

RESOLUTION NO. 24-24

A RESOLUTION SUPPORTING A FINANCIAL COMMITMENT OF \$1,000,000 IN SUPPORT OF THE COLORADO RIVER DISTRICT EFFORT TO ACQUIRE THE SHOSHONE WATER RIGHT

Recitals:

The Shoshone Hydro Plant, a unique run-of-the-river hydroelectric power plant, sits alongside the Colorado River in Glenwood Canyon, about eight miles east of Glenwood Springs. Owned by the Public Service Company of Colorado (PSCo), a subsidiary of Xcel Energy, it produces 15 megawatts of electricity, enough power to serve approximately 15,000 customers. Importantly, Shoshone holds a senior (1902), nonconsumptive water right on the Colorado River, returning the flows it uses to the river after a short trip through the hydropower plant's penstocks and turbines. Shoshone's flows provide critical habitat to four fish listed under the Endangered Species Act, provide water security and quality to Western Slope agriculture and many of cities that utilize the mainstem of the Colorado for drinking water supplies and wastewater discharge.

The Shoshone call provides critical water supplies that drive the recreational economies supported by rafters, kayakers, and anglers from Eagle to Mesa County. For more than 20 years, the Colorado River District and 19 other Western Colorado governments and water entities, including Summit, Grand, Eagle, Garfield, and Mesa Counties and many of the municipalities and major water organizations therein, have been working together to find a way to permanently preserve the Shoshone flows. In fact, the 2013 Colorado River Cooperative Agreement between Denver Water and 17 West Slope governments/water user organizations expressly recognizes the importance of – and memorialized the need to provide permanent protection of – the Shoshone flows.

On December 19, 2023, Xcel Energy and the Colorado River District signed a Purchase & Sale Agreement (PSA) to transfer ownership of the historic Shoshone water rights to the River District for \$98.5 million. As defined in the PSA, the "Shoshone Water Rights" to be acquired by the Colorado River District include both the senior Shoshone Power Plant water right in the amount of 1,250 cfs with an appropriation date of January 7, 1902, and the junior Shoshone Power Plant water right in the amount of 158 cfs with an appropriation date of May 15, 1929. The purchase price for the Shoshone Water Rights is \$98,500,000, with an additional \$500,000 payment for PSCo's transaction costs for a total cost of \$99,000,000.

The funding of the purchase will rely on a diverse partnership of local, state, and federal sources. The broad-based West Slope Coalition proposes to contribute at least \$30 million, \$20 million of which has already been approved and committed by the River

District's Board of Directors, made possible through increased property tax revenues approved by West Slope voters in 2020 following the passage of ballot question 7A. The remaining \$10 million is expected to come from West Slope governments and water entities.

On January 29, 2024, the Colorado Water Conservation Board (CWCB) voted unanimously to recommend a \$20 million investment in the Shoshone Water Rights Preservation effort. In recognition of the critical importance of the Shoshone flows to the continued success of the Upper Colorado River Endangered Fish Species Recovery Program and other benefits to federal interests, the Colorado River District has initiated discussions with the Bureau of Reclamation to contribute the remaining \$49 million of the acquisition costs through funding made available as part of the Inflation Reduction Act.

The Colorado River District requested that the City of Grand Junction consider a \$1 million financial commitment to support the acquisition and permanent protection of the Shoshone Water Rights.

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION THAT:

1. The Recitals are incorporated herein and in consideration of the same and with due deliberation the City Council expresses its support for a financial commitment by the City of \$1,000,000 dollars for the acquisition and permanent protection of the Shoshone Water Rights.
2. The City Council by and with this Resolution authorizes the City Manager to initiate supplemental budget appropriations to allocate \$1,000,000 from the General Fund to support the financial commitment.
3. The City Council by and with this Resolution authorizes the City Manager, in consultation with the City Attorney, to sign the necessary and appropriate agreement(s) on behalf of the City to commit funding to the Colorado River District for the acquisition of the Shoshone Water Rights.
4. This Resolution shall be in full force and effect from and after its passage and adoption in support of the purposes hereof and as herein provided subject to and conditioned on the Colorado River District securing commitments for the purchase as described herein.

PASSED and ADOPTED this 3rd day of April 2024.



Anna M. Stout
President of the City Council

ATTEST:


Amy Phillips
City Clerk

