

CR/FY-02 UCRRIC
Mail Stop 65115

Memorandum

To: Implementation Committee
Management Committee, Consultants, and Interested Parties
Meeting Attendees

From: Assistant Director, Upper Colorado River Recovery Implementation Program

Subject: Draft December 9 , 2002, Recovery Implementation Committee Conference Call
Summary

Attached are the draft action and assignment summary and the general meeting summary from the recent Implementation Committee conference call. Please review these documents and contact me (303/969-7322, ext. 221) if you think any changes are necessary.

Attachment

- Summary -

Actions and Assignments
Recovery Implementation Committee—December 9, 2002

COMMITTEE ACTIONS:

1. The Committee approved the proposal regarding Elkhead Reservoir enlargement.

CONVENE: 10:30 a.m.

1. Elkhead Reservoir enlargement - Ralph Morgenweck introduced the topic, then Tom Iseman outlined the recent negotiations and proposal to provide water for endangered fish in the Yampa River
 - a. The Program will purchase 5,000af of permanent storage out of the 12,000af Elkhead enlargement. The current estimated project cost is \$1750/af (\$8.75M for 5,000af), excluding the cost of a fish screen (~\$1M). The parties acknowledge that there is some uncertainty in the project cost. However, the Program and the River District would retain the option to withdraw their support for a reservoir expansion if the project cost estimate escalates by more than 5% (to \$1838/af or \$9.19M for 5,000af).
 - b. The Program will lease 2,000af from Elkhead, on an as-needed basis, for \$50/af/year. The average annual lease requirement is estimated to be 470af (\$23,500/year), but could vary from \$0—100,000 in any year. This will be a 20-year lease. The parties agree that the Program will notify the River District of its annual need for leased water by a date certain, and that the River District reserves the right to lease any water in any year that the Program does not lease the water; the Program agrees to investigate a June 1 date for notification to the River District regarding the annual need for this leased water. This date will become a lease condition prior to final approval of the lease.

At the end of the lease term, the River District and Program will enter into good-faith negotiations for an appropriate lease renewal period and rate (if the water is needed for recovery). Terms and conditions for lease renewal will be subject to negotiation and mutual approval by the Program and River District. The Program will agree that the renewal price will be not less than \$50/af/year. Parties acknowledge the lease rate of \$50/af/year represents a negotiated value for the water but does not represent an amount that amortizes project cost. Parties also acknowledge the intent of the River District ultimately to recoup project costs.
 - c. The Program will retain \$1M in the long-term budget for the Yampa for a fish-screen at Elkhead (if needed).

This proposal would satisfy the entire 7,000 af estimated augmentation requirement, precluding the need to lease 2,000 af of water from Steamboat Lake.

Robert Morgan asked if there would be O&M costs on the 5,000 acre-feet of permanent storage. Tom Pitts said these costs would come out of the Program's annual O&M budget (probably in the neighborhood of \$5-10/af.). John Shields said the Management Committee has recommended the foregoing proposal to the Implementation Committee for approval. A detailed agreement will have to be worked out (which the Committee will have the opportunity to review). The Implementation Committee approved the proposal.

2. Recovery goals update - Ron Everhart asked if the Service will respond to Earth Justice's notice of intent to sue regarding the recovery goals and Bob McCue said the Service does intend to provide a short response and also offer to brief the board of the Grand Canyon Trust.
3. Next meeting - The next meeting will be March 11, 2003, in Denver near DIA from 10:00 a.m. - 3:00 p.m.

ADJOURN: 10:45 a.m.

Attachment 1 - Participants

Colorado River Recovery Implementation Committee Conference Call, December 9, 2002

IMPLEMENTATION COMMITTEE MEMBERS:

Ralph Morgenweck, U.S. Fish and Wildlife Service (Chairman)
Carol DeAngelis, U.S. Bureau of Reclamation
Tom Blickensderfer for Greg Walcher, Colorado Department of Natural Resources
Tom Pitts, Upper Basin Water Users
Pat Tyrrell, Wyoming State Engineer's Office
Bob Morgan, Utah Department of Natural Resources
Ron Everhart, Karen Wade, National Park Service
Leslie James, CREDA
Clayton Palmer, Western Area Power Administration
Dan Luecke, Environmental groups
Program Director Bob Muth, U.S. Fish and Wildlife Service (nonvoting)

OTHERS:

Tom Iseman for The Nature Conservancy
Brent Uilenberg, U.S. Fish and Wildlife Service
John Shields, Wyoming State Engineer's Office
John Reber, National Park Service
Sherm Hoskins and Robert King, Utah Department of Natural Resources
Shane Collins, Western Area Power Administration
Bob McCue, U. S. Fish and Wildlife Service
Angela Kantola, U. S. Fish and Wildlife Service, Recovery Program
Gerry Roehm, U. S. Fish and Wildlife Service, Recovery Program
Dave Mazour, Colorado River Energy Distributors Association