

**GRAND JUNCTION CITY COUNCIL  
WORKSHOP AGENDA**

**WEDNESDAY, SEPTEMBER 5, 2001, 6:00 P.M.  
CITY HALL AUDITORIUM, 250 N. 5<sup>TH</sup> STREET**

**\*\*\* PLEASE NOTE TIME AND DATE\*\*\*\***

**MAYOR'S INTRODUCTION AND WELCOME**

**6:00 GRAND MESA SLOPES UPDATE AND POLICY DISCUSSION:** Staff will update City Council on issues relative to the Grand Mesa Slopes.

[\*Attach W-1\*](#)

**7:15 REVIEW OF FUTURE WORKSHOP AGENDAS**

[\*Attach W-2\*](#)

**7:25 ADJOURN TO REGULAR MEETING**

**CITY COUNCIL AGENDA  
CITY OF GRAND JUNCTION**

<b>CITY COUNCIL</b>		
<b>Subject:</b>	<b>Grand Mesa Slopes Policy Discussion</b>	
<b>Meeting Date:</b>	<b>September 5, 2001 6-7 PM</b>	
<b>Date Prepared:</b>	<b>August 23, 2001</b>	
<b>Author:</b>	<b>Greg Trainor</b>	<b>Utility Manager</b>
<b>Presenter Name:</b>	<b>Greg Trainor</b>	<b>Utility Manager</b>
<b>X</b>	<b>Workshop</b>	<b>Formal Agenda</b>

**Subject:** Council discussion and direction with issues related to the Grand Mesa Slopes.

**Summary:** The purpose of the Workshop is for City Council to set direction with issues related to the Grand Mesa Slopes. Some of the specific issues that will be discussed are the City's water supply in Whitewater Creek basin, the Somerville Ranch, and natural gas development. The purpose of the Workshop will be to accomplish the following three items:

- 1) Short history of our Somerville/Whitewater Creek involvement.
- 2) Discuss reinstatement of the Grand Mesa Slopes process for developing policy recommendations.
- 3) Achieve short-term direction on access and drilling issues with Evertson Oil Company.

**Background Information:** The "Grand Mesa Slopes Special Management Area" (GMS) is a collection of properties/owners that have formed a cooperative management "understanding" along the west slope of the Grand Mesa. The formation of this area was an effort among the City, Forest Service, Colorado Division of Wildlife, Town of Palisade, private landowners, BLM, and public land users to jointly manage an 80-square mile area on the face of the Grand Mesa. The intent of the plan is to protect its unique land forms, water, wildlife, recreation and other resources, and to insure that the area remain undeveloped. The City's interests are varied in this area, but the one main issue that remains today is the protection of the City's water supply and watershed.

The City's water supply in the Whitewater Creek basin was acquired with the purchase of the Somerville Ranch in January of 1990, after a summer of drought. Although sufficient for City domestic purposes, the City Paramount water right on Kannah Creek was only running a portion of its full-decreed amount. All other water rights in Kannah Creek were dry. The Somerville water right, from Whitewater Creek, seemed from historical investigations to maintain a consistent flow most of the time. In January 1990, the City issued 10-year revenue bonds and purchased the water supply for \$1.6 million dollars, or about \$1,000 per acre-foot. Eleven thousand acres of land also came with the water purchase. The City leased the Somerville ranch to Cliff and Judy Davis for the purpose of putting the water to beneficial use until the water supply

could be transferred to the City for municipal purposes. In 2006 the City's Water Resource Utility proposes to construct the \$1.594 million dollar Somerville Water Supply Pipeline, making a connection to the City's historic Kannah Creek Flowline. Design will begin in 2002. This supply will provide drought protections.

Anticipating Federal mandates to protect watersheds from contamination, the City became a "charter" participant in the development of the Grand Mesa Slopes Special Management Area. Direction is needed from City Council as to the benefit of reinstating the Grand Mesa Slopes "policy process" with affected interests.

During the mid 1990's the BLM revised its Resource Management Plan, removing all the area from a "disposal" classification, and began purchasing many of the scattered parcels of private land in the Grand Mesa Slopes area-an effort to insure further protection of the area from development. In December 1990 the City and the BLM completed a land trade that placed all of the City's Somerville water diversions on City land.

Shortly before this transaction the City discovered that private oil and gas interests were nominating federal lands in the Grand Mesa Slopes area for natural gas development. These interests have now approached the City seeking to acquire mineral leases on City-owned lands in the same area as well as access through City ranch properties to reach proposed gas wells.

### **Attachments:**

Detailed attachments are provided and are indexed below with a short description. **This background material will not be reviewed with City Council at the workshop.** It is intended as background information and would only be addressed *if there are questions*. Supplemental maps of city-owned property will be available at the Workshop, showing mineral ownership and areas being requested by private natural gas development interests.

**Attachment A.** Purpose of the Somerville water supply purchase; long-term water development; oil and gas development.

**Attachment B.** Pictures of the Somerville Ranch.

**Attachment C.** The Somerville water supply to the City's overall water supply plan.

**Attachment D.** Map of 2006 Somerville Water Supply Pipeline capital improvement project.

**Attachment E.** Federal and State Source Water Assessment Program (SWAP) requirements.

**Attachment F.** Grand Mesa Slopes: process and management plan.

**Attachment G.** Natural Gas Development Issues:

1. Current leases on Federal lands.
2. Requests to access through City lands for drilling and operations
  - i. Access request/agreement for three immediate wells
  - ii. Access requests/agreements for future wells
3. Requests for leasing of City-owned lands.

**Budget:** No immediate impact.

### **Action Requested:**

1. Provide short-term direction on access and drilling issues with Evertson Oil Company.
2. Provide long-term direction regarding leasing of City property for mineral exploration.
3. Discussion and action on reinstatement of the Grand Mesa Slopes process for developing policy recommendations.

**Recommendation:** Staff recommends authorizing the City Manger to negotiate an agreement with Evertson Companies for access across City property for the purpose of drilling and maintaining the initial drill sites located on the BLM. This agreement would address the issues and concerns identified by staff as well as Cliff & Judy Davis. This agreement would eventually be brought back to Council for formal approval.

Staff also recommends reinstitution of the Grand Mesa Slopes Steering Committee to identify, review and eventually make recommendations regarding policy issues that face the GMS today, specifically gas development. From that process, the Council may have the information necessary to make a determination on the issue of leasing City property for gas exploration.

<b>Citizen Presentation:</b>	<input type="checkbox"/>	<b>No</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<b>If Yes,</b>
<b>Name:</b>	<b>Evertson Oil Company; Cliff and Judy Davis</b>				
<b>Purpose:</b>	<b>Represent their interest</b>				

<b>Report results back to Council:</b>	<input type="checkbox"/>	<b>No</b>	<input type="checkbox"/>	<b>Yes</b>	<b>When:</b>	<input type="checkbox"/>
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<b>Placement on Agenda:</b>	<input type="checkbox"/>	<b>Consent</b>	<input type="checkbox"/>	<b>Indiv. Consideration</b>	<input checked="" type="checkbox"/>	<b>Workshop</b>
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## Attachment A

Interoffice Memo:

To: File: oil-gas-watershed issues  
From: Greg Trainor, Utility Manager  
Date: May 16, 2000

This memorandum was prepared in May 2000 and used in preparation of the City Council Goals Tracking Sheet, dated October 26, 2000, for development of a Grand Mesa Slopes Policy. The Goals Tracking Sheet was the outcome of the City Council retreat on October 16, 2000.

Purpose of Somerville water supply purchase; long-term water development; oil and gas development.

### **Introduction**

The issue of oil and gas development on City lands or on public lands within City watersheds needs to be put into a broad, long-term perspective.

The concluding **Principles and Strategies** in this paper need to be viewed with a basis of understanding as to why the Whitewater Creek water supply was purchased, the essential use of this drinking water supply during periods of drought, local and federal mandates to protect this drinking water supply, conflicts between Federal Safe Drinking Water Standards and Federal oil and gas leasing programs, and the essential nature of ranch leases in putting this water supply to beneficial use.

### **Why the City bought the Somerville Ranch water supply**

The City acquired the Somerville ranch in 1989 for its water supply. In the fall of 1989 the City's main source of water, Kannah Creek, was at a near all-time low. The only water available in the Kannah Creek system was a portion of the City's Paramount Decree. This decree is the most senior decree on Kannah Creek. The 1976-1977 period was another period of drought when ranchers in Kannah Creek came to the City asking for "stock water" from the City's Paramount Decree because that was the only water available.

Whitewater Creek, in which the Somerville property is located, continued to flow at about 2 cfs and, based on engineering data, seemed to be very consistent at that flow in most years, including the 1976-1977 period. It certainly remained at the 2cfs base flow during the dry period of 1989-1990. The City closed on the Somerville ranch and its water supply in January of 1990 with the intent of eventually transferring that water to municipal use as an augmentation supply during dry periods similar to 1976-1977 and 1989-1990.

### **Need for Somerville Water Supply during Periods of Drought**

The City's water conservation program outlines the City's water supply and demand curves during normal times and during periods of drought.

During an average year, the City's supply is provided adequately from its Kannah Creek and the North Fork of Kannah Creek sources. During period of drought, similar to the 1976- 1977 and 1989-1990 periods, the City's demand for water is supplied from its Kannah Creek sources, North Fork sources, *Whitewater Creek sources*, and from the

City's contract with the Clifton Water District. In other words, the City would be relying on drinking water supplies from all of its mountain sources, including the Whitewater water resource, and its contract with Clifton.

### **Protection of Drinking Water Supplies Mandated**

The protection of that Whitewater water resource was, and is, a primary concern of the City's Water Utility operation. This protection is mandated in the City Charter and in Federal source water protection statutes.

#### **The Charter:**

*“Every franchise, right or privilege which has been, or which hereafter be granted, conveying any right, permission or privilege to the use of the water belonging to the City, or to its water system, shall always be subject to the most comprehensive oversight, management, and control in every particular by the City; and such control is retained by the City in order that nothing shall ever be done by any grantee or assignee of any such franchise, right or privilege which shall in anyway interfere with the successful operation of the water works of the City, or which shall divert or impair, or render the same inadequate for the complete performance of the trust of the people under which such water works are held by the City, or which shall tend to do so.”*

Although dealing with franchises, the intent seems to be that any action affecting the City's ability to manage and protect its water operation should fall under the “most comprehensive oversight”. Certainly, the history of the City's efforts and expense to acquire the Kannah Creek Paramount water right lends credence to the Charter provisions mandating that “nothing shall ever be done...which shall in any way interfere with the successful operation of the water works...”

#### **Federal statutes**

The 1996 amendments to the federal Safe Water Drinking Act (Section 1453) require the states to develop and implement Source Water Assessment Programs (SWAP). The State of Colorado developed and submitted its program outline to EPA in February 1999. The City of Grand Junction was on the “design team” for development of the State program. The Source Water Assessment Program (SWAP) requires water providers to assess the potential of contamination within their watersheds, identify regulated and unregulated contaminants in watershed areas, determine the threat of these potential contaminants to drinking water supplies, and implement “best management practices” to insure that drinking water supplies are not contaminated. The SWAP also mandates public participation and information and submittal of SWAP results in the City's annual “consumer confidence report”.

Water providers are to integrate their SWAP efforts with other federal programs such as the elimination of non-point source pollution and management of Class I through IV injection wells, associated with oil and natural gas recovery and storage of liquid hydrocarbons.

### **City/BLM Land Exchange Fails to Protect Drinking Water Supply Diversions**

In 1998 the City was presented with the opportunity to acquire public lands, within the Whitewater Creek watershed, through an exchange with the BLM. This opportunity would allow the City to acquire public lands on which the City's Whitewater Creek diversions were located and provide an opportunity for the City to *protect* these diversions from development, potential contamination, public access, etc.

(As an aside, most of the City's water supplies on Grand Mesa are in the Kannah Creek basin, although on public lands, are in *de facto*, roadless areas due to geography and in areas of existing or future limited motorized public access.)

The objectives of the land exchange to protect existing and future diversions did not bear fruit because of BLM sales of oil and gas leases on exchanged lands prior to the exchange and unknown to the City.

### **Water quantity, existing ranch leases increased public access.**

The purpose for ranch leases on the Somerville property is to protect and put to beneficial use agricultural water supplies, destined for eventual use as municipal drinking water. The Somerville ranch lease to Cliff and Judy Davis is a triple-net lease with all responsibility for operation and maintenance of the ranch falling to the Davises. This includes diversion and use of the City water on ranch lands. The Davises pay the City \$21,675 per year, in addition to other ranch operating costs.

Having a viable ranch operation at the Somerville property is essential to the City's long-term use of its water supply. If the Davises (or another ranch lease) were not able to making a living on the Somerville Ranch, then the City would be saddled with this responsibility-turning a revenue generating operation for the City into a cost center.

Concern for the ranch operation is ongoing access by persons unknown and increased public access caused by increasing oil/gas operations and servicing

### **Principles and Strategies**

The following principles are suggested strategies in addressing oil and gas issues in the Grand Mesa Slopes area.

Require each principal to disclose their short and long range plan of development so that the following can be evaluated.

Recognize existing oil and gas leases, negotiate and limit adverse impacts.  
Evaluate whether future leases on City watersheds on *public* lands are in the City's interest

Evaluate whether future leases on *City* lands are in the City's interest.

1. Honor existing oil and gas leases, but limit adverse impacts
  - a. Work with leasees on siting locations; strengthen siting requirements; negotiate access through City lands only if *quid pro quo* from leasing agents on other issues.
  - b. Evaluate future nominations in areas better suited for drilling; leasees relinquish leases on existing leases.
  - c. Evaluate leasees relinquishing existing BLM leases on City lands recently acquired from the BLM and trade for leases on lands less sensitive.
  - d. Move City diversions to other locations further up the watershed, acquire additional lands from the BLM to do so, and pipe Brandon Ditch through areas affected by existing oil/gas leases.

2. Evaluate whether future leases on *public* lands in City watersheds are in the City's interest.
  - a. Request that BLM withdraw the GMS from mineral development
  - b. Request that BLM withdraw certain areas within the GMS that are watersheds from mineral development
  - c. City bid on future leases during public sales
  
3. Evaluate whether future leases on *City* lands are in the City's interest.
  - a. Impact of leases on ranch operations.
  - b. Comparative economic evaluation among *open space*, *oil/gas*, and *protected water supplies*  
Examination of these values on lands already owned by the City considering State and Federal efforts to appropriate funds for land acquisition for open space via Great Outdoors Colorado and the recently-passed House bill to create a \$45 billion dollar, 15-year program to acquire parks, open space, wildlife protection, and restoration.





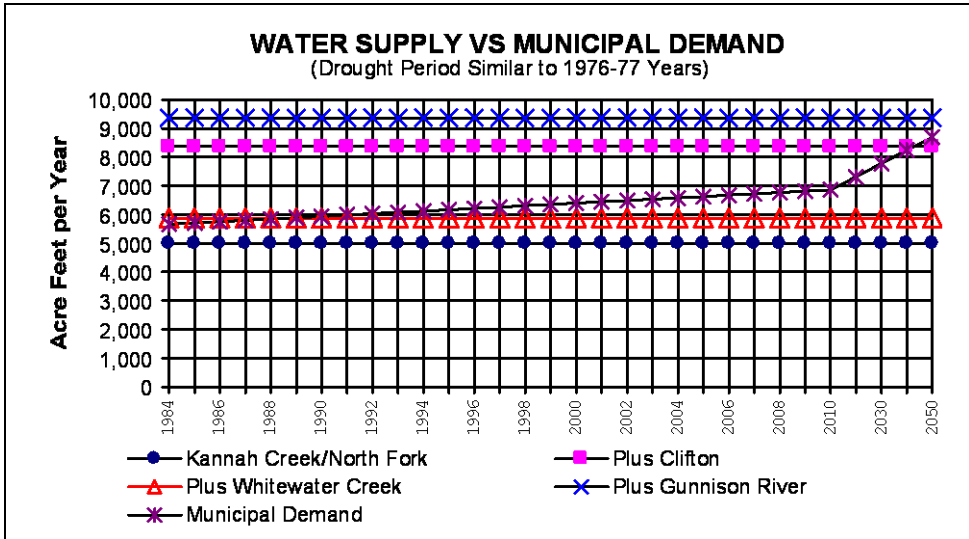
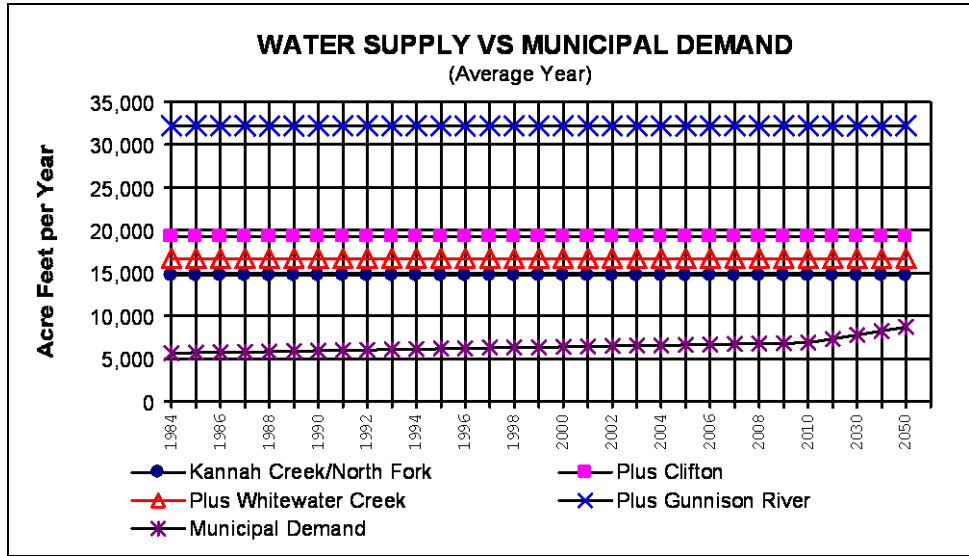






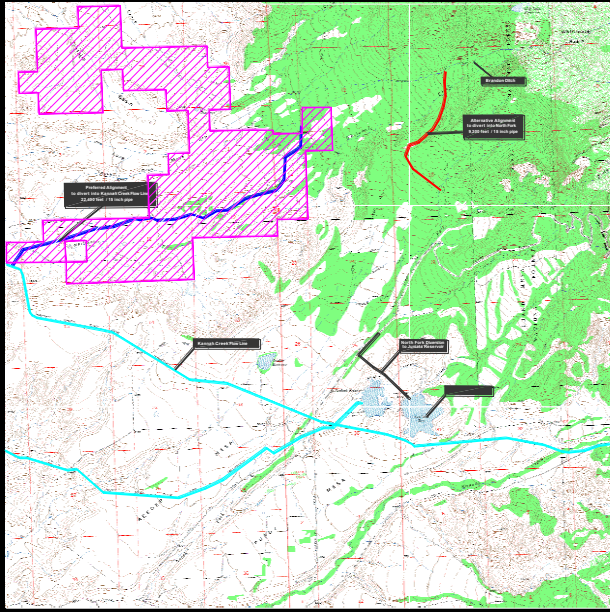
# Attachment C

## City Water Supply Plans: Normal and Drought Years



The graphics show "Water Supply vs. Municipal Demand" in an average year and a drought period similar to either 1976-1977 or a 1989-1990 water year. The amount of water available for use by the City will vary according to the weather. Estimated annual average yields from the City's absolute water rights, based on historical flows and diversion records from streams, lakes and rivers, shows the City has available for use, 32,200+ acre feet of water. Of this amount, 16,200 acre feet is available from the Kannah Creek, North Fork of Kannah Creek and Whitewater Creek drainage, 2,485 acre feet is available through contract with the Clifton Water District via Colorado River and 13,000+ acre feet is available on Gunnison River. The amount of water available should not dramatically change in the next fifty years but where and how the water is used, will change. In 1995, 23 percent of available water in Kannah Creek and North Fork of Kannah Creek basins was being used for agricultural purposes. In the year 2050, this percentage will drop to zero to fulfill needed municipal demands. Based on records during the drought periods of 1976-1977 and 1989-1990, projections of available water supplies

can be conservatively estimated. The City's Paramount water right on Kannah Creek will produce 75% of needed municipal water for City water customers in year 2050. The remaining 25% of needed water will come from other direct flow rights available or if needed from carry over reservoir storage.



# **Attachment E**

Interoffice Memo

To: File: Source Water Assessment and Protection

From: Greg Trainor, Utility Manager

Date: August 23, 2001

Outline of State Source Water Assessment Program requirements. The purpose of this memorandum is to outline policy directions drinking water resource utilities are facing in order to protect their watersheds from potential contamination.

## **Source Water Assessment and Protection (SWAP) Program**

*Source Water Assessment and Protection (SWAP) is a preventative program designed to protect public drinking water supplies from potential contamination. SWAP emerged in the 1996 amendments to the Federal Safe Drinking Water Act (Section 1453) and was designed to compliment traditional drinking water treatment approaches. The amendments require each state to develop a source water assessment program to include, at a minimum, the following key elements:*

### **1) Public participation**

The State utilized (3) advisory teams for the development of the state strategy for SWAP, including; a design team, a citizens advisory team, and a technical advisory team.

### **2) Delineation of source water assessment areas (SWAAs)**

Delineation of SWAAs will be performed primarily by the State. Delineation of SWAAs also may be undertaken by the public water systems (PWS) or a consortium of stakeholders that may include the PWSs. (A PWS may want to do this for enhancement of its own SWAP program but it is not required). For surface water systems, the SWAA is that portion of the entire watershed area upstream of the PWS's intake structure that actually drains to the intake structure. Delineated areas will be entered into a Geographical Information System.

### **3) Inventory of the potential sources of contamination (PSOC)**

In the first step, the State will identify, assess and assemble information relevant to SWAP that is contained in regulatory data bases, ie superfund sites, USTs etc. The second step of the contaminant inventory allows for the addition of information gathered at the local and county levels from records, surveys and face to face interviews. This information will be included on GIS maps of the delineated areas.

### **4) Analysis of the susceptibility of the public water supplies to the PSOCs**

The susceptibility analysis evaluates the PSOCs identified in the contaminate inventory and ranks them by the severity of the threat, risk, and vulnerability to the water source.

*The protection phase utilizes the information obtained from the assessment phase and encourages the public water providers to employ measures within the SWAA that will help ensure long-term integrity of the water source. A SWAA becomes a source water protection area (SWPA) with the development of a protection plan and implementation of protection measures. A preventative approach should provide a more thorough assessment and identification of potential problems. The PWS can then take action to avoid costly repairs or increased treatment costs, and should be able to improve the overall management of the system.*



**File: Source Water Assessment and Protection Greg**

## **Attachment F**

### **Interoffice Memo**

To: File : GMS Area Management Plan

From: Greg Trainor, Utility Manager

Date: August 30, 2001

The following information comes from the Introduction to the Grand Mesa Slopes Management Plan drafted in May 1993. This material outlines a short history of the Grand Mesa Slopes and describes the Advisory and Steering Committee functions of the Management Plan.

### **GRAND MESA SLOPES SPECIAL MANAGEMENT AREA** **MANAGEMENT PLAN**

#### **INTRODUCTION**

The Grand Mesa Slopes Special Management Area (GMS) is an approximately 80 square mile area of mixed ownership land lying east of and adjacent to the Grand Junction Urban Area. Elevations range from under 5,000 feet in the foothills by Whitewater, to over 10,000 feet on top of the Grand Mesa. The GMS area is basically a scenic "greenbelt" area extending east from Whitewater, Colorado, running up and over the prominent slope of the Grand Mesa to Powderhorn Ski Area.

The principal land owners and land management agencies in GMS are the Bureau of Land Management (BLM), City of Grand Junction, Town of Palisade, United States Forest Service (USFS) and Al Lumbardy and Sons Ranches. A management plan for this area was prepared under the direction of the GMS Memorandum of Understanding of March 4, 1992. There are over 30 cooperators in this MOU including core land owners and land management agencies, other government agencies and institutions, and a variety of public interest groups. No private lands are part of or directly affected by GMS unless the private landowner asks to be involved.

The GMS Management Plan is essentially a cooperative agreement with common goals that participants will work to achieve.

The partners in the GMS MOU agreed that the GMS area contains scenic, watershed, wildlife, recreational, range, cultural and educational values important to the Grand Junction area, and that cooperative management of the entire area would be mutually beneficial to all participants. The cooperating parties are also concerned that without a coordinated management framework, the fractured land ownership pattern and piecemeal land use change in GMS would result in a future land use and development situation that would adversely affect the interests of the cooperating parties.

The overall intent of the MOU and GMS Management Plan is to protect existing resource values and improve natural resource, commercial, and public use manageability through cooperative management of the GMS area. Anticipated benefits include improved management of municipal watersheds, livestock grazing, critical big game winter range and other wildlife habitat, cultural resources, scenic landscape features, outdoor education opportunities, utility and commercial uses, public use and

access, and the long term integrity of GMS as an open space area adjacent to Grand Junction.

There is no intent to popularize GMS as a public recreational attraction, or to unduly restrict public use. Active management of the public use that does occur is important to achieve other resource management goals. The GMS participants want to ensure continued opportunity to use and enjoy the existing landscape and land use opportunities within a sustainable, integrated, long term perspective.

## **GENERAL MANAGEMENT FRAMEWORK**

**GMS ADVISORY GROUP AND STEERING COMMITTEE:** The GMS advisory group consists of all GMS interests. It is impractical to hold GMS advisory group meetings to discuss every GMS related issue. For purposes of dealing with advisory group leadership there is an overall need for creation of a GMS Steering Committee. The GMS Steering Committee needs to be a focal point for coordinating GMS plan implementation, making recommendations on GMS issues, and creating appropriate forums for discussion and resolution of GMS issues. The implementation of actions and direction provided in this plan will need to be monitored, new opportunities considered, and input provided to land managers on future land use proposals in GMS (such as rights-of-way, oil and gas activity, county permits).

**PROPOSED ACTION:** The GMS advisory group will continue to consist of all persons, agencies, and institutions interested in GMS. To provide GMS advisory group coordination and leadership a GMS Steering Committee will be formed consisting of seven members, including a representative of: 1. City of Grand Junction; 2. Town of Palisade; 3. Mesa County; 4. Federal Lands (BLM/USFS); 5. Ranchers; 6. Adjacent Private Landowners; and 7. Recreational interests (motorized/non-motorized). Special committees may be developed by the advisory group to address special management issues (such as recreation, educational programs, maintenance agreements, private and adjacent land issues, oil and gas). The GMS Steering Committee goals will be to implement the GMS Management Plan, protect GMS participant concerns, seek GMS advisory group input on GMS issues, provide comments on GMS related proposals (to land owners and land managers), resolve issues through cooperation and open communication, and pursue opportunities compatible with the GMS area.

GMS Steering Committee meetings will be held as needed and will be open to advisory group members and the public. The need to formalize rules of order will be minimized, and the use of voting to resolve issues will be avoided. A chairperson to conduct meetings will be selected from within the Steering Committee or advisory group. Notice of advisory group meetings will be sent to all interests on the GMS mailing list, and minutes of each meeting and any additional information materials will be mailed to any who express an interest.

Whenever the Steering Committee feels it is appropriate, the advisory group will review issues and provide advice, comments, or recommendations to land management or permitting agencies such

as BLM, USFS, Mesa County Planning Department, Colorado Division of Wildlife, City governments, etc.

All GMS participants agree to coordinate activities and proposals in GMS with the advisory group for the purpose of seeking advisory group comments.

## Attachment F (Continued)

### Interoffice Memo

To: File: GMS Community or Commodity  
From: Greg Trainor, Utility Manager  
Date: August 30, 2001

The following material was developed in October 2000 as background for the City Council Goals Tracking Sheet, dated October 26, 2000, for development of a Grand Mesa Slopes Policy.

### The Grand Mesa Slopes: Community or Commodity

In 1993, the principles guiding the creation of the Grand Mesa Slopes were founded on the slopes of Horse Mountain south of Palisade, Colorado. The partners in the Grand Mesa Slopes *ideal* looked across open lands largely unencumbered by fence, roads and development. To the west lay the growing urbanization of Grand Junction. It was a discovery that less than a twenty minute drive from downtown Grand Junction lay a sweep of land- an empty land ranging from the life zones of the Upper Sonoran desert to the subalpine regions of the Grand Mesa, a mile above the valley floor.

A question was asked and discussed at length: What do we want this area to be?

The answer was, we do not know what we want this to *be*, but we do know what we do not want it to *become*.

These slopes, at the base of what is a symbol of the Grand Valley, should be kept as it is-undeveloped and unencumbered- without road or development. It was this *ideal* that captured the imagination of the group standing on Horse Mountain in 1993. Council members Paul Nelson and Mayor Conner Sheperd of the City of Grand Junction, Judge Bill Ela and Brian Mahoney of the Riverfront Commission, Al and Don Lumbardy, ranchers in the Whitewater Creek Basin, Bill Loring, rancher in the Whitewater Creek basin, BLM Staff, Town of Palisade council members, residents of the Sobre del Rio subdivision, near Horse Mountain, Colorado Division of Wildlife personnel, Visitors and Convention Bureau staff, Palisade National Bank, the ATV Association, COPMOBA, the Mesa County Commission and staff, and the Grand Valley Equestrian Association were present ( A complete listing of Citizen Participation Meetings and events held between October 1991 and June 8, 1993 is available; Also see a complete listing of all persons who attended one or more of the events listed, including landowners in the area.) The Grand Mesa Slopes Special Management Plan (1993) was an outcome of these meetings and work groups. It outlined the community vision for the area as well as a plan to implement the protections needed for the 100-square mile area.

The Grand Mesa rises over a mile above the Grand Valley. Six thousand vertical feet separate the floor of the irrigated valley lands from the volcanic basalt cliffs that loom above it,

defining the aesthetic and sense of place that residents and travelers appreciate daily. In the words of one of the past directors of the Museum of Western Colorado, "It is this Grand Mesa that defines for many of us the place we call "home".

It is this mountain that the City Council of Grand Junction went to in the first decade of the last century to preserve for it a protected and pristine water supply. In the last decade of the last century the City of Grand Junction also had the opportunity to purchase additional water in the Whitewater Creek basin. This water flows from creeks, springs, and lakes filled by snowmelt. This 1990 purchase was designed to supplement the City's existing water sources from the Kannah Creek basin in times of drought. In 1989-1990 the area was experiencing a drought that limited the City's water supply to only a portion of the City's Paramount Decree in Kannah Creek-the most senior water right on Kannah Creek.

The purchase of the Whitewater Creek water also brought with it the acquisition of the Somerville ranch, which allows the City to put its water to beneficial use until the time when that water is needed for drinking

This ranch property, along with other private ranches, BLM lands, Town of Palisade lands, and Forest Service lands resulted in an area of 100 square miles that became known as the Grand Mesa Slopes (GMS). The GMS Plan received national recognition in 1995 from Mike Dombeck, national Director of the BLM, who visited the Slopes. The "Health of the Land Award" applauded the City for its visionary effort. Though not "wilderness" by any means- there is a common grazing allotment there and roads and jeep trails- it is unique in that it is largely undeveloped and unfenced, right at the doorstep of the Grand Valley's 100,000 population.

It includes habitat types ranging from the riverine ecosystems along the Gunnison River to the wildflower- carpeted subalpine regions at the top of the Grand Mesa-all within a horizontal distance of fourteen miles.

In 1995, the Colorado Natural Heritage Program inventoried the upper Sonoran desert life zone east of Whitewater and found it to be "a biologically rich area worthy of conservation". Great Outdoors Colorado and the Mesa County Board of County Commissioners supported the Natural Heritage Program. Shadscale, saltbush, and greasewood dominate this life zone. Though dry most of the year, this zone supports native bunchgrasses, wild rye, galleta, hookless cactus, and many flowers that appear only in the short wet spring season. Cutting through the desert zone is the very wet and rich riparian zone along Whitewater Creek. Plains cottonwood, willow, red-osier dogwood, wild roses, sedges, and horsetails abound along Whitewater Creek. The water and shrubs support a host of birds, fox, coyote, beaver, deer, and elk. In times past, the area was home to ancient peoples. Their camps and settlement are there; buried in some cases, open in others.

Higher in elevation the dark forests of the pinon-juniper forest spread across the lower slopes of the Grand Mesa. This area is old. Tree ring counts show Juniper trees typical of 450 years.

In the past three years, the Transcolorado Natural Gas Pipeline has cut through this zone leaving a significant scar down the face of the Grand Mesa, visible from Whitewater Hill south to Kannah Creek. If this scar heals, the Juniper trees on the Grand Mesa Slopes will be a 1,000 years old.

The community of the Grand Valley recognized the unique opportunity to preserve the nature of the Grand Mesa and its lower slopes and its drinking water supply. The City's Kannah Creek system is largely on open, public lands. Although relative pristine, development and recreation could increase threats to the Kannah Creek collection system. The Whitewater Creek system is largely on private, City- owned lands. Colorado counties of Boulder, Jefferson, El Paso, Routt and Douglas are spending millions of dollars to acquire lands of the nature of the Grand Mesa Slopes-lands the Grand Valley already owns.

In August of 1999, the City learned that the BLM leased mineral interests on lands prepared for exchange with the City of Grand Junction-lands that the City intended to use to protect its existing diversions on Whitewater Creek. Although the exchange went to closing, the leases remain.

Mineral development, oil and gas drilling, pads, utility lines, roads, surface pipelines, and vehicular access is not consistent with the conservation of protected drinking water supply. Mineral development is, indeed, the most intensive and disruptive of development types, eliminating open space, downgrading recreational opportunities, destroying natural habitat, and endangering water supply sources-sources that have, to date, been subject to the most scrupulous oversight and protection.

Ten years has passed since the work began on the Grand Mesa Slopes project. Issues facing the City in the future include:

1. City policy on protection of watersheds and drinking water supplies, consistent with provisions of the Safe Drinking Water Act and the federally-mandated Source Water Assessment Program..
2. Use of City lands for putting its water supply to beneficial use.
3. Implementation, or revision, of the Grand Mesa Slopes Special Management Plan in conjunction with all affected interests, including the mineral industry.

Greg Trainor  
Utility Manager  
October 25, 2000

**File: GMS community or commodity**

## **Attachment G**

Interoffice Memo

To: File: Attachment G Somerville  
From: Greg Trainor, Utility Manager  
Date: August 30, 2001

The following information is provided as background for discussion of natural gas development issues in the Grand Mesa Slopes Area, proposed oil and gas leases on City-owned ranch lands in the Whitewater watershed area, and requests for access through City-owned ranch properties in the watershed.

### **Natural Gas Development Issues**

#### **A. Current Leases on Federal Lands**

There are oil and gas leases on Federal lands adjacent to the Somerville property. There are leases on property the City acquired from the BLM that have federal oil and gas leases. Maps will be available at the Workshop showing mineral ownership within the Grand Mesa Slopes area.

B. Requests to lease of City lands from Evertson Oil Company.

A proposal for a 7-year lease of 1,640 acres @ a one-time bonus payment of \$3 per acre for \$4,920. In addition an annual delay rental payment of \$1 per acre or \$1,640 per year. Finally, a 1/8 royalty on the net proceeds of gas sold. Staff is having the proposed lease reviewed.

*The City attorney has provided the following general outline of the basic elements of a process that would lead to a possible City lease of City assets, including oil and gas interests:*

1. Does City Council want to consider such a lease.
2. The City Council's policies and goals of such a lease.
- 3 Following the Council direction, drafting of bid or RFP documents by Purchasing, supplemented with approved lease documents that covers all of the standard oil and gas provisions and any that are particular to local government and/or land preservation.
3. Evaluation of the bids/RFPs. Council should either be involved in that process or at least have designated the persons to make the evaluation, for final decision-making by the Council.

C. Access issues to reach existing leases on Federal lands.

### **Page 1**

There are two ways that existing Federal leases can be accessed, either through the City's Somerville "home ranch" or via the Lands End Road, on BLM land.



The following are issues that would need to be considered if access were granted through the Somerville Ranch. Also attached is a list of the Ranch leasee's concerns.

*Drilling equipment would mobilize (5 semi-trailer loads) drill for 5-days 24-hours per day, with three shift changes. Drilling rig and equipment would demob. Later a completion rig would enter the property for a period of time (?) and operate one shift during daylight hours. During this period a frac contractor would enter the property and operate for one day. Total operation would be approx. 2-weeks.*

1. Use, speed limits, and dust suppression on Whitewater Creek Road.
2. Use, speed limits, dust suppression on drive through Somerville "home ranch." Water or mag chloride for dust?
3. Use of Somerville drive for drilling rigs ( 5 semi-trailers going in and out for the drilling (once); semi-trailers going in and out for the completion rig, semi-trailers going in and out for frac operations (once)
4. Use and identification of employee trucks coming and going daily. Three shifts a day during drilling, one shift per day during completion, one day for frac operation.
5. Identification of drilling superintendent and meetings with the ranch lessee, Cliff Davis, as to personnel traveling the road.
6. Future operations if well is productive:
  - Access for pumpers
  - Access to haul condensate and oil, if any is found.
  - Access for future wells, if area is productive.
  - Gate management: Locks/keys
7. Buried collection pipelines versus laid on top of the ground: on Federal land, on City land, crossings of City water supply ditches. Conflicts with water supply and recreation uses of Grand Mesa Slopes area.
8. Use of Brandon Ditch for occasional use of water for road dust suppression and drilling operation. Drilling will be "air drilled" with no appreciable water use.
9. Replace or extend culvert across Lumbardy/Massey water supply ditch.
10. Cost of water
11. Amount of access fee paid to the City; is access agreement good for only first three well sites or for future, on-going operations (?)
12. Bonds or cash for damages
13. Impact on ranch operations

**Page 2**

**File:SomervilleSept5Attachment G**



Cliff and Judy Davis  
4250 Whitewater Creek Rd  
Whitewater, CO 81527  
(970) 241-3949  
*broken-spoke@gj.net*

**To:** Greg Trainor, Utilities Manager, City of Grand Junction  
**From:** Cliff and Judy Davis, Somerville Ranch lessees  
**Date:** August 23, 2001  
**Subject:** Concerns regarding impact of Evertson Oil Co. access through the Somerville ranch

We appreciate this opportunity to express our concerns regarding the vehicle and equipment access that Evertson Oil Company has requested through the Somerville ranch property. We feel we can speak with experience on the impact of high-volume, large-vehicle traffic in terms of its impact on our ranching and outfitting operations as a result of Trans Colorado Gas Transmission Company's relatively recent pipeline construction operations.

We and the City of Grand Junction have a common financial interest in seeing an agreement negotiated with Evertson Oil Company that minimizes disruption of our ranching operation, limits destruction of roads and ditches, and does not jeopardize the outfitting operation that we have built over the years. Evertson's proposal for a two-week period of access does not sound unduly burdensome, but the drilling of gas and oil wells implies continued, long-term access. Years of heavy equipment access through the Somerville property will inflict economic losses on our operation and will deteriorate the road. Despite the efforts made by Trans Colorado, our ranch road now shows roadbed wear that will require upgrading before additional heavy traffic.

In addition to the general conditions specifying and limiting Evertson's use of City lands for access, we would like to request the following conditions for right of entry that relate directly to the impact on our ranching and outfitting operations:

1. No access during big game hunting seasons (August 25 to Nov. 12 in 2001).
2. Install a 4-foot culvert across the Somerville irrigation ditch to prevent water loss.
3. Resurface the 2-mile Somerville ranch road with pea gravel and sand base.
4. Observe a 15 mph speed limit 1/4 mile on either side of the Somerville headquarters.
5. Observe a 25 mph speed limit on the remainder of the Somerville road.
6. Treat roads with mag chloride for dust suppression.
7. Cover the cost of spraying weeds introduced or spread by vehicles and equipment.
8. Leave gates in their original condition after passing through.
9. Yield right-of-way to dogs, livestock, and ranch vehicles on the Somerville road.
10. Remove all litter and trash left by Evertson personnel and associates.
11. 24-hour notice must be given to the Broken Spoken Ranch prior to future access.

Please keep us informed on the progress of the negotiations between the City and Evertson. We are available to discuss our concerns and requests for access conditions at any time.

# ***FUTURE CC WORKSHOP AGENDAS***

## **SEPTEMBER 17, MONDAY:**

5:30 CIP MEETING

## **OCTOBER 1, MONDAY 7:00 PM:**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA &  
REVIEW FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 THE CIVIC FORUM: Representatives of this group will ask  
Council to purchase an annual City membership for \$7,500.

7:50 HILLTOP COMMUNITY RESOURCES: Sally Schaefer and  
Janell Bauer-Morris will ask Council for a 10 year, \$2.5 million  
City contribution to their Senior Enrichment Center

8:30 MESA COUNTY PUBLIC LIBRARY: Representatives of the library  
board will brief Council on the Library's expansion plans, their  
progress to date, and the need for future City support.

## **OCTOBER 15, MONDAY 7:00 PM:**

1. 4:30-6:30 ANNUAL JOINT PERSIGO POLICY MEETING WITH THE  
MESA COUNTY BOARD OF COMMISSIONERS:
2. 7:00-9:00 CELL TOWERS UPDATE BY CONSULTANT: Mesa County,  
Fruita and Palisade are invited to attend.

## **NOVEMBER 1, MONDAY 7:00 PM:**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA &  
REVIEW FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 OPEN

## **NOVEMBER 15, MONDAY 7:00 PM:**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA &  
REVIEW FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 OPEN

## **FUTURE WORKSHOP ITEMS**

### **First Priority**

1. MEETING WITH GRAND JUNCTION DRAINAGE DISTRICT
2. CABLE TELEVISION FRANCHISE
3. WATER PRESENTATION BY JIM LOCHHEAD:
4. CITIZEN SURVEY REPORT: (to be discussed at retreat)
5. URBAN TRAILS UPDATE
6. TOUR OF NATURAL GAS FACILITIES: (After GMS overview)

### **Second Priority**

7. BOTANICAL SOCIETY MASTER PLAN
8. DARE & SCHOOL RESOURCE PROGRAMS
9. HAZARDOUS DEVICE TEAM
10. FORESTRY OPERATIONS
11. PARKS/SCHOOLS COOPERATIVE AGREEMENTS
12. ELECTRONIC RECORDS MANAGEMENT SYSTEM:
13. LIQUOR LICENSING PROCEDURES
14. SOLID WASTE COLLECTION IN NEWLY ANNEXED AREAS
15. CRIME LAB
16. HAZMAT
17. GOLF OPERATIONS
18. CODE ENFORCEMENT OPERATIONS

# GRAND JUNCTION DRAINAGE DIST.

722 23 ROAD P.O. BOX 55246 GRAND JUNCTION, CO 81505  
(970) 242-4343

August 23, 2001

Mayor and City Council Members  
City of Grand Junction  
250 North 5<sup>th</sup> Street  
Grand Junction, Co. 81501

*Council*  
*Kelly*  
*Dan*  
*8/27*

Dear Mayor and Council Members,

The Grand Junction Drainage District would like to bring your attention to more frequent complaints related to our community's continuing growth. The District has seen an increased number of calls from property owners located immediately adjacent to the Valley's various irrigation water canals regarding standing water on the surface of their property. Usually the land is subdivided and homes were built very close to the canal. Many of the recent calls are from new developments.

There are complaints from locations where the District has an existing seep drainage system as well as from sites where the District had no prior knowledge of canal seep water. Many of the complaints describe water standing between the house and the canal embankments. An element of the problem seems to be the size of a wet spot in relation to the size of the parcel of land owned. A 20 x 20 wet spot in a 10 acre field is less a problem than that spot in a 1/5th acre lot. The existing systems were designed and constructed to collect and transport sub-surface waters. However, some of the trenches were filled with gravel to the surface of the ground at the time of construction to intercept some surface water. Since the construction of the drain systems, it has not been unusual for a property owner to re-landscape the lot and place more cover over the drain system or cut into the canal bank. Those systems are checked and re-cleaned with each complaint. District workers then verify that the drain system is functioning as intended.

The District is seeking a unified commitment from you, the Mesa County Commissions, the Board of Trustees for the Town of Palisade, the City Council for Fruita and the City Council of Grand Junction to join with us to devise a policy of early detection for these potential problem sites instead of having to respond to and attempt to correct the problems after they occur. The District is both challenged and limited by state statutes. Protection of property within the District is the mandate of our enabling legislation. Lack of regulatory authority forces the District to seek assistance from the county and cities. Right to approve land development and subdivisions with stipulation is reserved to the county and cities. Your participation is necessary to move forward.

To start with, we suggest that all of the governing entities adopt policies containing some pre-development requirements such as:

1. All geo-technical soil testing must include ground water measurements during the time irrigation water is in the canal systems from April 15 to November 1 only.
2. All septic tank percolation testing within 300 feet of a canal must be done during the time from April 15 to November 1 only.
3. All sub-surface water table conditions that are revealed with soil testing as being less than six feet depth be reported and building restrictions imposed that prohibit structures with any type of below ground spaces.
4. All sub-surface water table conditions that are revealed with soil testing as being less than four feet depth be reported and development conditions imposed that require development of a full sub-surface drainage system.

# GRAND JUNCTION DRAINAGE DIST.

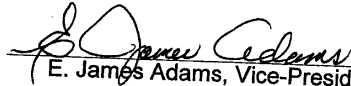
722 23 ROAD P.O. BOX 55246 GRAND JUNCTION, CO 81505  
(970) 242-4343

5. Restricting construction of any human occupied building within 100 feet of any irrigation canal system.
6. Development of covenants or other documents that stay with the property that identify the complete delivery system for irrigation water and its path from the headgate on the irrigation canal to the property. Easements for that path should be obtained and properly recorded.
7. Development of covenants or other documents that stay with the property that identify the complete waste water system for irrigation waste water and its path from the property until it returns to the Colorado River (or Gunnison River). Easements for that path should be obtained and properly recorded.
8. Dedication of an open space ranging from 20 feet to 50 feet in width parallel with and adjacent to any canal and on each side of the canal. Specifically:
  - a. the Stub Ditch - operated by Mesa County Irrigation District
  - b. The Price Ditch - operated by the Palisade Irrigation District
  - c. The Government Highline Canal - operated by the Grand Valley Water User's Association
  - d. The Grand Valley Irrigation Canal, the Independent Ranchman's Ditch, the Mesa County Ditch - operated by Grand Valley Irrigation Company
  - e. The Redlands Canal - operated by the Redlands Water and Power
  - f. The Orchard Mesa Canal 1 & 2 - operated by Orchard Mesa Irrigation and Drainage District.

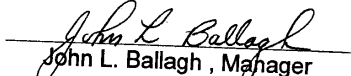
When can a workshop meeting be scheduled to discuss these concepts?

Sincerely,  
Board of Directors  
Grand Junction Drainage District

  
Ross C. Darnell, President

  
E. James Adams, Vice-President

  
Arthur Bulla, Secretary

  
John L. Ballagh, Manager

CC: City Planning Commission  
Community Planning Department