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M E M O R A N D U M

To: Board of Directors, Yellow Jacket Water Conservancy District
From: Scott Balcomb and Scott Grosscup
Re: Water Conservancy Districts

Directors:

In preparation of the April 19, 2012 meeting, we prepared this memorandum to outline the statutory powers of a water conservancy district as well as provide some examples of what districts around the state are doing.

Statutory Powers

Water conservancy districts are vested with certain statutory powers that enumerate the activities that a board of directors may pursue. These are identified in section 37-45-118, C.R.S. and are summarized as follows:

1. To acquire, hold or sell/lease water rights and real and personal property for use within the district;
2. To construct or operate all facilities necessary to provide water within the district
3. To exercise the power of eminent domain to condemn private property for public use
4. To construct and maintain works and establish and maintain facilities across or along any public right of way or on vacant public lands or across streams
5. To contract with the federal government for the construction of water works and to sell rights to use water from such works;

6. To allot water to irrigable lands and levy assessments against those lands within the district;
7. To fix rates at which water shall be sold, leased, or otherwise disposed of;
8. To hire employees and consultants;
9. To plan for delivery of water to its constituents.
10. To provide deliver water for municipal and domestic purposes, irrigation, power, milling, manufacturing, mining, metallurgical, and any and all other beneficial uses;
11. To invest or deposit surplus money in the district treasury or other lawful investment
12. To borrow money and incur indebtedness and to issue bonds or other evidence of such indebtedness;
13. To adopt bylaws;
14. To participate in the formulation and implementation of nonpoint source water pollution control programs;
15. To provide park and recreation improvements and services in connection with a reservoir owned by the district

Water Conservancy Districts

There are a number of water conservancy districts throughout the state, both large and small. Historically, many of these districts focused on building large projects for purposes of providing irrigation water. They followed the federal government and in some instances became the entity responsible for operating and collecting on federal projects; for example the Northern Colorado Water Conservancy District and the Southeastern Colorado Water Conservancy District.

Recent trends have moved away from large federal projects for irrigation water towards contracting with individuals to provide domestic and/or augmentation water. One tool of doing so is through the adjudication of an umbrella plan for augmentation. These plans allow present and future contractees to apply for a water supply from the district and be covered under the augmentation plan without the need for further water court activity. These plans focus more towards residential development and provide augmentation sources for domestic wells as well as ponds, and can include fish habitat.

Additionally, some districts have developed programs that assist water rights owners in paying for headgate improvements either through grants or low interest loans.

One possible model follows the Ute Water Conservancy District. It provides domestic, potable water to rural areas within the Grand Valley in Mesa County, around Grand Junction and Fruita. Another model is the Basalt Water Conservancy District that primarily provides augmentation water within the Roaring Fork River basin to

domestic, industrial and municipal needs from its water rights or water that it has under contract with the Bureau of Reclamation.

Water Demands/Needs

The Colorado Water Conservation Board's Basin Round Table has identified farming and ranching as the major economic activities within the White River Basin. Energy development follows as another major economic activity, however, it estimates present use of only 1,000 af/year of water use. Additionally, the CWCB recognizes the many recreational uses within the basin and the economic impact. Population in Rio Blanco County is relatively sparse at 6,000 in 2000 and expected to grow to 8,400 in 2030. Attached is the CWCB's fact sheet for the Yampa/White River Basin.

At the present time, there are three "major" reservoirs in the basin. These include Taylor Draw Reservoir, Lake Avery Reservoir, and Rio Blanco Reservoir with total storage capacity of less than 22,000 acre feet. Western Resource Advocates has identified over 100 water rights in the White River basin that are decreed for use in oil shale development, which total over 5,600 cfs of diversions and 1,186,625 acre feet of storage. This is in addition to the 4,996 cfs and 736,770 acre feet identified in the Colorado River basin.

Possible Questions for Discussion

The following questions provide possible questions for discussion about future needs and ability of the YJWCD to meet those needs.

- What is the future need for the YJWCD to provide water for oil shale development?
- What is a reasonable timeline for considering that need?
- Are there other unmet needs for water? Environmental, agricultural, domestic, industrial?
- Are there partners that the YJWCD can work with to meet that demand? Rio Blanco County? Town of Meeker?
- Are there water efficiency programs that could increase the amount of available water?