in the Gunnison River Basin, where by the U.S. Bureau of Reclamation's own estimates, it currently has a surplus of 250,000 acre feet in the Aspinall Unit, i.e. primarily Blue Mesa Reservoir. The Court agreed with this assertion, forcing the applicants to consider all conditional water rights in determining water availability regardless if any of these water projects, using the subject water rights, will ever be constructed.

The Colorado Legislature attempted to correct this problem by introducing House Bill 1172 in the 1991 session. The bill was killed on February 14, 1991 by a narrow margin in the House Agriculture, Livestock and Natural Resources Committee.

It is abundantly clear that Colorado cannot manage its water resources unless it is capable of ridding itself of the gridlock created by a host of legal constraints that have taken precedent over physical constraints and given rise to the legal/political complex that retards our abilities to manage our water resources wisely. I would like to suggest the following specific actions to remedy this chronic problem that has plagued Colorado in recent years.

1. Professionals from different backgrounds and disciplines must be more actively involved in water policy and planning matters and not leave the matter solely to the lawyers. There is no reason why a water planning session at the Colorado Water Workshop held in Gunnison in July 1987 should have had four speakers, everyone of them was an attorney. I guess things have not changed that much since 1987. Did you notice that all speakers of the Plenary Session of this conference this morning were attorneys.
2. The Governor must appoint to the cabinet positions and to different Boards and Commissions people from diversified professional backgrounds. Just ask yourself the question why the last six Executive Directors of the Department of Natural Resources have been water attorneys.

## 2. Politicized State Water Policy Making Institutions

Another disturbing result generated by the legal-political complex is the highly politicized state policy making institutions. In Colorado there are over 270 Boards and Commissions that represent the backbone of the State government. The Governor appoints over 2,800 people to serve on these policy Boards and Commissions. These appointees enact policies and make final decisions on important matters that affect our communities and our individual lives. The legal/political complex has managed to appoint a disproportionate number of attorneys to serve on these institutions as compared with members from other professions. Examples of institutions dominated in recent years by attorneys would be the Colorado Highway Commission and the Colorado Water Conservation Board.

As of August 1990, there were five attorneys serving on the Colorado Highway Commission out of total of eleven members. The Governor has nominated a sixth attorney to serve on the same commission. It is interesting to note that none of the eleven members serving on the commission is an engineer.

Although I am concerned with the number of appointed attorneys on Boards and Commissions, a larger problem is the process used to select the final members of such Boards and Commissions. I believe the process is flawed, and has been abused by individuals and organizations that seek to gain control and to benefit their own colleagues and industry. I have a problem with a process that has allowed in the past, and could potentially allow in the future, the formation of private committees to interview, screen, and recommend nominees to fill key governmental positions. An example of this was the existence of a private committee in the past comprised exclusively of water attorneys who at least for four consecutive times, and over a period of more than ten years, had screened, selected, and recommended for appointment other water attorneys to fill a high ranking cabinet position in the Colorado State Government. The individual filling the subject position, played a major role in selecting members to a number of Boards. Please, rest assured that I am not here to question the qualifications of the selected individuals, but rather I am questioning the process that excludes consideration of other qualified professionals from the opportunity to serve the State.

I believe that the domination of attorneys on the water policy setting Colorado institutions is not desirable for the following reasons:

1. This domination tends to elevate legal solutions at the expense of what is technically and physically feasible.
2. This domination advances a mindset, where all activities are viewed from a perspective of legal and illegal without considering its moral and pragmatic implications.
3. The legal solutions, thus advanced, manifest themselves in proliferation of more rules and regulations and thus generating bigger government.

4. Domination by one profession, eliminates members of other professions from gaining public policy experience, which diminishes their leadership role in the community.
5. Domination of one profession diminishes the opportunities for creative solutions that could result from broader representation of individuals with diversified experience and points of view.
6. Attorneys, being advocates of their clients position, have a limited agenda to benefit their own clients, thus they cannot advance broad water management concepts that would have far reaching state benefits.

I believe that many State residents with good intentions to serve Colorado have been excluded from serving on Colorado Boards and Commissions. This exclusion has come as a result of a process that is flawed and dominated by the legal profession. In the past, a number of citizens have been interviewed and subjected to questions riddled with legal jargon that only attorneys could answer effectively, and thus were eliminated from further consideration to serve on Colorado Boards and Commissions.

## 3. Special Interest Water Policies Created by Legislation and Litigation

The third area of activity resulting from the legal/political complex is the domination of water legislation by individuals and organizations engaged in advancing self interest. Organizations such as the Colorado Water Congress have played a major role in shaping the current water laws in the State. Although the Colorado Water Congress does not officially sponsor specific legislation, they engage in supporting or opposing water legislation sponsored by others.

The water rights determination aspects of the law has created a process that is very confrontational, very expensive, and excessively time consuming. This highly complex process serves the financial interests of the legal and engineering communities very well. Could you imagine if all or majority of the real estate transaction in Colorado was determined and decreed by the Courts. Under such a scenario, the real estate market would come to a screeching halt. This approach would add unnecessary costs to real estate transactions. This is exactly the system Colorado has adopted for water rights. Most water rights matters are determined by a Water Court. Colorado uses water Courts as the first step in the water determination process, while in majority of the other states the applicant uses the Court as the last step to appeal a decision made by an administrative body comprised of an appointed or elected individual, board, or commission. Back when the first adjudication act was adopted in 1879, the County Commissioners made such water rights determinations in Colorado. Maybe the time is here to ask ourselves why Colorado is the only State in the union that has adopted such a system that has produced some of the highest water tap fees in America?

On October 5, 1989; representative of the Homebuilders Association of Metropolitan Denver testified before the State of Colorado Interim Water Committee that water and sewer tap fees in the Denver Metropolitan area are the

WATER MANAGEMENT - COLORADO'S OXYMORON\*

A.S. "ANDY" ANDREWS,\*\* P.E.

According to Webster, Oxymoron is defined as a combination of terms that are contradictory to each other. Examples of such self-contradictory words would be "cruel kindness", "burning cold" and "legal ethics".

How can two words such as "water" and "management" when combined become an oxymoron? I submit to you ladies and gentlemen that that is exactly the case in our State. Colorado, with a population of approximately 3.3 million people, has accumulated over 1,300 pages of water related laws, rules and regulations, compacts, and precedent setting court cases. As a result we have created a gridlock which focuses attention on litigation instead of wisely developing and managing our precious water resources. In Colorado, the litigators, rather than water managers, dominate the water agenda.

The thrust of my comments are not aimed at a small water user or local entities engaged in the business of providing water service. These water users and water providers do engage in a variety of water management efforts some of which will unfold here at this conference. Rather, it is at the State level that water management is seriously hampered by unnecessary legal and institutional constraints.

When dealing with water resource management, we must consider a number of constraints that play a major role in the wise use of water. A partial list includes political, legal, institutional, and physical constraints. Over the last twenty years, many intervening forces have changed the relative importance of these constraints. Instead of giving the highest priority to the physical factors, we have instead opted to give top priority to the legal constraints. Colorado institutions established to develop and manage water resources are governed by Boards that are highly political. The mindset is often dominated by a perspective of legal or illegal without considering its physical, moral, technical, and pragmatic implications.

In many areas of the world, the legal constraints take the back seat to the physical constraints that play a more prominent role in managing water resources. I recall a specific experience in the early 1970's when a major water resources project was completed in Philippines. As part of the project team we engaged the services of an attorney experienced in water law. The attorney studied the existing laws and suggested changes in the existing laws or enactment of new laws to ensure that the project can be operated and managed efficiently without changing its technical and physical constraints.

\* Presented during the Colorado Water Engineering and Management Conference held in Denver on February 27-28, 1991. The conference organizers were the Colorado Water Resources Research Institute and the Office of the State Engineer.

\*\* Author's address: WRC Engineering, Inc.; 1660 South Albion Street, Suite 500; Denver, Colorado 80222.

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The activism of the legal profession, coupled with inaction from other professionals in water policy matters, is the root cause of our water management problem. This situation has created what I call a legal-political complex. This complex has created an institutional and legal system that ignores the basic fundamentals of sound water management.

Attorneys have a very useful role to play in our society. However, their domination of the policy and decision process of water institutions are counterproductive. Attorneys are trained to litigate, win court cases, and be advocates of their client's point of view. They often pay little or no attention to cost and the physical realities. They certainly are not trained to develop policies or management tools that would wisely manage our water resources.

The legal-political complex in Colorado has changed the meaning of a number of traditional activities that have served us well in the past when they were handled by trained water resource professionals. Three such meanings that I wish to share with you today includes political water resources engineering, politicized State water policy making institutions, and special interest water policies created by legislation and litigation. A detailed description of each of these three areas follows:

1. Political Water Resources Engineering

It is rather disturbing to see a number of engineers engaged in what I would call political engineering. There is no reason why two different engineers preparing cost estimates for essentially the same water project should come up with figures that vary by 400%. This is an example that actually occurred in a state sponsored study dealing with the assessment of water resources in a specific basin in Colorado. Similar examples are abundant in the area of water rights engineering where the engineering results are presented and contested in an extremely confrontational and adversarial court setting.

In the past, Engineers, through their problem solving abilities have served the public in exemplary fashion in shaping the standard of living we all currently enjoy. They have played a major role in the planning, design, and construction of numerous everyday necessities that we have come to enjoy and take for granted. A few examples of such necessities include, the water systems that deliver water into our homes, the highways we use to travel to and from work, the airports we use to travel long distances to see our loved ones, and the bridges we use to cross natural obstacles. But despite such a record, we see disturbing trends in recent years of the physical facts being manipulated for political purposes. More policies are enacted and decisions are made without the benefit of the objective and factual input. An example of such a decision is the launch of the Challenger, where an engineer from Morton-Thiokol recommended against the launch, and despite his repeated concerns over the weather conditions, he was overruled, and as a result the tragedy occurred that cost lives and set back our space program. I see parallels in what has happened to the engineer's role in shaping water laws and water policy decisions in Colorado.



**AFTER TWO FORKS -- UNION PARK OR BACA**

EPA's Two Forks veto has opened the political door for two ongoing alternatives that were improperly dropped from the \$42 million environmental studies. Both of these options are now competing to determine which will serve Metro Denver's growth needs for the next half century.

Arapahoe County's Union Park Water Conservation Project was first conceived in 1982 by a retired Bureau of Reclamation engineer. In years of high spring run-off, surplus Gunnison flood waters would be pumped into a large, remote, off-river, sage covered bowl called Union Park. During the critical droughts, Union Park water would then be released by gravity siphon to the South Platte and Gunnison Rivers.

Industry and Corps of Engineers studies have confirmed that an average 60,000 acre feet from Union Park can increase the safe annual yield of Metro Denver's existing system by 120,000 acre feet. Because of this unprecedented multiplier effect, Union Park's annualized cost is only \$305 per acre foot. This compares with EPA's estimate of \$595 for Two Forks.

The other ignored option is American Water Development, Inc.'s Baca Water Project from Southern Colorado's San Luis Valley. Under this proposal, ground water would be pumped from shallow and deep wells via a pipeline to Metro Denver. AWDI's annualized construction, pumping, and fee costs would total \$700 to \$900 per acre foot for the first 25,000 acre feet. These costs would increase over time, because of rising energy costs and lowering water tables. In contrast, Union Park's net cost would decline as energy prices increase. This is because its reversible pump generators will provide peaking power revenue when Union Park is not being filled during the spring floods.

In addition to Union Park's cost advantages for Metro Denver citizens, this large conservation reservoir will help solve Colorado's most critical water problems. Colorado is currently losing most of its surplus Colorado River Compact entitlements to California via the Gunnison Basin. This is a major concern for Colorado, because of the growing "use it or lose it" reality of the arid West. If some of the Gunnison's wasted flood waters were held in high altitude Union Park storage, Colorado could use its water and protect its environment on both slopes during the inevitable multi-year droughts.

The continuing over-depletion of Colorado's Upper Colorado Basin could also be halted. This basin is currently being dewatered with eighteen diversions to the East Slope, while the wetter, less populated, Gunnison Basin remains untapped. Two Forks and several additional Metro Denver water proposals would only worsen Colorado's grossly unbalanced water usage between its Gunnison and Upper Colorado Basins.

Union Park's unique multi-purpose capability will also substantially benefit the basin of origin with guaranteed optimal river flows, flood control, and recreational enhancements. All elements are in place for a mutually beneficial Gunnison -- Metro Denver water sharing partnership. Colorado can efficiently use its renewable surface waters, while saving its limited nonrenewable ground waters as a strategic reserve.

Colorado is the only Western state that still adheres to a rigid doctrine that prohibits strategic water planning. As a result of this "every man for himself" approach, Colorado has a highly legalistic water development gridlock that has produced water tap fees averaging \$7,000 for Metro Denver home construction. Ironically, California's tap fees are less than \$2,000, while using water that originates in Colorado.

If Colorado water strategists were free to objectively evaluate the state's overall environmental and engineering realities, Union Park would have been working long ago to help solve Colorado's most critical water issues. Unfortunately, a few influential people with powerful out-of-state clients are blocking modernization of Colorado's water management practices.

Dave Miller  
Palmer Lake (719) 481-2003

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**Front Range growth comes at too high a cost for Colorado**

What do you like best about Colorado? I only lived there for three months, but I can certainly say that one of the things I liked best was the relatively undisturbed beauty of the Rockies, the feel of places that haven't been rendered unhealthy by the march of progress. I'm sure many Coloradans make their get-aways into the nearby mountains and enjoy the same thing.

Unfortunately, I've got to tell you that your elected officials are doing their best to destroy one small part of Colorado's beautiful resources — quietly, so that no one will notice.

Arapahoe County wants to steal water from the East River and Copper Creek, near Crested Butte, forever changing an entire valley.

But there's more at stake here than just a picturesque valley. The East River and Copper Creek support not only their own natural ecosystem, but also the Rocky Mountain Biological Laboratory. RMBL, in turn, supports a variety of research projects and summer classes, and is known worldwide as a top research field station. RMBL contributes greatly to our understanding of the world around us and how we are changing it.

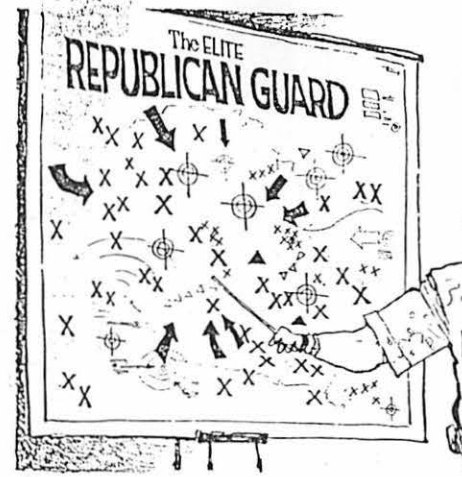
Why is this water-grab being made? To supply growth on the Front Range in already crowded, smoggy areas that can't support further growth on their own. Not only would this plan destroy Colorado's valuable resources, it would contribute to the degradation of the quality of life in Arapahoe County.

Developers must be told that growth simply can't continue forever at any cost. There is a limit, not only for raping the wilderness, but for crowding people into overdeveloped areas.

RMBL is fighting hard for its life. But it needs your help, not only for its own sake, but also for yours. Please tell the people responsible that you vote them in, and you want them to stop.

Jackie Collier  
Carnegie Institute of Washington  
Department of Plant Biology  
Stanford, Calif.

**Everyone wins**



"GOOD NEWS... WE BOMBED THEM SO HARD"

**Rape remarks reek of sexist beliefs**

Regarding the recent article on male rape, I am sure countless other women are feeling the same anger I am experiencing. Psychologist John Traynor was quoted as saying, "If you're male and have been raped, you've been dominated, had your masculinity taken away" and that men "can understand how it could happen to a woman, it happens all the time."

Traynor's thesis is loaded with sexist beliefs and ignorance. When is our society going to realize that rape, regardless of the gender of the victim, has absolutely nothing to do with the sexuality of that person?

Two members of my family have been raped in the "traditional" sense and I was victimized by two women! All three of us felt the same domination and degradation. Fortunately, we were counseled to realize that our "woman-ness" was not, nor could ever be, taken away by the sick, demented actions of our assailants.

My hope is that all victims of this heinous crime (be they male, female, young or old) realize this truth. It is also my sincere hope that our society begin to take a

Where would May st campaign to abolish adve For example, many peop TV commercials intrusiv ers are bothered by hav hunt for news articles, wiced between page afte of ads. Or commercial afte mercial on radio stations. we start a campaign to le those kinds of advertis out of business as well?

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Frankly, I am up to her columnists who have nev to meet a payroll or who ently have never had a course in free-market eco so they understand what our society work. While not agree with many for advertising, I will defe death the advertisers' ri run those ads.

Robert E. Schum

**As ski industry goes, so goes Den**

On behalf of Denver's to industry, we were very with the recent negativ, are the News gave to the

- 5) Benefits for Metro Denver Union Park's unique capability will also provide back-up drought insurance for Metro Denver's existing reservoir system. During the critical dry periods, surplus Gunnison water will be released from Union Park's long term storage via a high volume gravity siphon to the South Platte River and Metro Denver. Army Corps of Engineer computer simulations have confirmed that an average 60,000 acre feet from Union Park can increase the safe annual yield of Denver's existing reservoirs by about 120,000 acre feet. This unusual multiplier phenomenon is one of the reasons Union Park's yield cost is about half that of the vetoed Two Forks concept. Another reason is that Union Park is probably the world's most cost-effective, environmentally sound, off-river site for a major reservoir.
- 6) Gunnison Concerns Many Gunnison concerns with water exporting could be quickly resolved by dropping the relatively small Almont and Pieplant Reservoir options. The Almont replacement reservoir is not environmentally acceptable, because it would flood the state's fish hatchery and destroy one of Colorado's most scenic tourist routes and ranching areas. The Pieplant diversion reservoir is also not acceptable, because it would constantly divert surplus Gunnison water to unknown South Platte storage, where it could not be used to augment Taylor and Gunnison river flows during the critical multi-year droughts.
- 7) Benefits From Negotiation If the current Gunnison water right cases were soon resolved by negotiation instead of litigation, the taxpayer savings would be substantial. Several years of fighting for the unreasonable "not one drop over the hill" cause, would certainly be a high cost for the Gunnison's small population base. This wasteful course would also be morally wrong from the state's overall water supply and demand perspective. The recent Two Forks Dam veto surely gives Metro Denver a strong incentive to quickly resolve its water future by realistic negotiation. Negotiations usually work when both sides are motivated by unemotional facts and mutual benefits.
- 8) Additional Gunnison Benefits A timely water sharing partnership could also provide additional benefits for the Gunnison. For example, the Metro Denver money saved by a negotiated settlement could be used to fund smaller water facilities to enhance the Gunnison's water based economy. This payment or royalty concept would be consistent with the Upper Gunnison River District's recent Phase I Water Study objectives. It may also be possible for the City of Gunnison to reinstate its 1987 agreement to participate in the Union Park Project. Under this farsighted agreement, the city would acquire a \$50 million water storage and power value for a \$200,000 investment.

Gunnison and Metro Denver leaders have a rare opportunity to forge a history making water partnership that will substantially benefit all of Colorado. The wisdom of their actions will be known before the end of 1991.

*Ralph Hank*

January 23, 1991

FAULTY FISH TESTIMONY DELAYS COLORADO WATER SOLUTIONS

The most beneficial water project in Colorado's history is being delayed, in part, by invalid fish flow testimony presented in Gunnison water court.

The Gunnison's high altitude reservoir at Union Park will substantially solve Colorado's four most critical water issues when completed by 2000. Union Park's unprecedented capability will: 1) serve as a low cost, environmentally sound replacement for the vetoed Two Forks project; 2) save Colorado's interstate compact waters from ultimate "use it or lose it" realities caused by the faster growing downriver states; 3) provide drought protection for the environments and economies of both slopes; and 4) correct the current unbalanced use of Colorado's surface waters between the overdepleted Upper Colorado Basin and the untapped Upper Gunnison Basin.

It is a travesty that a major structural solution to these critical state water issues is being delayed by unrealistic fish flow estimates from a Montrose based Colorado Division of Wildlife expert. Unfortunately, the court accepted the expert's evaluation that annual water releases from Taylor Park Dam have been and should be between 193,000 to 246,000 acre feet for "optimization" of the Taylor River's current Gold Medal fishery. These so called optimal flows are not sustainable because the historic average yield above Taylor Dam is only 145,000 acre feet per year.

As a further perspective, Colorado Water Conservation Board fish experts recently set minimum annual releases totaling 52,000 acre feet to maintain a "reasonable" Taylor River fishery. Also in Union Park's 1984 water decree, Gunnison water interests agreed that Union Park's storage should be used to help guarantee annual flows of 81,000 acre feet (200 cfs-summer, 50 cfs-winter). At this agreed "Gold Medal" fishery volume, there would still be an average annual 64,000 acre feet to pump into high altitude Union Park storage for Metro Denver's future needs. Since 1975 there have been 728 days when Taylor River flows have been less than what Union Park can guarantee under its 1984 decree. Union Park's regulated drought protection, flood control, and reservoir stabilization benefits will be invaluable for the Gunnison and the entire Colorado River system.

The water court's unprecedented September 1990 decision to grant a second filling of Taylor Park Reservoir was based, in part, on the state's fish testimony. It has since been revealed that the expert's analysis was done in wet 1984 at 3 locations 17 miles below the dam. In that area the river channel is substantially larger than at the court accepted reference point below the dam. This is because of an average 90,000 acre feet of additional unregulated gain from several intervening tributaries. If his calculations had been made near the dam's gauging station, the resulting lower fish flow estimates would eliminate any need for the second fill that is blocking Union Park.

Instead of requiring the Colorado Supreme Court to rule on highly technical engineering and environmental issues, Gunnison and Metro Denver leaders should negotiate a settlement based on unemotional facts, basin compensation, and joint ownership possibilities. There is plenty of water for a Gunnison-Metro Denver water development partnership that will substantially benefit the Gunnison and the entire state. The current legal delays are only creating a water trust for California.

Dave Miller, Palmer Lake *DM*

(719) 481-2003

# THE COLORADO ENVIRONMENTAL CAUCUS

1405 Arapahoe Avenue, Boulder, Colorado 80302  
(303) 440-4901

NOTE WELL: THIS IS AN INVITATION  
to you and your spouse or significant other

## TIME TO CELEBRATE THE VETO OF TWO FORKS

Every once in a while, the system works and the right decision gets made for the right reasons. Such was the case when EPA announced its decision to veto Two Forks.

The United States government actually vetoed the project for the same reasons many would have rejected it. EPA concluded that "the proposed 1.1 million AF Two Forks dam and water supply reservoir in the South Platte River in Jefferson and Douglas Counties, Colorado, as well as the 400,000 AF project and 450,000 AF corrective action proposal, would result in unacceptable adverse effects on fishery areas and recreational areas." The Agency also concluded that "the loss and damage is avoidable because practicable, less damaging alternatives are available."

EPA went so far as to state that "even if no less damaging practicable alternatives were available, the significance of the damage to fishery and recreational areas caused by the projects would be so great that they would constitute an unacceptable adverse effect under section 404(c)..."

Who ever thought that government prose would be cause for joy? To celebrate (but certainly not to gloat), a party with a buffet dinner, a mariachi band, and a cash bar, to be convened in the spirit of the Milagro Beanfield War, has been scheduled for:

Friday, January 11, 1991  
7:00 to 11:00 p.m.  
Tosh's Hacienda  
3090 Downing Street, Denver

Please RSVP by Friday, January 4th, by sending your check for \$10.00 per person to the Environmental Caucus, c/o EDF, 1405 Arapahoe, Boulder, Colorado, 80302.

As an "environmental water developer" I AM honored to be invited to your Two Forks veto celebration.

Our check for \$20 is enclosed. Bev & Dave Miller  
12-26-90

JAN-11-91 FRI 15:10

OFFICE SUPPORT CENTER

FAX NO. 7194812095

P. 02

Kalvin Clark  
1/11/91

From P.O. Box 716 Gunnison

January 1991

Dear Editor:

## GUNNISON -- METRO DENVER WATER PARTNERSHIP

Many knowledgeable Gunnison citizens would like to consider Arapahoe County's offer to negotiate a water partnership that would substantially benefit the economies and environments of both slopes. However, because of local "not one drop over the hill" emotionalism, Gunnison moderates are inhibited from opening an objective dialogue.

Years of unnecessary, costly litigation could be avoided if both sides would decide on the following common ground for initiating productive talks:

- 1) Gunnison Negotiating Team The Gunnison area should select the Upper Gunnison River Water Conservancy District as its primary negotiating entity. The district has the most Gunnison water expertise. It also is the Gunnison's lead agency in the current water diversion court cases.
- 2) Metro Denver Negotiating Team Arapahoe County and the City of Aurora should represent Metro Denver water interests. These entities are cooperating to develop the wasted water potential of the Upper Gunnison Basin. The optimal Gunnison project will likely be shared with all of Metro Denver as soon as the extraordinary economic and environmental advantages become common knowledge.
- 3) Water Supply and Demand Factors Metro Denver has a projected long term need for additional renewable surface water. Most of Denver's surface water is currently imported from the Upper Colorado River Basin. This basin has already been severely dewatered with 18 diversion projects to Colorado's East Slope. The wetter, less populated Gunnison Basin has never been tapped, and it is losing an average one million acre feet of Colorado's entitled flood flows to the rapidly growing downriver population centers. Gunnison consumptive water needs are declining, because of improved irrigation techniques and the gradual shift from agriculture, mining, and forestry to tourism, retirement, recreation, and light manufacturing. The seriously unbalanced use of Colorado's renewable surface waters can be corrected by shifting some water development from the overdepleted Upper Colorado Basin to the underutilized Upper Gunnison area.
- 4) Gunnison Benefits From Water Sharing When Metro Denver constructs the large Union Park Reservoir on the Gunnison side of the Continental Divide, it will first be used to provide optimal river flows and needed drought protection for the Gunnison's water based economy. This 900,000 acre feet of storage will guarantee flows on the Taylor River that are several times higher than the current flows during extended droughts. In fact, the long term river regulating capabilities of Union Park's off-river storage will be invaluable for the Upper Gunnison and the entire Colorado River system.



P.O. Box 567  
 Palmer Lake, Colorado 80133  
 (719) 481-2003  
 December 27, 1990

Officers, Directors and  
 Resolution Committee Members  
 Colorado Water Congress (CWC)  
 1390 Logan Street, Suite 312  
 Denver, Colorado 80203

RE: CWC RESOLUTION TO SUPPORT A 1991 STATE WATER PLANNING BILL

Although CWC has historically opposed any form of state water planning, the Two Forks experience and its anticipated aftermath should provide additional justification for CWC's reconsideration. In fact, in this age of environmental enlightenment, a state water planning bill could be one of the most urgent needs in Colorado's legislative history.

The enclosed draft water planning bill failed by only one vote in Colorado's 1990 Legislative Water Committee. Several concerned legislators are likely to sponsor a similar bill on their own initiative during the 1991 session.

A favorable CWC resolution for state water planning could: 1) help decrease Colorado's growing reliance on court and federal water development decisions, 2) help save Colorado's entitled surplus waters that are being permanently lost to the down river states, 3) help reach consensus water development decisions based on comparative engineering and environmental merit, instead of continued emotionalism between historically competing interests, and 4) help reverse CWC's image from reactive to proactive water leadership.

The enclosed letters and articles provide additional justification for an organized state water planning process that would supplement and complement Colorado's traditional water laws and doctrine. Suggest CWC's directors support a resolution for a state water planning bill during the CWC general membership convention scheduled for January 16-18, 1991.

Sincerely,



Dave Miller

mjb  
 enclosures: Draft Bill, letters,  
 articles

cc: Governor Romer  
 Colorado legislators

PROGRAM: AC-DETAIL-BUDGET-WORK-SHT REPORT: BUDG-001	ARAPAHO COUNTY COLORADO DETAILED BUDGET EXPENSE WORKSHEET REPORT	PAGE 592	AS OF 12/11/90	1990 YTD BUDGET		1990 ESTIMATE		1989 ACTUAL
				EST.	% CHG	EST.	% CHG	
0033 UNION PARK								
SUMMARY CENTER CENTER NUMBER 99999								
ACCOUNT NUMBER	DESCRIPTION	1991 REQUEST	1990 BUDGET	1990 ESTIMATE	1990 YTD BUDGET	% CHG	EST.	1989 ACTUAL
	SERVICES & OTHER							
54319	ACQUISITION WATER RIGHTS	0.00	0.00	0.00	0.00	0.00	0.00	30,999.37
54320	TRAVEL & TRANSPORTATION	0.00	0.00	0.00	0.00	0.00	0.00	344.32
54350	DUES & MEETINGS	0.00	0.00	0.00	0.00	0.00	0.00	94.25
54360	PROFESSIONAL SERVICES	1,350,000.00	525,000.00	355,000.00	475,945.08	157.14	280.28	508,974.96
54361	AUDITING SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	725.00
TOTAL	SERVICES & OTHER	1,350,000.00	525,000.00	355,000.00	475,945.08	157.14	280.28	541,137.99
	MISCELLANEOUS							
57804	TRANSFER TO CAP EXP FUND	0.00	299,617.00	299,617.00	299,617.00	100.00	100.00	160,000.00
TOTAL	MISCELLANEOUS	0.00	299,617.00	299,617.00	299,617.00	100.00	100.00	160,000.00
	CAPITAL OUTLAY							
58921	ENGINEERING & ARCHITECT	0.00	0.00	0.00	0.00	0.00	0.00	24,498.00
TOTAL	CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	24,498.00
CENTER TOTAL		1,350,000.00	824,617.00	654,617.00	775,562.08	63.71	186.22	676,639.10



# Gunnison Water Goof

Dear editor,

The Upper Gunnison's December 4th vote against water sharing is a classic example of how old fears can be exploited to the public's detriment. This uninformed vote also makes an excellent case for some long overdue state water planning. Gunnison and Colorado folks will eventually learn to appreciate the following basic Colorado water facts.

1) The untapped Gunnison Basin is currently losing a million acre feet of its spring run-off to the massive Arizona and California water diversion systems. These Colorado entitled flood flows are, by far, the largest renewable water resource for Colorado's future growth.

2) The Gunnison's wasted water surplus is steadily growing because of world-wide improvements in irrigation efficiency and retirement of salty farm land caused by over-irrigation. Every 10% increase in irrigation efficiency can double the amount of water available for city use.

3) The West Slope's Upper Colorado Basin has been excessively dewatered with 18 diversions to the East Slope. The wetter Upper Gunnison Basin has none. This seriously unbalanced use of Colorado's renewable surface waters is a basic reason for EPA's rejection of Two Forks Dam.

4) Arapahoe County's high altitude Union Park water storage project can substantially enhance the Gunnison's drought protection and way of life, while also providing a lower cost, environmentally sound water alternative for Metro Denver's future growth. The benefits for both slopes are unprecedented.

5) Under Colorado's constitution unallocated surplus flows belong to all Coloradans - not just the origin area.

6) The Upper Gunnison and Colorado River Water Conservancy Districts' expensive legal battle against Gunnison water sharing is only benefiting their lawyers, Arizona, and California. West Slope tax payers meanwhile are saddled with a wastefully immoral and losing cause.

7) The West Slope's water conservancy districts and POWER (People Opposing Water Export Raids) are selfishly misleading their taxpayers by refusing to address these basic water facts. In Colorado's unique system, conservancy district officials are appointed by the same local courts that rule on their decisions.

Dave Miller  
Palmer Lake

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CPCP 21 Dec 2010

11:40 a.m.

Committee meeting recessed.

1:35 p.m. -- Gunnison River Basin Concerns Relating to the Union Park Project

Marlene Zanetell, Gunnison Basin Power, stated the purposes of her organization (see Attachment C) and read into the record the statement by Doralyn Genova, Mesa County Commissioner (see Attachment D) which notes the opposition of that county to any proposed transfers of water from the Gunnison River Basin. A document prepared by Gunnison Basin Power entitled "Concerns and Problems with the Proposed Union Park Reservoir" is available at the Legislative Council office.

1:50 p.m.

L. Richard Bratton, Attorney for Upper Gunnison River Water Conservancy District, read a prepared statement (see Attachment E) to the committee. He commented on the litigation now before the District Court for Water Division 4 relating to the Union Park Project. He stated that it is the position of his organization and of John Kreidler, representing the Uncompangre Valley Water Users Association, that there is not unappropriated water for the Union Park Project and the Collegiate Range Project. In response to questions by Senator McCormick, Mr. Bratton spoke on the intent of Colorado's instream flow statutes. He suggested that the General Assembly consider revisions to those statutes.

2:06 p.m.

Ralph Clark III, Gunnison Basin Power, reiterated the opposition of his organization to the Union Park Project. He noted the value to communities in that area of the water flowing through the Gunnison River Basin. Mr. Clark suggested the establishment of a process and criteria for evaluating effects of water appropriations and transfers on the general welfare or public interest.

2:15 p.m.

Tom Eggert, Arapahoe County Commissioner, enumerated (see Attachment F) the positive aspects of the Union Park Project. He emphasized the need for a comprehensive planning process for the allocation of water in Colorado.

2:25 p.m. -- Discussion of Basin of Origin Issues

Christopher Meyer, National Wildlife Federation (NWF), stated that the idea of basin of origin protection with respect to diversions

Recycles

## Water Truth

Dear Editor:

Gerald Lain's recent letter to the editor is an excellent example of why Gunnison's media should cover both sides of the water diversion issue.

Lain uses P.O.W.E.R.'s emotional scare tactic that any diversion will destroy the Gunnison's way of life. However, irrefutable engineering and environmental facts speak the real truth.

If Gunnison folks had Union Park's high altitude conservation storage, the Taylor River could have guaranteed summer and fall flows of 200 cubic feet per second at Taylor Dam after several years of consecutive drought flows of less than 50 cfs. The Gunnison's growing water surplus is only benefitting California - not Gunnison and Colorado interests.

Instead of destroying the Gunnison's water-based way of life, Union Park will substantially enhance it. Gunnison folks can negotiate a much better deal now, instead of wasting their tax money on counter-productive legal battles through the Supreme Court.

Gunnison's media is providing a valuable service to its readers by allowing a few printed words of truth in an emotional wave of misinformation.

Dave Miller  
Palmer Lake, Colorado  
(719) 481-2003

Paid Advertisement

C.B.C.P.  
2/27/90/pf

ARAPAHOE COUNTY COLORADO  
514 South Prince Street • Littleton, Colorado 80166  
BOARD OF COUNTY COMMISSIONERS

John J. Nicholl  
District No. 1

Thomas R. Eggert  
District No. 2

Jeannie Jolly  
District No. 3

(303) 795-4630  
FAX 730-7903

September 9, 1990

Honorable Tilman Bishop, Chairman  
Committee on Water  
c/o Colorado General Assembly  
State Capitol  
Denver, Colorado 80203

Dear Senator Bishop:

On August 24, 1990, the Committee on water was briefed by Mr. Allen D. (Dave) Miller on the proposed Union Park Water Conservation Project. Mr. Miller was acting in the capacity of president of Natural Energy Resources Company (NECO).

On August 29, 1988, Arapahoe County entered into an agreement with NECO and acquired the proposed Union Park Project, located in Gunnison County, Colorado. Union Park is planned to come on line after Two Forks or some 20 years from now. Before acquiring the project, Arapahoe County's staff and consultants conducted detailed evaluations of the project. These evaluations considered project yield; project cost; environmental impacts; potential statewide benefits from the project; ability to deliver water for in-basin opportunities for stream enhancement; and to meet future agricultural, municipal, industrial, and recreational needs of users located on both sides of the Continental Divide.

We believe that Arapahoe County's proposed Union Park Project offers unique features and benefits of statewide interest. A partial listing of these features and benefits includes:

1. Ability to store and deliver Colorado's Compact entitled Stored Water to Gunnison, Arkansas, and South Platte Watersheds.
2. Ability to meet, on a year round basis, the decreed Colorado Water Conservation Board minimum streamflows on Taylor River of 50 cfs in winter and 100 cfs in summer. Additional releases could be possible to enhance rafting and other in-basin opportunities.
3. Does not require another on-stream replacement reservoir on the Western Slope.
4. Ability to collect water from wet years for delivery in the critical dry years (insurance against droughts).
5. Does not require a major storage facility on the eastern side of the Continental Divide for regulation purposes to produce a minimum of 60,000 acre feet of safe annual yield. The safe yield of the project represents the total diversion from the Gunnison River Basin on an annual basis.

Honorable Tilman Bishop, Chairman  
September 9, 1990  
Page 2

6. Develop Colorado's Compact entitled water that currently flows out of state to the benefit of the lower basin states. Published U.S. Geological Survey Streamflow records, shows that for a period of 81 years (1897 - 1899, 1902 - 1906, 1917 - 1989) the average annual flow of Gunnison River above its confluence with Colorado River is 1,887,000 acre feet.
7. Project produces pollution free hydroelectric power that could be used by local entities.
8. Has positive environmental impacts:
  - Construction of one off-stream and high altitude reservoir.
  - Reservoir not located on a major flowing stream.
  - An additional fishery created leading to increased recreational opportunities.
9. When integrated with the Denver Water Supply System, it can enhance the yield of this system by approximately 46,000 acre feet per year. This figure was verified by the U.S. Army Corps of Engineers, and was published in Metropolitan Denver Water Supply EIS, volume VIII, appendix 4A.
10. Enhancement of recreational opportunities in the Gunnison River Basin.

Mr. Ralph Clark from Gunnison has proposed for development the Colorado Aqueduct Return Project (CARP) as an alternative to Union Park. The subject project entails pumping water from a point near Colorado-Utah state line, a distance of over 200 miles, and against approximately 5,000 feet of head. The County's consulting engineer has estimated the cost of power and debt service for this project alone to be more than \$5.00 per 1,000 gallons of water delivered. This figure is extremely high when compared with the current rates charged by Denver Water Department (DWD) to its customers. These DWD rates are approximately \$0.71 for city residents and \$1.68 for suburban residents charged by Denver Water Department per 1,000 gallons of water.

We would be pleased to meet with your committee, and to answer any questions that may arise.

Thank you for the opportunity to share with you this information on a water project that has unique and statewide benefits.

Sincerely,

*Tom Eggert*  
Thomas R. Eggert, Commissioner  
Arapahoe County

cc: Members of the Committee on Water

*5  
1-5-90  
per 1/20/90*

*1/20/90  
Mr. Bishop  
use above info.  
to discuss  
with the project.*



maintain an applicant must prove today in Court no matter how speculative and premature the issue is.

For example, if a pumping plant is to be installed on Federal land, how do you prove that you will get a permit or permits when the facility may only be preliminarily designed, for which no permit is yet applied for, or which could not yet be applied for, for which an Environmental Impact Study has not been prepared, and which will not be prepared until a permit is actually applied for?

The answer by a project opponent is simple. No matter how much an applicant has done, it is not enough, or it is the wrong thing altogether. Every municipality with a large project must now fight charges that it is a speculator, or that it could not build its project, 5, 10 or 20 years down the road, for any of a hundred hypothetical reasons.

This is a complete reversal of 100 years of law. An applicant needs the certainty of a decreed conditional water right to proceed with full engineering, permit applications, contracts, Environmental Impact Studies, and the like. We now have a Catch-22: the only safe way to file in Water Court is to have all your permits, land acquisitions and contracts in place when you go to Court. FWS Land & Cattle Co. As anyone with any experience knows, this is impossible, as a condemnation powers and permit applications may require the existence of a decreed water right. The completion of final engineering, which is necessary for the permit process, requires that you know how much water you will be handling, in other words, the decreed amount.

Project opponents now argue that the Legislature has decreed the dawning of a new age of conservation in which no new water supply projects will be built. This theory is short-sighted and dangerous, and Colorado will be the big loser. We don't believe this is what the Legislature intended, and this damage must be undone if our economy is to prosper in the long-term.

John R. Henderson  
Colorado Attorney

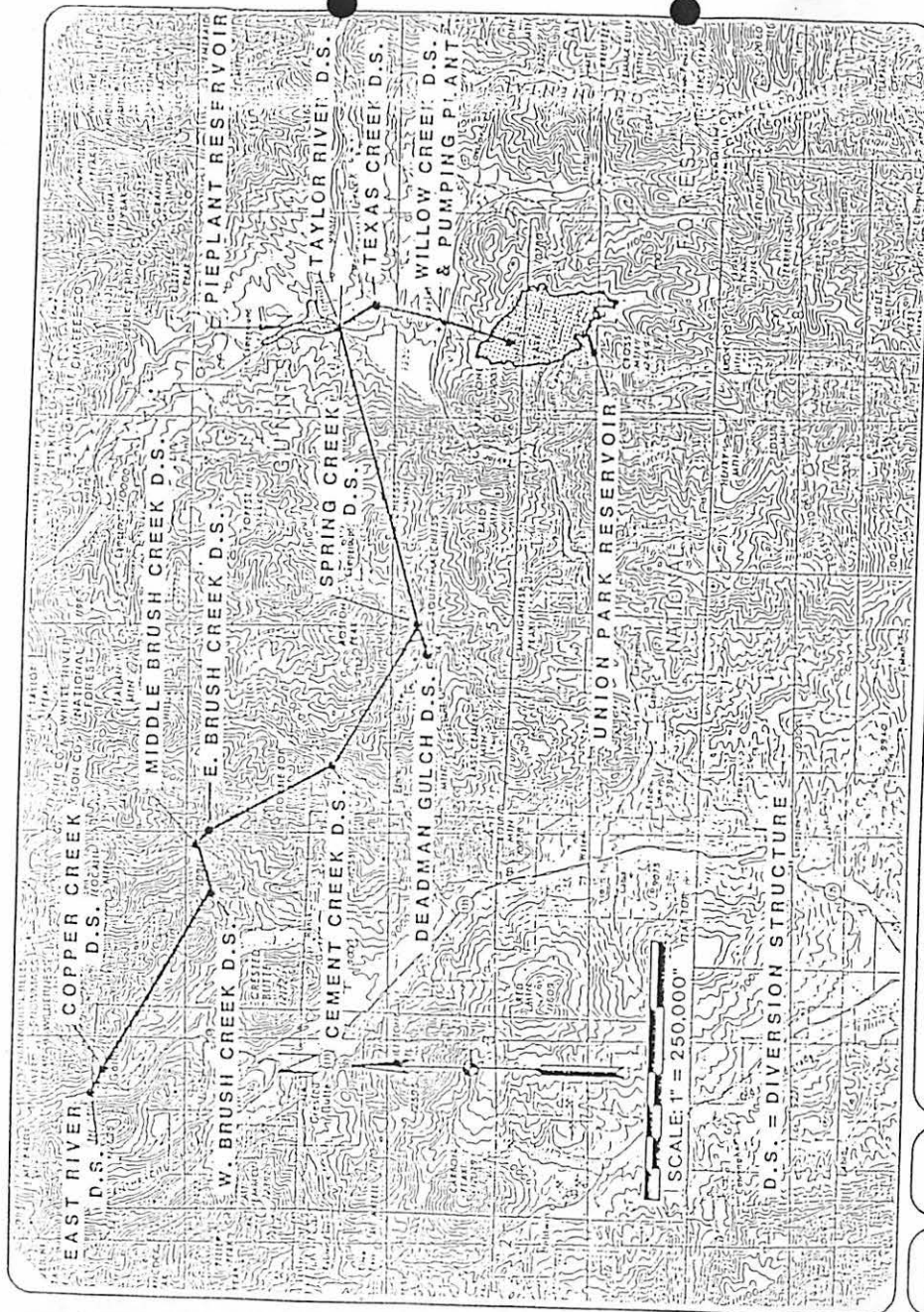


EXHIBIT  
1

COLLECTION SYSTEM

UNION PARK  
RESERVOIR PROJECT

9/90

WJRC



and water user groups based on informed guidance provided by the state water plan.

4. The Colorado Department of Natural Resources (CDNR) shall be responsible for coordinating, developing, implementing, revising, and administering the state water plan in accordance with the guidance provided by COWPAC.
5. Specific water issues within the plan sections shall be identified and selected by priority for analysis and resolution in the planning process. An objective of 18 months shall be used to complete the planning cycle on each issue considered.
6. After analysis of issues by CDNR and COWPAC the draft plan sections shall be open for public review and comment before adoption of the plan by CDNR.
7. Planning issues requiring legislative and executive actions shall be jointly recommended by COWPAC and CDNR.
8. The manpower and funding resources currently being used for long range planning within the various state water management agencies shall be consolidated under CDNR to handle the new state water planning process.

**Note:** This draft bill was formulated from state water planning efforts that are being used effectively by other Western states.

(719) 481-2003

September 1990

## COLORADO WATER STATUTE IS HELPING CALIFORNIA

One of the principal changes in the Colorado law of conditional water rights in recent years was the addition of § 37-92-305 9(b). 9(b) requires, for the first time, that a claimant for a conditional water right prove that waters "can and will" be diverted and that the project "can and will" be built.

Though seemingly simple on its face, the so called "can and will doctrine" has proven to be a can of worms in the Water Courts, and in a manner which has given water project opponents an undue advantage, which we believe was not intended.

I will handle the simplest problem first. The "can and will" doctrine has been held to require that the availability of unappropriated water be demonstrated. Town of Florence. This, in itself, is not an unusual engineering exercise. Unfortunately, project opponents are now arguing that the Water Courts are bound to assume that all currently decreed conditional rights will be built, and that even in our most water-rich divisions, that no water is legally available. This argument is of great benefit, of course, to California and to Arizona, and a net loss to Colorado.

The basis for this bizarre argument is the "can and will" test itself; project opponents argue that because of findings previously made by the Water Courts in each and every conditional rights case, that everyone on the river is legally bound to assume that every project will be built in addressing their own water availability. This, of course, has never been true, is not true now, and Colorado is suffering for it. Historical experience has shown that only a fraction of conditionally decreed projects are actually built. Qualified engineers assessing water availability should not be forced to assume that every project which has a conditional decree will be built.

The larger problem with "can and will" is that no guidance is given as to what an applicant must prove in Court as far as future project construction. To the extent that it means that an applicant must prove its general financial capabilities, its right to condemn, its general ability to secure permits, etc., there is no insurmountable obstacle. But that is not how "can and will" is being used by project opponents and by self-styled environmentalists. They use it as a club to stop all new projects.

They maintain that an applicant must demonstrate in Water Court that it will secure each of a list of permits and contracts which may be needed for project construction, many of which will not be applied for for years, or even a decade or more. They argue that condemnation actions be initiated before filing in Water Court, and that other land acquisition be complete before a conditional decree can be obtained. There is no limit to the list of items large and small which they

2


Meanwhile, Colorado is jeopardizing its water future by ignoring the development of its nearly 1 million acre feet of surplus Gunnison Basin water entitlements. These waters may soon be permanently lost to the faster growing, more organized, down river states. The President's 1990 Budget contained federal funds to study the Gunnison's untapped basin for East Slope growth, as well as the West slope's environmental and recreational needs. However, these funds were lost to a lower priority Utah project, because the Gunnison and Colorado River Districts refused to participate in a study that could lead to sharing surplus water with the East Slope.

Colorado is the only state that still relies exclusively on 19th Century water rights doctrine for managing its water resources. All other Western states have supplemented their similar water laws with state water planning to cope in this new age of environmental enlightenment. Federal laws require formulation of environmental studies within the context of state and regional water plans. Unfortunately, the legal profession in Colorado continues to block every move to initiate state planning guidelines that could solve critical statewide and basin specific water management problems in a cost effective manner.

Colorado desperately needs a state water planning process that would involve all water users, resource managers, and policy makers. The process would be used to overcome jurisdictional turf barriers that are steadily worsening Colorado's water management grid lock. A state water plan would serve as a single focal point where all concerned, including the public, can clearly identify problems and consider alternative solutions. The effort would facilitate coordination and give a voice to competing water users, including recreation and the environment. The basic planning objective and result would be consensus solutions, instead of endless, counterproductive legal battles.

Long range planning is not perfect. However, most major organizations do it with provisions for continuous updating to adapt to new insights and changing needs. But first, the process must be started.

Effective water planning is giving our sister states a major competitive advantage in the management of vital local, state, and federal water resources. Instead of continued band aid legislation that is worsening the problem, Colorado's leaders should give the highest legislative priority to initiation of a long overdue state water planning process.

Dave Miller   
Palmer Lake, Colorado  
(719)481-2003

(DRAFT)

## STATE OF COLORADO

## A Bill For An Act

concerning a statutory directive for implementing a state water planning process

## Bill Summary

Requires the implementation of a consolidated state water planning process to solve state-wide and basin-specific water management issues in an effective and efficient manner.

**Objectives:** 1) to provide an effective means to overcome growing water conflicts caused by turf barriers and differences in perceptions and values between various water user groups and management agencies; 2) to involve all parties, including the public, in clearly defining water issues and alternative solutions; 3) to pursue and implement consensus solutions based on reasoned analysis of available facts and insights; 4) to balance public and private values between competing uses of limited water resources; 5) to provide a reasoned baseline for making private local, state, and federal water management decisions; and 6) to provide a state planning document that can be continually updated to handle new water problems, insights, and opportunities.

Be it enacted by the General Assembly of the State of Colorado:

1. A consolidated state water planning process shall be initiated to develop and continuously update a state water plan.
2. A Colorado Water Plan Advisory Council (COWPAC) shall be created and appointed by the Governor consisting of four legislators (two from each house and each party), directors of Natural Resources, Health, Fish and Wildlife, State Engineer, Water Conservation Board, and one representative from the Governor's office and two from the public.
3. COWPAC shall select the issues, provide guidance to the planning process, and make water related recommendations to the legislative and executive branches

# NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

September 14, 1990

Juana S. Wilcher  
Assistant Administrator For Water  
States Environmental Protection Agency  
Street  
Washington D.C., 20460

RE: Two Forks Veto

Ms. Wilcher:

The Metro Denver Water Provider's slide presentation, Hidden Impacts of Two Forks Veto, was prepared for your recent Denver visit. The presentation is well done, but is based on the false premise that a Two Forks veto is a threat to Northern Colorado agriculture.

Studies show there are several viable ongoing alternatives that were properly screened from the EIS. None of these alternatives are a threat to agriculture. The City of Thornton's City-Farm Recycling Plant is often cited as a threat, but this concept is designed to divert 100% of the water to the same diversion point. There is no need to dry up Northern Colorado if Two Forks is denied.

The argument that a veto will destroy Metro cooperation is also a "red herring". Two Forks cooperation was based on a false notion that Metro had no other reasonable options. In fact, there are several alternative options that were improperly discounted, but which are financially far less damaging. The major "overlooked" alternatives currently being pursued include Arapahoe County's Union Park Project, Thornton's City-Farm Recycling, Denver's Green Mountain Pump Back, and the Quinn Ground Water. If all of these projects are built, the total yield would be less than Two Forks, and the yield would triple.

Two Forks is the result of political momentum created by skillful manipulation of old water rights in a state water planning vacuum. In Colorado's market based water allocations system, state water management agencies could not evaluate alternatives within the state's overall water supply and demand situation. Hopefully, Colorado's water laws will soon be supplemented with some water planning.

We strongly recommend that EPA's veto includes assistance to Colorado in the evaluation of its water supply options. The veto will preclude real cooperation by opening the process to objectivity.

Sincerely,



Dave D. (Dave) Miller, President

/tjm

1. Letter on state water planning legislation, 9/14/90.  
Interested parties.

SEP-11-90 TUE 13:24

OFFICE SUPPORT CENTER

FAX NO. 7194812095

P. 02

Ralph Clark  
Power  
9/14/90

September 1990

## COLORADO'S WATER MANAGEMENT CRISIS

Although Colorado generates most of the water for Southwestern states, Coloradans suffer from the most inefficient water management in the nation. Even worse, today's inept water management may be permanently damaging Colorado's competitive future.

Water tap fees are one of the best measures of water management efficiency. These fees cover water development costs, such as planning, legal fees, engineering, public hearings, pumps, treatment plants, environmental mitigation, dams, distribution lines, etc. In Colorado these costs are by far the highest in the nation. A survey by the Homebuilders Association of Metropolitan Denver shows water tap fees for Metro area construction average over \$7,000 per home. This compares with an average \$1349 for California cities, \$502 for Texas, \$576 for New Mexico, \$570 for Arizona, and \$674 for Utah. A partial explanation of this disparity is that other states have had unifying water planning efforts that have resulted in federal cooperation and assistance.

Another good barometer of mismanagement is the amount of legal effort required to handle water conflicts in a state. An often quoted University of Colorado survey estimates that Colorado needs 70% of the nation's water attorneys to handle the endless legal battles that too often produce not one drop of water for the environment and disillusioned public.

Engineers and natural resource specialists are the primary water planners and managers in other states. However, in Colorado's confused water scene, lawyers dominate almost every water management agency in the state. This legal dominance is self-serving and self-perpetuating. Because of the complexities of administering Colorado's highly fragmented water laws, attorneys are usually appointed to head the myriad of overlapping state water management agencies. These key state leaders naturally recommend more legal experts for appointment to their respective boards of directors. In reality, most of the appointees are specialists in preserving the status quo for one special water interest or another. Even at the local level, water district board members are appointed by local water judges. All other special districts in Colorado have board members elected by the people.

The wasteful Two Forks Dam debacle is probably the best recent example of byzantine water management at its worst. Instead of our state agencies evaluating all of the ongoing water alternatives with reasonable environmental and engineering merit, the Two Forks studies were skillfully orchestrated to only consider the alternatives that could be built with the water rights the attorneys had collected over the last fifty years. Colorado's water management agencies never questioned the fact that Two Forks and its numerous expansion proposals all targeted the same Upper Colorado tributaries that had already been substantially dewatered by 18 diversion projects to the East Slope.

nion Park as a cash generator to construct recreation reservoirs or the West Slope. Dick indicated that 50,000 acre feet would be consistent with the Alliance's objective, and a politically acceptable amount for export from the Upper Gunnison. Although the Authority declined NECO's proposal, it did initiate the Phase I Upper Gunnison Water Study to evaluate alternative water and power export projects to generate cash for enhancing the Upper Gunnison's water based economy. Phase I was conducted at the request of the Upper Gunnison River Water Conservancy District, the Uncompahgre Valley Water Users Association, and the Colorado River Water Conservancy District. Unfortunately, most of the study's funds were politically wasted on trying to justify a Gunnison controlled diversion direct from the existing Taylor Park Reservoir. It was only after the Alliance's actions, Bratton's encouragement, and the Gunnison District's initiation of Phase I that NECO decided the time was right to apply in water court for Union Park's diversion rights.

In late 1986 the City of Gunnison council members voted to purchase some Union Park water rights, storage, and power from NECO. This purchase had a total 1986 value of approximately \$50 million, and the cost to the city was only \$2,000 down and \$198,000 upon construction. In 1988 NECO sold Union Park and its contract with the city to Arapahoe County for \$2.2 million. This was an extraordinary coup for the city. Unfortunately, in early 1990 a new City Council caved in to disruptive political tactics from POWER and Representative Scott McGinnis. Arapahoe County has not released the city from its contract obligations.

If POWER wants to hang someone for Union Park, it should look to the players involved in these historical facts. It should also blame geography for making the Upper Gunnison the wettest, untapped water area in Colorado.

POWER's uncompromising stance "not one drop over the hill" is a far cry from inter region cooperation based on reasoned analysis of Colorado's water supply and demand situation. Instead of inflammatory slogans and unfair attacks on the loyalty and professional integrity of public officials and advisors, POWER should try to specifically refute Union Park's extraordinary technical claims that the project will enhance the Gunnison's environment, and water based economy. In the meantime, Gunnison's elected officials should have the courage to resist unreasonable political tactics from a few uninformed activists.

Dave Miller (NECO)  
Palmer Lake, Colorado  
(719)481-2003

## NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

September 14, 1990

Senator Tillman Bishop  
Chairman, Legislative Committee on Water  
c/o Legislative Council Staff  
State Capitol Building  
Denver, CO 80203

Dear Senator Bishop:

As a representative of the private sector with extensive water management experience, we respectfully request that your committee sponsor the enclosed State Water Planning Bill during the next legislative session.

We sincerely believe a consolidated state water planning process is long overdue, and one of the most important legislative needs in Colorado's history. We are also convinced that your other pending water bills can be better staffed, formulated, and reviewed within the framework of a formalized planning process.

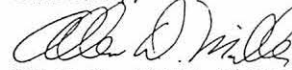
The enclosed article, Colorado's Water Management Crisis, explains the need and urgency for state water planning.

The enclosed paper, Colorado Water Statute Is Helping California, is a good example of how unplanned, piecemeal legislation is inadvertently damaging Colorado's competitive ability to conserve water for its future environmental and economic needs.

If Colorado does not soon adopt an efficient process to resolve its growing internal water conflicts and confusion, our vital water resource decisions will surely be determined more and more by federal agencies and the more unified down river states.

Thank you very much for your thoughtful consideration.

Sincerely,



Allen D. (Dave) Miller  
President

/tjm

Encls: 1) Draft Colorado Water Planning Bill  
2) Article, Colorado's Water Management Crisis  
3) Paper, Colorado Water Statute Is Helping California

cc: Colorado legislators and water management agencies



RESULT. What effect did your activity have toward the betterment of the public lands and resources?  
The Union Park water supply alternative will save the nationally treasured South  
tte Canyon and fishery from being inundated by Two Forks Dam and Reservoir. It will  
o help the Western river ecosystems during critical multi-year drought periods. The  
ky Point hydroelectric peak power operation will reduce the need for polluting fossil  
l power facilities in the West.

INVOLVEMENT/COMMITMENT. Answer only one of the following (as appropriate to your category  
selection).

- A. Individual category: Explain the extent of your personal contribution to this activity.
- B. Group, organization, public/private partnership, business or governmental body categories: Explain  
the degree of participation received from citizen groups, governmental bodies, the general public  
and/or other groups.
- C. Media category: Explain your contributions to public awareness of the public lands. Videotapes,  
newspaper and/or magazine clippings, etc., should be submitted to support your explanation.  
The Union Park Project has been purchased by Metro Denver's Arapahoe County, and  
initial subscribers are The City of Gunnison and the Castlewood and Parker water  
tricts. Union Park and Rocky Point are scheduled to come on line in 1997.

REPLICATION: For our information only, please explain how your activity can be adapted or  
expanded to other areas and locals. This information will not be rated.

The above two projects are large enough to satisfy a large part of the West's  
re growth need for both power and water.

SUGGESTIONS: Please make any suggestions for improving the Take Pride in America Awards  
Program here. This information will not be rated.

#### INATOR INFORMATION

inator Name Allen D. (Dave) Miller

nization Natural Energy Resources Company (NECO)

President Daytime Phone Number (719) 481-2003

ess P.O. Box 567

Palmer Lake, Colorado 80133  
City State Zip Code

#### ADS APPLICATION PACKAGE CHECKLIST:

quired Submissions:

- Completed Awards Application
- Two-page Summary Statement
- Completed Activity Data Record

ptional Submission:

- Supplementary Information See application for 1989 Celebrate Colorado  
(limit - 10 pages, front and back) awards, and letter dated October 6, 1989 to Legislative  
Water Committee.

*Note chronology  
re NECO/Union Park  
+ CWR PDR*

*B.c.c.k* P. 02  
*Power*  
*7/30/90*

July 30, 1990

SHE IS ALL WET

The front page of the July 25th Gunnison Country Times  
reported that cooperation between regions is the key to Colorado's  
water future. This theme was expressed by most speakers at the  
15th annual Colorado Water Workshop. However, on page 2 the ghost  
writer for POWER's weekly Taylor Talks column continues to attack  
past and present City of Gunnison officials for cooperating with  
the Union Park Water Conservation Project. Union Park's large,  
high altitude storage concept is specifically designed to share a  
small percent of the Gunnison's surplus flood waters with dryer  
populated areas, while providing needed drought protection for the  
Gunnison's water based economy.

POWER's founder may be well meaning, but her uncompromising  
slogans and tactics are misleading the public, intimidating local  
political leaders, and damaging professional careers. The  
democratic process would be better served if POWER's leadership  
would stop questioning the loyalty of anyone who is not bound to  
the selfish slogan of "not one drop over the hill". Instead,  
POWER's leaders should consider some of the historical and  
technical perspectives of those who have more water management  
experience.

For example, during the 1950's the Bureau of Reclamation  
conducted detailed studies that identified up to 450,000 acre feet  
of surplus Gunnison flood waters that could be diverted out of  
basin without impacting senior Gunnison water rights. In 1974 a  
study by Morcan Engineering, Inc. of Delta recommended that the  
City of Gunnison construct a water storage capability. Water  
Resource Consultants, Inc. of Denver and Coe, Van Loo, & Jashke  
Engineering, Inc. of Gunnison conducted a similar study in 1981,  
and as a result, the city now has reservoir decrees on the Taylor  
and East Rivers, as well as Antelope Creek.

In 1982 the founders of Natural Energy Resources Company  
(NECO), decided to defer the transmountain phase of its Union Park  
Project until the demand and politics were clearer. The climate  
improved somewhat in 1984 when prominent West and East Slope  
leaders formed the Colorado Alliance to cooperate on water storage  
projects to save the state's Colorado River compact entitlements  
before these waters were permanently forfeited to California and  
Arizona. A special state water development sales tax was being  
proposed, and the Alliance's initial goal was to construct a  
250,000 acre feet reservoir on the West Slope that could be used  
for recreation, and diversion of 50,000 acre feet to the East  
Slope.

In late 1985 the Gunnison's representative on the Colorado  
Water and Power Authority (Dick Bratton) encouraged NECO to sell  
its Union Park Project to the Authority. The intent was to use

*see  
for 87  
to New  
CWR  
etc.*

a large reservoir on the Continental Divide for drought protection of Colorado's river environments on both slopes. The off-river, million acre-feet, Union Park Reservoir and high volume gravity siphon to the South Platte River will also increase the safe yield of Denver's existing reservoirs by 140,000 acre-feet (40% more than Two Forks). Because of Union Park's unique 2 for 1 "multiplier effect", NECO's international consultants have determined that Union Park's annualized safe yield cost for Metro Denver will be only \$305 per acre-foot. This is less than half the latest unit cost of Colorado's other surface and ground water alternatives, including Two Forks. The balanced Union Park Project has widespread appeal for both slopes, because it uses overlooked surplus waters to save a nationally treasured canyon and fishery near Denver, while augmenting the Taylor, Gunnison, and Colorado River flows in critical drought periods. It will also stop further over-depletion of the Upper Colorado headwaters, which currently supply all of Colorado's transmountain water. Union Park's water rights were recently purchased by Metro Denver's Arapahoe County. The City of Gunnison, Town of Parker, and Castlewood Water District are the initial subscribers. Union Park has excellent potential to be Colorado's primary, multipurpose, water conservation project of the future.

In addition to these two major environment enhancing water projects, NECO has conducted a factual information campaign over the last three years to promote coordinated local/state/federal water planning for the arid Western United States. This ongoing campaign has highlighted several "overlooked", but superior, alternatives to the environmentally destructive Two Forks Dam as a prime example why coordinated water planning is needed. EPA's veto and the rapid decline of political support for Two Forks is solid evidence of the campaign's impact. Further confirmation of the program's effectiveness can be obtained from local, state and federal permitting officials, as well as from Two Forks proponents and the national environmental community.\*

- 2. Replication:** For our information only, please explain how your activity can be adapted or expanded to other areas and locales. **This information will not be rated.**

Coordinated local/state/federal water planning will facilitate environment enhancing water conservation projects in the West, based on informed consensus building, instead of the traditional nonproductive infighting between historically competing interests. Although Colorado's high topography generates most of the renewable water for the West, local state, and federal officials are severely handicapped in evaluating specific Colorado water developments because of the state's past resistance to any form of state and regional water planning.

- 3. Suggestions:** Please make any suggestions for improving the Celebrate Colorado Awards Program. **This information will not be rated.**

Suggest the Celebrate Colorado awards committee be composed of a wide spectrum of responsible citizens who are not closely associated with special interest groups.

\*The attached August 28, 1989 letter to USFS is an example of numerous letters promoting Western water planning.

Contact Lisa Largent or Kate Kramer at (303) 866-3311 with any further questions

- Printed on Recycled Paper -

## 1989 TAKE PRIDE IN AMERICA AWARDS APPLICATION

## NOMINEE INFORMATION

(Please type)

Name of Individual/Group Being Nominated\* NATURAL ENERGY RESOURCES COMPANY (NECO)

Nominee Address P. O. BOX 567

PALMER LAKE, COLORADO 80133  
City State Zip Code

Contact in Nominee's Organization ALLEN D. (DAVE) MILLER Title PRESIDENT

Daytime Phone Number (719) 481-2003 Category Name ENVIRONMENT

Type of Organization (Check Only One)

- Civic  State  Federal  Military  Media  Conservation  Employment  User-Group  
 Citizen  Youth  Fraternal  Professional  Corporation  University  Community  
 Other (Specify) \_\_\_\_\_

Responses must be confined to the space provided on the application. (do not "reduce" your answers)

1. **DESCRIPTION:** Describe your activity (e.g. clean up, patrol/watch, communications program).  
Since 1982 NECO has developed two major water projects that will provide 1,000 megawatts of non-polluting peaking power for the West, and drought protection for Metro Denver and three major Western river systems. In addition, NECO has initiated a public awareness campaign for initiation of state and regional water planning to optimize the use of Western water resources.

2. **PURPOSE:** Why did you conduct this particular activity?  
These activities were conducted to enhance the Western states' environment, while realizing a reasonable return for the company's investors.

3. **METHOD:** How did your activity further the Take Pride in America goals? (See page 2)  
The Rocky Point Power Project is designed to use western public lands and waters to provide the world's largest, most efficient, non-polluting peaking power operation. The Union Park Water Supply Project is designed to store surplus flood water of the Gunnison Basin in a large high altitude reservoir on the Continental Divide for release to the South Platte, Arkansas, Gunnison and Colorado River systems during multi-year droughts.

4. **RESULT:** What effect did your activity have on public awareness of the need for wise use of public lands and resources?  
NECO's water resource planning and development work informed the public and federal permitting officials that Colorado had overlooked sound water supply and power alternatives for both population growth and environmental protection. This realization led to EPA's veto of Denver's environmentally destructive Two Forks Dam.

\* If there is more than one group involved in this nomination, name the lead group on the application, then provide the organization name, address and phone number of the other groups on a separate sheet of paper.

# 1989 Celebrate Colorado! Awards Application

Mail to: Celebrate Colorado!  
Governor's Office  
136 State Capitol Bldg.  
Denver, CO 80203-1792

All entries must be received by October 1, 1989

## NOMINEE INFORMATION (Please type or Print clearly)

Name of Individual/Group being Nominated NATURAL ENERGY RESOURCES COMPANY (NECO)

Nominee Address P. O. BOX 567

PALMER LAKE

COLORADO

80133

City

State

Zip Code

Name in Nominee's Organization Allen D. (Dave) Miller Title President

Daytime Phone Number (719) 481-2003

Type of Award (Check only one, see Fact Sheet for details)

- Constituent Organization       Business/Corporation       Youth Group
- Civic/Citizen Organization       Educational Institution       Individual
- Government

Submitted by Allen D. (Dave) Miller

Name

*Allen D. Miller*  
Signature

**DESCRIPTION:** Describe your environmental activity, the role you or your organization played, and how it contributed to the goals of *Celebrate Colorado!*. The description should be no longer than 500 words—additional sheets of paper may be included if the space provided is not enough. **Please type or Print clearly.**

Since its founding in 1982, Natural Energy Resources Company has conceived and aggressively pursued two major water development projects that will have significant environmental and economic benefits for Colorado and the Western United States.

The 1,000 megawatt Rocky Point Pumped Storage Hydroelectric Project will provide clean, low-cost, peaking power for the Western power grid. This \$995 million project at Taylor Park Reservoir in Colorado's Gunnison County is projected to come on line in 1997. Detailed engineering estimates by NECO's major engineering firms indicate that Rocky Point will be the world's largest, most efficient, non-polluting, peaking power operation. During its first 30 years the project is projected to save Western power users \$11.3 billion, as compared to the best fossil fueled alternatives.

NECO has also conceived the Union Park Water Supply Project, which is designed to store surplus flood waters from the untapped Gunnison Basin in

Take Pride in America 1989 National Awards Program



Certificate of Merit

presented to

Natural Energy Resources Company (NECO)

in recognition of demonstrated commitment and exceptional contribution to the volunteer stewardship of America's natural and cultural resources.

Presented on behalf of the Take Pride in America Campaign, 1990

Barbara Bush

Barbara Bush, Honorary Chairman,  
Blue Ribbon Panel of Judges

Manuel Lopez

Willie W. Carr

Dave McNeill



ARAPAHOE COUNTY COLORADO  
533 South Prince Street - Littleton, Colorado 8016  
BOARD OF COUNTY COMMISSIONERS

John J. Nicholl  
District No. 1

Thomas R. Eggert  
District No. 2

Jeannie Jolly  
District No. 3

June 29, 1990

(303) 795-4630  
FAX 730-7903

Roger Morris, Editor  
Gunnison Country Times  
P.O. Box 240  
Gunnison, CO 81230-240

Dear Mr. Morris:

In order to try to set the record straight I'd like to point out that Arapahoe County's Union Park Project respects all water rights presently decreed for use in irrigation and stock watering.

The private minimum stream flow water rights, which Arapahoe County believes are invalid, are not decreed for irrigation or stock watering. These rights benefit only the property owners along certain stream segments by increasing the amount of water which flows past those scenic properties on its way out of our state. Some of these stream flow rights exist on the Taylor River below the dam as evidenced by the prominent "No Trespassing" signs. If I'm not mistaken these rights, known as the Vader rights, are owned in part by Mr. Sams, publisher of the Gunnison Country Times.

These stream flow claims are far in excess of what is necessary to support rafting, fish or plants. These claims are also far in excess of the minimum stream flows which the same private landowners agreed to accept in the decree for the Union Park Reservoir project's hydro power rights.

These claimed instream flow rights are invalid because under Colorado law only the Colorado Water Conservation Board (CWCB) may own or acquire minimum stream flow decrees. There has never been a time in Colorado when a valid instream water right could be acquired which did not require proof of a beneficial use such as a commercial fish hatchery. Colorado law has always barred private instream water rights for scenic purposes.

The only legal and practical way to assure Taylor River stream flows in the amounts decreed by the CWCB, 100 cfs May through September and 50 cfs at other times, without drawing down the Taylor Reservoir, as I remember about 3 feet in 1989, is to build the Union Park Project and reach agreement on releases of water for this purpose. Arapahoe County has always been willing to discuss this. A 40 year USGS record of Taylor River stream flows shows minimums in the range of no flow to 2270 cfs. Wouldn't it seem more sensible to capture the excess spring runoff in Union Park and release it as needed to maintain stream flows? Union Park is the only viable way to assure in stream flows during drought periods. Arapahoe County is not seeking to cancel any presently used decreed irrigation or stock water rights, amounting to about 360 acre feet between Taylor Reservoir and Almont, and has no reason to do so. There is plenty of water for everyone if we use it wisely!

Very truly yours,

*Thomas R. Eggert*  
Thomas R. Eggert  
Arapahoe County Commissioner

/jkl

June 4  
Miller letter  
over



THE SECRETARY OF THE INTERIOR  
WASHINGTON

June 15, 1990

Dear Take Pride in America Award Winner:

On behalf of the Take Pride in America campaign, I am pleased to inform you that you have been selected as a National Semi-Finalist in the 1989 Take Pride in America National Awards Program.

The fourth annual Take Pride in America National Awards Ceremony will be held in Washington, D.C., this summer at a time soon to be released. You will be receiving an invitation to attend this ceremony as well as a special VIP reception that will be hosted by The Nashville Network and the American Recreation Coalition.

I want to take this opportunity to commend you for the outstanding work you are doing to promote wise use of our nation's public resources. Your involvement in this campaign helps to ensure that future generations also can enjoy and benefit from our public resources.

A Certificate of Merit is enclosed. I hope this will express to you in part our appreciation for your efforts and the contribution you are making to this great nation.

Once again, congratulations on your selection as a semi-finalist, and we look forward to seeing you at the awards ceremony this summer.

Sincerely,

*Manuel Lujan Jr.*

Enclosure

*man*



June 4, 1990

GUNNISON COUNTY'S COURAGEOUS WATER POLICY

Gunnison County Commissioners are courageously developing Colorado's first County Water Policy. This farsighted effort could lead to modernization of the state's obsolete water management practices. Several popular Colorado water myths are objectively being considered in the process, i.e.,

**Future Water Needs** Contrary to common belief, West Slope consumptive water needs are steadily declining with the gradual shift from agriculture, mining, and timbering to a more tourist oriented economy. Some areas are retiring marginal irrigated land because of excess salt build up from traditional deep irrigation techniques. Modern trends toward ditch lining, shallow irrigation, and other water conservation techniques are also reducing consumptive needs for agriculture. Colorado's recently completed Phase I Upper Gunnison Water Study conclusion that West Slope consumptive needs are growing is based on invalid engineering assumptions that are not consistent with worldwide irrigation trends. Since over 95% of the West Slope's consumptive water is used for agriculture, small incremental improvements in irrigation efficiency are multiplying the amount of water available for municipal, industrial, recreational, and environmental uses, either in Colorado or downriver.

**Underutilization of Water** Many West Slope water diversions for agriculture are substantially greater than required by crop consumption and ditch flows. Colorado's historically wasteful "use it or lose it" laws are one of the reasons. Under current Colorado law, any outside interest can challenge any water right by technically proving underutilization. Water laws in other Western states are changing to promote conservation instead of waste. Colorado water strategists should quickly seek realistic ways to hold and utilize its growing water surplus before it is permanently lost to thirsty downriver users.

**Wet vs. Dry Cycles** As the state with the highest terrain, Colorado has bountiful renewable water resources. On the average, the Gunnison Basin loses almost a million acre feet of Colorado's interstate compact entitlement as a free gift for the grateful down river population areas. During wet cycles, this lost surplus can more than double. In multi-year droughts, the West Slope's environment, agriculture, and tourist economies are seriously threatened. Colorado needs more high altitude water storage to accumulate excess water in wet years for use on both slopes during the critical drought cycles. The populated East Slope is willing to pay for the West Slope's drought protection storage. Local interests on both slopes need to recognize that objective planning and cooperation are the keys to balancing the state's water between the wet and dry cycles and areas of supply and demand. Surplus water held in high altitude storage for droughts has immeasurable environmental value compared to the wasted 60 day flood runoff during wet cycles.

**Upper Gunnison vs. Upper Colorado Basins** The overlooked Gunnison River is by far the largest leak in Colorado's water compact entitlements. On the other hand, the seriously dewatered Colorado main stem tributaries provide all of Colorado's transmountain water to the East Slope via 18 diversion projects. The Colorado River Water Conservancy District is worsening the West Slope's grossly unbalanced water usage by cooperating with the Denver Water Department's ill-conceived Two Forks, Muddy Creek, Straight Creek, Eagle Piney, and Green Mountain diversion plans. Meanwhile, this District is incongruously trying to prevent the untapped Gunnison Basin from obtaining needed drought protection and recreation storage by fighting Arapahoe County's multipurpose Union Park Water Conservation Project. Union Park's massive, high altitude, off-river reservoir can economically satisfy Metro Denver's growth needs, while providing guaranteed drought insurance for the Gunnison's water based environment. Union Park can also help correct the West Slope's seriously unbalanced water usage between basins.

**Phase I Upper Gunnison Basin Water Study** The Upper Gunnison and Colorado River Districts initiated the state's Phase I Study primarily to determine how Gunnison water exports to the East Slope could be used to enhance the Gunnison's water based economy. This was an excellent objective. Unfortunately, local politics improperly influenced the study to the point where it is misleading and largely useless as a planning tool. In fact, most of the study's public funds were spent on a futile attempt to prove a Gunnison Water District controlled diversion from Taylor Park Reservoir would be more viable than other ongoing alternatives, including Union Park. Union Park's unprecedented environmental and economic advantages for the West and East Slopes were totally ignored, and its construction costs were grossly exaggerated. Because of this distorted study, Gunnison officials and the concerned public have been left with a planning guide that is seriously hampering the public's understanding of the Gunnison's water situation. This void could soon be corrected with an objectively managed Phase II Upper Gunnison Water Study. However, the Upper Gunnison and Colorado River Districts are currently refusing to participate in Phase II. This is a clear case of power politics over public interest. The public needs to know the overall long-term value of well conceived water conservation projects for their local environments and economies.

Gunnison County Commissioners are providing a great public service by insisting on an objective County Water Policy that is based on facts instead of reactionary citizen group scare slogans, such as "not one drop over the hill". Hopefully, the Gunnison's courageous grassroots water policy efforts will soon inspire our reluctant state leaders into formulating a coherent, long-overdue, State Water Policy. Colorado is the only Western state that still relies primarily on very costly, unresponsive, court determinations for managing its water resources. Concerned Colorado citizens should press for modern policy and planning practices for managing Colorado's water in this new age of environmental enlightenment.

Dave Miller  
Palmer Lake, Colorado 80133  
(719)481-2003

Handwritten initials or mark.

POWER  
5/30/90

NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

May 30, 1990

Board of County Commissioners  
Gunnison County  
200 East Virginia  
Gunnison, Colorado 81230

Re: Gunnison County Water Policy

Dear Commissioners:

Gunnison County Commissioners should consider several popular water misconceptions during its June 5th public work session to develop a County Water Policy, i.e.,

**Future Water Needs** Contrary to common belief, West Slope consumptive water needs are steadily declining with the gradual shift from agriculture, mining, and timbering to a more tourist oriented economy. Some areas are retiring marginal irrigated land because of excess salt build up from traditional deep irrigation techniques. Modern trends toward ditch lining, shallow irrigation, and other water conservation techniques are also reducing consumptive needs for agriculture. The Phase I Upper Gunnison Water Study conclusion that West Slope consumptive needs are growing is based on invalid engineering assumptions that are not consistent with worldwide irrigation trends. Since 95% of the West Slope's consumptive water is used for agriculture, small incremental improvements in irrigation efficiency are multiplying the amount of water available for municipal, industrial, recreational, and environmental uses, either in or out of Colorado.

**Underutilization of Water** Many West Slope irrigation diversions are substantially higher than required by crop consumption and ditch flows. Colorado's wasteful "use it or lose it" laws are one of the reasons. Under current Colorado law, any outside interest can challenge any water right by technically proving underutilization. Western water laws are also changing to promote conservation instead of waste. Colorado water strategists should seek realistic ways to utilize its growing water surplus before these waters are permanently lost to thirsty downriver users.

**Wet vs. Dry Cycles** As the state with the highest terrain, Colorado has bountiful renewable water resources. On the average, the Gunnison Basin loses almost a million acre feet of Colorado entitled water as a gift for the grateful down river population areas. During wet cycles, this lost surplus can more than double. In multi-year droughts, the West Slope's environment, agriculture, and tourist economies are seriously threatened. Colorado needs more high altitude water storage to accumulate excess water in wet years for use on both slopes during the critical drought cycles. The populated East Slope is willing to pay for the West Slope's drought protection storage. Local interests on both slopes need to recognize that objective planning and cooperation are the keys to balancing the state's water between the wet and dry cycles and areas of supply and demand.

Y-30-90 WED 9:38

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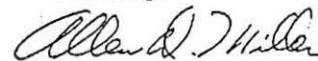
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**Upper Gunnison vs. Upper Colorado Basins** The overlooked Gunnison River is by far the largest leak in Colorado's water compact entitlements. On the other hand, the seriously dewatered Colorado main stem tributaries provide all of Colorado's transmountain water to the East Slope via 18 diversion projects. The Colorado River Water Conservancy District is worsening the West Slope's grossly unbalanced water usage by cooperating with the Denver Water Department's ill-conceived Two Forks, Muddy Creek, Straight Creek, Eagle Piney, and Green Mountain diversions. Meanwhile, this District is incongruously trying to prevent the untapped Gunnison Basin from obtaining needed drought protection and recreation storage by fighting Arapahoe County's multipurpose Union Park Water Conservation Project. Union Park can economically satisfy Metro Denver's future needs, while providing guaranteed drought insurance for the Gunnison area. Union Park can also help correct the West Slope's seriously unbalanced water usage between basins.

**Phase I Upper Gunnison Basin Water Study** The Upper Gunnison and Colorado River Districts initiated Phase I primarily to determine how Gunnison water exports to the East Slope could be used to enhance the Gunnison's water based economy. This was an excellent objective, but unfortunately, this state sponsored study was influenced to the point where it is misleading and largely useless as a planning tool. In fact, most of the Study's public funds were spent on a futile attempt to prove a Gunnison District controlled diversion from Taylor Park Reservoir would be more viable than other alternatives, including Union Park. Union Park's unprecedented environmental and economic advantages for the West and East Slopes were totally ignored, and its construction costs were grossly exaggerated. Because of this distorted study, Gunnison officials and the concerned public have been left with a planning guide that is seriously hampering the public's understanding of the Gunnison's water situation. This void could soon be corrected with an objectively managed Phase II Upper Gunnison Water Study. However, the Upper Gunnison and Colorado River Districts are currently refusing to participate in Phase II. This is a clear case of power politics over public interest. The public needs to know the long-term value of well conceived water conservation projects for their area.

Gunnison County Commissioners can provide a great public service by insisting on an objective County Water Policy that is based on facts instead of POWER's irrational scare slogan of "not one drop over the hill". Hopefully, the Gunnison's grassroots water policy efforts will soon force our reluctant state leaders into formulating a coherent, long-overdue, state water policy. Colorado is the only state that still relies primarily on very costly, unresponsive, legal determinations for managing its water. Concerned Colorado citizens should press for modernized water management practices in this age of environmental enlightenment.

Sincerely,



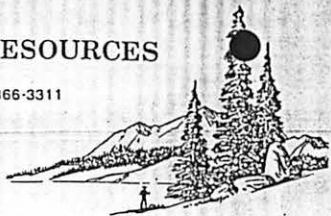
Allen D. (Dave) Miller, President

ADM/bm

cc: interested local, state, federal officials.

DEPARTMENT OF NATURAL RESOURCES

T. J. BARRY III, Executive Director  
 Sherman St., Room 718, Denver, Colorado 80203 866-3311



Geological Survey  
 Board of Land Commissioners  
 Mined Land Reclamation  
 Division of Mines  
 Oil and Gas Conservation Commission  
 Division of Parks & Outdoor Recreation  
 Soil Conservation Board  
 Water Conservation Board  
 Division of Water Resources  
 Division of Wildlife

April 24, 1990

Mr. W. Watts  
 7231 W. Bayaud Place  
 Lakewood, Colorado 80226

Dear Mr. Watts:

Governor Romer has asked me to acknowledge your essay "Colorado Water Perestroika." Many of the suggestions and observations you offer are interesting ones - in fact, several have been incorporated in legislation and introduced into the General Assembly, although without success.

As we enter the 1990's we will certainly need to examine how we plan for and manage water use and development. I appreciate your taking the time to share your ideas on this critical subject with the Governor.

Sincerely yours,

HAMLET J. BARRY III  
 Executive Director

HJB:c1b

0427A

*P.S. I did listen to your comment at a Senate Ag. committee hearing on 5/15/86 or 8 weeks ago, and I appreciate the thought & time that went into your presentation.*

COLORADO WATER PERESTROIKA

Public frustration with Two Forks and Colorado's confused water scene has generated several water bills in this legislative session. Unfortunately, the proposed bills, would worsen Colorado's ability to manage its water resources for today's environmental, recreational, and economic values.

Because of strong parochial differences between basins, Colorado's Legislature has purposely structured state water management agencies to be weak and ineffective. In fact, Colorado's Natural Resources Department, State Engineers Office, Water Conservation Board, and Water Development Authority have all been given nebulous, overlapping legislative charters to plan, promote, and develop Colorado's water for the public's optimum benefit. Confusing charters enable these agencies to avoid the politically difficult task of developing specific state water policies and plans. The resulting policy and planning vacuum has created management chaos and a costly water development grid lock. Our water tap fees are the highest in the West. Colorado's economy and public are suffering, while the more organized down river states and federal agencies preempt our water development decisions.

Objective state water planning became essential in the 1970s, when the federal government started reducing its funding for Western water development. However, Colorado is the only Western state that has refused to establish a strong state water planning function within its non-political State Engineers Office.

Colorado is also the only state that still requires costly court action for allocating its renewable surface waters. This highly confrontational, legalistic system supports 70 percent of our nation's water attorneys. The public ultimately pays for their endless infighting and delays. This non-technical group now also dominates our state water management agencies, as well as the politically powerful water conservancy districts.

Water conservancy districts are the state's only governmental bodies that have court appointed board members instead of members elected by the people. Because of this unique closed system, it is almost impossible to get new thinking into Colorado's traditional water establishment.

The proposed water bills sound good on the surface. However, they all have similar hidden agendas to preserve the status quo, while protecting powerful interest groups. Instead of these unproductive water bills, Colorado needs basic legislative restructuring to modernize its water management practices, i.e.:

1. Consolidate state water planning under an independent, non-political agency such as the State Engineers Office.
2. Terminate the politically oriented Colorado Water Development Authority, and re-assign its water development function back to the more effective Colorado Water Conservation Board (CWCB).
3. Direct the State Engineer's Office, in concert with CWCB, to formulate a state water plan to serve as a non-political water development guide for local, state, and federal decision makers.
4. Require at least half of the governor appointees to the Water Conservation Board to be water resource specialists, instead of non-technical representatives of special interest groups.
5. Require the State Engineers Office to issue technical opinions based on engineering and environmental merit before new water development applications are automatically referred to the courts.
6. Publicly elect water conservancy district board members.

Abner Watts, P.E., Lakewood, (303)237-3449  
 Dale Raitt, P.E., Lakewood, (303)489-7427  
 Consulting Engineers & retired Bureau of Reclamation executives

# NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

May 21, 1990

## Members

People Opposed To Water Export Raids (POWER)  
P.O. Box 1742  
Gunnison, Colorado 81230

Subject: **POWER'S MISTAKEN WATER PURPOSE**

Dear POWER Members:

People Opposed To Water Export Raids (POWER) should broaden its purpose from: "Not One Drop Over The Hill" to an objective understanding of Colorado's public water interests. It was a mistake for a concerned Gunnison citizens' group to launch a media campaign against water diversion from the untapped Gunnison Basin before investigating the technical facts. The resulting misinformation could seriously damage Colorado's public interests on both slopes.

Colorado's social and economic progress has historically been plagued by counterproductive infighting between the more populated East Slope and the water rich West Slope. POWER seems determined to widen this emotional gap by misusing the media to exploit old water fears.

POWER could better serve the public by first acknowledging that some water projects can be very beneficial. Each project should be thoroughly evaluated before judging its relative merit. For the last several years, our company's water resource experts have been evaluating the extraordinary potential of the Gunnison's Union Park Water Conservation Project. As a result, we have claimed many unprecedented benefits for both slopes. To date, no one has successfully refuted any of our basic facts. Those who take the time to objectively understand Union Park, soon become believers. This is why Arapahoe County, City of Gunnison, Parker, and Castlewood Water Districts were the early subscribers. Other public entities will soon follow. West Slope interests should be the most enthusiastic, because Union Park can help correct its seriously unbalanced water usage between basins, while providing invaluable insurance against the damaging drought cycles. History shows that multi-year droughts are the only uncontrollable threat to the West Slope's environment, recreation, agriculture, and economic values.

The underlying value of Union Park's massive, high altitude, off-river, storage is based on the fact that renewable surface flows vary drastically between the inevitable wet and dry cycles. Union Park will store surplus flood waters in wet years for managed release to both slopes during the destructive dry years. On the average, the Gunnison Basin currently loses almost a million acre feet of Colorado entitled water to the grateful down river states. In some years this surplus is more than double the average, while in other years there is a severe shortage -- even for senior appropriators. Water has practically no value when it is flooding, but its value during droughts is immeasurable. Union Park will augment the Gunnison,

2

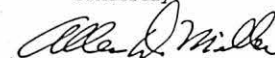
South Platte, and Arkansas rivers during droughts, while satisfying Metro Denver's future growth for about half the unit cost of the discredited Two Forks concept. Union Park will also substantially enhance the Gunnison's water based recreation economy by providing an excellent Lake Trout fishery and stabilizing the current wide fluctuations in Taylor Park Reservoir.

POWER is unfortunately using the emotional transmountain feature of Union Park as a media red herring. Several hydrology studies show Union Park can guarantee Taylor River flows 100% above the Colorado Water Conservation Board minimums, while still diverting an average 60,000 acre feet to Metro Denver. If Union Park is integrated as a dry year backup for Denver's existing reservoirs, this 60,000 acre feet can increase Denver's safe yield by 120,000 acre feet. We believe this 2 for 1 multiplier effect is unprecedented in water engineering history. If Union Park's annual diversion averaged 80,000 acre feet, the Taylor River's guaranteed summer flows would still be 50% higher than the CWCB minimums. Without Union Park, the record shows there have been many drought years when the Taylor and Gunnison Rivers have been substantially below CWCB's minimums. During these severe drought periods, the Gunnison area's environment, agriculture, recreation, and economy are seriously damaged.

If POWER were to adopt a constructive water purpose, a more appropriate name might be: **People's Objective Water Environmental Review**.

We wish you the best as a future positive force for helping educate the public in the factual complexities of managing Colorado's bountiful, but uneven water resources.

Sincerely,



Allen D. (Dave) Miller  
President

ADM/bm

cc: Interested local, state, and federal entities.



# Gunnison Country used to plans

## Water projects swamped by objections

GUNNISON from Page 1B

both of which oppose the projects. Tom Griswold, Aurora's utilities director, says abundant water in the Gunnison area isn't being used and is subject to appropriation.

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But even removing water from an existing reservoir will cause substantial legal problems, Sims said, because critics claim the bureau's water decree says water can't be shipped out of the basin.

Potential lawsuits over a proposed Blue Mesa water sale aren't the only court challenges anticipated.

In the next year, two trials are slated in state Water Court with more than 30 individuals, companies and governmental agencies opposing the projects.

Aurora and Arapahoe County also face challenges by the National Wildlife Federation, which insists that project impact on the environment should be arguable in Water Court.

That claim has been rejected by the Water Court, but the federation has said it plans to appeal to the Colorado Supreme Court.

In addition, extensive water litigation ongoing in Greeley could affect the amount of water available

to south suburban users.

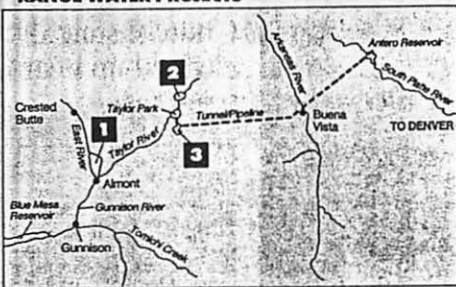
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### PROPOSED UNION PARK AND COLLEGIATE RANGE WATER PROJECTS



1. AURORA'S PROPOSED ALMONT RESERVOIR
2. AURORA'S PROPOSED PIEPLANT RESERVOIR
3. ARAPAHOE COUNTY'S PROPOSED UNION PARK RESERVOIR

The Denver Post

to south suburban users.

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dy Andrews, said the cost to mitigate environmental damage from Union Park — pegged at \$6 million — is much less than the cost for Aurora's reservoirs.

In addition, Andrews said, Union Park is more environmentally acceptable because it's an "off-stream" reservoir fed by small creeks and springs. It wouldn't dam a major river.

In droughts like the one now parching the Gunnison Basin, the carry-over supply in Union Park could do a lot to help maintain stream flows.

But the Union Park sales pitch hasn't dissuaded those who insist that "not one drop" be exported from the basin to the Front Range.

Sims says the bottom line is that either project permanently deprives the basin of its most valuable natural resource.

"That water will be no more," he said. "Once that water is pumped over the hill, it never again contributes to that basin. That's the worst impact. That in and of itself is the single most environmentally damaging aspect of both plans."

## NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

April 10, 1990

Governor Roy Romer  
State Capitol Building  
Denver, Colorado 80203

Subject: Governor's Consistency Review, Muddy Creek Transmountain Diversion Project.

Dear Governor Romer:

Request a veto of the Final EIS decision during your consistency review of the proposed Muddy Creek Transmountain Diversion Project.

As indicated in our enclosed March 17, 1990 letter to the U. S. Forest Service and the Bureau of Land Management, subject EIS violates both logic and environmental laws requiring objective consideration of all viable alternatives. Colorado's water usage between basins is seriously out of balance. The Muddy Creek diversion would only worsen this untenable situation.

Federal and state agencies are currently severely handicapped by Colorado's EIS review process for water developments. This is because Colorado is the only Western state that has not inventoried its water resources and developed some planning guidelines for its future growth. The resulting water development gridlock is sapping the state's resources, damaging our economy, and creating the highest water development costs and fees in the West.

We strongly recommend that state laws be changed to allow state and federal evaluation of water development proposals within the context of statewide water policy and planning guidelines. This would be good management -- not socialism, as indicated by Colorado's politically powerful water traditionalists.

The public deserves some aggressive leadership in this very important state water management arena.

Your views on this subject would be appreciated.

Sincerely,

Allen D. (Dave) Miller  
President

ADM/bm

Encls: Letter dated March 17, 1990, Union Park Facts, April 3, 1990.  
cc: USFS, ELM, state legislators.

es unite to fight  
Arapahoe 'raid'

4-16-90

position to Gunnison Basin  
is much less ethereal —  
would-be water developers  
of locusts.

Arapahoe County wants to  
to 100,000 acre-feet of wa-  
the Gunnison River and its  
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Gunnison County," as resi-  
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Environmentalists, profes-  
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the proposals.

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records and Water Court  
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Please see GUNNISON on 1B

NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

FAXED TO (303)844-8243)

April 16, 1990

Governor Roy Romer  
State Capitol Building  
Denver, Colorado 80203

Dear Governor Romer:

Request an immediate Governor's statement refuting today's Denver Post article that indicates state agencies oppose the Union Park Water Conservation Project for environmental reasons.

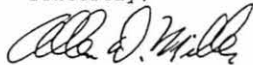
Assistant Attorney General Steve Sims is the attorney representing the Colorado Division of Wildlife and the Colorado Water Conservation Board. He is advising the media these agencies are opposing Union Park because it will cut river flows and damage the environment.

The Sims' statements have no basis in fact. Union Park's high altitude water storage is specifically designed to enhance Colorado's environment by augmenting river flows on both slopes during the damaging drought cycles. No Colorado agency has evaluated the potential beneficial uses of the Gunnison's wasted flood flows, and no state agency has evaluated Union Park as a water conservation pool for enhancing Colorado's four major river environments.

Union Park water rights are currently being considered in state water court. An unsubstantiated public statement by a state official against a proposed water development is unprecedented in Colorado's legal history. An immediate public refutation from your office is a necessary first step toward correcting the prejudicial damage.

Please advise with regard to additional action contemplated.

Sincerely,



Allen D. (Dave) Miller  
President

1DM/bm

Enclosure: Denver Post Article, April 16, 1990.

cc: Colorado Attorney General, Division of Wildlife, Water Conservation Board, Department of Natural Resources, State Engineer, Arapahoe County, City of Aurora, Colorado Legislators, Denver Post.

STATE OF COLORADO

EXECUTIVE CHAMBERS

136 State Capitol  
Denver, Colorado 80203-1792  
Phone (303) 866-2471



Roy Romer  
Governor

April 26, 1990

Allen D. "Dave" Miller, President  
Natural Energy Resources Company  
P.O. Box 567  
Palmer Lake, CO 80133

Dear Mr. Miller:

Thank you for your April 16, 1990, letter.

The State of Colorado has not taken a position in opposition to the Collegiate Range or Union Park project.

Mr. Sims of the Attorney General's Office informs me that the statement that implied otherwise in The Denver Post was based on the fact that the Colorado Water Conservation Board and Division of Wildlife filed statements of opposition to the water rights applications of the City of Aurora and Arapahoe County. This action gives the state agencies standing in the water court to seek terms and conditions to protect the senior water rights they own in the Upper Gunnison Basin. Filing a statement of opposition is not an unusual step for interested parties to take in a water court proceeding.

Even though Colorado does not, at this time, support or oppose either of these projects, there are a number of issues of concern to the state, some of which were described in the article. These concerns vary to some degree depending on the project under consideration. Assuming either of these projects moves forward, we expect these concerns will be addressed through the normal environmental impact statement process.

Thanks again for writing.

Sincerely,



Roy Romer  
Governor

Andrews

THE DENVER POST

# Water projects swamped by objections

GUNNISON from Page 1B

...with which oppose the projects. Tom Griswold, Aurora's utilities director, says abundant water in the Gunnison area isn't being used and is subject to appropriation.

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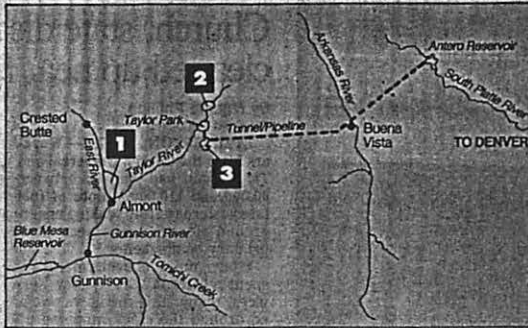
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high volume gravity siphon to the South Platte and Metro Denver will only be used as back up drought insurance for Metro Denver's existing reservoirs. The Upper Gunnison's environment and water based recreation economy will benefit from stabilized reservoir levels and guaranteed river flows. Metro Denver will welcome the privilege of paying for a project that will provide a very low cost water supply for its future growth. Environmentally damaging reservoirs on the scenic Gunnison and South Platte Rivers will not be required. If the City of Gunnison retains its \$1,000 option contract to participate in Union Park, it will net a value of at least \$50 million in needed storage, water rights, and reduced power fees for its citizens. Union Park will stimulate Colorado's entire economy with its superior efficiency.

**FACT NO. 5 - Collegiate And Taylor Not Comparable** The Collegiate Range and Taylor Park transmountain diversion proposals from the Gunnison are not comparable with Union Park. Aurora's Collegiate concept would siphon continuously to a Two Forks type reservoir on the South Platte from a small collection reservoir above Taylor Park. Another small reservoir on the East River at Almont would supposedly mitigate the constant flow diversion to the East Slope. The Upper Gunnison River District's proposed Taylor Park diversion is similar to Collegiate, except the Bureau's Blue Mesa Reservoir would absorb the diversion loss. Both of these concepts would worsen the current problem of wide fluctuations in Taylor Park Reservoir levels and Taylor River flows. These concepts would also seriously impact major tourist routes, and require additional carryover storage on the South Platte. In contrast, Union Park holds many years of surplus flood flows in remote, high altitude, West Slope storage where it can be flexibly managed to guarantee water supply and environmental protection for both slopes during the critical drought cycles.

**FACT NO. 6 - Benefits For Bureau** As early as 1983, the Bureau of Reclamation acknowledged the benefits of Union Park's water regulating and conservation benefits above its Blue Mesa complex. By capturing and holding low value flood waters at high altitude, the value of these waters is increased many fold when it is released to the Bureau's down river power and water supply systems during drought cycles. Because of this very important drought augmentation for the Colorado River, the Bureau and other down river water users may be interested in paying a share of Union Park's construction cost.

**FACT NO. 7 - State Water Planning** Until the 1970's, the Bureau of Reclamation did most Western water planning. Now that federal construction funds are drying up, Colorado is the only Western state that has not developed a strong water planning agency of its own. In fact, Colorado's water management agencies are prohibited from evaluating the state's overall water development options. This is because of historical mistrust between basins, and a complete dependence on a highly legalistic procedure for allocating the state's water resources. In this planning vacuum, high handed proposals like Two Forks can be forced on our innocent public without due regard to the state's overall water supply and environmental situation. None of our state's water management agencies officially evaluated the ill-conceived Two Forks concept. If Colorado had effective water planning, the ignored Union Park Project would have clearly surfaced long ago as the most efficient, environmentally sound, large water alternative ever conceived for Colorado.

(This Natural Energy Resources Company message was prepared for a special April 3rd public meeting on water, sponsored by the City of Gunnison. Natural Energy is a private water development firm that sold its Union Park Project to Metro Denver's Arapahoe County in 1988 for \$2.2 million.)

Sue  
1988  
60

## Candidates' set up offices four blocks apart

amage would be... Assistant At-  
General Steve Sims, who repre-  
the Colorado Water Conservation  
and the state division of wildlife,



April 3, 1990

### UNION PARK FACTS

(The Gunnison's Water Conservation Project For Colorado)

**FACT NO. 1 - Surplus Water** During the 1950's, the Bureau of Reclamation's Regional Water Planning Studies identified up to 450,000 acre feet of surplus Upper Gunnison flood waters that could be used for East Slope growth, without adversely impacting senior water rights or the environment. Since that time, Upper Gunnison water needs have actually been declining, because of improved irrigation techniques and retirement of marginal land that has become salty from over irrigation. By comparison, the Denver Water Department's safe annual yield from its existing West and East Slope reservoirs totals 295,000 acre feet. Colorado is annually losing over 900,000 acre feet of its Colorado River Compact entitlement via the Gunnison River. Down river states are happily using this surplus water at no cost, because Colorado has not been able to develop it for its own usage.

**FACT NO. 2 - Unbalanced Usage** Colorado's renewable surface water consumption is seriously out of balance. Currently, all transmountain water for East Slope use comes from the Upper Colorado Basin via 18 diversion projects. Although this basin has already been severely dewatered, the cumulative impact of the planned Two Forks, Muddy Creek, Home Stake II, Straight Creek, East Gore, Eagle Piney, Green Mountain, etc. would further damage this area's seriously depleted headwater tributaries. Meanwhile, the wetter Upper Gunnison area remains untapped and generally overlooked when considering the state's overall water resources.

**FACT NO. 3 - Union Park's Efficiency** By pumping less than 10% of the Gunnison's wasted flood waters into high altitude Union Park storage, this 900,000 acre feet West Slope reservoir will provide invaluable benefits for Colorado's four major river environments. Union Park's off-river storage can provide needed drought cycle protection for the Gunnison, South Platte, and Arkansas River environments, while also satisfying Metro Denver's future growth needs. The Upper Colorado will also benefit, as it will not be necessary to construct the near and long-term diversions planned from this dewatered area. Corps of Engineers' computer analysis has confirmed Union Park can increase the Denver Water Department's safe annual yield by 2 acre feet for every acre foot actually diverted to the South Platte. Because of this unprecedented "multiplier effect", Union Park can increase Metro Denver's safe annual yield 40% more than Two Forks for about half the unit cost.

**FACT NO. 4 - Benefits For Upper Gunnison** The Union Park Water Conservation Project will provide major environmental, recreational, and economic benefits for the Upper Gunnison area. The Taylor Park Reservoir and Taylor River currently experience wide fluctuations from floods and droughts. During multi-year droughts, the Taylor and Gunnison Rivers are currently reduced to damaging low levels. Union Park can guarantee flows on these rivers at rates substantially higher than the minimum flows recently established by the Colorado Water Conservation Board. Union Park's 4,000 acre reservoir will also be a world class Lake Trout fishery located in a remote, off-river, sage covered bowl with a very low cost dam site. At 10,000 feet altitude, Union Park will be the world's largest and highest multi-purpose water project. The non-polluting peaking power revenue from its high tech reversible pump generators will more than pay for the cost of filling this reservoir. The

# 'Gunnison Country' opposed to water plans

## Former foes unite to fight Aurora, Arapahoe 'raid'

By Bill McBean  
Denver Post Staff Writer

Initial opposition to the Two Forks dam and reservoir began with grumbling about the partial destruction of an obscure butterfly's habitat.

But early opposition to Gunnison Basin water projects is much less ethereal, dropping on would-be water developers like a plague of locusts.

Aurora and Arapahoe County want to remove 60,000 to 100,000 acre-feet of water a year from the Gunnison River and its tributaries. That's enough water for an extra 400,000 people.

But opposition to the south suburbs' "raid" on "Gunnison Country," as residents call it, has united former enemies. Cattlemen and environmentalists, professors and state bureaucrats are linking arms against the proposals.

Even though the suburbs don't anticipate needing the water for at least 20 years, they already face substantial obstacles in bringing the first drop over the Continental Divide.

Aurora city records and Water Court depositions show:

- Bald eagle habitat is threatened by Aurora's proposed Almont Reservoir. The reservoir would be formed by damming the East River and inundating the Roaring Judy Fish Hatchery, both of which serve as a source of food for the bird.

- Brown trout in the Taylor River may be reduced by as much as 70 percent if proposed reservoirs cut stream flows.

- At least 200 acres of federally protected wetlands are endangered by Aurora's Collegiate Range project and Arapahoe Park's Union Park project.

- Winter grazing land for Rocky Mountain bighorn sheep, elk and deer would be inundated in the Almont area.

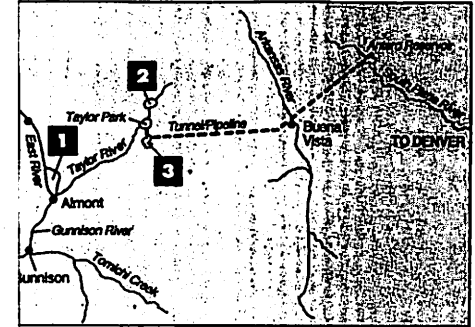
Still, the chief objection to the projects is the loss of water.

"If you divert 100,000 acre-feet to the eastern slope, which is what both plans contemplate, you would essentially cut in half the flow of the river. That's where the real damage would be," said Assistant Attorney General Steve Sims, who represents the Colorado Water Conservation Board and the state division of wildlife.

Please see MTA on 2B

# vamped by objections

## PROPOSED UNION PARK AND COLLEGIATE RANGE WATER PROJECTS



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The Denver Post

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## ices four blocks apart

Please see MTA on 2B



as Black and Veatch, Harrison & Weston contractors, Motor Columbus, a turbine manufacturer and Credit Swiss, a Switzerland bank.

"While David Miller, NECO president, has been working and people have been laughing, he has rounded up the investors and support," Martineau said. "They are now applying for federal grants."

Rocky Point calls for a smaller reservoir in a meadow high on Matchless Mountain, immediately south of Taylor Park Reservoir. Water would be pumped up from

session, many suggestions on a course of action were aired by people. Local Realtor Don Wilson suggested that pressure be applied for the state to encourage some of the Front Range growth be directed to areas such as the Montrose-Delta corridor or the corridor from Monte Vista south to the New Mexico bor-

included Vancouver. Martineau, Butch Clark, Paul Vader, Marlene Zanetti, Peter Smith, Pete Klingsmith and Alva May Dunbar, was formed to provide leadership to POWER.

The next meeting of the group is Thursday, March 15, at the county courthouse.



## Monte Carlo Extravaganza Prospers!

Dear Community:

The 5th Annual Gunnison Valley Hospital Benefit held February 10th was a tremendous success. We want to acknowledge those community members who supported this event with a hearty thanks.

The following volunteers devoted many hours of energy and hard work and deserve public recognition for their triumphant efforts:

### Our "Monte Carlo" Steering Committee:

Sandy Leinsdorf, Ann Parker, Linda Goldman, Ellen Ranson, Kay Folks, Janie Landry, Carolyn Virden, Sandy Sampson, and Keith Hegarty

### The Dealers:

Ken Deming, Debe & Bill Hancock, Bill Hall, Bill Sweltzer, Steve Landry, Bob Haley, Okie Mark, Robb Austin, Chris "Oz" Osmundsen, David Leinsdorf, Lella & Glenn Calkins, Bill Goldman, Hank & Sally Hoessl, Mary & Keith Hegarty, Paul Nordstrom, Rich Buchanan, Arden Anderson, Jay Wolkov, Jennifer Olsen.

You performed a "class act" the entire evening and your long hours are certainly appreciated.

### Casino Table Sponsors:

Sweltzer Oil, Inc., Gunnison Bank & Trust, KVLE, Dos Rios Golf Club, Gunnison Country Board of Realtors, Hall Realty, John Parker, Pizza Hut.

Special thanks to Tara Lambert, Mary Hegarty, Jane Haley, Mary B. Vader, Karen Hankins, The Gunnison Rotary Club and Donna Hebel of Mountain Air Balloons for decorating. Manor sponsors who contributed our grand prizes: American Airlines, Ralph Walton, Crested Butte Mountain Resort, Partners Restaurant, Ellen's Bed & Breakfast, and David Leinsdorf. The Grande Butte Hotel for hosting the event. All our wonderful media people and press, including B & B Printers, Gunnison Country Times, Chronicle/Pilot, The Shopper, KVLE, KWSB, and KBUT. Thanks for all the "ink" & "air".

And, last but not most of all, a very gracious thank you to Keith Hegarty of interiors for donating so much of his time, his truck and his willingness to help move all the casino tables from Denver to Mt. Crested Butte and back to Denver. Without his physical exertion and means of transporting, this special event couldn't happen. Thank you Keith, you're the greatest!

Hopefully, everyone's name was included that participated as volunteers to such a worthy cause. Congratulations on a big job very well done! Because of you, our hospital is that much closer to achieving our goal to obtain new x-ray equipment.

Respectfully yours,

Mindy Costanzo, Chair  
Gunnison Valley Hospital  
Community Relations Committee

P.S. Dr. John Armstrong was supposed to be one of our "hottest" Black Jack dealers that night but missed the whole event to deliver a baby girl! Thanks Dr. John, and thank goodness for our doctors AND hospital!



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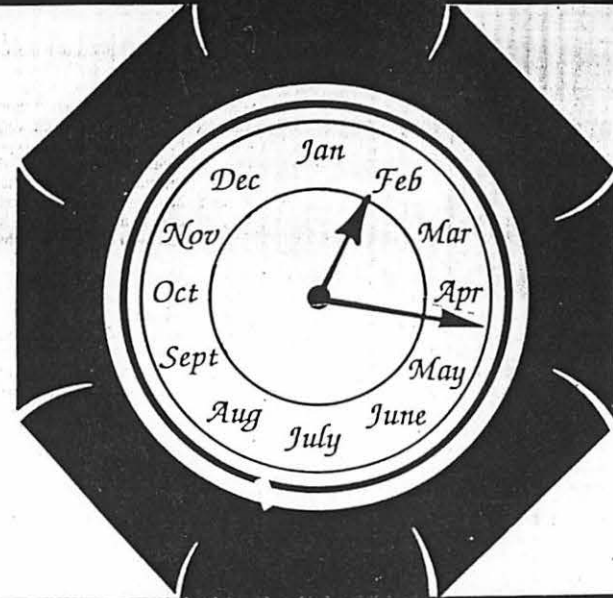
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# State takes instream comments

Water users protest considerations, environmentalist seek opposition

By ROGER MORRIS  
Times General Manager

Whether or not the Colorado Water Conservation Board can or should file opposition to proposed water diversions, because those projects would inundate state-owned stream rights, was argued in Denver on Monday.

Representatives from water user groups argued, and in subtle ways threatened, the state-wide water board if they filed opposition to proposals by Aurora and Arapahoe County to build reservoirs in the Taylor Park area and divert from 62,000 to 108,000 acre feet across the Continental Divide.

Attorneys and former legislators warned that the state assembly was watching the CWCB proceedings carefully.

Aurora water works manager Douglas Kemper encouraged the CWCB to move carefully and delib-

erately on this issue.

He admitted that the Front Range city's project would inundate senior water rights but suggested that these rights could be mitigated or settled in other ways.

Water districts from throughout the state were represented and the cities of Aurora and Colorado Springs aired their concerns.

Fred Anderson, sponsor of the 1973 legislation that created minimum stream flows, argued that it was never his intention or the intention of the legislature that minimum stream flow rights be used to stop water development.

"I think in the state of Colorado we are pushing further and further in this direction and I think it is dangerous," Anderson said. "Nothing in this act should preclude the development of water projects."

He also argued that a stream is not inundated by a reservoir, it still flows along the bottom of the lake

body.

That opinion was shared by several attorneys representing water districts.

Not surprisingly, environmentalists did not agree.

"Calling a stream at the bottom of a reservoir a stream is like calling the sand at the bottom of the ocean at beach," said Susan Allen, director of the Rocky Mountain Biological Lab in Gothic, who was speaking as a director of the High Country Citizens Group.

Allen asked the board to consider not only the environmental downside of the proposed reservoirs but also the economic welfare of the Western Slope which was known for its stream and river fishing.

Flowing streams do not exist underneath overlying reservoirs, said Dr. Jack Stafford of Montana State University who specializes in dam and diversion impacts on rivers and streams.

Stafford has studied the Gunnison River basin waterways for two decades.

"What you're dealing with today is not unique to Colorado," he said of the instream flow issue. "Other states, even other countries such as South Africa, are dealing with this issue."

Impoundment of waters "vastly alters" stream environment, not only at the reservoir site but downstream as well, he said.

"All stream character is basically lost," Stafford said. "The ecology of a reservoir or lake occurs at the top while in a stream it occurs on the bottom."

He called the shoreline ecology of reservoirs a "waste land" in terms of life because of the rising and falling water levels.

Environmental organizations, such as the National Wildlife Federation, the Colorado Environmental Coalition, the Colorado Mountain Club, and the Environmental Law Society at Colorado University urged the CWCB to file papers of opposition so the board can continue to participate in the issue.

Also presenting arguments were the U.S. Fish and Game and the Colorado Division of Wildlife.

Several arguments were made that the board should proceed as if the water rights issue was a simple case with a private water rights owner seeking protection of their right.

The CWCB owns in-stream water rights on the Taylor River, Illinois Creek, Texas Creek, Lottis Creek, Pieplant Creek and the East River, all involved in plans submitted by Aurora and Arapahoe County.

Tyler Martineau, board representative for the Gunnison and Uncompahgre river basins, told the Times last week that he expected the board to take a "middle ground" position on the issue. He said he did not see the board stopping a water project nor would the CWCB give an open license to dam to the water users.

CWCB assistant director David Walker said the board would deliberate on this issue through several meetings in the coming weeks before reaching a decision.

## River district...

Continued from page 1  
Phase II."

Johnston urged the board to tell the state Conservation Board, through its representative Tyler Martineau, that it opposed Phase II as a trans-mountain diversion study.

Phase II should "talk about how water is used within the basin," Johnston suggested, while looking at endangered species as well as water for agriculture and recreation.

POWER representative Marlene Zanetell said that her group agreed with a Phase II in-basin study but opposed an out-basin study.

The river board vetoed Phase II as proposed by the bureau and decided against responding to Aurora and Arapahoe County's overtures to negotiate a trans-moun-

tain water diversion agreement.

As POWER member Ralph Clark III pointed out, "Aurora and Arapahoe County need a certain quantity of water, but however much they get, it will be devastating to us."

River board attorney Dick Bratton countered that if people in this community decided "to fight to the death" against diversion, they may lose everything in water court.

But Gerald Lain urged the river board to tell Aurora and Arapahoe no.

"It will be death if trans-mountain diversion happens," said Lain. "This whole valley will never be the same."

"We're prepared to fight to the death."

## POWER...

Continued from page 1  
enormous project costing almost \$1 billion."

Rocky Point is another project proposed by the Natural Energy Resources Company (NECO), who sold the rights to the Union Park project to Arapahoe County.

Martineau's concerns about Rocky Point are based on the commitments of such large corporations as Black and Veatch, Harrison & Weston contractors. Motor

Taylor during the night, and then pumped back down, through electrical generating turbines during the day.

Martineau said this project would represent an enormous but short-term economic "shot in the arm" for the Gunnison Country but it would also have enormous environmental impacts.

During a question and answer session, many suggestions were made. Some of the suggestions were: a council of action were aired by peo-

der. He noted that water, land and the need for economic development existed in these areas.

Several people pointed out that the city of Gunnison needed to change their position on the water issue or city council members will be replaced. A work session with the city council has been scheduled for March 6.

A steering committee, that included Wendenbach, Martineau, Burch, Clark, Paul Vacker, Marlene

Your opinion should be in print!  
Write a letter to the editor  
Include name, address & phone number  
Mail letter to The Gunnison Country Times,  
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own approximately 20,000 shares of NECO.  
 7. Does NECO have any other projects that could affect our water supply?  
 Answer: Yes! Apart from the Union Park project which has been sold by NECO to Arapahoe County, NECO has another project in Taylor Park called Rocky Point.  
 8. What is happening to this project?  
 Answer: NECO is currently working on

unless we can organize ourselves, our allies and our elected representatives, our own economy will pay the final bill.  
**OUR WATER FOR SALE?  
 AND WHO IS SELLING IT?  
 NECO, THAT'S WHO!**

## the Past By Wenona Warren is need apply

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was the subject of a meeting called Monday by O.C. Kjosness, dean of students at WSC. Kjosness told the group present, that "I think this is a problem about which we need to become aroused. If it is permitted to continue I do not know what will be the outcome." He said the problem here was becoming serious in the college and high school and that he had even heard reports that some marijuana was smoked in the junior high.

The government is willing to purchase flood easements on land along the lower Gunnison River which has been effected by winter ice. BLM officials met here Tuesday with about 35 landowners. Purpose of the meeting here was to give landowners a voice in the solution to the ice-jamming problem.

Crested Butte's second celebration of Flauschink, Colorado's end-of-the-season and good-bye-to-winter festival, is scheduled for April 2nd through 5th.

"Futuristic Friday" an eight-hour membership drive by the Chamber of Commerce brought 56 new members into the Chamber.

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**Editor**  
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## Dear Editor

### Mayor says thanks for land sale support

This is to thank you for your affirmation vote in regard to the election held on the 20th of February.

Although there was light turnout, this is a very important issue for the city, our residents, guests and visitors. We will make every effort to make this industrial site a viable and profitable venture, one that we can all be proud of.

Please rest assured that it is in our best interest to ensure that this site is protected from unsightliness, and we will make every effort possible to enhance the aesthetics of this important gateway to our city.

Again, thank you for taking your time to vote on this issue.

**William J. Nesbitt**  
 Mayor

### Vo-ed staff thanks Times for help

The vocational teachers and students would like to thank the Times staff and the business sponsors for

grow bigger," he said. "I'm of the opinion Denver must conserve if they want to expand."  
**State Rep. Lewis Entz:** Rep. Lewis Entz left no doubt to his favor of any Gunnison County diversion project.  
 "Hell no" said Entz. "I never have been in favor of that."  
 Entz said the county is overappropriated as it is and that he was upset when Two Forks was killed, because it turned attention to places like Gunnison.  
 "We've got to stop it. That's all there is to it," he said.

### Gunnison City Council

**Mayor Bill Nesbitt:** "Absolutely not. We need to develop a storage component to enhance and provide for a long-term enhancement of the city residents' water. We are convinced that 15 years down the road we will need storage capabilities. We need to be sensitive to our future needs."

**Councilman Don Simillion:** "I sure am not. In the beginning, when we signed an agreement with NECO things were different. Now things have changed, and I am certainly not in favor of trans-mountain diversion."

**Councilman Paul Coleman:** "No. I don't think the city has ever been in favor of it."

**Councilman Jim Gelwicks:** "No."

**Councilman Jesse Stone:** "No. We've expressed that we are going to review our water policy over the next few months. Our current policy is not in favor of transmountain diversion."

### Mt. Crested Butte Town Council

**Mayor Joe Fitzpartick:** "No."

**Councilman Vince Rogalski:** "It depends. If we can work out amicable agreement, and if we have excess water, someone should be able to use it. But if they take all my water that won't work."

**Councilman Jace Dunkin:** "I'm definitely against it."

**Councilman Dave Siengo:** "On the surface no."

**Councilman Paul Hird:** "Absolutley not."

**Councilman Edward Callaway:** "No."

**Councilman Richard Dobbin:** "No, I'm not in favor of it. Everything has a point where it's negotiable. There may come a point, although I don't believe it, where we can negotiate it. If it means selling off water that we'll need 20 years down the road, if for nothing else but recreation, I'm not in favor of it."

### Crested Butte Town Council

**Mayor Wes Light:** "That's an interesting question because the town of Crested Butte takes water out of the Anthracite Basin and brings it into the Coal Creek Basin. That's trans-mountain diversion. But as for transferring it to the Eastern Slope, I'm not in favor of that."

**Councilman Jim Starr:** "No. I commend the Gunnison Water Conservancy District for the action they took in opposing the diversion to Aurora."

**Councilman Scott Sylvester:** "No."

**Councilman Jim Schmidt:** "No. I'd be totally astounded if anyone is. It astounds me when anybody up at this end says we have enough water to divert elsewhere. It'll be real interesting in a drought year, like this, to see what they think."

**Councilman Gary Reitze:** "No; I'm not."

**Councilman Gary Sporcich:** "NO. We all have vested interests in water, that's how we manage to stay alive here. The future of Western Slope depends on maintaining in-stream flows."

**Councilman John Norton:** "No."

## Times view

### Water speculators and promoters delux - NECO

Our growing understanding of the role of the U.S. Bureau of Reclamation in approving the Aurora and Arapahoe County water diversion proposals has led us to inquire into the historical roots of those projects. The trail leads right back to the Bureau. Both the Collegiate Range and Union Park projects were conceived and initially developed by former Bureau of Reclamation officials who have received large payments from both Aurora and Arapahoe County — and stand to make considerable fortunes if the projects are built.

Aurora's Collegiate Range Project, for example, was conceived by Marvin Greer, an engineer who worked for the Bureau for 32 years. In 1985, after he had retired from the Bureau, Mr. Greer agreed to sell 95 percent of his idea for Collegiate Range to the city of Aurora. Mr. Greer received \$27,500 from Aurora on signing the deal, and will receive two additional payments of \$100,000 each when (and if) the city obtains a conditional water rights decree and begins construction of the project. Mr. Greer has estimated that his 5 percent share of the water diverted by the project to the east slope will be \$14,000,000.

At the time that he sold the Collegiate Range project to Aurora, Mr. Greer was the largest stockholder in the Natural Energy Resources Company (NECO), and a member of its board of directors. NECO was formed by a group of investors to develop the Union Park Project, which is an alternative to Collegiate Range and in competition with it for the senior water priority. Other principals of NECO included Dale Raitt and Abner Watts, also retired Bureau of Reclamation officials who had been involved in similar water resource projects while they worked for the Bureau. In the early 1980s, Greer, Watts and Raitt, along with a group of water lawyers, engineers and real estate investors from several east slope communities, formed and capitalized NECO.

In 1988, NECO sold the Union Park Project to Arapahoe County for \$2,200,000 plus interest, part of which was paid in cash and the remainder to be paid in stages when (and if) the project receives a water right which is senior to Aurora's right for the Collegiate Range Project and Arapahoe County obtains the necessary funding. As a principal shareholder in NECO, Marvin Greer stands to reap a handsome profit from both projects. Indeed, Mr. Greer's transaction with Aurora led NECO and Arapahoe County to sue him in 1988, claiming conflict of interest. This suit was dismissed early this year after Aurora and Arapahoe County reached an agreement on joint ownership and possible joint development of the two river projects.

Questions and Answers  
1. When was NECO formed and was it incorporated and registered with the state?

Answer: NECO was incorporated in October, 1982, as a Colorado corporation. It is not certified to do business in any other state. It was formed to develop water, power and mineral resources. It was primarily formed to pursue development of the Union Park Project. The company's initial founders were Marvin Greer and Alvin Steinmark.

2. How many stockholders are in NECO?

Answer: Approximately 100.

3. How many shares of stock are issued?

Answer: Approximately 3,000 shares.

4. Who are the officers of NECO?

Answer:

President: Allen D. Miller ("Dave")

Palmer Lake, Colo

Vice-president: Jack Orr

Real Estate Broker

Denver

Treasurer: Uwe Schmidt

Colorado Springs

Secretary: Abner Watts

Lakewood

5. Who are the directors of NECO?

Answer:

Chairman: Allen D. Miller

As above: Jack Orr

Uwe Schmidt

Abner Watts

In addition: Dale Raitt

Lakewood

R. Brunner

Eaton

Leonard Geringer

Wheatland, Wyoming

6. What are the retirement dates of the Bureau engineers who are NECO stockholders?

Answer:

Abner Watts retired from the Bureau of Reclamation in 1981-1982. Mr. Watts owns between 2,000 and 3,000 shares of the shares outstanding. Mr. Watts was a Bureau official officed in Denver.

Dale Raitt retired from the Bureau of Reclamation at about the same time as Mr. Watts. He owns 2,000 to 3,000 shares of NECO. Mr. Raitt was a Bureau official in the water resources division of the Bureau's southwestern region, with western Colorado being part of his territory.

Marvin Greer retired from the Bureau of Reclamation in 1971 and was the "father of the Colorado Big Thompson Project." Mr. Greer own approximately 26,000 shares of NECO.

7. Does NECO have any other projects that could affect our water supply?

Answer: Yes. Part of the Union Park Project which has been sold by NECO to Arapahoe County. NECO has another project in Taylor Park called Rocky Point.

8. What is happening to this project?

Answer: NECO is currently working on

development of the Rocky Point Project. The reservoir at the Rocky Point Project is decreed to store 4,500 acre-feet of water. Consultants for NECO are currently discussing development of this project with the Bureau of Reclamation. Is this project also for sale and, if so, to whom?

When NECO first filed on their Union Park Project, their application was only to produce hydroelectric power and the entire project was based on Western Slope water remaining in the Basin. This was in 1982. Since that time, they have expanded that project to involve trans-mountain export of water which is a "horse of a different color."

There are a great many unanswered questions concerning NECO, not the least of which is "Who are the 100 stockholders in NECO and how much stock does each own?" "How much money did they pay for their stock and when did they buy into NECO?" "Would there be any stockholders in NECO who may have conflict of interest?"

All of this information may be hard to come by as NECO is a privately held corporation. However, if NECO wishes to be completely open with our community, they could furnish a list outlining all of their stockholders, both past and present, and the amount of shares owned. This newspaper would be happy to print such a list for all of us to see.

It is time to get nervous and angry. To consider any water diversion as a possible viable project, the Bureau of Reclamation would have to change its agreements with Western Slope users and its early promise to keep Western Slope water for Western Slope use and benefit. If water were diverted, it would put some money in the Bureau's pocket. In addition, it would be an enormous monetary coup for NECO (Natural Energy Resources Company) and the retired Bureau engineers who are stockholders in NECO.

We only hope that any decisions the Bureau considers making will be completely "arms length."

The water which is so vital to the Gunnison Country has been sold by speculators with close ties to the very agency which controls the headgates to the east slope. The Bureau now hopes to fill its own coffers by selling water from Blue Mesa Reservoir to Aurora and Arapahoe County — water which was appropriated for the benefit of the Gunnison River drainage. This pyramid of multi-million dollar sales is built on our water — our lifeblood — but unless we can organize ourselves, our allies and our elected representatives, our own economy will pay the final bill.

**OUR WATER FOR SALE?  
AND WHO IS SELLING IT?  
NECO, THAT'S WHO!**

## Times Poll

### Are you in favor of trans-mountain diversion in Gunnison County?

#### U.S. elected officials

**U.S. Sen. Tim Wirth:** He said since the project is in litigation and hasn't made it to a federal level, he shouldn't respond.

However, speaking as a 20-year resident of Crested Butte and Gunnison County, Wirth had an opinion: "The idea of diverting water out of Gunnison County would be very damaging to the quality of life...(in Gunnison County)."

**U.S. Sen. Bill Armstrong:** Howard Propst, an administrative assistant for Sen. Bill Armstrong, said: "The senator has not tried to take a position until it has been decided on by state and local officials."

Armstrong does believe it is inappropriate for the federal government to step as it did in the case of the Two Forks project, and that local officials should have the authority to maintain local water needs, Propst said.

That is also a main reason Armstrong opposes a federal reserved water right for the federal government in wilderness areas, because it could inhibit the state in developing water.

Propst said environmental concerns may make future water development "insurmountable."

**U.S. Rep. Ben Knighthorse Campbell:** Carol Knight, press director for Representative Ben Knighthorse Campbell, said Campbell looks at every water project case by case.

What is paramount for Campbell, Knight said, is the community interest. If the mitigation was substantial and it was environmentally sound, he might back a project.

"There would be limited cases where he might support trans-mountain diversion," she said.

Knight noted Campbell's opposition to Two Forks and AWDI (a project in San Luis Valley).

#### State elected officials

**State Rep. Ken Chlouber:** "The ability to divert water to the Front Range is part of our constitutional rights," Rep. Ken Chlouber said. He said Gunnison County can't stop it, but we can demand mitigation for the damages."

**State Sen. Bob Pastore** is adamantly opposed to attempts to divert water from the Upper Gunnison or the San Luis Valley.

"I'm against all of them," said Pastore in a phone interview on Feb. 21. He noted the dry conditions in his district. "We can't make it through a drought cycle with our water being taken."

With water law, Front Range interests could "nail us," but Pastore believes environmental issues, which played a part in Two Forks project being killed, could be the county's saving grace. "More of us need to get on the bandwagon."

He said tourism, a way of life, and even the ecology of the area would be greatly affected by diversion. He said wetlands would dry up if the water is taken.

Pastore said that with a few relatively short tunnels across the divide, a diversion project could be accomplished fairly easily. "I'm really afraid of the combination of San Luis and Upper Gunnison projects."

Pastore said growth in the metro area is already out of hand.

"Until they get pollution in control, they really shouldn't steal water to grow bigger," he said. "I'm of the opinion Denver must conserve if they want to expand."

**State Rep. Lewis Entz:** Rep. Lewis Entz left no doubt to his disfavor of any Gunnison County diversion project.

"Hell no," said Entz. "I never have been in favor of that."

Entz said the county is overappropriated as it is and that he was upset when Two Forks was killed, because it turned attention to places like Gunnison.

"We've got to stop it. That's all there is to it," he said.

#### Gunnison City Council



I make a motion that the city of Gunnison formally and expeditiously withdraw from our agreement with NECO/Arapahoe County regarding water rights in the proposed Union Park

hereby terminate our relationship with our water engineer Mr. Andy Andrews, and, that the city of Gunnison make every effort to secure water storage of our water rights in containers not having transmountain diversion of Gunnison Basin water as a component of the plan, and, that the city of Gunnison continue to vigorously and persistently oppose transmountain diversion of Gunnison Basin water by any and all parties."

Stone stated that he felt that the city's motion should have been discussed in a public forum, and that due to the way it was handled and the decision made by the council, he was forced to tender his resignation, referring to the motion as a "piece of trash."

Mayor Bill Nesbitt pointed out toward the close of the meeting that the motion is something the council has been working on for two weeks, and it's not a product of the council's executive session held prior to the meeting.

## Ski report

as of Tuesday, Feb. 27

### Crested Butte

The area has a 35-inch base with no new snow reported. There are 50 runs open, served by 12 lifts. Ski conditions are packed powder. For the latest snow report information call 349-2323.

### Monarch

Received two inches of fresh snow since sunset and snow was still accumulating on top of a 48-inch base. All trails open, served by all four lifts. Conditions range from powder to packed powder. For the latest report call 1-800-332-3668.

## Weather

Feb. 20	38	17
Feb. 21	38	0
Feb. 22	41	-4
Feb. 23	45	2
Feb. 24	m	m
Feb. 25	48	12
Feb. 26	50	30

## Raising opportunities

Gunnison County rancher Bill Trampe recently had the opportunity to educate Crested Butte middle school students studying such issues as land use planning, history and water issues and how those issues relate to the local area. Students, including Kevin Farmer, Jeff Jarrett, Samantha Gerber, Wendy Brady and Hillary Moon, visited the Trampe ranch and the Ken Spann ranch. Photo special to the Times.

## Voters okay land sale

Despite a small voter turn-out Feb. 20, the city of Gunnison was granted permission to trade or sell a piece of city-owned property located directly north of the airport terminal. The special election passed with a vote of 68-43.

Voters of the city were asked to grant the city permission to trade or sell the land should there be industry or business interested in locating in an industrially zoned area adjacent to the airport.

City Manager Dale Howard said the next step for the city is to have the land appraised should there be anyone interested in it. However, he pointed out that to date, there has been no interest expressed.

Until now, the city has used the lot to store rocks, gravel, asphalt, tree limbs, sanding material, electrical poles and other materials. Howard said the clean-up on the property is underway and should be completed by June 1.

The city recently purchased four acres of land adjacent to the existing city shops on West Virginia. This land is to be used for the purpose of constructing a new city shop and for the storage of materials previously kept on the lot adjacent to the airport.

Howard said he was pleased with the election result, and attributed the votes against to "misconceptions and misunderstanding" surrounding the election.

## Holding, detox and after-care, Part 2

# Lack of services, facilities adds to woes

**EDITOR'S NOTE:** This story is based on discussions Feb. 15 that occurred between state and local officials on the feasibility of Gunnison County establishing a holding facility, detoxification center and after-care programs. The first part of this story covered the concerns that human resource officials had for the problem of substance abuse among the area's youth as well as adults.

By ROGER MORRIS  
Times Managing Editor

While officials recognize the good work of the AA programs, some individuals need more help than these programs can provide or they become repeat offenders and abusers.

But Wright noted that arresting drunk adult probationers is not dealing with the problem.

"There is no after-care here," she said. "I see a real need for detox and after-care."

Representatives from ADAD noted that the four state-funded detox centers in rural Colorado are losing a combined \$73,273 per

year.

"I'll be honest with you, when I heard this (about this meeting) I said 'Oh, God,'" said Chris Olson, ADAD director. "I was very disheartened recently when I went to Durango, Grand Junction and Glenwood. We're losing money in those places, hand-over-fist."

The state is going to have to look at providing a level of services it can afford, she said.

Presently, Grand Junction is the nearest detox center to Gunnison County. There was a facility in Montrose up until three years ago. But that facility was losing enough money per year that it threatened the existence of the Center for Mental Health, its parent organization.

The Montrose facility did well in the winter because "they knew where to find a warm bed and a hot meal," said Wayne

Maxwell, a counselor for the Center.

That low occupancy or participation in such a facility is what is plaguing the four rural facilities. In the six-county area — Gunnison, Montrose, Delta, Ouray, San Miguel and Hinsdale counties — people are going without treatment or services.

"Currently, what's happening in the rest of the area is the same as here," said Larry Sheefey, West Slope program representative for ADAD. "Very few people are going to detox."

Part of the problem is identifying those in trouble, especially if they commit no crimes.

In addition to the lack of detox facilities in Gunnison County, there are no local holding facilities for drunks.

"What we do is avoid drunks at all costs," said Gunnison Police Chief Tom

*"We don't treat them, we just keep them from freezing to death."*

Yates. "It's not against the law to be drunk. We would like to do something because if they (drunks) are out all night they turn into icicles."

Yates said often people are brought to the municipal building and allowed to "sleep it off" or sober up in the police station lobby.

"We don't treat them, we just keep them from freezing to death," Yates said.

Sheriff Rick Murdie said the jail situation is even more dismal.

"When we bring one of these individuals in, we already have inmates at the jail sleeping on the floor," Murdie said. "My people are not trained medically to deal with this situation."

"It's not a crime to be drunk so it creates a paperwork problem for us because their stay can't be recorded."

Murdie doesn't believe jail is the appropriate place for these people.

In many cases, it's not long before some of these people see the inside of the jail as charged criminals.

Certain individuals in this town are  
Continued on page 7

Andy

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# The Gunnison Country Times

110th Year No. 9

Gunnison, Colorado

February 28, 1990

## City drops Union Park

By KERRY MULHOLLAND  
Times Staff Writer

The Gunnison City Council voted Tuesday night to "formally and expeditiously" withdraw from its agreement with NECO/Arapahoe County regarding the proposed Union Park Reservoir. In addition it will sever its relationship with water engineer Andy Andrews and review its relationship with water attorney Robert Krassa.

However, the council was momentarily silenced later in the meeting as Councilman Jesse Stone made an emotional exit, resigning from the council due to the motion which was passed. He was the only council member to vote against the motion.

"A grave error has been by the council," he said. "It was made in response to political pressures and not made in the best interest of the city residents." He added that he felt the decision went against the advice given to the city by professional consultants.

Councilman Don Simillion presented the motion at the meeting which read:

"I make a motion that the city of Gunnison formally and expeditiously withdraw from our agreement with NECO/Arapahoe County regarding water storage in the proposed Union Park

## 'Not one drop': POWER

By ROGER MORRIS  
Times General Manager

Using "Not one drop over the hill" as a rallying cry, 100 residents of the county and city formed a broad-based group last week opposed to water diversion projects proposed for Gunnison County.

Area residents, organizing themselves as POWER — People Opposed to Water Export Raids, signed up for various committees in preparing for what Duane Vandebusch called "a long struggle, a long educational process."

"You've probably heard the old adage, 'Whisky is for drinking and water is for fighting' and that's what we begin tonight," Vandebusch said in opening remarks to concerned residents. "We're here to tell them it isn't going to happen without a fight. We're going to control our future."

This isn't the first threat faced by the Gunnison Country, said Vandebusch. He listed the late 1800 silver panic, past water proposals that failed to materialize and

excessive mining proposals.

"While this is not the first threat," he said, "I think this is the most dangerous threat to the Gunnison Country."

Vandebusch urged the group to adopt two commitments: 1) all decisions will be made by Gunnison County regarding water; and 2) not one drop of water leaves the Gunnison Country.

"We don't want to sell our future for money," he said. "If we don't have water, it's over, our future is over."

Tyler Martineau, local representative of the Gunnison and Uncompahgre river basins, agreed with Vandebusch's concerns and challenged the county's residents to bring unity, determination and

### City council meets Tuesday on water

The Gunnison City Council is meeting in a work session on Tuesday, March 6, to discuss their water policy.

That meeting begins at 7:30 p.m. in Webster Hall, 117 N. Iowa. The meeting is

open to the public.

The council is also tentatively scheduling a meeting in early April as an "open forum" to discuss the city's stance on the water diversions proposed for Gunnison County.

vision to the fight to maintain a quality of life in Gunnison County.

"My hope is unity while my fear is people looking after their own interests," he said. "While those individual interests are legitimate, and they are all valuable, I'm very afraid if we go after our own interests or go our own ways, we will spend our time fighting each other."

He warned that Aurora has unity, they know what they want.

The people and governmental entities in the county need to develop "vision" if preservation of the pristine environment and growth in the county are to occur, Martineau said.

"I hope we can develop within this

county a vision of what we want to become so when the Auroras and Arapahoe Counties come, we already know what we want," he explained. "Determination is my hope and resignation is my fear."

"I don't know how many times I've heard people say, 'it's inevitable, they'll take our water so let's roll over and play dead.'"

Martineau reviewed the four proposed water projects: the Union Park project proposed by Arapahoe County; the Collegiate Range Aurora Project; the Taylor Reservoir Project and the Rocky Point Project

Both Arapahoe County and Aurora are seeking diversion projects which will divert from 62,000 to 108,000 acre feet of water from the Taylor River basin.

While those projects are receiving more publicity and attention, Martineau feels a third project could be as dangerous to the interests of Gunnison County.

"I think it's (Rocky Point) the sleeper in the group," said Martineau. "It's an

Continued on page 3

## River district decides against water diversion

By K.T. LUND  
Special to the Times

The Upper Gunnison River Conservancy Board made it clear Friday: it has no intention of negotiating with Aurora and Arapahoe County. Nor will the board participate with the Bureau of Reclamation (BOR) in a trans-~~mountain~~ water diversion

well as \$1 million to study the project. Bratton suggested the bureau could work on in-basin projects in the Gunnison watershed without having to reverse itself on a 1975 agreement with the river board.

Many of the 75 people present, however, had more immediate concerns about the bureau. Members of POWER (People Opposing Water Export Raids) made the board to vote the bureau's



## LETTERS

# Colorado needs to clear up muddied waters surrounding water policy

Editor: Colorado's abortive Two Forks Dam is a classic example of how public agencies can go wrong when allowed to operate in a policy and planning vacuum.

It all began more than 30 years ago when the Denver Water Department started to secretly purchase West and East Slope water rights for Two Forks. Surrogate buyers were often used to disguise DWD's eventual ownership.

Most of these targeted waters were from West Slope tributaries that had already been severely dewatered by metro Denver. DWD ignored the Bureau of Reclamation's regional studies, which identified the untapped Gunnison Basin as an ideal alternative for East Slope growth.

DWD had its own closed agenda. Its

lawyers skillfully engineered water laws that prevented state agencies from evaluating new water developments. Because of these laws, Colorado is the only Western state that has never developed state water policy and planning guidelines.

A few courageous water engineers questioned the state's unbalanced water usage. Unfortunately, these resource professionals were quickly submerged under DWD's relentless political push for Two Forks.

The demise of Two Forks has now shifted the district's priority to construction of Muddy Creek Reservoir, as an alternative money generator. Muddy Creek may cover the district's substantial staff expenses, but this new diversion project will also

worsen the Upper Colorado's water depletion problem.

If Colorado's laws were changed to allow objective evaluation of the state's water sources, Arapahoe County's Union Park Water Conservation Project would stand out as the creme de la creme of all water projects. This 900,000-acre-foot Upper Gunnison reservoir will soon provide urgently needed drought insurance for Colorado's four major river environments.

In flood times, about one-tenth of the Gunnison's wasted flows will be pumped into long-term, high-altitude storage for release to the Gunnison, South Platte and Arkansas basins during the critical multi-year drought cycles.

The depleted Upper Colorado Basin will

also benefit because DWD's planned Two Forks, Muddy Creek, Green Mountain Straight Creek and Eagle-Piney reservoir would not be required. Colorado is entitled to almost a million acre feet of Gunnison flood waters that are currently lost to California.

Colorado's economy is suffering from costly water development confusion, and gridlock that has created the highest water fees in the West. This cloudy water could be cleared if Colorado would develop an objective policy and planning guidelines for managing its water resources.

DAVE MILLER  
Natural Energy Resources Company  
Palmer, Colorado

Rocky Mountain News Wed., April 25, 1990

## LETTERS

## Colorado well-served by water policy

Editor: Dave Miller's April 5 letter ("Colorado needs to clear up muddied waters surrounding water policy") was a condemnation of one of the finest water systems in the United States. Colorado's system of prior appropriation, which is administered by the water courts, the state

engineer and the Colorado Water Conservation Board, has served Colorado well.

It is not a new water policy that is needed. We need to give all of Colorado participation in all the water to which the state is entitled no matter where it comes from.

Dave Miller deserves support, however, for his proposal that 900,000 acre feet of water to which Colorado is entitled be stored in the Upper Gunnison River Reservoir for use in the South Platte, Arkansas and the Gunnison river basins.

The inter-basin exchange should also be applied to the billions of acre feet of groundwater storage in the San Luis Valley. With additional water storage, interconnected to existing and proposed projects, Colorado could supply water to the entire state in short water years.

DAVID J. MILLER  
Former member, Colorado Water Board



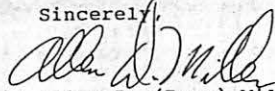
during the critical drought periods. On the other hand, the low altitude Two Forks Dam requires further depletion of the same Upper Colorado River tributaries that have already been hard hit with 19 transmountain diversions to the East Slope. It is well known that Two Forks would also devastate a nationally treasured canyon and fishery near Denver.

In short, the 70 year Two Forks idea gained a great deal of political momentum in Colorado in the absence of a state water plan or objective analysis of reasonable alternatives. We sincerely believe it would be a serious mistake for a Nebraska Republican politician to support Two Forks in opposition to the courageous, farsighted veto decision of the Bush Administration.

We would be honored to further explain the several superior ongoing alternatives to Two Forks whenever desired by you and/or other Nebraska interests.

Thank you very much for your thoughtful consideration.

Sincerely,



Allen D. (Dave) Miller  
President

ADM/bm

Encls: Papers and articles on Union Park

cc: Colorado, Nebraska, and national leaders.



## Board of Water Commissioners

1600 W. 12th Avenue Denver, CO 80254 Phone (303) 628-6000  
Telecopier No. (303) 628-6509

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MALCOLM M. MURRAY, 1st Vice-President  
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DONALD L. KORTZ  
MS. ROMAINE PACHECO

W. H. MILLER, Manager

March 5, 1990

Dave Miller  
Palmer Lake, CO 80133

Dear Mr. Miller:

Ordinarily I read the material that you send out and ignore your continuing attacks on Two Forks.

However, your February 1990 diatribe comparing Two Forks Dam and the Berlin Wall is not only in bad taste, but it is insulting to the Board of Water Commissioners and the 1100 employees here where we are dedicated to providing a community service.

The debate on the facts of any water project - yours included - is one thing. But your most recent comments are in bad taste and inexcusable.



April 27, 1990

Bill:

The Two Forks debacle is a result of management's myopic push for a ruinous concept. The 1100 dedicated employees surely do not share the blame. Neither do most Berliners for the Wall.

DWD's management can soon correct its mistake and provide a community service by participating in an objective evaluation of the superior alternatives that were purposely ignored in the EIS.





**Rocky Mountain News**  
**EDITORIALS**

"Give light and the people will find their own way"

1989 Rocky Mountain News

**LETTERS**

**Colorado's water future lies with Union Park project**

Coloradoans should stop worrying about the Two Forks' veto. For the first time, Colorado has a water project that will be built on both slopes.

The Union Park Project is a \$1.5 billion project. Instead of Colorado losing a million acre-feet of its water to California, a small amount of water will be diverted to California. The Union Park's off-river, sages on the Continental Divide. In this, this Two Forks-sized reservoir will be used to store water by gravity conduit to the river environments on

It was first envisioned by Merrett, retired Bureau of Reclamation engineer and father of Colorado's Big Project. Greer recognized how technology could be applied to build a high-altitude reservoir. He helped form the Natural Resources Co. to develop the Union Park. In 1986, the company released the details when it

was filed in water court for a diversion from the Gunnison River.

The Union Park Project was sold to farsighted Arapahoe County in 1988. Arapahoe County and the City of Aurora have recently agreed to cooperate instead of compete for the Gunnison's flood waters. The Gunnison, Parker and Castlewood water districts are initial Union Park participants. The Denver Water Department and other metro-Denver water providers are expected to join, when they are freed from Two Forks enough to consider Union Park's extraordinary environmental and economic advantages.

Union Park can unite Colorado on water, because it satisfies today's public values regarding the environment, recreation and economic efficiency. Environmentalists are not in the habit of endorsing large water projects, but those who have taken an objective look are impressed with Union Park's capability to benefit river flows and wetlands during droughts. Union Park is environmentally unique, too, because its

remote, off-river site can enhance Colorado's treasured rivers and canyons.

Colorado's water community is also starting to recognize Union Park's surprising advantages. Corps of Engineer's computer modeling has confirmed that Denver's safe yield multiplies by two acre-feet for every acre-foot of Gunnison water actually diverted. This "multiplier" phenomenon is upsetting to many water traditionalists because it is a key reason Union Park's safe-yield cost is only about half that of their Two Forks project.

If Colorado's powerful, appointed water experts were to allow state water planning, the Gunnison's untapped flood waters would quickly surface as the state's most logical future water source. It is only a matter of time until the Union Park Conservation Project becomes the public's water choice for all of Colorado.

ABNER WATTS  
Retired Bureau of Reclamation engineer  
Denver

**NATURAL ENERGY RESOURCES COMPANY**

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

January 18, 1990

Congressional Candidate Merlyn Carlson  
R.R. 1, P.O. Box 6  
Lodgepole, Nebraska 69149

Dear Candidate Carlson:

One of our rancher board members has advised that you are interested in learning more about Colorado's Union Park Water Supply alternative before formulating your pending Congressional election position on Two Forks Dam. The enclosed material briefly explains why the overlooked Union Park option from the untapped Gunnison Basin is substantially superior to Two Forks, from both an environmental and economic viewpoint.

For the past three years our company has been aggressively pointing out to Colorado, Nebraska, and national leaders that the Corps' Metro Denver Water Supply EIS seriously violates the intent of the National Environmental Policy Act (NEPA). This is because the analysis purposely ignored several ongoing water projects that are reasonable alternatives. The Bush Administration is vetoing Two Forks largely because NEPA's basic requirement to study "all reasonable alternatives" was buried under intense political pressure to approve Denver's obsolete Two Forks concept.

You are correct that the Corps' EIS indicates Two Forks would slightly increase the Platte's average flow in Nebraska. However, water right experts know that the EIS overlooked the fact that Denver's West Slope Blue River decrees require maximum use of transmountain water. This means when Denver fully develops its recycling capability, the Platte's total flow in Nebraska would be less than now. Even without recycling, a low altitude South Platte dam would decrease the critical drought flows in Nebraska to the point where dry-ups would jeopardize fish and food supply for water birds.

An even greater threat is the fact that a major low altitude dam on the South Platte will interrupt the natural flood flows in Nebraska. The periodic scouring effect of the floods keeps the Platte's river banks and channels open for the internationally important migratory birds. Open areas are essential to give these birds protection from predators. Wildlife experts who have the freedom to conduct objective studies know that Denver's offer to artificially clear vegetation encroachment along the Platte would not be adequate for Nebraska's highly sensitive bird population.

Union Park's massive, high altitude, off-river storage of a small portion of the Gunnison's wasted flood waters will actually enhance the Gunnison and Platte River flows and environments

# Aurora, Arapahoe County join forces in water development proposals from Gunnison basin

by Laura Anderson

Just days before the start of a civil lawsuit scheduled to last three weeks in Gunnison District Court, the two parties, the City of Aurora and Arapahoe County, reached an out-of-court settlement last week. Under the terms of the agreement, if either Aurora or Arapahoe County's plan to divert water from the Taylor River Basin to the Front Range is approved, the County and the City will split the water. The first government to win approval would allow the other government to purchase 30% of the water. And if the projects are combined, or a currently uncompleted project is built, the water will be split 60/40, with the entity having the most need getting the larger share. The agreement was worked out between Arapahoe County Attorney Larry Vana and Aurora City Attorney Charlie Richardson. Vana estimates that the settlement will save the two entities about \$1 million in court costs.

The settlement resolved a dispute that began in October, 1988, when Arapahoe County sued Aurora and claimed that the city had stolen the idea to divert water out of Gunnison County from the Natural Energy Resources Company, a private water development firm. Arapahoe County bought NECO's plan to build the

Union Park Project, a separate transmountain diversion proposal, also from Gunnison County, in the summer of 1988.

Allegedly, Marvin Greer, one of the founders of NECO, took NECO's plan to divert water and sold it to Aurora in 1986. Greer, or his heirs, would get a five percent interest in the project, valued at \$14 million if Aurora's proposal, the Collegiate Range Aurora Project, is built.

Both Arapahoe County and Aurora want to divert approximately 70,000 acre feet yearly from Gunnison County to the Front Range and have filed for the rights to the water in Water Court. Each faces the opposition of a number of other governmental entities, environmental organizations and individuals. Up until now, they have been opposing each other as well, but they plan to drop their opposition to each other's projects.

"It's real good that we were able to reach agreement," attorney Charlie Richardson said on Tuesday. "Transbasin water diversion projects are very complex, time-consuming and expensive propositions. If governmental entities can cooperate, it certainly is beneficial."

"This settlement doesn't change the issues for us at all," Gary Sprung, president of the High Country Citizens' Alliance, one of the op-

ponents to both Aurora and Arapahoe County, commented Tuesday. "We remain opposed to major transmountain diversions because they limit opportunities for the future of the Western Slope. The Front Range cities need to solve their water problems in new ways, including conserving water in homes and parks, and working with agriculture for irrigation efficiency improvement. A deeper issue than the settlement is the loss of

70,000 acre feet from the Gunnison Basin and the value of that water to us. It's also possible they will become more formidable legal opponents now that they will no longer waste resources fighting each other."

"For the first time, both applicants have acknowledged that only one project can be built," Bruce Driver, attorney for the High Country Citizens' Alliance, noted. "However, now it would be one project with a

combined service area, including both Aurora and the rest of Arapahoe County. That's a bigger service area than has been filed for before."

Attorneys from Aurora and Arapahoe County, as well as their opponents, will be in Montrose Water Court this week for a pretrial hearing on the water rights applications. The trial date for the case will be set, and is expected to take place sometime in the summer of 1990.

## Tony Verzuh still in serious condition

Crested Butte "old-timer" Tony Verzuh is still in intensive care in the Coronary Care/Intensive Care Unit of Saint Mary's Hospital in Grand Junction. Verzuh, 77, suffered a broken pelvis and contusions to the head when he walked into a moving van driven by a local woman November 17 at approximately 7:00 pm. The accident took place at Third St. and Elk Ave. in Crested Butte.

Verzuh was treated for the then suspected broken pelvis and the head contusion by Crested Butte EMTs. He was then transported to Gunnison Valley Hospital; subsequently Verzuh was transported to St. Mary's where he was placed in intensive care.

The Crested Butte Marshal's Department Officer Jerry Heal re-

sponded to the scene of the accident. After investigation he found that the driver of the van was not at fault, and

no charges were filed. Verzuh remains in serious condition.

## CBMR gives \$6,780 to local charities from opening day

Crested Butte Mountain Resort announced that \$6,780 was raised during the "Ski for Charity" opening day Wednesday, Nov. 22 and that all funds would be donated to a list of local charitable organizations, according to an announcement here by Edward Callaway, CBMR president.

In the past, Crested Butte's opening day was free, but last year, the resort charged \$5 for lift tickets, turning all proceeds over to charity. This year, the lift ticket donation was raised to \$10 and 678 people bought day tickets to open the season. The funds will be donated to Gunnison County Hospital, Crested Butte Center for the Arts, Gunnison Health Care, CB Fire Protection District, CB Search and Rescue, Colorado Avalance, Jubilee House, KBUT, Six Points, Two Buttes Senior Center, Vinotok, KWSB, Stepping Stones, Century Club and CB Library Fund.

public and private decision makers at the local, state, and federal level who are concerned with the optimum use and development of Colorado's water resources.

5. The preliminary state water plan shall include, as a minimum, an inventory of the state's total water resources, a draft state water policy, an identification of areas that need further study and/or legislation to improve and update the plan.

### Dissolution of Authority and Assignment of Responsibilities and Funding

1. The Colorado Water Resources and Power Development Authority shall be statutorily dissolved with this act.
2. The Authority's water financing function shall be assigned to the Colorado Capital Finance Corporation, to be used if and when the State Engineer and the Colorado Water Conservation Board agree that state debt financing is advisable for Colorado water development.
3. The Authority's residual water planning, development, and waste water responsibilities shall be consolidated under the State Engineer.
4. The Authority's existing project acquisition and maintenance fund shall be transferred to the State Engineer.
5. The State Engineer's budget shall be revised to cover the funds transferred and its newly expanded responsibility for state water planning.

**NOTE:** Colorado has three state agencies with overlapping responsibilities for water planning and development. Because of Colorado's traditional political divisiveness between basins and interest groups, all three of these agencies have avoided the task of developing a state water plan or policy. Although Colorado's high topography generates much of the renewable water for the West, it is the only Western state that does not have statewide water planning. Colorado's exclusive reliance on its original court based appropriation doctrine has created a confused -- and confrontational climate where water development costs (tap fees) and lead times are some of the highest in the West.

Water planning legislation, similar to this draft, is urgently required as the key first modernizing step toward optimizing Colorado's water management for the greater good and least enviro-economic cost. Colorado's recent piecemeal legislation to improve state water management is proving to be counterproductive without the perspective of a state water plan.

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**NATURAL ENERGY RESOURCES COMPANY**

January, 1987

October 1989

DRAFT

STATE OF COLORADO

A Bill For An Act

concerning a statutory directive for the State Engineer to develop a state water plan, and for the dissolution of the Colorado Water Resources and Power Development Authority.

Bill Summary

Requires the State Engineer to develop a state water plan within certain guidelines. Requires the dissolution of the Colorado Water Resources and Power Development Authority. Assigns the Authority's statutory water financing function to the Colorado Capital Finance Corporation, and its water planning, development, and waste water functions to the State Engineer. Establishes transition procedures and authorizes the transfer of moneys from the Authority to the State Engineer.

Be it enacted by the General Assembly of the State of Colorado:

State Water Plan Within one year from date of this act, the State Engineer shall develop a preliminary state water plan for consideration and approval by the executive and legislative branches. The plan shall be developed under the following guidelines:

1. A State Water Plan Steering Committee shall be formed to advise the State Engineer in developing the plan.
2. The State Engineer shall serve as the committee chairman, and eight additional Steering Committee members shall be recommended by the chairman and approved by the governor for an indefinite period of service.
3. One committee member shall be appointed from each of the following areas of experience: academic, legal, natural resource management, engineering, finance, public administration, private sector water development, and civic organization.
4. The plan shall be developed as an advisory guide for

Subject: Information, Natural Energy Resources Company (NECO)

Background: NECO was formed in 1982 by a group of water attorneys and retired U. S. Bureau of Reclamation executives. The purpose of this private company is to develop major water and power projects. There are currently 118 stockholders with most of the shares owned by twenty major investors. To date, NECO has committed approximately \$1.5 million in cash and services for the development of Rocky Point Pumped Storage Project and Union Park Water Supply Project. NECO has a 1986 agreement with Union Park Constructors (a joint venture between Ebasco Services, Black and Veatch, and Harrison Western) whereby the Constructors perform the engineering and environmental studies, arrange for financing, and provide accounting and management necessary to complete the preconstruction phase of the projects. NECO, in return, has agreed that the Constructors will receive turnkey contracts for construction of the projects.

President and Board Chairman: Allen D. (Dave) Miller, Palmer Lake, Colorado, 55, married with five sons and daughters. University of Colorado, 1954, B. S. degree, Business Administration. University of Tennessee, 1963, M. S. degree, Business Management. Retired from U. S. Air Force 1974, with rank of Colonel. While in Air Force served as a representative and prime mover for United States Department of Defense participation in the international development of intermodal container distribution. Since retiring from Air Force, active in real estate development and private investments.

President and Board Member: Jack R. Orr, Greeley, Colorado, 52, married with four children. Rancher, investor, and real estate broker specializing in farm and ranch properties. Past president of Colorado Cattleman's Association and board member of National Cattleman's Association.

Secretary and Board Member: Rhinie Brunner, 61, Ault, Colorado. Wife deceased, three children. Farmer and cattle feeder.

Accountant and Board Member: Uwe Schmidt, 47, Colorado Springs, Colorado. Married, two sons. B. S. degree, Business, University of Hamburg, Germany. Accountant, real estate broker, developer, private investor.

Board Member: Abner Watts, 65, Lakewood, Colorado. Married, 2 sons. B. S. degree Electrical Engineering, Louisiana Tech University. Registered Professional Engineer in state of Colorado. Thirty-three years experience with U. S. Bureau of Reclamation. Last position was Chief of Power Division, Lower Missouri Region, operating 16 hydroelectric plants and 3700 miles of transmission lines.

Board Member: Dale B. Raitt, 62, Lakewood, Colorado. Married, son and daughter. B. S. degree Civil Engineering, University of Nebraska. Registered Professional Engineer in Colorado and Nebraska. Thirty-one years service with U. S. Bureau of Reclamation. Last position, Assistant Regional Director, Southwest Region.

Board Member: Leonard Geringer, 35, Wheatland, Wyoming. B. S. degree, University of Wyoming. Farmer and cattle feeder. Chairman of Board, Wheatland Area Electric Association.



Parker Water and Sanitation each own 5%. The County might consider conveying its share of the project to some form of a metropolitan water institution, provided it is compensated for its costs in obtaining the project and maintains control over how the project water is allocated and used in the Denver Metropolitan area.

Arapahoe County in 1988 formed the Arapahoe County Water and Wastewater Authority and signed an agreement with the Arapahoe Water and Sanitation District to manage the District's operation. The Authority will work with other water providers in a cooperative manner to enhance their abilities to act together as an effective utility. The Authority's mission is two-fold: To provide cost effective service to its customers and to implement sound planning for effective water management.

With this background, it is easier for you to understand our request that the Legislature provide enabling legislation to allow counties more flexibility in dealing with these issues which directly affect the economic well being of our communities. Arapahoe County is ready to play a key role and to participate in any efforts aimed at securing renewable water supplies for the Front Range urban counties.

The Legislature can do a great deal to encourage water providers to work together and to better manage present and future water supplies. What form might this encouragement take? Let's start by changing to an administrative process for the issuance of a decree. Only Colorado uses the water court system. This would reduce confrontation, process time, costs and result in better management and service to customers.

Second, the administrative process could be used to determine the amount of water required for the use intended, thus freeing additional amounts of water.

Third, the administrative process should use a return on investment concept. What revenue stream flows to the State from the use intended?

Fourth, establish methods to set reasonable minimum stream flows to assure extended seasonal recreation use.

Fifth, eliminate the use of 1041 as it applies to water and its use as a mechanism for blackmail, blocking of projects and escalating costs. Colorado's water is owned by all the people and it should be administered for the greater good!

Sixth, concurrently with the above, assign the Colorado Water Resources and Power Development Authority or the Colorado Water Conservation Board the responsibility to prepare an inventory of water resources and a water plan for Colorado.

Seventh, enact enabling legislation giving counties the same flexibility to deal with water and sanitation issues as cities now have.

You in the Legislature control the future of this State. In closing I'd like you to remember the words of the Roman philosopher Platus, "Wretched business to be digging a well, just as thirst is mastering you!"

## NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

October 6, 1989

Senator Tilman Bishop, Chairman  
Interim Committee On Water  
State Capitol Building  
Denver, Colorado 80203

Dear Senator Bishop:

Thank you for the opportunity to testify before your committee yesterday.

Enclosed please find information on our company's board of directors, per your request.

We appreciate your committee's request for the Authority, Board, and State Engineer's written comments on the specific points in our September 20, 1989 paper on Colorado Water Planning and Development. This is a good way to get to the heart of these difficult state water matters that have long been avoided as too politically charged. When the comments are received, we would surely appreciate a copy.

Your water committee's consideration of urgent legislation for state water planning is also very timely, if we are to stop the Feds and national environmental groups from dominating Colorado's disordered water scene.

Sincerely,



Allen D. (Dave) Miller  
President

ADM/bm

Encl: NECO info paper Jan. 1987, Sep. 20, 1989 paper.

cc: Governor Romer, CWRPDA, CWCB, State Engineer, Legislators.

# NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

October 12, 1989

Denver Water Board  
1600 W. 12th Avenue  
Denver, Colorado 80254

Re: Video - WEALTH OF WATER IN NORTHERN COLORADO

Dear Commissioners:

Your manager's October 4th refusal to stop wide distribution of subject video is a flagrant disservice to the people of Colorado.

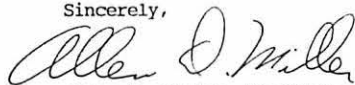
The Denver Water Department's (DWD) May 11th instructions to the video contractor clearly show intent to disguise DWD's editorial and financial involvement, ie: "In your activities relating to this educational project, you should make clear that the views you are expressing and the activities you undertake are those of Rural Marketing Service...it is expected that an educational video will be created and approved by representatives of the Denver Water Department (Ed Pokorney) and the Metropolitan Water Providers (Bob Tonsing)." The acknowledgement at the end of the film and the latest poster wording surely do not give the viewer a true understanding of the extent of DWD's sponsorship. In fact, the video's credits appear to indicate sponsorship by The American Lyceum, Inc., a "Citizen Education - Public Deliberation" organization with close ties to Rural Marketing Service.

The greatest travesty, however, is the video's invalid message that Northern Colorado agriculture will dry up if Two Forks is vetoed by EPA. As indicated in EPA's decision statement, there is no evidence to support this notion. Nevertheless, DWD continues to promote this "red herring" in a desperate attempt to alarm the non-technical public into supporting an outmoded concept that had DWD's total commitment long before the environment became a national concern.

We again ask the Denver Water Board to stop the video for the reasons outlined in our September 27th letter. We also request a response to our longstanding offer to provide DWD engineering assistance to objectively analyze the ongoing alternatives that are not a threat to Colorado agriculture. These are the superior alternatives that were improperly screened from the environmental studies

Thank you for your consideration.

Sincerely,



Allen D. Miller, President

ADM/lbm

Encl: DWD letter dated October 4, 1989

cc: local, state, and national leaders and civic organizations.

STATEMENT DELIVERED BY ARAPAHOE COUNTY  
COMMISSIONER THOMAS R. EGGERT  
TO THE LEGISLATIVE  
INTERIM COMMITTEE ON WATER  
OCTOBER 5, 1989  
Revised October 6, 1989

Thank you for the opportunity to bring to your attention our concerns regarding water supply and water issues in Arapahoe County. I will also bring to your attention suggested changes to the system which could result in better management, increased supplies, reduced confrontation and lower costs.

Because of the uncertainties surrounding the permitting and construction of the Two Forks Project, Arapahoe County, while supporting Two Forks, has been extremely concerned about future availability of renewable and dependable water supplies to serve areas in our County. This concern is shared by other water providers in Arapahoe County who own approximately 50% of the Two Forks Project. In recent years a number of these providers have approached the County to explore possibilities of working together to jointly develop raw water sources that would meet our future water requirements.

The population of unincorporated Arapahoe County is approximately 113,000. This figure is projected to be approximately 320,000 in 2020 for a growth rate of 2.4% per year. The total water demand resulting from the population increase is estimated to be approximately 80,000 acre-feet per year.

Most water providers in Arapahoe County depend in part or in total on non-renewable groundwater supplies. If these supplies continue to be the source of water obviously additional demands will be made on the aquifers. Nine such providers, who use groundwater exclusively, currently consume approximately 12,000 acre-feet of water per year. A current water needs study being done for the County projects that by the year 2010 these nine providers will be using an additional 18,000 acre-feet of non-renewable groundwater supplies. The County has determined that long term reliance on non-renewable groundwater supplies is not responsible public policy.

The County has been involved in discussions with other water providers in the County concerning how the County can assist in acquiring and guaranteeing long term sources of renewable surface water supplies. The County has formed a Utility Advisory Board, consisting of water experts from our districts, cities and businesses to advise the County on water issues. The County, based on the recommendation of its Advisory Board, has undertaken a study to establish a County water resources plan. This plan will identify water sources, demands, distribution systems and institutional issues on a County-wide basis. With this information as a start, water supply alternatives can be identified and acquired.

In August, 1988 Arapahoe County acquired the proposed Union Park Project, a head waters project, which will develop renewable water supplies in the Gunnison River Basin as well as generate hydroelectric power under a conditional FERC permit. Simultaneously with the acquisition of the project, the County entered into an agreement with the Castlewood Water District, under which Castlewood will own 9% of the water yield. The City of Gunnison and







Denver Water Department

1600 WEST 12TH AVENUE • DENVER, COLORADO 80254 • PHONE: 628 6000

p. 2, Mr. Hergert

May 11, 1989

Mr. Richard Hergert  
Rural Marketing Service  
P.O. Box 2052  
Windsor, Colorado 80550

Dear Mr. Hergert:

Attached is a contractual agreement in the amount of \$16,000 for our services and that of Rural Marketing Service from the time of execution of the agreement to July 31, 1989. I would like to emphasize the following points which you and I have discussed and mutually agreed to with respect to the contractual agreement:

1) As an independent contractor, it is important that you remember that you are not an employee, agent, or spokesperson of the Denver Board of Water Commissioners. Rather, in your activities relating to this educational project, you should make clear that the views you are expressing and the activities you undertake are those of Rural Marketing Service.

2) The objective of this contractual agreement is to help educate governmental officials, media, citizen organizations, and others in the northern and northeastern area of Colorado (generally in proximity to the South Platte Valley north and northeast of Metro Denver to the Colorado/Nebraska border) on the proposed Two Forks Dam project, and the governmental approval process in which that project is now involved.

3) In furtherance of that educational project, it is expected that an educational video will be created and approved by representatives of the Denver Water Department (Ed Pokorney) and the Metropolitan Water Providers (Bob Tonsing). The video will be used in presentations and contacts with the media, governmental officials, and others in north and northeastern Colorado.

4) As the Contractor under the agreement, it will be expected that you will inform Mr. Ed Pokorney of the Denver Water Department of the progress of this educational project at least every two weeks, and more frequently if necessary or useful.

5) As described in your proposal of May 4, 1989, it is expected that discussions will be held with officials, citizen groups, business, farm interests, and others in the following counties and cities: Larimer, Adams, Weld, Morgan, Logan, and

Sedgwick counties; and the cities of Ft. Collins, Loveland, Longmont, Brighton, Greeley, Windsor, Ft. Lupton, Ft. Morgan, Brush, Sterling, and Julesburg. It is expected that you will also contact all radio, television, and newspaper media in the listed counties and cities in an effort to gain educational coverage of the proposed Two Forks project, including transmitting of the video, PSAs, news conferences, etc.

6) It is expected you will make presentations to businesses, business groups, chambers of commerce, citizen groups, agricultural organizations, and other entities. As an example of the kinds of groups, the following are agricultural organizations which would be contacted: the Colorado Farm Bureau; the Rocky Mountain Farmers' Union; the Colorado Cattle Feeders; the Colorado Pork Producers; the Colorado Wool Growers; the Western Dairymen Cooperative, Inc.; the Corn Growers Association; the Wheat Growers Association; the Onion Growers Association; the Sugar Beet Association; the Colorado Grain and Feed Dealers; the Colorado Farm Equipment Dealers; the Colorado Fertilizer Dealers Association; and the Colorado Seed Growers Association.

7) It is expected that in furtherance of the educational objective of this agreement, you will prepare the arrangements for such public meetings as are deemed advisable, and attract participants from various interest sectors to such public meetings. It is also expected that appropriate public officials and concerned northern/northeast Colorado citizens will be brought together to exchange views for further educating the public on the proposed Two Forks project and permit process.

Should you have any questions about the scope, nature, or objective of this contractual agreement, please do not hesitate to call me at (303) 628-6506.

Sincerely,

Edward E. Pokorney  
Coordinator, Intergovernmental Affairs

EEL:eze

NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

September 27, 1989

Denver Water Board  
1600 West 12th Avenue  
Denver, Colorado 80254

Dear Commissioners:

Request the Denver Water Department (DWD) issue an immediate public withdrawal of its secret sponsorship of the video: WEALTH OF WATER IN NORTHERN COLORADO. As of this date, DWD has used public funds (\$24,230) to hire a private contractor to produce and widely distribute this grossly misleading video to local, state, and national civic groups, leaders, and media. The public is not being told of DWD's financial and editorial control that is designed to enlist public support against EPA's Two Forks veto.

This video represents a grave disservice to the non-technical public for the following irrefutable reasons:

1. The video's basic theme is that if Two Forks is not built, Northern Colorado's agricultural area will be largely dried up to meet Metro Denver's future water needs. EPA knows there are over 30 large and small water alternatives that were improperly disqualified in the Metro Denver EIS, and none of these "overlooked", ongoing, projects are a threat to Northern agriculture.

2. The video states that Colorado's water experts subscribe to the "Northern Dust Theory", but Colorado State University officials have denied in writing that their studies support this unrealistic worst case scenario. In fact, CSU's water experts generally acknowledge that improvements in Western irrigation techniques are making substantially more water available for urban use via normal marketing practices, without adversely impacting agriculture.

3. The video cites the City of Thornton's purchase of 110 irrigated farms as the only specific example of Denver's expected raid on Northern water. However, the video fails to mention that Thornton's commonly used City-Farm Recycling concept is designed to return 100% of the water to these same farms after it is first used in Northern Metro Denver cities.

4. The video improperly uses testimonies from Senator Bill Armstrong, Representative Hank Brown and Thornton's mayor to give credence to the above fallacies.

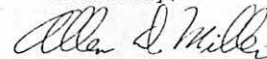
Instead of continuing to use public funds to mislead the

2

public into supporting an outmoded concept, suggest the Denver Water Department direct its technical staff to quickly review the many alternatives that are progressing nicely to meet Metro Denver's future needs. Our engineers and international contractors would be honored to show how Arapahoe County's Union Park Reservoir and Siphon from the overlooked Gunnison Basin can provide drought protection for the environments on both slopes, while satisfying Metro Denver's future needs at half the unit cost of Two Forks.

Please advise regarding our request for termination of the video, and our offer to assist in your evaluation of overlooked alternatives.

Sincerely,

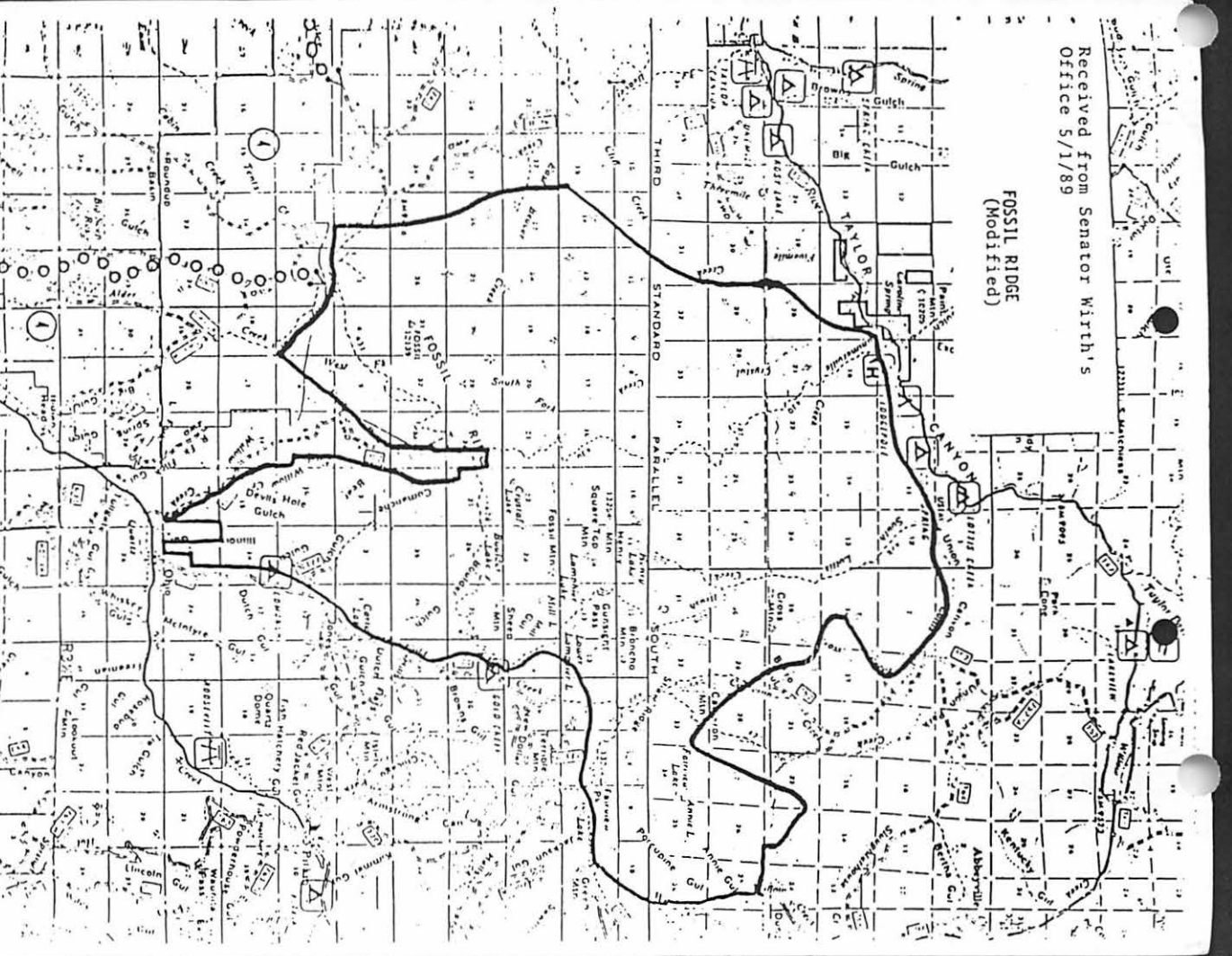
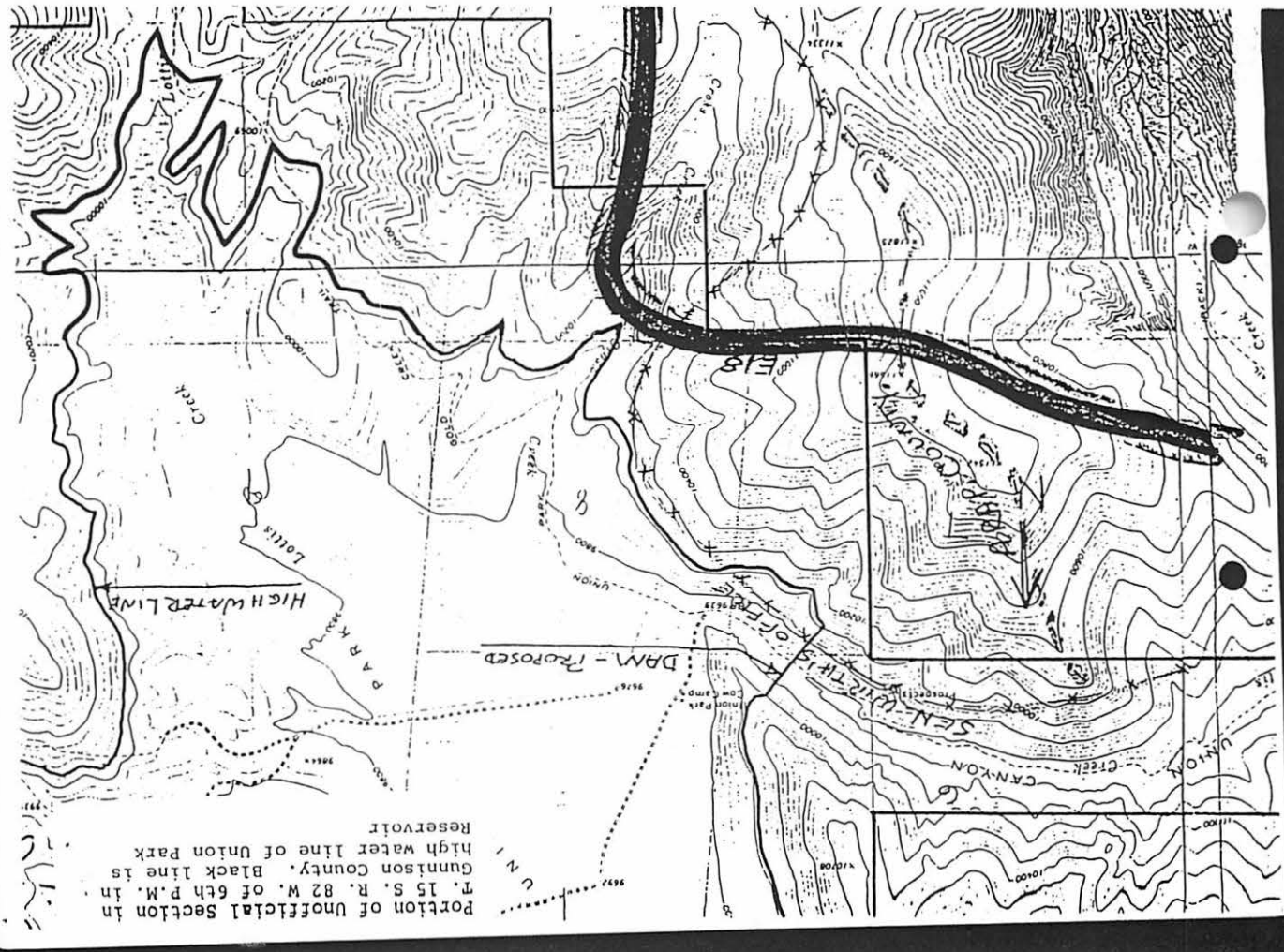


Allen D. (Dave) Miller  
President

ADM/bm

Encl: DWD letter dated May 11, 1989; letter to White House dated September 18, 1989.

cc: local, state, and national leaders, media, and civic organizations.



Received from Senator Wirth's  
Office 5/1/89



ARAPAHOE COUNTY COLORADO  
5334 South Prince Street • Littleton, Colorado 80166  
BOARD OF COUNTY COMMISSIONERS

SEP 11 1989

John J. Nicholl  
District No. 1

Thomas R. Eggert  
District No. 2

Jeannie Jolly  
District No. 3

89 JUN 16 PM 5:03

(303) 795-4630  
FAX 730-7903

TO: JM  
FR: RS

WOULD YOU CARE TO RESPOND?

June 12, 1989

The Honorable Timothy Wirth  
United States Senator  
380 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Wirth:

Re: Arapahoe County/Union Park-Fossil Ridge Wilderness Study Area (WSA)

Arapahoe County owns the Union Park Water Project in Gunnison County. This project is a combined hydro-electric and water supply (both in-basin and trans-basin) project. Water rights have been adjudicated for the hydro-electric aspects, and applications for water rights for the trans-basin aspects of the project are presently pending before the water court. An entity formed by intergovernmental agreement, comprising the City of Gunnison, Arapahoe County and Parker Water and Sanitation District is the holder of a preliminary permit for the power feature of this project issued by the Federal Energy Regulatory Commission. Arapahoe County, the City of Gunnison, Parker Water and Sanitation District, and Castlewood Water District are current subscribers to the water supply feature of this project. Thus, a broad spectrum of Colorado interests is represented by the proponents of the Union Park Project.

On May 5, 1989 the "Water Rights Negotiating Team" wrote to you, and to Senator Wirth, proposing a wilderness package which they are prepared to support. In this letter we are proposing a fine tuning of present proposals in a manner which will integrate both of these objectives in the Gunnison National Forest.

The Union Park Project is referred to at page III-54 of the final Environmental Impact Statement for the Grand Mesa, Uncompahgre and Gunnison National Forests.

After reviewing the map of the modified Fossil Ridge Wilderness Study recently received from your office, and comparing it with the map of the same project in the EIS, we wish to call your attention to the fact that the boundaries of this wilderness study area appear extremely close to the Union Park Project. For your convenience, we enclose with this letter a copy of page III-56, Figure III-11, from the Environmental Impact Statement on which we have marked in green the changes to the boundaries as

shown on the map recently received from your office.

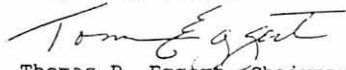
The base map used by the authors of the EIS, as well as the one used in your office, do not show the topography. They do, however, show unofficial section breakdowns in the relevant area. These sections are "unofficial" for the reason that they have not yet been surveyed by the BLM. The very close proximity makes us concerned that the final description of the boundaries of the WSA not rely on such "unofficial" sections.

We would suggest that consideration be given to pulling back the WSA boundary in this area to a location which would be topographically logical. For your convenience, we enclose a USGS Quad Sheet with the two proposed boundaries of which we are aware, as well as our suggested boundary location in this area at the nearest ridge line. We would recommend that the one mile distance suggested in the EIS be maintained between the high water line of the reservoir and the WSA. This map also has marked in the approximate high water line of the Union Park Reservoir Project.

In addition, as our contribution to the spirit of the proposed Wilderness Act, we would propose inclusion of language in the legislative history to the effect that the designation will ensure that no development will occur within the WSA boundary, while multiple uses without inhibition will be permitted outside the boundary. In the absence of such language, it may be wise to pull the boundary of the WSA even farther to the southwest.

There is a considerable amount of information available concerning the Union Park Project and we will, of course, be happy to provide any information which you or your staff may request concerning this matter.

Very truly yours,



Thomas R. Eggert, Chairman  
Arapahoe County Board of Commissioners

/jkl

xc: Russell D. Duree, Gunnison City Attorney  
John E. Hayes, Attorney, Parker Water & Sanitation District  
A. S. Andrews, P.E.  
Gregory J. Hobbs, Jr.  
Ms. Christine Kadlub  
Robert F. T. Krassa, Esq.

enclosures

8. Since its inception, the Authority has provided financing for only one water project (short-term bridge loan for Stagecoach Dam and Reservoir until federal funding received), and most of its effort has been devoted to 7 unrelated, inconclusive water studies that previously would have been handled by the Board.

9. Water studies by the Board and the Authority are only made in response to and controlled by local sponsors, who are interested in promoting their own particular project or viewpoint.

10. Both the Board and the Authority deny any responsibility or interest in conducting studies and state planning that involve the state's larger, controversial questions such as: balanced water use between basins, surface vs. ground water, statewide environmental protection for droughts, technical and legal incentives for city and farm conservation, availability of new water from improved irrigation techniques, alternatives for Metro Denver, and strategic long-range planning.

11. Although the Two Forks Dam proposal is probably the most important water issue in Colorado's history, neither the Board nor the Authority provided any statewide evaluation for the governor and other local, state, or federal officials.

12. Colorado's staff participation in the Two Forks matter was limited primarily to narrowly defined areas involving water quality and wildlife.

13. Because of heavy local influence and past refusal by the Board and Authority to conduct individual studies within the context of statewide water planning, the overall quality and usefulness of Colorado financed water studies is generally very low.

**Legislative Solution:** Reconsolidate all state water planning, financing, and development assistance (including waste water) under the Colorado Water Conservation Board, and direct the Board to prepare an initial advisory type state water plan by January 1, 1991. When debt financing is advisable for Colorado water projects, this technical function shall be assigned by the Board to the established Colorado Capital Finance Corporation for administration.

Allen D. (Dave) Miller  
Natural Energy Resources Company  
P.O. Box 567  
Palmer Lake, CO. 80133  
(719)481-2003

Legislative Outline

for

COLORADO WATER PLANNING AND DEVELOPMENT

**Problem:** Colorado's water development is being seriously retarded because of the state's historic resistance to statewide water planning, and the recent diffusion of accountability between the state agencies responsible for water planning and development.

**Factors Bearing On Problem:**

1. In this age of environmental enlightenment, federal permitting agencies normally expect to evaluate specific water development proposals within the context of state and regional water planning.

2. Colorado is the only Western state that has never developed any form of state water plan to serve as a guide and overall perspective for local, state, and federal decision makers.

3. Colorado's near exclusive reliance on its original "prior appropriation doctrine" tends to create a confrontational water development atmosphere, where protracted legal battles and political momentum are more important than objective engineering, environmental, and economic evaluation of alternatives.

4. Colorado's water development scene is largely dominated by non-technical water attorneys, instead of engineers and natural resource specialists.

5. An estimated 70% of the nation's water attorneys are required to administer Colorado's water structure, and this group generally adheres to the doctrine: "If it ain't broke, don't fix it."

6. Since its inception in 1937, the Colorado Water Conservation Board (the Board) has helped effectively plan, evaluate, finance, and promote over 200 water projects and studies using \$159,868,437 in state funds.

7. In 1981 the Colorado Water Resources and Power Development Authority (the Authority) was established as a political subdivision of the state to specifically obtain low interest bond financing to acquire, construct, maintain, repair, and operate water projects for the protection, preservation, conservation, upgrading, development, and utilization of the state's water resources.



## Ebasco rises as heavy work dips

Reflecting on 1986, many of ENR's top 50 heavy contractors may agree with Jim L. Mann, president of Green Holdings Inc., Irving, Texas, when he says, "It was a year where we just didn't feel we got our fair share." Ironically, Green more than doubled its share of heavy business in the U.S. last year, but few fellow contractors shared such success.

Indeed, the heavy market, excluding powerplant construction, dropped an estimated 5.5% in 1986. The Top 400 Contractors reported a domestic heavy contract volume of nearly \$15.2 billion, down from the estimated \$16 billion the previous year. Several heavy contractors now hope the new federal highway bill will help turn things around in 1987.

Hit hardest last year were the nation's top five heavy contractors, who accounted for nearly a quarter of the industry's total volume in 1985. The group's combined volume dropped 20% last year, leaving it with only a fifth of all heavy work. The nosedive taken by Houston-based Brown & Root Inc., 1984's No. 1 heavy contractor, served as the best example of the market's downturn. The Texas firm not only fell from the top five last year, it dropped 47 slots and reported nearly \$1.1 billion less in its heavy contract volume.

Balancing that departure, New York City-based Ebasco Services Inc. increased its volume by nearly 30% in 1986 and

emerged as the nation's top heavy contractor. Diversifying more into the public sector, Ebasco took on major hazardous-waste jobs in the Northeast for the Environmental Protection Agency and the Army. Traditionally more oriented toward power and utility work, Ebasco last year began putting together "a complete menu of services for its clients," explains Ronald C. Kurtz, the firm's director of corporate relations.

Finishing second by less than a percentage point, Top 400 leader Bechtel Group Inc., San Francisco, increased its heavy construction contracts 29%. Also looking more at hazardous-waste projects and high-tech jobs, Bechtel allotted heavy construction a greater role in its plans last year. Acknowledging that the company had also increased its emphasis on airports, highways and mass transit, Bechtel Information and Planning Manager John F. Campbell notes, "It [heavy work] has become more of a mainstay in our overall business."

Battling declines that ranged from modest to drastic, other top contractors refused to relinquish their high rankings. Suffering respective losses of 41 and 34% in heavy work volume, Guy F. Atkinson Co., South San Francisco, and S.J. Groves and Sons Co., Minneapolis, both remained in the top 10. Boise-based Morrison Knudsen Corp. moved up two slots despite a 10% drop in heavy contracts.

### Top 50 heavy contractors

1986 contracts in \$ million

Rank	Firm	Total	Hwy./br.	Wtr./Dam	Wtr./swr.
1	Ebasco Services Inc., New York, N.Y.	789.1	✓	✓	✓
2	Bechtel Group Inc., San Francisco, Calif.	782.1	✓	✓	✓
3	Kiewit Const. Group Inc., Omaha, Neb.	713.8	✓	✓	✓
4	Morrison Knudsen Corp., Boise, Idaho	460.4	✓	✓	✓
5	Koppers Co. Inc. (CM&S), Pittsburgh, Pa.	390.9	✓	✓	✓
6	Granite Const. Co., Watsonville, Calif.	387.5	✓	✓	✓
7	Guy F. Atkinson Co. of Calif., San Francisco, Calif.	380.9	✓	✓	✓
8	Brinderson Corp., Irvine, Calif.	316.3	✓	✓	✓
9	S.J. Groves & Sons Co., Minneapolis, Minn.	286.2	✓	✓	✓
10	Stone & Webster Engrg. Corp., Boston	236.8	✓	✓	✓
11	H.B. Zachry Co., San Antonio, Texas	227.4	✓	✓	✓
12	Fru-Con Const. Corp., Baldwin, Mo.	224.5	✓	✓	✓
13	Dick Corp., Pittsburgh, Pa.	223.0	✓	✓	✓
14	Green Holdings Inc., Irving, Texas	220.5	✓	✓	✓
15	Yonkers Contracting Co. Inc., Yonkers, N.Y.	218.8	✓	✓	✓
16	T.L. James & Co. Inc., Ruston, La.	217.9	✓	✓	✓
17	Gust K. Newberg Const. Co., Chicago, Ill.	205.0	✓	✓	✓
18	Robert E. McKee Inc., El Paso, Texas	202.1	✓	✓	✓
19	Williams Bros. Const. Co. Inc., Houston, Texas	198.9	✓	✓	✓
20	Kokosing Construction Co. Inc., Fredericktown, Ohio	191.0	✓	✓	✓
21	Paschen Contractors Inc., Chicago, Ill.	190.3	✓	✓	✓
22	The Hardaway Co., Columbus, Ga.	184.1	✓	✓	✓
23	Jones Group Inc., Charlotte, N.C.	179.7	✓	✓	✓
24	Slattery Group Inc., Maspeth, N.Y.	177.2	✓	✓	✓
25	Austin Industries Inc., Dallas, Texas	172.6	✓	✓	✓
26	Danis Industries Corp., Dayton, Ohio	169.2	✓	✓	✓
27	Perini Corp., Framingham, Mass.	167.7	✓	✓	✓
28	Traylor Bros. Inc., Evansville, Ind.	162.3	✓	✓	✓
29	The Tanner Cos., Phoenix, Ariz.	152.0	✓	✓	✓
30	Eby Corp., Wichita, Kan.	151.3	✓	✓	✓
31	The Lane Const. Corp., Meriden, Conn.	129.9	✓	✓	✓
32	Holloway Const. Co., Wixom, Mich.	129.6	✓	✓	✓
33	National Engineering & Contracting Co., Strongsville, Ohio	128.6	✓	✓	✓
34	E.L. Yeager Construction Co. Inc., Riverside, Calif.	125.0	✓	✓	✓
35	J.D. Abrams Inc., El Paso, Texas	119.0	✓	✓	✓
36	Kasler Corp., San Bernardino, Calif.	119.0	✓	✓	✓
37	Lunda Construction Co., Black River Falls, Wis.	117.0	✓	✓	✓
38	IA Construction Corp., Concordville, Pa.	115.0	✓	✓	✓
39	Shook National Corp., Dayton, Ohio	114.4	✓	✓	✓
40	Riedel International Inc., Portland, Ore.	111.6	✓	✓	✓
41	Cianbro Corp., Pittsfield, Maine	109.4	✓	✓	✓
42	Hood Corp., Whittier, Calif.	108.9	✓	✓	✓
43	Great Lakes Int'l Inc., Oak Brook, Ill.	105.0	✓	✓	✓
44	Vecellio & Grogan Inc., Beckley, W.Va.	105.0	✓	✓	✓
45	Mergentime Corp., Flemington, N.J.	101.9	✓	✓	✓
46	The Walsh Group, Chicago, Ill.	94.3	✓	✓	✓
47	Enserch Alaska Const. Inc., Anchorage	93.6	✓	✓	✓
48	Brown & Root Inc., Houston, Texas	93.0	✓	✓	✓
49	Tutor-Saliba Corp., Silmar, Calif.	91.6	✓	✓	✓
50	Horvitz Co., Cleveland, Ohio	89.0	✓	✓	✓

Ranked by value of domestic contracts, excluding construction management contracts, for heavy and highway projects. Excludes powerplants.

## NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

August 15, 1989

Governor Roy Romer  
State Capitol Building  
Denver, CO. 80203

Denver Water Board  
1600 W. 12th Avenue  
Denver, CO. 80254

Arapahoe County Commissioners  
5334 South Prince Street  
Littleton, CO. 80116-0001

Metro Denver Water Providers  
7901 E. Belleview, Suite 270  
Englewood, CO. 80111

Aurora City Councilmembers  
1470 South Havana Street  
Aurora, CO. 80013

Upper Gunnison River Water  
Conservancy District  
Gunnison, CO. 81230

Gunnison City Councilmembers  
P.O. Box 239  
Gunnison, CO. 81230

Commissioner, Bureau of Reclamation  
18th & C Street, NW  
Washington, D.C. 20240

Dear Fellow Conservationists:

An assured water supply for Metro Denver's growth is Colorado's most pressing water conservation issue. The overlooked Gunnison Basin is by far Colorado's largest untapped renewable water source. The Gunnison's off-river, Union Park site is Colorado's only reservoir location that is large and high enough to economically satisfy Metro Denver's future requirements, while also providing needed multi-year drought protection for the environments of both slopes. Union Park's dependable dry year supply can provide a 47% increase in the efficiency of Denver's existing reservoirs by diverting only 10% of Colorado's entitled water that is currently going unused to the down-river states. Union Park's river augmentation in dry periods will also improve water quality and quantity for Nebraska and the entire Colorado River System.

As indicated by the enclosed Bureau of Reclamation line item in the President's FY 1990 Budget, the federal government is willing to assist with the engineering and environmental studies to develop the vast potential of the Upper Gunnison Basin.

The above key conservationists can make Western water history with a unified local/state/federal effort to develop the Gunnison for the long-term environmental and economic benefit of a grateful state and nation.

Sincerely,



Allen D. (Dave) Miller, Conservationist

ADM/bm

Encl: BOR FY 90 Budget Item

cc: President Bush, Colorado Legislators & Congressional Delegates, Colorado Water Conservation Board, Colorado river Water Conservation District, Colorado Water Resources and Power Development Authority, Uncompahgre Valley Water Users Association, Marshall Kaplan.

August 8, 1989

Uli Kappus, Executive Director  
 Colorado Water Resources and Power Development Authority  
 1 Tower Building - Suite 620  
 Logan Street  
 Denver, Colorado 80203

Re: Upper Gunnison - Uncompahgre Basin Feasibility Study - Final Report

Re:

We have quickly reviewed the subject report and appreciate the extensive effort that went into the study and presentation. The result is a good assembly of data and information and a comprehensive look at the many possibilities for developing the water resources of this area.

In the course of our current work on the Rocky Point Pumped Storage Project and past involvement in projects at out-of-basin water export possibilities, our comments will be limited to the projects identified for potential revenue generation.

We believe that some of the estimated costs for the Needle Point No. 3 Pumped Storage Project are particularly high for the waterways. Also, we believe that a multi-level outlet should be considered as a requirement for Needle Point as for Rocky Point and that the different level of outlet should be reflected in a higher contingency for Needle Point than for Rocky Point. A favorable result of our suggested changes would be that Rocky Point would have a somewhat lower cost per KW.

The report implies that the Taylor Park Project has a cost advantage over the others examined. However, since the projects are not being compared on an equal basis. There are several factors that should be considered as follows:

We believe that all projects should be evaluated on the basis of the dependable additional water supply which they can provide to a system.

It is greatly desired in an arena of limited resources that the available resources be as fully developed as possible. It is evident from all recent efforts to develop new water supply sources for the Eastern Slope that inexpensive sources no longer exist and that any reasonable source should be fully utilized. It is equally evident that sites for large reservoirs which can regulate the seasonal and yearly fluctuations in Colorado's natural water supply are rare.

A State-sponsored study should focus on the State or regional water needs, the best long-range plan to meet those needs and optimum development of resources. The largest and most immediate water need is for the Denver Metropolitan area, with other Front Range cities as potential users of the high cost imported water.

It seems very logical to use the Denver Metropolitan area future demand as the cornerstone of the comparisons. This demand has been well-defined by the recent Two Forks EIS and can be expected to continue to develop as the largest municipal demand in the state. The value of storage in supplying this demand is apparent, whether you look at the present situation where surplus uncontrolled surface supplies are still available to be stored to supply dry periods or the future when the only new supplies will be the early summer peak flows of the higher-than-normal runoff years.

Mr. Uli Kappus, Executive Director  
 August 9, 1989  
 Page 2

5. The concept of the Union Park Project has been predicated upon the preceding parameters, using a large storage volume and high capacity conduit to supply water during dry periods only, and thus maximize the increase in dependable supply. The water available under the Flow Regime II assumptions translates into an increase in dependable supply for the Denver Metropolitan System of at least 140,000 acre-feet by utilizing the large Union Park storage volume.
6. The Collegiate Range Project without large East Slope storage provides no increase in dependable supply because of the long periods when no water is available. Alternatively the cost of such storage, whether it now exists or must be built, should be included in the Project's costs.
7. The Taylor Park Project provides 36,500 acre-feet of increase in dependable supply. The East Slope storage assumed and costed provides only what is required to adjust the constant supply to the seasonal demand pattern of a municipality.
8. Assuming that the cost estimates of the report are acceptable for comparison purposes, the capital costs per acre foot of dependable supply increase are \$5,150 for Union Park, \$8,230 for Taylor Park and infinite for Collegiate Range.
9. The report does not mention that a project with large storage volume, such as Union Park, can provide additional benefits such as maintaining more constant levels in Taylor Park Reservoir for recreation, providing more flood control for the Taylor and Gunnison Rivers and increasing water availability downstream of the Taylor Park Reservoir during dry periods.

We recognize that the report suggests that the purpose of the cost estimates and comparisons is to evaluate the practicality of power or water diversion possibilities and to identify projects which may warrant further study. With that purpose we fully agree and believe the report satisfies that purpose very well. Nevertheless, the reader who is trying to determine where to devote future study efforts, may, even with careful attention, be led to conclusions which are based upon unequal comparisons and, therefore may not be valid.

We recommend that you change the final report to incorporate the draft report comments which would better allow equal basis comparisons to be made among the projects considered.

Very truly yours,  
 EBASCO SERVICES INCORPORATED

*Peter L. Strauss*  
 Peter L. Strauss

*Glen Rockwell*  
 Glen Rockwell

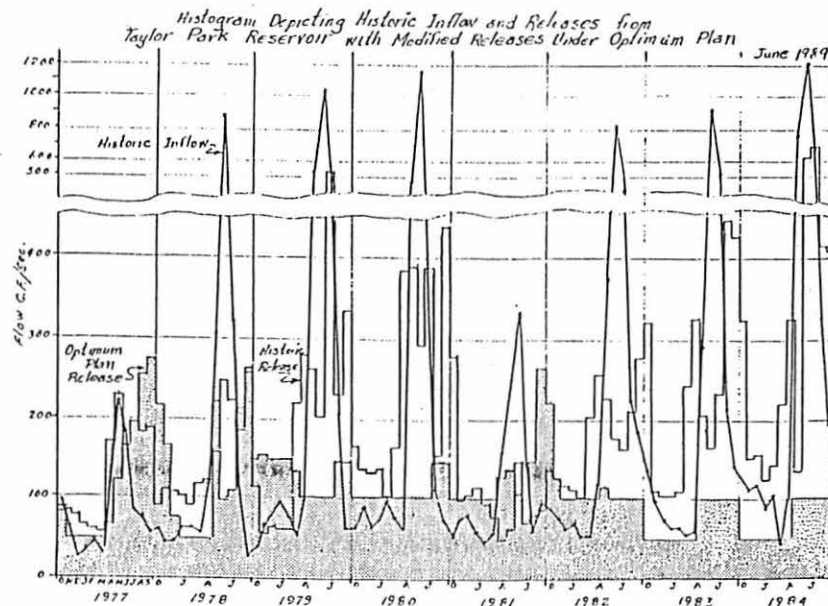
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3. The published Gunnison Tunnel diversions were used to be indicative of future demands under similar inflow conditions.
4. Additions and/or reductions to UVWUA credits for water borrowed or repaid to Blue Mesa Reservoir were made to assure compliance with the existing water exchange agreement.
5. The uppermost 31,300 acre-feet of storage capacity in Taylor Park Reservoir was assumed transferred to Union Park Reservoir to provide the vacated capacity for exclusive flood control purposes. *Key*  
*Revised*
6. A water conservation pool of 50,000 acre-feet was maintained in Union Park Reservoir with separate accounting for inflow and releases.
7. Minimum releases from Taylor Reservoir were 50 c.f.s. for the months of October through April and 100 c.f.s. for the months of May through Sept. Monthly release rates were generally above these minimums in years during or following periods of below normal runoff.
8. Priority of ownership of water pumped from Taylor Park to Union Park Reservoir was: (1) filling UVWUA transferred storage right (maximum 31,300 A.F.); (2) filling and or refilling the conservation pool (maximum 50,000 A.F.); (3) water for pump-generating purposes; and (4) water for Union Park Reservoir ownership.
9. Water to fulfill release requirements for irrigation, water exchange or minimum flow was taken first from the 31,300 A.F. pool in Union Park Reservoir and secondly from Taylor Park storage. This mode of operation significantly reduces the water level fluctuation in Taylor Park Reservoir. *P*
10. Future stream depletions from existing conditional decrees were assumed to reduce the project water supply only during months of required irrigation releases from Taylor Park Reservoir. The maximum amount of future stream depletion was calculated as 10% of the historic gain from Taylor Park to the Gunnison Tunnel. *check*

Related Project Benefits Page 11-2 of the Black and Veatch Report entitled "Union Park Pumped Storage Project - Feasibility Study" and dated March, 1985 discussed other benefits for the Union Park Water Supply Project. The release of water for supplementing the Black Canyon minimum in-stream flows will benefit the downstream environment and power generation. Transferring 31,300 acre-feet of the UVWUA storage right to the proposed Union Park Reservoir leaves about 26,000 acre-feet of usable flood control capacity in Taylor Park Reservoir. The potential power benefits from a pumpback storage feature are still applicable. The 4,000 acre Union Park Reservoir also provides fishing and recreational benefits for the Upper Gunnison area. In addition, these same benefits in the existing Taylor Park Reservoir are enhanced by less fluctuation in water levels and rates of water release (see following Histogram). *80,000*  
*revised*

Water Yield for consumptive Use Purposes The above discussed data shows an average annual input into Union park storage of 72,800 acre-feet. This represents the amount of water that can be used by metro Denver/East Slope for consumptive use purposes. This amount can be increased by adjusting Union Park's percentage contribution to the anticipated Black Canyon minimum flow requirements. Another option for supplementing the yield is to negotiate with

the USBR the value of Union Park's dry year releases to the Gunnison as an offset against the water borrowed to meet UVWUA's water exchange agreement. A third option is to negotiate for a portion of the above 7,000 acre-feet allowance for future stream depletions from conditional water rights. With one or more of these options, a total of 80,000 acre feet average annual yield is reasonably divertable from Union Park to augment Metro Denver's existing reservoirs during the critical drought periods. The Corps' computer simulations have confirmed that this Gunnison drought insurance water would increase the safe yield of Metro Denver's existing system by about 140,000 acre-feet.



NOTE: The authors of this paper are professional engineers and retired United States Bureau of Reclamation executives with extensive experience in Western water matters. Since 1982 they have been working to optimize the water and power potential of the Union Park/Taylor Park area, as consultants for the Natural Energy Resources Company, P.O. Box 567, Palmer Lake, CO. 80133; (719)481-2003. Arapahoe County has owned the Union Park project since August of 1988, and the City of Gunnison, Town of Parker, and Castlewood Water District are the initial participants.

UNION PARK PLAN FOR OPTIMUM DEVELOPMENT OF TAYLOR RIVER WATER RESOURCES

by

Dale B. Raitt, P. E. and Abner W. Watts, P. E.

opsis Colorado is currently losing almost a million acre-feet of titled water to Arizona and California via the untapped, but overlooked, Union Basin. This document briefly explains how approximately 8% of these waters can be economically used for Metro Denver's growth, while providing needed drought protection for Colorado's major river environments on both sides. The plan involves construction of a low cost, million acre-foot reservoir at the high altitude, off-river, Union Park site in the Upper Gunnison basin's Taylor river drainage. High tech reversible pump-generators will pump plus flood waters from the existing Taylor Park Reservoir into Union Park's natural, sage covered bowl. During the critical dry periods, water is released gravity conduit and siphon to augment the South Platte, Arkansas, and Union River flows. The Corps of Engineers has confirmed that an average annual diversion of 80,000 acre-feet can increase the safe yield of Denver's existing reservoir system by at least 140,000 acre-feet (40% more than Two Forks). Because of this unrepresented nearly 2 for 1 multiplier effect, the unit cost of Union Park's safe yield increase will be approximately one-half that of proposed Two Forks Dam alternative.

Water Supply Situation The long-term average annual inflow to the existing Taylor Park Reservoir, located about 30 miles northeast of Gunnison, Colorado, is over 140,000 acre-feet. During the eight year period from 1977 to 1984 the annual inflow to the reservoir fluctuated from 62,500 acre-feet in 1977 to 170,000 acre-feet in 1984. The below normal runoff in 1977 resulted in a water supply shortage for the Uncompahgre Valley Water Users Association (UVWUA). The UVA purchased 45,000 acre-feet of water from the U. S. Bureau of Reclamation (BR) in that year. The UVWUA has one of the earliest water rights and has indicated rights to about 25% of the flow of the Gunnison River at their wheel diversion above the Black Canyon Recreational Area. The UVWUA has a water right to 111,300 acre-feet in the existing Taylor Park Reservoir, but has utilized only a portion of that right in recent years. Since the implementation and operation of the "Storage Exchange Agreement" a large portion of the UVWUA needs for late irrigation water has been met by releases from the in-stream USBR Blue Mesa Reservoir. An accounting of such quantities of water has been made, and during the following non-irrigation months the UVWUA is expected to repay such amounts of water by releases from Taylor Park Reservoir. The storage exchange agreement has accomplished one of the intended objectives; namely, to reduce and "smooth-out" the late irrigation season releases from Taylor Park Reservoir. However, the agreement has become an obstacle to the full use of the UVWUA storage right as well as the total development and use of inflow to Taylor Park Reservoir.

Plan The previously mentioned obstacle can be largely overcome by constructing a large new water storage reservoir adjacent to the existing Taylor Park Reservoir and interconnecting the two facilities. The potential Union Park Reservoir with a plus or minus one million acre-feet of capacity interconnecting the existing Taylor Park Reservoir by a 70 MW pump-generating plant and associated waterways provides an excellent solution. In a repetition of runoff from the water year 1984 the historic release of 224,900 acre-feet would be reduced to 51,800 acre-feet by pumping over 170,000 acre-feet from Taylor Park Reservoir into Union Park Reservoir where the water would be stored for either

near-term or long-term uses. In a year of below normal runoff, such as occurred in 1977, the historic release of water, 81,600 acre-feet, could be increased to about 100,000 acre-feet. These two examples show how the additional storage can be used to store - for future or other uses - water in years of normal or above normal runoff while still maintaining a supply of water in storage to supplement the releases from Taylor Park Reservoir in years of below normal inflow. A recent report by the Colorado Water Resources and Power Development Authority identified a requirement for supplemental water supply to satisfy meeting in-stream flow needs of the Gunnison River through the Black Canyon Recreational Area. This need was about 60,000 acre-feet in the year 1977. About 40% of that need or 23,700 acre-feet was a part of the 99,700 acre-feet release that could be made from Taylor Park Reservoir in the year such as 1977.

Hydrologic Studies The previously mentioned amounts of water for inflow, pumping, and releases from Taylor Park Reservoir were extracted from a hydrologic study made for the eight year period 1977 through 1984. While this period is shorter than desired, it is felt that it provides a reasonably accurate projection of water supply yields and uses. The average inflow to Taylor Park Reservoir for the period is 145,900 acre-feet which is near the accepted long term average. Additional water supply amounts are summarized in the following Table:

Average Annual Water Supply and Utilization Amounts for  
Historic and Optimum Plan Operations (1,000 AF Units)

	<u>Historic Operations</u>	<u>Optimum Plan Operations</u>
<u>Total Water Supply</u>		
1. Inflow to Taylor Park Reservoir	145.9	145.9
2. Net Inflow to Union Park Res. (Lottis Cr.)	-	7.5
3. Supply for Release to Taylor River Below Dam or Pumping to Union Park Reservoir	145.9	153.4
<u>Water Utilization</u>		
4. Amount Released Under Exchange Agreement	24.1	26.3
4a. Exchange Water Credits Lost	(9.9)	(2.0)
4b. Water Used by UVWUA	(14.2)	(17.3)
4c. Water Used by Other Rights	-	(7.0)
5. Amount Released from Storage Right	15.0	10.9
6. Amount of Irrigation Season Inflow Used	13.0	11.8
7. Other Releases for Minimum Flows, Etc.	39.9	22.2
8. Amount Released for Black Canyon Min. Flows	-	8.2
9. Amount Released for Other Rights	-	1.2
10. Total Amount of Water Utilization	92.0	80.6
11. Water Supply Available for Development	53.9	72.8

Hydrology Study Criteria The following summarizes the criteria used in the previously mentioned studies:

1. Published monthly releases and reservoir contents of Taylor Park Reservoir were used to calculate monthly reservoir inflow amounts.
2. The stream sectional gains from Taylor Park Reservoir to the UVWUA Gunnison Tunnel diversion were calculated from published records.



large reservoir on the Continental Divide for drought protection of Colorado's river environments on both slopes. The off-river, million acre-feet, Union Park Reservoir and high volume gravity siphon to the South Platte River will also increase the safe yield of Denver's existing reservoirs by 1,000,000 acre-feet (40% more than Two Forks). Because of Union Park's unique for 1 "multiplier effect", NECO's international consultants have determined that Union Park's annualized safe yield cost for Metro Denver will be only 35 per acre-foot. This is less than half the latest unit cost of Colorado's other surface and ground water alternatives, including Two Forks. A balanced Union Park Project has widespread appeal for both slopes, because it uses overlooked surplus waters to save a nationally treasured canyon and fishery near Denver, while augmenting the Taylor, Gunnison, and Colorado River flows in critical drought periods. It will also stop further over-depletion of the Upper Colorado headwaters, which currently supply all Colorado's transmountain water. Union Park's water rights were recently purchased by Metro Denver's Arapahoe County. The City of Gunnison, Town of Forker, and Castlewood Water District are the initial subscribers. Union Park has excellent potential to be Colorado's primary, multipurpose, water conservation project of the future.

In addition to these two major environment enhancing water projects, CO has conducted a factual information campaign over the last three years to promote coordinated local/state/federal water planning for the arid Western United States. This ongoing campaign has highlighted several "overlooked", but superior, alternatives to the environmentally destructive Two Forks Dam as a prime example why coordinated water planning is needed. EPA's support and the rapid decline of political support for Two Forks is solid evidence of the campaign's impact. Further confirmation of the program's effectiveness can be obtained from local, state and federal permitting officials, as well as from Two Forks proponents and the national environmental community.\*

**Replication:** For our information only, please explain how your activity can be adapted or expanded to other areas and locales. This information will not be rated.

Coordinated local/state/federal water planning will facilitate environment enhancing water conservation projects in the West, based on informed consensus building, instead of the traditional nonproductive infighting between historically competing interests. Although Colorado's high topography generates most of the renewable water for the West, local state, and federal officials are severely handicapped in evaluating specific Colorado water developments because of the state's past resistance to any form of state and regional water planning.

**Suggestions:** Please make any suggestions for improving the Celebrate Colorado Awards Program. This information will not be rated.

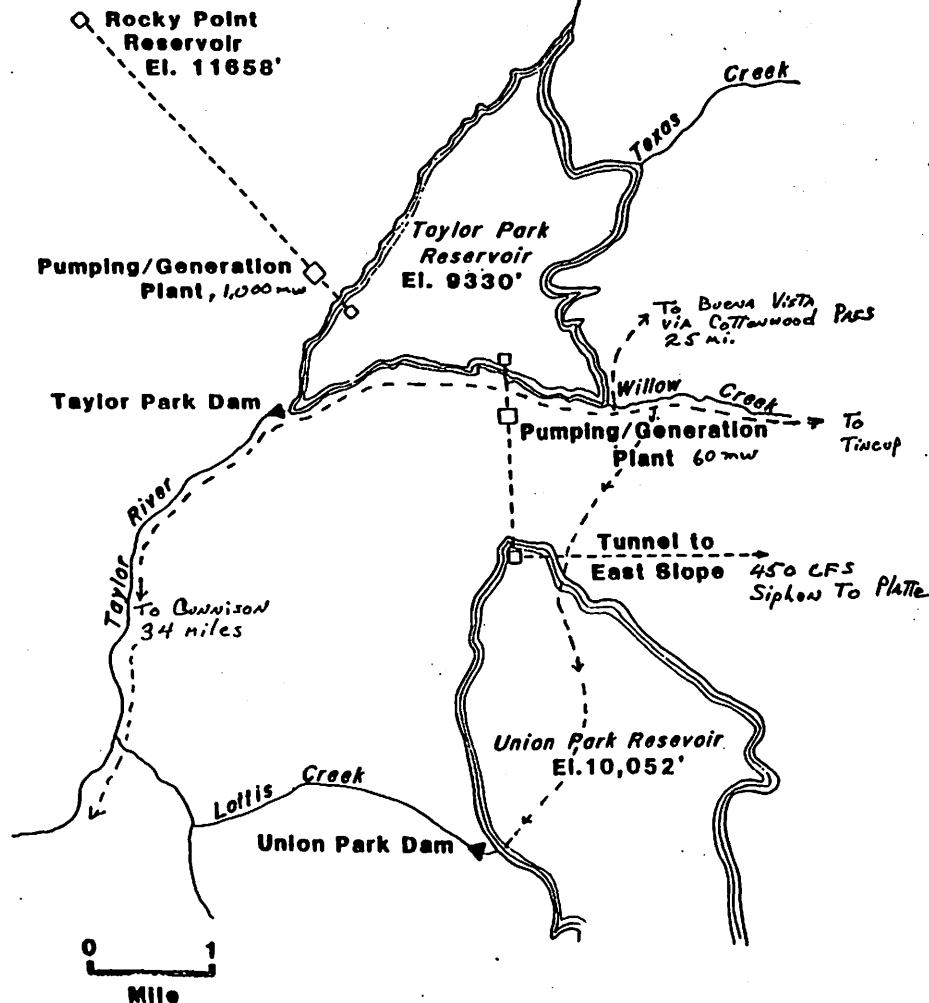
Suggest the Celebrate Colorado awards committee be composed of a wide spectrum of responsible citizens who are not closely associated with special interest groups.

\*The attached August 28, 1989 letter to USFS is an example of numerous letters promoting Western water planning.

Contact Lisa Largent or Kate Kramer at (303) 866-3311 with any further questions

- Printed on Recycled Paper -

While in Gunnison, Colorado Water Workshop experts should take a self-guided tour of Arapahoe County's off-river Union Park Reservoir and dam site. The scenic, 2½ hour round trip from Gunnison will show where up to 1.1 million acre-feet will be efficiently stored in a natural high altitude, sage covered bowl, during wet years for release by gravity siphon and conduit to both slopes during droughts. The Forest Service road from the Willow Creek turn-off to the dam site is easily traveled by passenger auto, unless there have been heavy rains. The much improved Cottonwood Pass road is also a beautiful route for return to the East Slope. For additional information on Union Park, contact Dave Miller at the Water Workshop, or at Tomichi Village Inn. 641-1131.



July 24, 1989

# Denver needs a water policy

DENVER POST columnist Ed Quillen recently described Colorado as the "state of indecision." The proposed Two Forks Reservoir is a direct example of his point.

Only a few weeks ago, the Environmental Protection Agency called it unnecessary and a potential environmental disaster.

Predictably, Two Forks promoters launched an offensive to counter that conclusion. They steadfastly pressed for their pet project, rather than seriously seeking logical solutions to real problems.

The Denver Water Board has built an excellent water system. And Two Forks is a manifestation of their vision. But Two Forks was part of a vision conceived in the early 1900s, when the horse-drawn carriage was our major form of transportation and indoor plumbing was only beginning to deliver our water.

It is no longer viable for solving today's water problems, any more than Stapleton International Airport or Currigan Hall can meet the needs of the future.

Just as Denver needs a modern airport and a new convention center, it needs a new water-management concept for the 21st century.

Anticipating the eventual demise of the Two Forks plan, a group of headwaters counties on the Front Range developed an alternative which would employ modern concepts of water supply. However, that alternative, developed over the last decade, has been ignored by Denver and the U.S. Army Corps of Engineers.

The new plan is quite simple: Form a regional water supply authority involving headwaters counties, urban cities and downstream agricultural counties. Legislation for the creation of such a River Basin Authority exists today. It can be formed by simple agreement of the counties and cities involved.

The River Basin Authority would do six things:

- ✓ Store water in existing upstream reservoirs first.
- ✓ Store South Platte River water in Chatfield

by JOHN  
MUSICK

Reservoir, Cherry Creek Reservoir and a new high plains reservoir which could be built between Colorado Springs and Denver at Fremont Fort.

✓ Store irrigation reservoir water upstream in Fremont Fort Reservoir by exchange.

✓ Tap large groundwater reservoirs underlying Denver during times of drought to supplement the river water which has been stored in surface reservoirs.

✓ Deliver this raw untreated well and river water to existing municipalities and water districts for treatment and delivery to their customers only in accordance with accepted concepts of conservation and metering.

✓ Collect all metropolitan treated wastewater and deliver it by pipeline to the downstream storage reservoirs for use by farmers to grow crops, purifying the water through the Earth's living filter.

Every law and regulation to accomplish this simple system is in place. It would solve all of Denver's water supply, wastewater treatment and conservation requirements well into the 21st century.

This simple plan would involve everyone: counties, cities and farmers. It would increase high plains flat water recreation, improve Denver water supplies, prevent floods, clean up the South Platte River, provide minimum stream flows for the river and preserve irrigated agriculture. And it would integrate ground and surface waters into a comprehensive plan.

Best of all, it could begin immediately. And it would represent a modern decision, a first step toward Colorado's becoming a leader in water resource management. And it would end Colorado's being a State of Indecision.

John D. Musick Jr. is a Boulder water lawyer.

Denver Post  
5-20-89

## 1989 Celebrate Colorado! Awards Application

All entries must be received by October 1, 1989

Mall to: Celebrate Colorado!  
Governor's Office  
136 State Capitol Bldg.  
Denver, CO 80203-1792

### NOMINEE INFORMATION

(Please type or Print clearly)

Name of Individual/Group being Nominated NATURAL ENERGY RESOURCES COMPANY (NECO)

Nominee Address P. O. BOX 567

PALMER LAKE

COLORADO

80133

City

State

Zip Code

Name in Nominee's Organization Allen D. (Dave) Miller Title President

Daytime Phone Number (719) 481-2003

Type of Award (Check only one, see Fact Sheet for details)

Constituent Organization

Business/Corporation

Youth Group

Civic/Citizen Organization

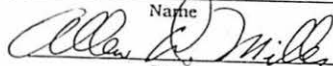
Educational Institution

Individual

Government

Submitted by Allen D. (Dave) Miller

Name



Signature

**DESCRIPTION:** Describe your environmental activity, the role you or your organization played, and how it contributed to the goals of *Celebrate Colorado!*. The description should be no longer than 500 words—additional sheets of paper may be included if the space provided is not enough. **Please type or Print clearly.**

Since its founding in 1982, Natural Energy Resources Company has conceived and aggressively pursued two major water development projects that will have significant environmental and economic benefits for Colorado and the Western United States.

The 1,000 megawatt Rocky Point Pumped Storage Hydroelectric Project will provide clean, low-cost, peaking power for the Western power grid. This \$995 million project at Taylor Park Reservoir in Colorado's Gunnison County is projected to come on line in 1997. Detailed engineering estimates by NECO's major engineering firms indicate that Rocky Point will be the world's largest, most efficient, non-polluting, peaking power operation. During its first 30 years the project is projected to save Western power users \$11.3 billion, as compared to the best fossil fueled alternatives.

NECO has also conceived the Union Park Water Supply Project, which is designed to store surplus flood waters from the untapped Gunnison Basin in

# Water equation is still unsolved in the formula for Colorado's future

By T.M. WIRTH

**W**HILE THE economic recession of the mid-1980s in Colorado especially hurt, there are signs that our state is on the move again. Denver is still at a standstill, but many of the voters will travel outside Denver to enjoy our state's scenic beauty, its parks and its recreation areas. Many voters will continue to enjoy our state's scenic beauty, its parks and its recreation areas.

Last year, Adams County voters approved construction of a new airport in partnership with Denver. I am convinced that the new airport will have a major impact on the metropolitan area, not just for the Denver metropolitan area, but for the entire state. These are the days of the Denver metropolitan area, but for the entire state. These are the days of the Denver metropolitan area, but for the entire state.

That the entire state could support... The Foodbills agreement is a good example of cooperation in creating a plan for the future. The Foodbills agreement is a good example of cooperation in creating a plan for the future. The Foodbills agreement is a good example of cooperation in creating a plan for the future.

I have not wavered in my commitment to the Foodbills agreement. That accord permitted Denver to rapidly complete a dam and water treatment plant, with only one year of construction delay. That program still is critically important, but its implementation is uncertain. I urged the Corps of Engineers to complete its permit for the project as soon as possible.

Tom Griswold is Colorado's Department of Water Resources Director. T.M. Wirth is a Denver Post Staff Writer.

## THE DENVER POST

Tuesday, May 16, 1989

# Standoff over water may end

## West Slope, suburbs study compromise

By Bill McBean  
Denver Post Staff Writer

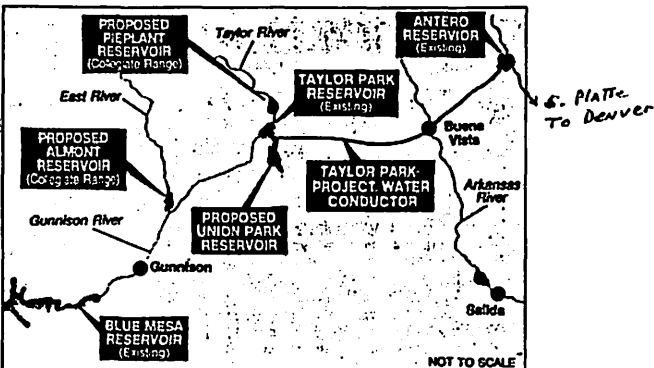
The five-year standoff between thirsty Denver suburbs and West Slope water interests over Gunnison River water soon may end, thanks to a compromise suggested in a recent study.

The study, managed by the Colorado Water Resources and Power Development Authority, is significant because it balances West Slope recreation and irrigation needs with the need of metro communities to develop new sources of drinking water.

For five years, Arapahoe County and Aurora have fought over the rights to about 70,000 acre-feet of unappropriated Gunnison River water.

West Slope water owners have been girding for a prolonged battle with both governments, fearing removal of Gunnison water would deflate the water-based recreation industry, hurt the environment and damage agriculture.

The authority's report suggests Arapahoe County and Aurora use the existing Taylor Park Reservoir southeast of Gunnison instead of



The Denver Post / Bruce Gault

building new facilities. Using an extended system of tunnels and pipelines to get the water over the mountains, Taylor Park Reservoir could supply about 42,000 acre-feet a year to suburban communities.

If an option to pump water out of Blue Mesa Reservoir to Taylor Park reservoir was added, the yield might be 100,000 acre-feet. The price tag: \$531 million.

The report recommends suburban governments buy senior water rights now stored in Taylor Park instead of trying to prove in Water Court that some Gunnison River water isn't being used.

Revenues from those water sales could be used to build two West Slope reservoirs to enhance crop irrigation and bolster the region's recreation-based economy.

Tom Griswold, Aurora utilities director, said he's considering the

plan as an alternative to the Collegiate Range project, a \$340 million transmountain diversion that would require building two new reservoirs.

"There needs to be a solution over there that benefits the (Gunnison) basin," Griswold said. "That study, at least, points out some opportunities to do that."

Dick Bratton, attorney for the Upper Gunnison River Water Conservancy District, agreed. The study, he said, "has the potential for a unique kind of partnership."

But Andy Andrews, an engineer for Arapahoe County and Gunnison, was critical of the plan.

The study on which the plan is based said the transmountain diversion favored by Gunnison and Arapahoe — the Union Park project — would cost roughly \$200 million more than Andrews' current estimate of \$446 million.

# OPINIONS

## Two Forks veto may redirect urban growth back to Denver County

**W**HE SUPPOSEDLY live under a government of laws. But often the most powerful of them are the unwritten laws that govern the actions of the state. When government sets out to do things that often unintentionally do something quite different. Now, that law may be about to reverse 11 years of suburban growth and core city stagnation in the Denver area.

Denver voters approved the Poudre basin amendment to the state constitution, thus halting Denver's annexations — largely because suburban voters feared such annexations would drag them into Denver's court-ordered school busing. The amendment would support Denver County's growth plan — but the voters didn't want to be dragged into Denver's school system as a whole. Hence it ended up by stagnating Denver and supercharging growth in the suburbs.

Now, in the spring of 1989, two mighty political engines are chugging ahead on parallel tracks. Their combined effect may save the underdeveloped suburbs from stagnation. The first event is Denver's decision to build a new airport on 81.5 square miles of land acquired from Adams County last year in the first-ever voter-approved annexation under the Poudre basin amendment. If Denver voters approve



**BOB EWEGEN**

that project on Tuesday, they will free the existing 100,000-acre airport site for residential, commercial and other urban services.

Of course, just having land available to serve new industrial, commercial and residential developers doesn't mean they will come to Denver. But the second event — the EPA's veto of Adams County's proposed Two Forks water supply — may mean that Denver and other suburban communities, growth-oriented public officials are close to panic. Many believe that without the new water supplies that Two Forks would provide, the area's growth will be limited. They can't promise developers the long-term water supplies they need.

But Denver can. Even without Two Forks, Denver has adequate supplies of water to sustain its growth. The redevelopment of Stapleton and other desirable parts of the city.

Of course, if the metropolitan area's future growth is determined by water availability, the consequences won't be equal. But they won't be all that bad for the suburbs. Denver County has the most practical alternative to Two Forks — as Thornton's innovative plan to bring in irrigation water from northern Colorado has proved. Aurora, which also carries a growing share of the regional burden, has its independent water supply. Adams County, in general, has the most practical alternative to Two Forks — as Thornton's innovative plan to bring in irrigation water from northern Colorado has proved. Aurora, which also carries a growing share of the regional burden, has its independent water supply. Adams County, in general, has the most practical alternative to Two Forks — as Thornton's innovative plan to bring in irrigation water from northern Colorado has proved. Aurora, which also carries a growing share of the regional burden, has its independent water supply.

That saves Arapahoe, Jefferson and Douglas counties — a sufficient suburban enclave with little need to expand their tax bases and little water to support growth. All three counties have been cited

reactions in recent years as voters protested against the water supply plan. But these voters, as the most enthusiastic citizens who live in them generally are skeptical toward development. Suburbanites moved to the suburbs to get away from the city in the first place — and don't want to recreate core-city stagnation in the suburbs. The social landscape that would result from letting water availability drive development in metropolitan Denver may prove more desirable to most voters than the present practice of letting the developers play local governments off against each other in bidding wars as to who will supply the most intensive and fast-regulated development.

The polls consistently show a majority of metropolitan voters against Two Forks and in favor of the new water supply plan. The very combination that would most likely bring the Two Forks economically while preserving the water supply.

Come to think about it, maybe the voters are smarter than the developers give them credit. And maybe these consequences aren't so unmitigated after all.

Bob Ewegen is a freelance columnist from Denver of The Post

# NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

May 17, 1989

William K. Reilly, Administrator  
Environmental Protection Agency  
401 M Street S. W.  
Washington, D. C. 20460

Dear Mr. Reilly:

Although the enclosed Denver Post article is very brief and somewhat misleading, it does highlight the fact that Metro Denver, state, and Gunnison interests are vigorously pursuing the beneficial use of surplus water from the untapped Gunnison Basin. The Metro Denver EIS is not a valid decision document, because the Corps improperly screened the Gunnison from detailed consideration to protect Denver's outmoded Two Forks concept from a superior water source.

Arapahoe County's advanced Union Park Reservoir and Siphon from the Gunnison is certain to be the successor to the vetoed Two Forks project. The Corps' computer analysis has recently confirmed that by pumping an average 80,000 acre feet of surplus Gunnison flood waters into the massive, high altitude, off river, sage covered, Union Park Reservoir site, the drought yield of Denver's existing reservoirs can be increased by 140,000 acre feet. Because of this unprecedented multiplier effect, Union Park's safe yield is 40% more than Two Forks for about half the unit cost. Union Park will also unify the state by enhancing its environment, agriculture, and tourist economies. This unique project is specifically designed to provide much needed drought protection for Colorado's major river basins on both slopes.

The City of Thornton's ongoing City - Farm Recycling Project is another environmentally sound water project that was improperly ignored by the Corps to protect Two Forks. This innovative use of irrigation water will economically increase Northern Metro Denver water supplies by 60,000 acre feet. Northern Colorado farming will be fully protected with the 100% return of treated effluent to the same irrigation ditches.

The beneficial use of Gunnison and recycled irrigation water will save the nationally treasured South Platte Canyon and stop the destructive dewatering of the overworked Upper Colorado Basin. EPA's farsighted veto of Two Forks will open the door to a rational consensus for balanced Colorado water development.

Sincerely,

Allen D. (Dave) Miller  
President

ADM/bm

Encl: Denver Post article dated May 16, 1989.

cc: Mr. Lee A. Delihms, Colorado Congressional Delegates and Legislators, local state, and federal officials.

*Reilly*

*P*



## State doesn't need Two Forks

The recent decision by Environmental Protection Agency Director William Reilly to overturn the Two Forks dam project is, perhaps, the single most impressive action I have seen from Washington in many years. Reilly is to be commended for "bucking a stacked deck" and doing what is right, rather than what is expedient.

Colorado does not need this dam. Rather, it needs a comprehensive water plan for the future, which would recognize all of our water resources. To continue dewatering the already overburdened Upper Colorado River Basin when other excellent options are available, such as the largely untapped Upper Gunnison River Basin, simply does not make sense. Two Forks represents what is not in Colorado's best interests, nor those of neighboring water compact states.

Reilly's decision will force Colorado to assess all water resources, rather than bowing to the will, power and money of the Denver Water Board, which continues to try and push this project through using political muscle. In addition, Reilly's action will save one of the best trout rivers in the state, and a canyon of inestimable scenic and tourist-dollar value.

It appears that the issue is now becoming a partisan political football. With global warming, oil spills, acid rain, etc., much in the news, it's my opinion that ecological and environmental platforms will determine the next set of elections, both in Colorado and nationally. The smart politician should weigh carefully the impact of backing this controversial project before "diving in."

Lastly, I would encourage other Coloradans to write, expressing their appreciation and support, to William Reilly, administrator, EPA, 401 M Street, S.W., Washington, D.C. 20460. Send copies to your state and national elected officials, as well. If the Denver Water Board wins, Colorado loses.

— Douglas H. Barber  
Colorado Springs

EDITORIALS

ESTABLISHED IN 1872

**GAZETTE TELEGRAPH**

COLORADO SPRINGS

FREEDOM  
NEWSPAPERS

B8 GAZETTE TELEGRAPH THURSDAY, APRIL 13, 1989

Colorado  
State  
University

June 15, 1989

Cooperative Extension  
Colorado State University  
Fort Collins, Colorado 80523

The Honorable Hank Brown  
U.S. House of Representatives  
1424 Longworth Building  
Washington, DC 20515

Dear Congressman Brown:

RE: Impacts On The Rural Sector Of Colorado If Two Forks Dam Is Postponed Or Rejected.

It has been brought to my attention that I am cited by your staff as the source of estimates that 55,000 acres of irrigated land would be de-watered if the Two Forks permit were to be denied. While the estimated acreage tradeoff is a figure I have used, when hedged with careful qualifications, I do not wish to be associated with the further implication that market solutions to Colorado water problems should be rejected out of hand.

The matter is, of course, complex, so the purpose of this letter is to indicate my position more clearly.

I have not given detailed study to the Two Forks issue nor have I published any specific figures on potential alternatives. However, because it appears to me that more reliance on market forces might be beneficial to both rural and urban interests in the west, I have studied the potential impacts of water markets over the last several years. Because of this research, I have been called on to meet with several interested groups regarding the impacts a Two Forks rejection during the past few months, and have made some informal estimates of impacts.

The 55,000 acres is my worst case estimate, arrived at by assuming all water would have to come from agriculture at a rate of 1.75 acre feet per acre. (Any such estimate can only be an educated guess, because the actual amount per acre must be resolved by the relevant court under Colorado water law.) Because the 1.75 acre feet per acre doesn't allow for return flows (largely sewage) from cities, which could go back to downstream farms, the net acreage loss could be much less than the above "worst case," even if all water came from retirement of irrigated lands.

Secondly, I do not believe that irrigation water is the only alternative to Two Forks. A number of other options exist. For example, urban conservation, Windy Gap and further imports from the Colorado River Basin could shoulder part of the growth in demand.

Thirdly, market-type options exist for obtaining water from rural Colorado without completely drying up farms. These would require some change in basic Colorado water law and traditional management practices to encourage changing irrigation patterns by farmers, but they seem to me to hold promise to, in Ray Moses' phrase, "Have our water cake and eat it too." Hence, the most optimistic scenario could involve withdrawing water from the least economically productive uses (forage crops) and not drying up lands other than those being taken by growing cities.

Colorado State University, U.S. Department of Agriculture and Colorado counties cooperating.  
Cooperative Extension programs are available to all without discrimination.

The Honorable Hank Brown  
Page 2  
June 15, 1989

Next, the third party impacts of even the worst case scenario may not be all negative or very large. For example, I would think farmers who own water rights would actually have an interest in opposing dams. This is because in the absence of dams, urban demands give strong support to the market value of their water rights, whether they are the immediate sellers or not. (Windy Gap, built much in advance of need for its water, likely reduced the value of water rights of irrigation companies in Northern Colorado by several hundred million dollars. Water rights prices in the Poudre Basin, when adjusted for inflation remain below their values of twenty years ago.) Also, in today's post-industrial economy, the small change in South Platte Valley farm production represented by even the worst case alternatives to Two Forks would have a hardly discernable impact on the local economy. Our statistical studies suggest that about 600 (six hundred) local off-jobs would be associated with 55,000 acres but could supply water to 400,000 more urban residents.

I would suggest that the appropriate policy for the state to pursue is to update its water law so that market forces can better operate, while giving whatever attention is necessary to protecting interested third parties in the potentially affected rural communities. In such a framework, dams can be built when they are the least-cost source of water, and markets relied on in other cases.

Yours Sincerely,

  
R.A. Young  
Professor

RAY/mep

WILLIAM L. ARMSTRONG  
COLORADO

United States Senate

WASHINGTON, D.C. 20510

May 16, 1989

Mr. Allen Miller  
President, Natural Energy Resources Company  
P.O. Box 567  
Palmer Lake, Colorado 80133

Dear Mr. Miller:

Thank you for your letter of May 5, 1989 requesting a Congressional investigation regarding omissions of alternatives to the Metro Denver Water Supply Final Environmental Impact Statement (EIS).

I do not believe such an investigation is warranted. The Final EIS stated that more than 100 alternative water supply sources were considered, including groundwater, reuse and approximately 50 reservoir sites in the Platte Basin.

The City and County of Denver with the Metro Denver Water Providers, a group of 40 metro cities, counties and special districts, locally funded the \$40 million, 8 year environmental impact study (EIS).

That study grew from a 1981 statewide water roundtable which represented a variety of interests from throughout the Colorado, and a system EIS. This statewide and multi-government cooperation helped in settlement of key water litigation among Denver, northern Colorado agricultural interests, and Colorado's West Slope.

The coalition of 41 governments represents unprecedented cooperation to responsibly provide an adequate, stable future water supply for more than half the state's population.

Thank you for writing and expressing your concerns.

Best regards.

Sincerely,

  
William L. Armstrong

WLA:ck

## NATURAL ENERGY RESOURCES COMPANY

P. O. Box 567 • Palmer Lake, Colorado 80133 • (719) 481-2003 • FAX (719) 481-4013

April 21, 1989

Colorado Congressional Delegation  
Washington, D. C. 80510, 80515

Dear Senators Armstrong and Wirth; Representatives Brown, Campbell, Hefley, Schafer, Schroeder, and Skaggs:

EPA's review of the Two Forks Dam Study irregularities (summary attached) is certain to sustain Mr. Reilly's courageous decision to veto the permit.

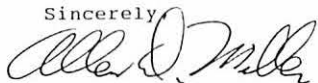
It would be a travesty for Colorado if the Republican side of our Congressional Delegation splits with the Bush Administration on this critical environmental issue. National environmental groups and the media are already characterizing Colorado as being environmentally insensitive, and the adverse publicity can rapidly escalate. It is a growing certainty that investment capital gravitates away from those states that appear politically divided on important environmental issues.

In spite of the Denver Water Department's relentless 50 year position to the contrary, Two Forks would cause serious, unmitigable, environmental damage to nationally important natural resources. As indicated in our April 19th Two Forks Alternatives presentation for Colorado's Congressional Delegation, this destruction is entirely unnecessary. There are several advanced alternatives that are superior, but purposely overlooked in the studies to protect an obsolete concept.

Thornton's ongoing City-Farm Recycling Project to pump 60,000 acre feet of high quality Cache La Poudre irrigation water to Northern Denver suburbs before it is recycled back to the farms is designed to protect Northern Colorado's environment and agriculture. Arapahoe County's ongoing high altitude Union Park storage and siphon project from the untapped Gunnison will increase Metro Denver's safe yield by 140,000 acre feet, while providing needed drought protection for the river environments on both slopes. These two environmentally sound projects have twice the yield of Two Forks for about half the unit cost.

Copies of our presentation slides are enclosed for your further consideration.

Sincerely,



Allen D. (Dave) Miller, President

ADM/bm

Encls: Two Forks Irregularities; Alternatives Presentation.

cc: local, state, and federal officials.

## TWO FORKS DAM STUDY IRREGULARITIES

April, 1989

Investigation will confirm the following Two Forks study irregularities:

1. The Two Forks site-specific study is fatally flawed, because it did not seriously consider several superior alternatives, including the Gunnison, Green Mountain, and City-Farm Recycling options.

2. Contrary to required study procedures, the Denver Water Department (DWD) pressured the Corps into starting the site-specific analysis before completing a proper system-wide review that should have identified all reasonable alternatives for detailed study.

3. The site-specific analysis only seriously considered the South Platte dam alternatives that fit DWD's Upper Colorado and South Platte water rights.

4. Less than 10% of the total study cost was used for evaluating the other South Platte dam options identified in the faulted scoping process.

5. About half of the total study cost was for premature Two Forks Dam design work and duplicate environmental studies hired by DWD to influence the same work being done by the responsible permitting agencies.

6. EPA was the only permitting agency that did not accept reimbursement of study expenses from Two Forks proponents.

7. Several key professional staff members of the Corps, Fish and Wildlife, and EPA were transferred and/or directly pressured by superiors and proponent managers when their study results and recommendations were contrary to Two Forks.

8. About 11% of the total study cost was for management and extra legal monitoring by DWD and the Metro Providers to influence results and control concerned providers who relied on DWD's strategy and technical advice.

9. The EIS Water Supply Analysis did not include any of the safe annual yields from several more efficient and less damaging ongoing projects, including Thornton's City-Farm Recycling Project (60,000 af), Aurora's Arkansas Exchange Project (17,000 af), Arapahoe County's Union Park Storage Project from the untapped Gunnison (140,000 af), and DWD's Green Mountain Pumpback Project (120,000 af).

10. The critical 1984 Governor's Round Table and state legislative resolutions to dam the South Platte were engineered by representatives whose legal firm was receiving \$millions from DWD's Two Forks effort.

11. The EIS cost of Two Forks does not include the construction and environmental cost of West Slope compensatory storage that DWD hastily promised the Colorado River District to resolve Two Forks water right litigation just prior to the December 1986 release of the Corps' Draft EIS.

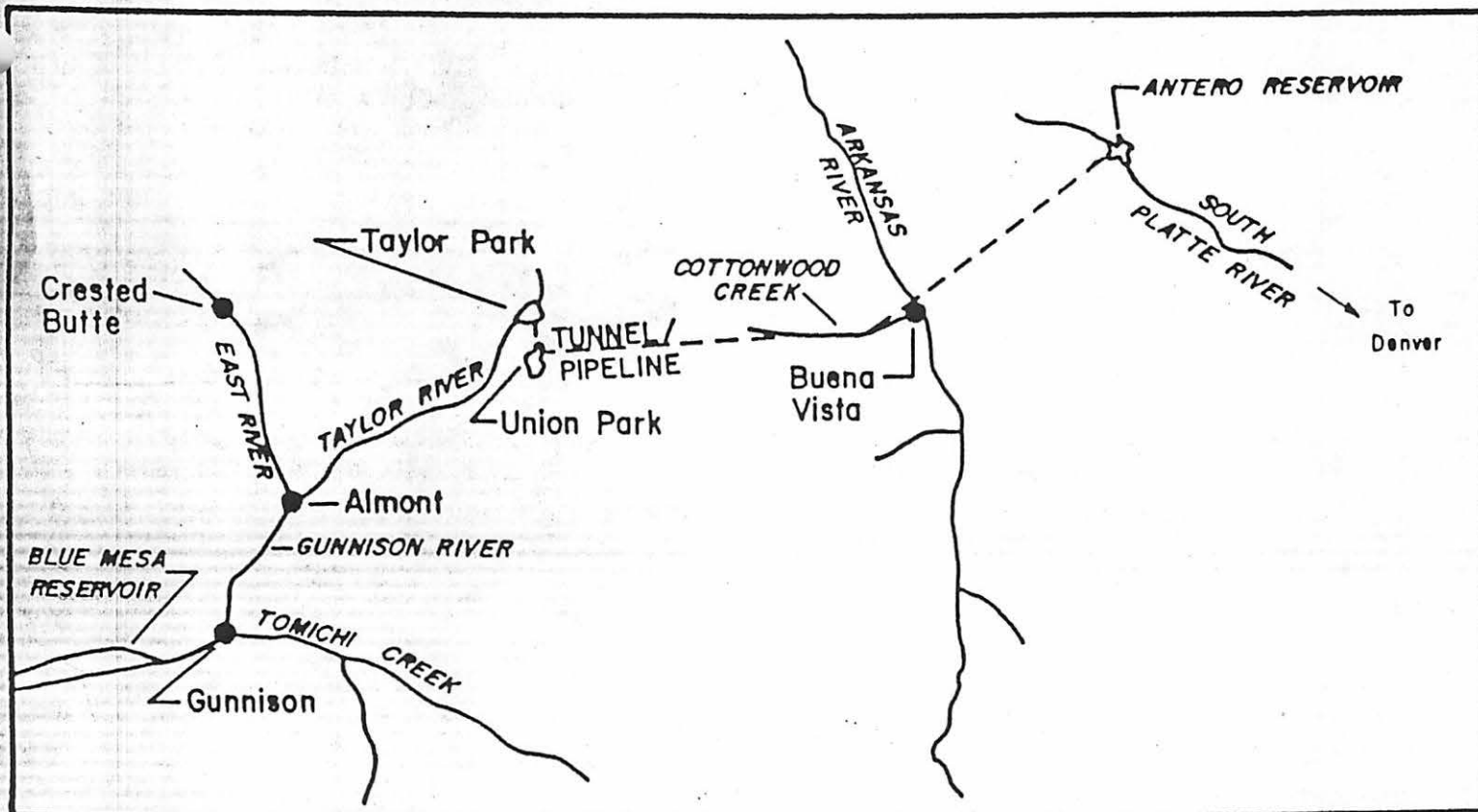
12. The participating officer of the engineering firm hired by the Corps to write the "impartial" EIS had a serious conflict of interest as an active board member of a water district promoting Two Forks.

In spite of efforts to control study results, the EIS found Two Forks to be the most environmentally damaging of the limited options considered.

feet from Union Park can increase the safe annual yield of Denver's system by 140,000 acre feet. Evaporation losses from the high altitude Union Park Reservoir would be only one-fourth the amount lost from the low altitude Two Forks concept. Union Park's highly flexible and responsive 42 mile siphon to the South Platte can move 1000 acre feet per day to Denver when it is needed in dry periods without the need for additional storage and/or regulating reservoirs on the East Slope. P

5. Unifying Influence Although Colorado has large volumes of renewable water for future growth, outmoded concepts, inadequate planning, and East vs. West Slope conflicts have inhibited an objective approach to the state's water development. Since Union Park has major economic and environmental advantages for both slopes, it can help create a spirit of cooperation and a climate where new water ideas can receive objective consideration based on their merit. Governor Romer's wise call for a fresh look at alternatives is both courageous and timely.

For more information on Colorado's Union Park Water Supply Project, contact Dave Miller, Natural Energy Resources Company, P.O. Box 567, Palmer Lake, CO. 80133, (719) 481-2003.



## Union Park Water Supply Project



## COLORADO'S

UNION PARK WATER SUPPLY PROJECT

Governor Romer has challenged Colorado and its leaders to find an alternative future water supply for Metro Denver that will save the South Platte Canyon. The Upper Gunnison's overlooked Union Park site is probably the best natural reservoir location in Colorado -- if not the country. The following is a brief summary of the reasons why the Union Park Water Supply Project is the superior water alternative for Colorado's future growth on both slopes:

1. Altitude Advantage The proposed Union Park Reservoir can hold up to 1.1 million acre feet of water at 10,000 feet altitude on the Gunnison side of the Continental Divide. This off river location, with an ideal dam site, is a perfect fit with the basic engineering maxim that water should be stored as high as possible to maximize the multiple benefits for down river users. P

2. Largest Untapped Water Source Colorado is entitled to about a million acre feet of Gunnison water that is currently being unused and lost to the down river states. Bureau of Reclamation and other studies indicate there is as much as 600,000 acre-feet of surplus Upper Gunnison Basin water that could be used for East and West Slope growth. The Metro Denver Water Supply EIS is fatally flawed because it did not seriously consider this viable Gunnison alternative from Colorado's largest untapped water source.

3. Environmental Enhancement By pumping surplus Gunnison flood waters into Union Park with high tech reversible pump-generators, these waters can be released by simple gravity siphon and conduits to the Gunnison, South Platte, and Arkansas rivers in the critical drought periods when the fragile ecosystems are endangered. The threatened Upper Colorado River tributaries and tourist areas can also be saved from Denver's future plans to further dewater this important area that currently has 19 diversions to the East Slope. With Union Park, the population growth needs of both slopes can be met as an adjunct to Union Park's unique capability to enhance Colorado's four major river environments. P.

4. Economic Efficiency Using the same estimating criteria as the Metro Denver EIS, major international engineering firms have confirmed that Union Park can increase Metro Denver's safe water yield 40% more than Two Forks for 60% of the cost per unit of yield. Union Park can also double the yield of Aurora's proposed Collegiate Range diversion from the Gunnison for less than half the cost. The surprising efficiency of Union Park for Metro Denver has been largely confirmed by Corps of Engineers' computer analysis. By collecting and holding large volumes of water in high altitude storage for release only in cyclic drought periods, Union park can increase the operating efficiency of Denver's existing reservoirs so they can capture more of the Upper Colorado and South Platte flood waters that are currently spilled in wet periods. Computer modeling shows that an average annual diversion of only 80,000 acre 2300/ explain P.

# Hearing on bidding system begins April 18

from page 1

ity to buy unneeded power from QFs at too high a price. He said PSCo faces excess capacity in the Rocky Mountain region, and if it had to continue to abide by PURPA, ratepayers would end up footing the bill for the excess. This would run them nearly \$400 million more for electricity over the next five years.

Monroe disputes this claim, saying that at worst, ratepayers would have to pay 90 cents more per month for electricity. "Don't you think all of the benefits will be better for Colorado than the concern to PSCo that ratepayers might pay 90 cents more?"

Monroe added that PSCo has "total-ly overstated its claims of excess. PSCo has propounded a group of skewed numbers. I'll be the first to admit that our (QFs) numbers are skewed also. The truth lies somewhere in the middle. Even better, the truth lies six years down the road."

Monroe said that even if PSCo's worst scenarios come true, Colorado's electric rates — which are already lower than most states — would increase by only 1 percent.

But Pierce said that in recent months there has been a tremendous influx to PSCo of proposed QF projects, which is partly due to the favorable price Colorado utilities must pay QFs. Also, the average size of the projects is growing. In fact, some of the proposed projects boast more capacity than the total QF capacity currently on-line with PSCo, he said.

Wolfson noted that the lack of size restrictions on projects is one of the major problems with PURPA. "The people who drafted the Act may not have envisioned the entrepreneurs who are out there, who see PURPA as a way to make a lot of money," he said. "The annual costs to ratepayers are enormous." He added that these types of projects have been labeled "PURPA machines."

Times have changed since the implementation of PURPA, Pierce said. During a period of energy shortages, "it was a good incentive to get alternative sources of energy going. But the intent doesn't really apply to now."

He said that if the utility needed power, it could buy it from neighboring utilities for approximately three cents per kilowatt hour (kwh). In 1987, it paid QFs

**"We really welcomed the reopening of this issue. In particular, the moratorium has given us a chance to look at a bidding system."**

—Ron Binz, OCC

an average of five cents per kwh for electricity they produced, and some are on contract for as much as 11 cents per kwh.

Monroe, however, believes the PUC has studied the rate QFs should be paid long enough to decide what the rate ought to be. "If our tariff is high, why did they study it for two years and tell us it was fair?" He added that Colorado's avoided cost rate is "dramatically lower than most other states."

Pierce also questioned QFs' reliability and PSCo's lack of control over them. "They could shut down and leave any time," Pierce said. "They are not quite like the utility that has to stay around and provide power."

Also, unless the current system is changed, PSCo says it would end up with a reserve margin of nearly 40 percent. Pierce said a margin of 15 to 20 percent is more reasonable.

Monroe, on the other hand, said that

if Governor Romer's goal to generate economic development materializes, the utility's electric load will have to increase, and more power will be needed.

In December, the PUC acknowledged PSCo's concerns and imposed a moratorium. "Our previous orders didn't come to grips with the scheduling problem in the manner that we should have," Wolfson said. "We have been surprised at the scale of the proposed additional sources of power. And the ratepayers must pay even though there's excess capacity."

Wolfson said that in 1985, the PUC staff warned the Commissioners that scheduling QF power would be a problem with excess capacity. At that time, the Commission recognized the potential problem, but agreed to reopen proceedings only when the problem was more apparent.

Wolfson continued: "It comes down to the question of what is the PUC for? The PUC is here to ensure just and reasonable rates." Referring to a proposed 1,000-mw hydroelectric project in Gunnison County, Wolfson asked, "If we can't stop a 1,000-megawatt, how are we going to ensure just and reasonable rates?" He added that the PUC also is required to protect the financial integrity of the utilities it regulates.

"PSCo got more than they ever dreamed in this case," Monroe said. "The Commission staff is practicing their own agenda. They gave appallingly slanted testimony, and the Commissioners have to believe" them. Also, he said, PSCo "really had to stretch some numbers to show the negative impacts (of QFs). This is just PSCo's attempt to squash cogener-

ation."

The moratorium has relieved PSCo of its legal obligation to execute any new contracts for QF-generated power. At PSCo's request, the moratorium did not apply to projects 25 mw or smaller that had contacted PSCo before Nov. 4, 1987. In addition, PSCo was expected to continue to negotiate expeditiously and in good faith with developers of projects larger than 25 mw that had contacted PSCo before Nov. 4. These included Thermo Carbonic and three other companies (Mitec, Inc., developer of a 50-mw hydro-electric project near Montrose; Westmoreland Energy, Inc., developer of a 120-mw coal-fired fluidized-bed project in Greeley; and Cogen Technology, Inc., developer of an 80-mw gas-fired project near Wray). All contracts involving projects of this size will be subject to close PUC scrutiny, with approval only after showing that the capacity does not contribute to the alleged overcapacity problem or negatively affect ratepayers. PSCo and QF developers also must show that they are making substantial progress in their negotiations.

As a condition of its decision on the moratorium, the PUC ordered PSCo to come up with a more permanent solution to the problem. The utility has submitted a complex proposal involving a bidding system for determining who should supply future electricity at what price.

In February, the PUC decided to continue the moratorium until a decision is made on PSCo's proposal. A decision is expected by the end of July.

"The PUC believes it may be preferable to have a series of cogenerators" come

on-line rather than a large power plant, Wolfson said. "But they must come on-line at a reasonable pace. It's a question of scheduling."

Under PSCo's plan, QFs would supply up to 20 percent of total firm load. Beginning in 1990, QFs would furnish bids every two years for specific megawatt amounts. The first year power would be needed is 1998. Bids would be evaluated by PSCo on a point system, according to the projects' operability, facility characteristics, cost, fuel type, contract term, and project management and financing. Successful QFs would be paid the price

**"There are several good ways of getting to win/win between ratepayers and cogenerators."**

—Ron Lehr, PUC

they bid as long as it did not exceed a maximum level determined by PSCo.

While most people agree the final bidding system probably won't resemble PSCo's original proposal, many are in favor of using such a process to select electricity suppliers.

"We perceive the merits of a bidding procedure and think it has a place in the near future," said PUC Chairman Arnold Cook.

"There are several good ways of getting to win/win between ratepayers and cogenerators," said Commissioner Ron Lehr. There is potential for "tremendous benefit to everyone if we do this thing right."

According to Ron Binz, the director of the Office of Consumer Counsel (OCC), PSCo's plan is a good starting point. The OCC is Colorado's advocate for residential, small business and agricultural consumers in utility rate cases before the PUC.

"PSCo is correct. There is a problem now" with excess capacity and avoided costs that are higher than they should be, Binz said. "We really welcomed the reopening of this issue. In particular, the moratorium has given us a chance to look at a bidding system."

While some cogenerators have questioned the PUC's authority to institute a bidding system, Monroe said, "A bidding system that is fair and equitable is good. But by definition, a bidding system can't be in the hands of the utility."

He said that PSCo's proposal for a bidding system in "the eyes of everyone is laughable except PSCo and the PUC staff. No group won't be offended by PSCo's new filing."

Wolfson said that the cogenerators may be overstating the economic benefits of their projects. He admitted that the projects will create jobs and pump dollars into the local economies, but "what about the captive ratepayer that is paying for the plant and economic development? Why don't we just tax everyone in the state directly for economic development rather than just PSCo customers?"

He added that while the avoided cost system of paying QFs is currently in question, a bidding system "looks good." He said that eventually energy efficiency could compete with power generation in a bidding system.

In the meantime, it is likely that complaints will be filed with the PUC, and PUC final decisions will be appealed to court. As EnergyTalk went to press, two companies had filed complaints.

The next hearing by the PUC on this issue will begin at 9 a.m. Monday, April 18 and last several days. It is at the PUC, Hearing Room A, 1580 Logan St., Denver.

## FERC raises issues

from page 3

courts until 1982, when utilities were required to purchase all the power produced by QFs that met certain qualifications.

Several states set high avoided cost rates and found themselves awash in co-generated power. Other states, with surplus generating capacity, set the avoided cost low and saw little QF development and no reduction in electricity rates. Still other states tried to use PURPA to lower the cost of electricity, either through negotiations between utilities and QFs, or by requiring QFs to bid on the power they wanted to supply.

### PURPA update

The Reagan Administration, through the Federal Energy Regulatory Commission (FERC), wants to build on the embryonic free market created by cogeneration by deregulating the rest of electricity generation.

To enhance competition, FERC is studying proposals to change the way states administer PURPA. These proposals not only would institute a voluntary competitive bidding system for QFs, but they also would open the bidding to other non-utility power generators known as Independent Power Producers (IPPs). Under all-source bidding, the right to bid and build capacity is not limited by technology, fuel type, or size. At its most basic level, the debate centers around whether market forces, as opposed to regulation, should be used to set electricity prices.

The FERC proposal introduces a whole new set of rules into the utility and independent power industries. Questions about the ramifications of

all-source bidding include:

— Does the proposal introduce change for change's sake? Will all-source bidding ensure the least-cost price for generation?

— If states adopt competitive bidding procedures, will utilities be able to maintain a reliable electrical system and remain in control over that system?

— Should the bidding process be voluntary or mandatory? Should utilities be allowed to build IPPs capacity through their subsidiaries?

— Is bidding legal under the Federal Power Act's "just and reasonable" strictures? Would the 1935 Public Utility Holding Company Act (PUCHA), administered by the Securities Exchange Commission, result in reclassifying QFs that develop IPPs projects as utilities and therefore rejecting their status under PURPA?

— Will long-distance transportation of bulk power remain the exclusive province of the utilities that build and control the use of transmission lines? Will achieving competition in the transmission of electric power be the most sensitive issue of all in developing a federal electricity strategy?

The utility industry likely will become more competitive and resemble other industrial businesses more closely. Colorado utilities, the state Public Utilities Commission, IPPs, the Office of Energy Conservation (OEC), utility customers, and all other involved parties, should work together to maximize the common economic benefits offered by this opportunity to shape changes in the energy field.

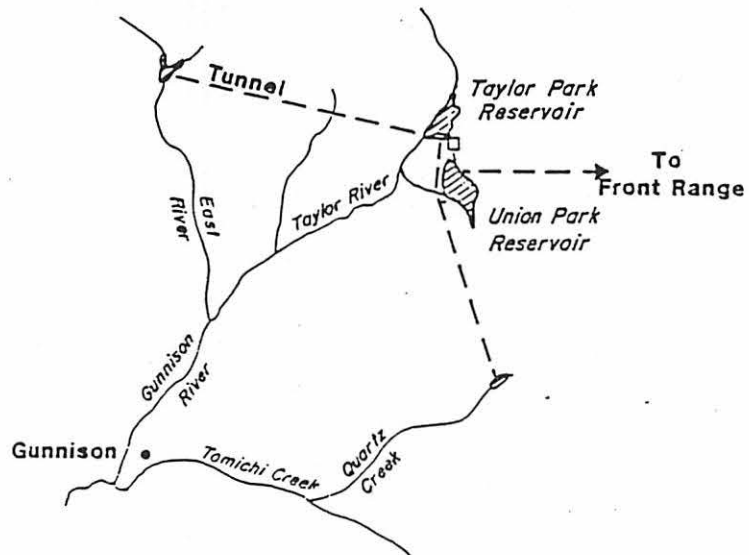
Bob Westby is manager of engineering and technical services at the OEC.

March

PROPOSED  
ARAPAHOE COUNTY  
UNION PARK WATER SUPPLY PROJECT  
(ADVANTAGE OVER COLLEGIATE RANGE PROJECT)

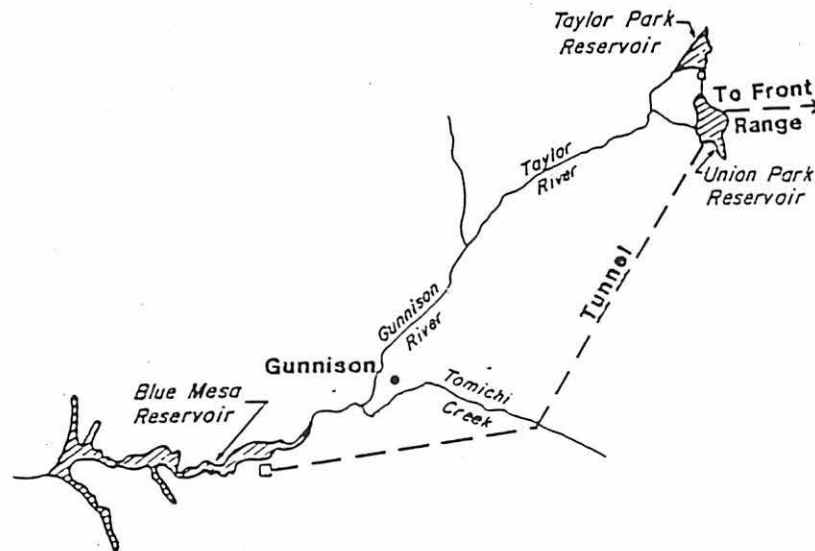
1. ABILITY TO MEET THE MINIMUM STREAMFLOW REQUIREMENTS WITHOUT DRYING UP TAYLOR RIVER REACH UPSTREAM OF ALMONT TO TAYLOR PARK RESERVOIR.
2. DOES NOT REQUIRE REPLACEMENT RESERVOIR ON EAST RIVER AND THUS PROTECT THE FISH HATCHERY.
3. DOES NOT REQUIRE MAJOR STORAGE FACILITY ON THE EASTERN SIDE OF THE CONTINENTAL DIVIDE FOR REGULATION PURPOSES.
4. HAS REDUCED ENVIRONMENTAL IMPACTS (ONE RESERVOIR SITE).
5. ABILITY TO DELIVER STORED WATER TO GUNNISON, ARKANSAS, AND SOUTH PLATTE WATERSHEDS.
6. ITS COMMAND OF HIGHER ELEVATION CAN ENHANCE THE YIELD OF DENVER'S EXISTING WATER SUPPLY SYSTEM.
7. ENHANCEMENT OF RECREATIONAL OPPORTUNITIES IN THE GUNNISON RIVER BASIN.

## Gunnison Basin Collection System To Union Park Reservoir



Water Yield	54,000 AF (Est.)
Construction Cost	\$290 M
Equivalent Pumping Cost	\$9 M
Cost Per Acre-Foot	\$5,500

## Blue Mesa Pump Back To Union Park Reservoir



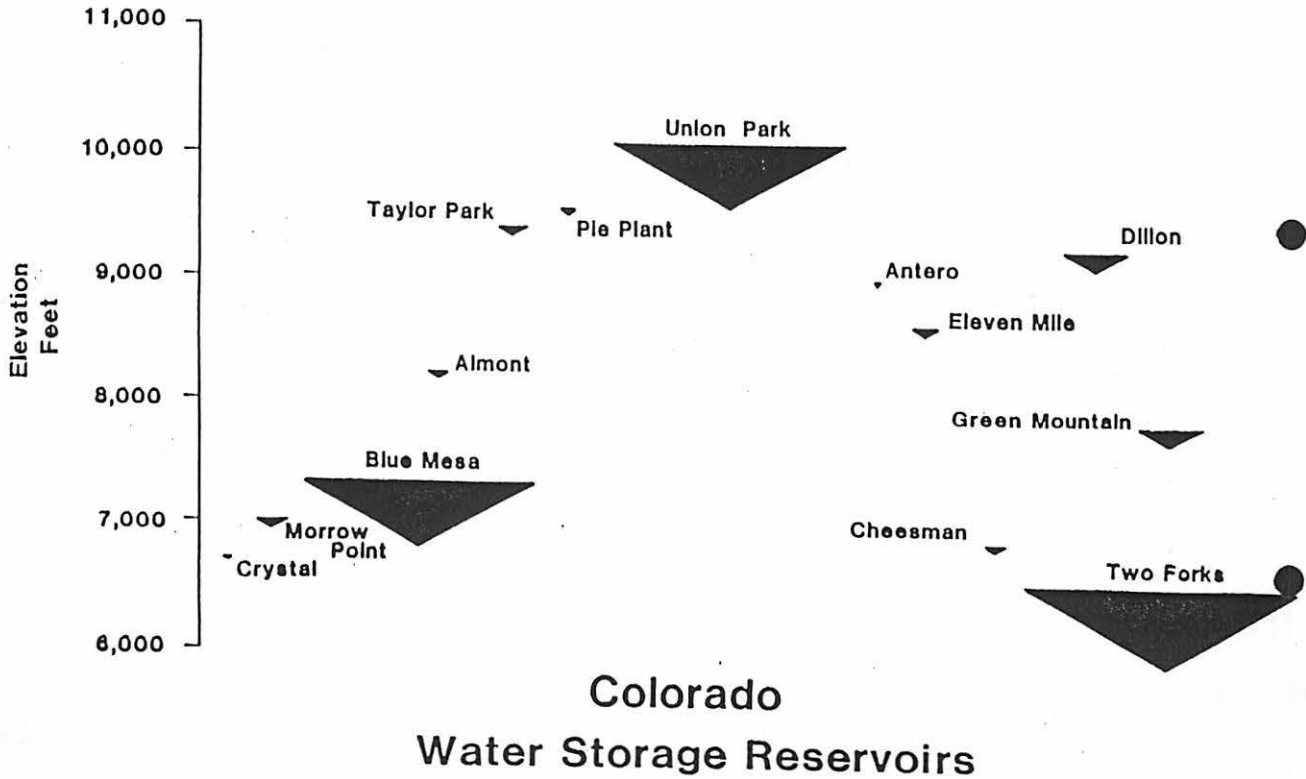
Water Yield	150,000 AF (Est.)
Construction Cost	\$690 M
Equivalent Pumping Cost	\$170 M
Cost Per Acre-Foot	\$5,700



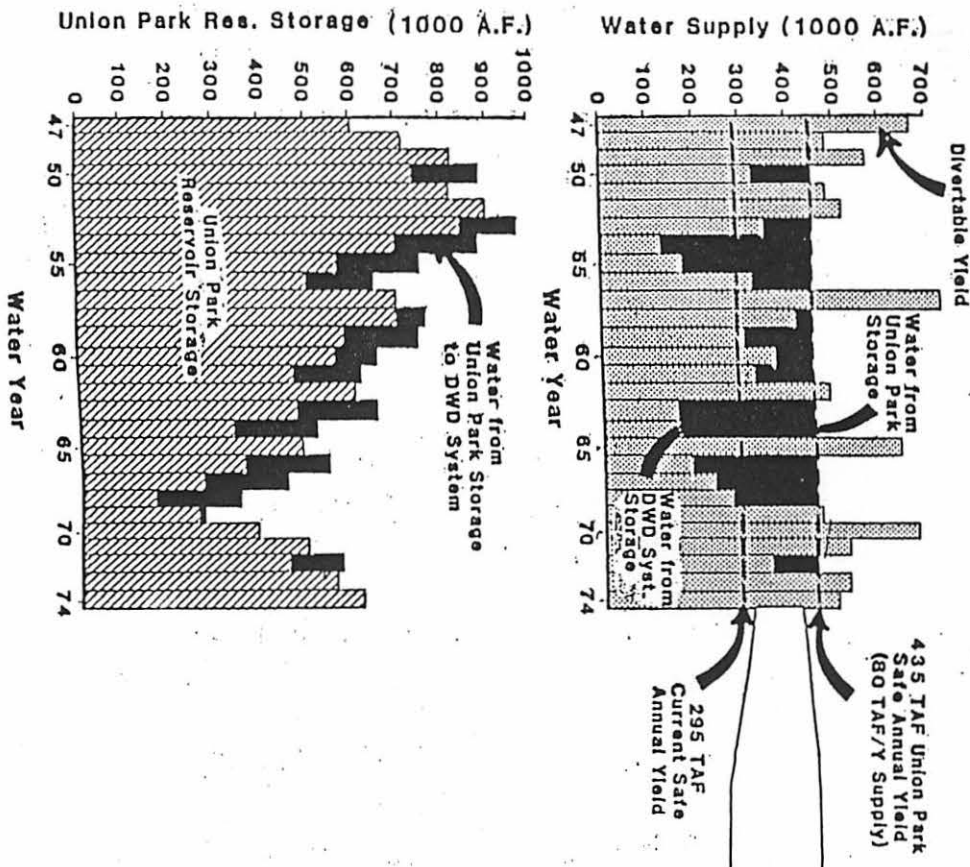
# Union Park Water Supply Project

## System Comparison with Collegiate Range Project

	<u>Union Park</u>	<u>Collegiate Range</u>
Capital Cost	\$481 M	\$650 M ±
Safe Annual Yield Increase	140,000 AC-FT	73,000 AC-FT
Capital Cost / Acre-Foot	\$3,450 <small>at 20% yield = 500.78</small>	\$8,900 <small>20% yield = 725.94</small>
Annualized Cost / Acre-Foot	\$305	\$750
Future Expansion	150,000 AC-FT	None Planned
Expan. Annualized Cost / Acre-Foot	\$400-\$500	N.A.
Environmental Impact	Enhances Gunnison, Arkansas, S. Platte & Upper Colorado	Damages Almont, Increases Platte High Flows



**Union Park Water Supply Project**  
 Denver Water Department  
 Divertable Yields & Safe Annual Yields  
 80,000 AF

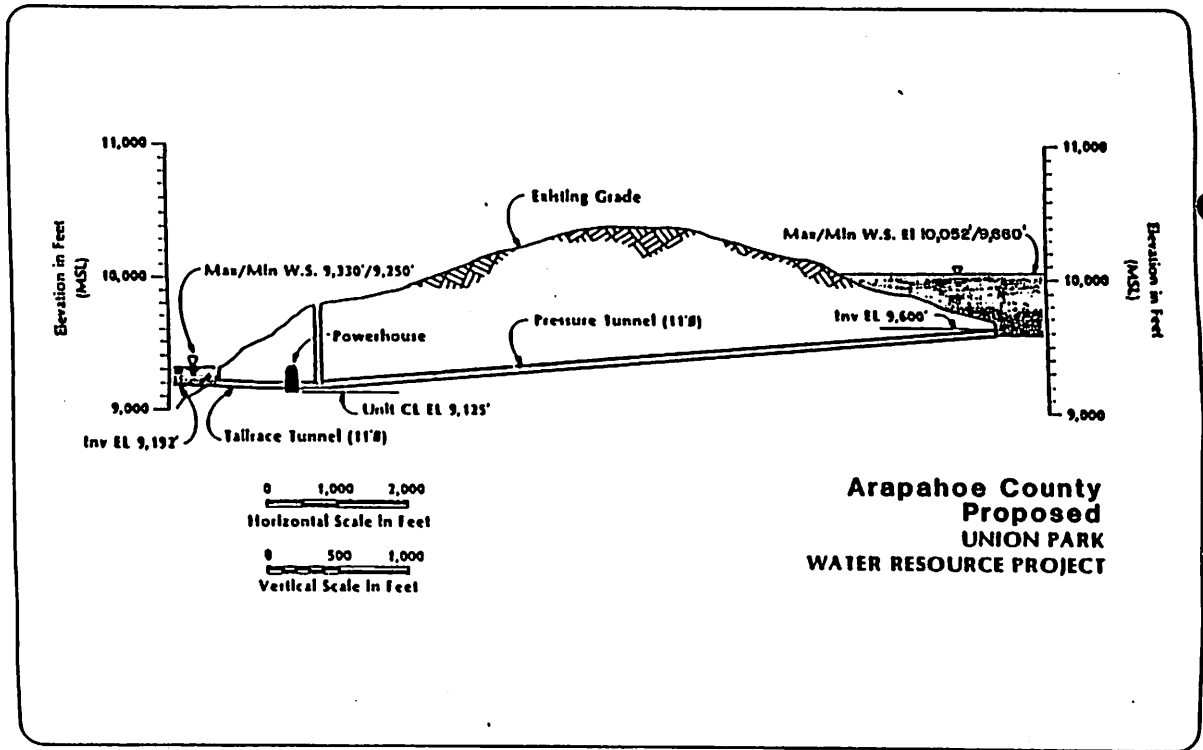


## Arapahoe County Proposed Union Park Water Supply Project

### Water Yield for Denver Water Dept. & State of Colorado

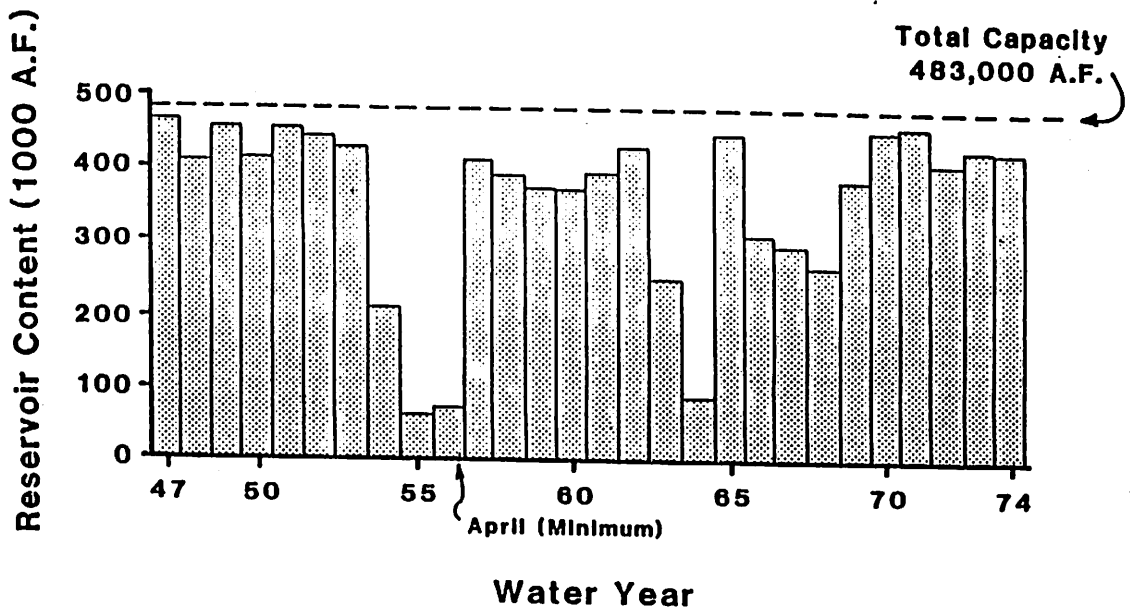
Min. Stream Flow at Taylor Park Dam Cubic Feet Per Second		Avg. Diversion to Union Park Acre-Feet Per Year	Increase in DWD Safe Annual Yield Acre-Feet Per Year
Summer	Winter		
200	50	80,000	120,000
150	50	80,000	140,000
100	50	100,000	180,000*

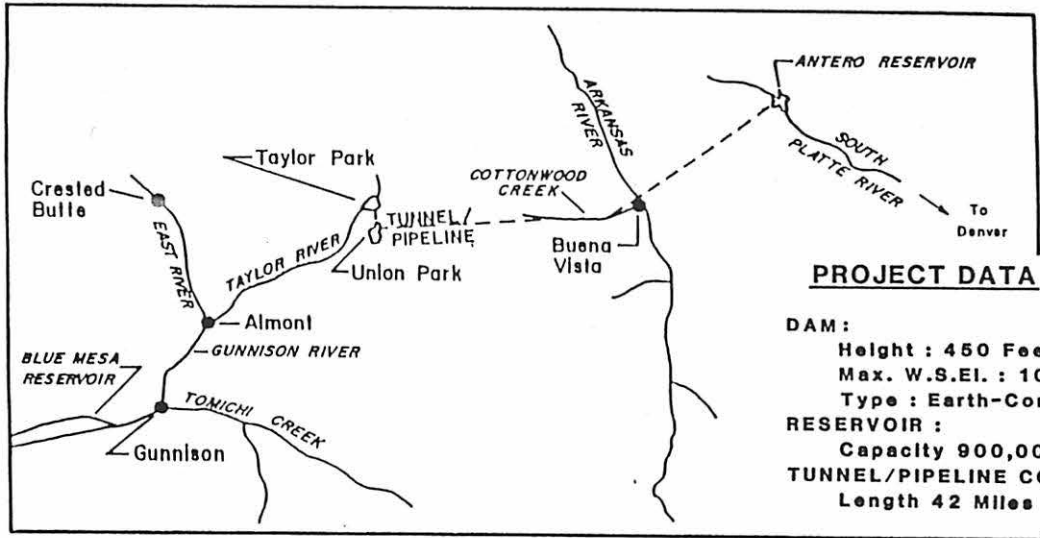
\* or 20,000 Acre-Feet for Dry Year Releases from Colorado Conservation Pool to Gunnison, S. Platte & Arkansas Rivers



## Arapahoe County Proposed Union Park Water Supply Project

### Denver Water Department Modeled Reservoir Contents





## Arapahoe County Proposed Union Park Water Supply Project

