

D R A F T
CITY OF GRAND JUNCTION, COLORADO
MEMORANDUM

Reply Requested
Yes No

Date
April 13, 1983

To: (From:) Jim Patterson
Ralph Sterry
Warren Stephens
Cliff Davis
Marty Garber

From: (To:) Steve Johnson *SV*
Administrative Assistant

Re: Water Supply in Whitewater/Kannah Creek Area

I. Introduction

You attended a meeting on 4/13/83 (together with Bud Bradbury, Ester Mash, and Jim Bonn) concerning the City's existing water supply contracts and a proposed special water district for this area.

This memo is an initial attempt to describe the City's goals and objectives with regard to the future water supply of the area as generally outlined at the meeting. (No attempt is made to provide a detailed background description of the existing supply situation.) Its purpose is to provide the general framework for a proposal to the City by Whitewater/Kannah Creek area customers and residents for instituting new supply arrangements to allow future development.

A follow-up meeting has been arranged on April 21 at 2:00 P.M. to go over details of existing water usage and proposed water supply transfers/sales by both the City and areareidents to the proposed special water district. Subsequently, Cliff Davis, Marty Garber, and Warren Stephens, P.E., will be scheduled to appear before the City Council to discuss the feasibility of the proposal prior to serious pursuit of the special water district plan.

II. City Goals - Longterm

Goal-1: Construction of a New Pipeline

This pipeline would commence at the Juniata Reservoir and possibly follow a new alignment to the City water treatment plant. A new method of diversion from the Kannah Creek intake would be utilized - - possibly via enlargement of an existing ditch. The pipeline would be designed for hydroelectric power generation, necessitating large drops in the new alignment. Anticipated construction start will be during 1985.

Goal 2 : Acquisition of Easements for New Pipeline

This is a means to construct the new pipeline. Negotiations with existing landowners would be required where the alignment varies from the existing line.

Memorandum to: Jim Patterson, Ralph Sterry, Warren Stephens, Cliff Davis, Marty Garber
From: Steve Johnson, Administrative Assistant
Date: April 13, 1983

Re: Water Supply Whitewater/Kannah Creek Area (page 2)

Goal 3: Retirement of Existing Pipeline

The existing pipeline capacity is too small for projected treatment requirements, is too old to withstand the pressures generated during maximum use periods, and cannot efficiently accommodate hydroelectric power (turbines). Replacement with a new pipeline would enable the City to convey to local users (perhaps in the form of a water district) a permanent, but non-exclusive property interest in the pipeline and its easement. They would thereby conditionally acquire the water distribution system upon which they presently rely. The City would retain an interest in the line sufficient to allow use in the event of a shutdown of the new line.

Goal 4: Increase Flexibility/Efficiency of Water Transmission

The reliance of area users of water from the Kannah Creek Flowline requires the City to constantly run water down the flowline for their benefit, regardless of whether the City or other contractual users require the unavoidable excess from this flow. The new pipeline could provide limited drawdown of storage rights as needed, without concern for supply interruption on the existing flowline.

Goal 5: Change of Use of Water Rights

The adjudication of change of use of agricultural to domestic/municipal direct flow rights and storage rights is desirable for long-term supply enhancement. The opposition of downstream users and the limited amounts (historic consumptive use) available have in the past obstructed this goal.

Agreements not to oppose future transfers or changes of specified rights (including the Number 2, 52 inch Juniata Highline and the Deep Creek rights) would be a possible quid pro quo for the City to agree to continue supply arrangements beyond the expiration of the present contracts in 1987.

Goal 6: Diligence/Utilization of Gunnison River Rights

The City has a 20 c.f.s. conditional right on the Gunnison that it must diligently apply to beneficial use. Since the City has not always fully utilized its absolute Gunnison Rights, development of the conditional rights in conjunction with the Whitewater area users is an option that should be explored. A change of point of diversion would be required.

Memorandum to: Jim Patterson, Ralph Sterry, Warren Stephens, Cliff Davis, Marty Garber
From: Steve Johnson, Administrative Assistant
Date: April 13, 1983

Re: Water Supply Whitewater/Kannah Creek Area (page 3)

A lift station and a treatment plant for the Whitewater area would be also required, (apart from a proposed filtration system at the head of the existing pipeline). The costs and benefits of this proposal would logically apply to the current water supplier for Whitewater, the Home Water Supply Company. In return for financial support from the rest of the proposed District, it might be induced to "free-up" its existing flowline supply for companies/users higher up the flowline, allowing development in that area.

Goal 7: Avoidance of Liability for Non-Compliance with Drinking Water Regulations

Although our existing supply contracts protect the City from liability for company non-compliance with State drinking water regulations, the possibility for liability exists, especially where we knowingly continue to serve companies that may not be complying at present. We are particularly concerned with the Purdy Mesa Livestock Water Company in this context. This relationship is a potential problem that can be avoided by severing direct relationships with the companies, and by continuing service through the medium of an intermediary like a special water district.

Goal 8: Reducing City Costs in Existing Service

At present the high maintenance cost of the existing line in this area is borne by all users of City water. Administrative costs of billing numerous accounts could be reduced by bulk sales to a single account - a special water district.

Goal 9: Reducing City Impact on Local Land-Use Decisions

Local resentment of City "opposition" to development proposals that would expand existing use on the flowline is understandable. At present the only supply limitations are by pipe (or tap) size for the numerous taps served by the City. With the exception of Home Water Supply, the numbers of company customers are not restricted. The maximum direct flow yield, subject to storage limitations, determines maximum numbers of persons who can rely on the water. At the same time that the City is trying to decrease reliance on its terminable water supply, local development proponents are seeking to increase the numbers of persons relying on City water prior to the 1987 termination date. This has forced the City to recently make negative comments to the County and supply companies designed to avoid increased reliance on this supply, which is contrary to both our goals and our ability to meet them.

Memorandum to: Jim Patterson, Ralph Sterry, Warren Stephens, Cliff Davis, Marty Garber
From: Steve Johnson, Administrative Assistant
Date: April 13, 1983
Re: Water Supply Whitewater/Kannah Creek Area (page 4)

This position is designed to force local companies and users to begin to develop their own water system and supply. If successful, this strategy will result in an autonomous supply structure with which the City would have no reason for or interest in commenting on local land use proposals (except to the extent they directly impact our physical structures).

Goal 10: Assisting Local Development of Water Treatment and Supply Sources

Although the City has no legal, political, or economic obligation to assist in the water-related planning and management for new growth in the area, we recognize that by temporarily assuming a positive and cooperative role, we will enhance our ability to meet all of the above mentioned goals. Not only can our pipeline and water transfer plans be designed in order to accommodate compatible local goals (as they are defined), but we can provide some limited expertise and advice bearing on their plans.

III. Summary and Proposal

In essence, by using the existing pipeline primarily for the benefit of local users (and future local development), the City can achieve goals 3, 4, 7, 8, and 9. By allowing this pipeline use, we can facilitate construction and acquisition of easements for the new pipeline (goals 1 and 2), and some possible water rights transfers (goal 5) by enhancing our negotiating position.

The separate question of supply of water to the pipeline (or water district) is the crucial one. The local users don't want to be terminated. The amount of water to be gained is negligible and is therefore not listed as a City goal (or reason). The other goals/reasons listed above are more compelling. The City does not intend to provide water for new users, when continuation of service to present users is still questionable and contingent upon development of acceptable plans and mechanisms for water supply and distribution in the future. Thus, the City's future contribution to the water supply of the area is not a City goal, but is a means to the other goals.

The present negotiating proposal would have the City continue supply from the new pipeline at the present levels. New supply would be provided by members of the proposed district. We own existing transferable water rights. The City might sell or lease part of its conditional Gunnison rights (goal 6) to allow more flowline water to be used in the upper flowline area. However, opposition to other City water rights transfers (for the sole benefit of the City) would have to be bargained out. Also, easements for the new pipeline would be required. The existing pipeline would then be made available to the contracting entity, which may be a special water district. No interim expansion of water use will be allowed until initial agreements consistent with City goals are reached.

If the local customers and developers will recognize that the future of water development in their area depends on their willingness to commit some of their water and financial resources, as the residents of Grand Junction have done for their future, then a cooperative solution can be forged that will meet both the City's goals and their own.