



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

TO: MEMBERS OF THE TOWN COUNCIL, TOWN OF NEW CASTLE

FROM: ANDY MUELLER, GENERAL MANAGER
ZANE KESSLER, DIRECTOR OF GOVERNMENT RELATIONS
AMY MOYER, DIRECTOR OF STRATEGIC PARTNERSHIPS

SUBJECT: SHOSHONE WATER RIGHTS PRESERVATION UPDATE

DATE: JUNE 12, 2024

I. SHOSHONE PERMANENCY PROJECT SUMMARY

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 also 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. The Shoshone call provides critical water supplies that drive the recreational economies supported by rafters, kayakers, and anglers from Eagle to Mesa County. Shoshone's flows also provide critical habitat to four fish listed under the Endangered Species Act, and water security and quality to our Western Slope agriculture and many of our cities who utilize the mainstem of the Colorado for drinking water supplies and wastewater discharge.

For more than 20 years, the Colorado River District and 19 other western Colorado governments and water entities, including the City of Glenwood Springs and Summit, Grand, Eagle, Garfield, and Mesa Counties and many of the other 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.

We are now on the cusp of the unprecedented alignment of multiple factors that presents a real opportunity to finalize this long-standing goal. 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 \$99 million. The historic agreement marks



a first step towards permanent protection of the historic flows and the resulting economic benefits provided by the Shoshone water rights.

Permanent protection of the Shoshone Flows will secure multiple benefits to the Colorado River water users on the West Slope and across the state such as:

Water Quality Improvements: Communities large and small along the Colorado River mainstem benefit from the enhanced water quality Shoshone flows provide, diluting salinity and sediment in source drinking water for towns like New Castle, Silt, Rifle, Parachute, Battlement Mesa, and De Beque. Without the higher flows of clean and cold headwater-sourced supplies provided by the Shoshone call, a higher concentration of salinity and other water quality constituents creates increased costs for municipal drinking and wastewater treatment.

Agricultural Benefits: Shoshone flows support Colorado's \$11.9 billion agricultural economy in a number of important ways. Water security for Western Slope agriculture is intimately linked to the Upper Colorado Endangered Fish Recovery Program where continued cooperative water management allows for continued development of water resources while maintaining Endangered Species Act (ESA) compliance. According to Colorado's Division of Water Resources, without Shoshone flows, the downstream Cameo call would be longer and deeper each year (up to 2,260 cfs vs. 1,950 cfs), triggering less opportunity for upstream agricultural diversions, a greater frequency of April calls, and an insufficient replacement of supplies for some West Slope augmentation plans. Furthermore, the historical flow regime that the Shoshone call ensures in the Colorado River creates higher water quality for irrigators up and down the mainstem which brings greater agricultural production.

Recreation Economy: Shoshone flows benefit Colorado communities both upstream and downstream of the call. Colorado's robust recreational economy relies heavily on the Colorado River mainstem, with Shoshone flows strengthening the state's iconic river recreation industry throughout Grand, Summit, Eagle, Garfield, and Mesa counties. River recreation in Colorado contributes \$14.6 billion annually to the state's GDP, with nearly \$4 billion coming directly from the Colorado River basin on the Western Slope. As temperatures rise and streams diminish, Shoshone permanency provides security for this economic industry, protecting the recreational fishery and boating that sustain local businesses and attract water-based recreators.

According to the Shoshone Outfitter Partnership, the Colorado River through Glenwood Canyon experiences over 70,000 commercial customer trips and an estimated 80,000 private boaters who launch from the Grizzly Creek and Shoshone boat ramps. River recreation sustains local businesses and the middle Colorado's recreation- and tourism-based economies. Achieving Shoshone permanency provides certainty and security for outfitters, the hospitality industry, and all local businesses that rely on resident and non-resident tourists and qualified employees. In 2022, the Colorado River Outfitters



Association estimated that commercial river rafting through Glenwood Canyon created an economic impact of \$23.5 million.¹

Ecosystem Benefits and Endangered Species Act Compliance: Over 250 miles of the Colorado River mainstem directly benefit when Shoshone water rights are being administered, preserving aquatic habitat that would otherwise be diminished by the decrease in flows. These flows also sustain a thriving fish population in Glenwood Canyon – currently undergoing evaluation for potential gold medal water designation.

Additionally, the Colorado River downstream of Rifle is habitat for four fish listed under the Endangered Species Act. Without the exercise of the Shoshone call, the stretch of the Colorado River known as the 15-Mile Reach in and around Grand Junction would have significantly less flow during large periods of the year, especially in dry years, when Shoshone can contribute half of the flow in the 15-Mile Reach. All Colorado River water users rely upon the benefits of the Shoshone flows as a bedrock for the success of the Upper Colorado River Endangered Fish Recovery Program and continued compliance with the Endangered Species Act (ESA), which provides compliance protections for over 1,250 projects in Colorado.

Maintaining Stream Flow Through Upper Colorado River Wild & Scenic Alternative Management Plan River Sections: The Shoshone water rights command higher flows and associated lower water temperatures through key segments with recreational fishing and wildlife habitat identified as Outstandingly Remarkable Values (ORVs) of the Upper Colorado River. The Upper Colorado River Wild & Scenic Stakeholder Group's Alternative Management Plan lists the Shoshone water right as one of four long-term protection measures for the streamflow influenced ORVs – thus providing a critical role in removing the burdens of a potential federal Wild and Scenic designation on the Colorado River from Kremmling to No Name.

II. PURCHASE AND SALE AGREEMENT

The Purchase and Sale Agreement (“PSA”) contemplates the conveyance of the Shoshone water rights from the Public Service Company of Colorado (PSCo) to the Colorado River District. 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 deal cost of \$99,000,000.

To close the transaction and authorize the expenditure of public funds for the acquisition of the Shoshone water rights, the PSA contains four closing conditions that must be met by December

¹ Commercial Rafting Use Report 1988-2022: <https://www.croa.org/wp-content/uploads/2023/06/2022-CROA-Commercial-Rafting-Use-Report.pdf>



31, 2027, unless that deadline is extended by mutual agreement. The four closing conditions described in the PSA are as follows:

1. **Negotiation of an instream flow agreement with the CWCB.** The PSA contemplates that the River District and PSCo will negotiate with the CWCB for an agreement that authorizes the CWCB to use the Shoshone water rights for instream purposes when the rights are not being used for hydropower generation.
2. **A change of water right decree.** The PSA provides that the parties anticipate being co-applicants with the CWCB in the filing of an application for adjudication of a change of water right decree to allow the Shoshone water rights to be used by the CWCB for instream flow purposes in accordance with the terms of the instream flow agreement.
3. **Approval by the Colorado Public Utilities Commission.** The PSA contemplates that PSCo will petition the Colorado Public Utilities Commission (PUC) to approve the sale of the Shoshone water rights and the disposition of proceeds.
4. **Secured funding.** The PSA requires the River District to secure funding for the negotiated purchase price prior to the commencement of the PUC process.

III. FUNDING STRATEGY

Local Funding: The funding strategy relies on a diverse partnership of local, state, and federal funding sources. The broad-based, growing West Slope coalition of over 20 entities proposes to contribute \$35 to \$40 million, \$20 million of which has already been approved and committed by the River District's Board of Directors.

Recognizing the importance of Shoshone permanency to current and future water security on Colorado's Western Slope, local partners are taking action to formalize their own financial commitments to this project. As of the date of this memo, 19 water entities and local governments have formally committed over \$14 million with ongoing conversations with remaining coalition partners. The following table includes local commitments to-date:

| Local Funding Commitments (as of 06/10/2024) | |
|--|-------------|
| Garfield County | \$3 million |
| Eagle County | \$2 million |
| City of Glenwood Springs | \$2 million |
| Ute Water Conservancy District | \$2 million |
| Eagle River Water and Sanitation District and Upper Eagle Regional Water Authority | \$1 million |
| Grand County | \$1 million |
| City of Grand Junction | \$1 million |



| | |
|--|-----------------|
| Mesa County | \$1 million |
| Clifton Water District | \$250,000 |
| Grand Valley Irrigation Company | \$250,000 |
| Basalt Water Conservancy District | \$100,000 |
| Grand Valley Water Users Association | \$100,000 |
| Orchard Mesa Irrigation District | \$100,000 |
| City of Rifle | \$100,000 |
| Snowmass Water & Sanitation District | \$100,000 |
| Mesa County Irrigation District | \$50,000 |
| Palisade Irrigation District | \$50,000 |
| West Divide Water Conservancy District | \$50,000 |
| Total: | \$14.15M |

State: On January 29, 2024, the Colorado Water Conservation Board (CWCB) voted unanimously to recommend a \$20 million investment in support of the Shoshone Water Rights Preservation effort. The Colorado General Assembly formally approved the \$20 million contribution through the 2024 Water Projects Bill (HB24-1435) with broad bipartisan support. The funding commitment represents a key milestone in the campaign to permanently protect the historic, non-consumptive Shoshone water rights on the upper Colorado River for future generations, an outcome long sought by over 20 Western Slope water entities and local governments.

Federal: 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, we have initiated discussions with the Bureau of Reclamation to contribute the remaining \$40 - \$49 million of the acquisition costs through funding made available as part of the Inflation Reduction Act. The Inflation Reduction Act provides \$4 billion in drought mitigation funding to support actions that deliver:

- (i) Compensation for temporary or multiyear voluntary reductions in diversion of water or consumptive water use; and
- (ii) Voluntary system conservation projects that achieve verifiable reductions in use of or demand for water supplies or provide environmental benefits in the Lower Basin or Upper Basin of the Colorado River; and
- (iii) Ecosystem and habitat restoration projects that address issues directly caused by drought in a river basin or inland water body.

This funding must be committed by September 30, 2026. The Shoshone water rights acquisition is in strong alignment with funding category (iii) given the measurable benefits, particularly evident in drought years, to the Colorado River ecosystem and critical habitat, which is important to meeting recovery requirements to maintain ESA compliance.



The \$99 million PSA to acquire the Shoshone water rights is no small price tag, but the one-time investment to protect Colorado River flows in perpetuity is a durable solution with priceless benefits for generations of water users to come. Under current water use demands in Colorado, the absence of the Shoshone call would mean that, in a dry-year such as 2012, 41,000 acre-feet of water would no longer flow through the critical 15-Mile Reach section of the Colorado River. Under increased future demands in a similar dry-year conditions like 2012, the protected amount increases to approximately 86,000 acre-feet. The Shoshone call impact is most realized in dry years but is also seen under wet-years and average-year hydrology contributing approximately 3,000 – 27,000 AF.



SHOSHONE

WATER RIGHT PRESERVATION



The Shoshone Water Right commands essential flows upstream and downstream of Glenwood Canyon on the Upper Colorado River. Credit: Antonia Hadjimichael/Cornell University.

SENIOR WEST SLOPE WATER RIGHTS

In Colorado, the right to divert and use water is governed by a legal priority system of water rights administered by the State of Colorado. Water is scarce in the arid West, more with climate change-induced aridification. The priority system is a means of rationing water when river flows subside after spring runoff. Shoshone holds the most senior, major water right on the mainstem Colorado River. This non-consumptive 1902 water right for 1,250 cubic feet per second makes the plant incredibly valuable to Western Colorado. This water right commands the flow of the Colorado River, making it essential for both upstream and downstream ecological and economic benefits in the face of ongoing drought.

THE SHOSHONE HYDRO PLANT IN COLORADO WATER HISTORY

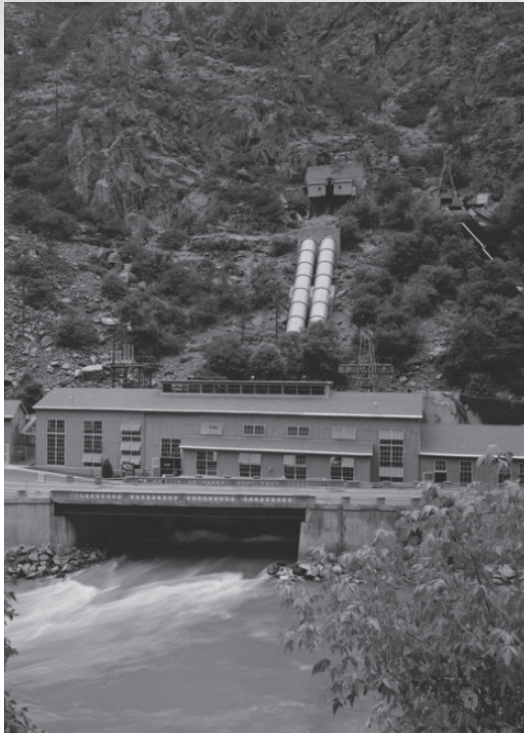
In 1902, 20 years after Glenwood Springs was first settled and about 14 years after the railroads reached the new town, the Colorado Power & Irrigation Company organized to furnish electrical power to various western Colorado towns. The selected position for a hydroelectric plant was at Shoshone Falls, eight miles east of Glenwood Springs in Glenwood Canyon.



Credit: Library of Congress.

When Central Colorado Power Company incorporated in 1906, construction of the plant began. A major engineering feat for its time, the Shoshone Hydropower Plant's construction employed up to 1,500 workers for two and a half years, and to this day operates from the run of the river rather than an upstream reservoir. Since its creation, the Shoshone Hydro Plant has been owned by the Colorado Power Company and the Public Service Company of Colorado, eventually absorbed by Xcel Energy.

WWW.KEEPSHOSHONEFLOWING.ORG



Credit: Library of Congress.

SHOSHONE HYDRO PLANT: HOW IT WORKS

The Shoshone Hydro Plant consists of four elements: a diversion dam, a 2.3-mile tunnel drilled through the north wall of Glenwood Canyon, a power plant with two turbines, and transmission lines.

The diversion dam is located at the Hanging Lake exit off Interstate 70. The dam directs water into a 2.3-mile tunnel drilled through the north wall of Glenwood Canyon. The tunnel is approximately 13 feet tall and 16-feet, 8-inches wide. The tunnel terminates at the hydro plant, 165 feet above the turbines. Water falls down two penstocks and the power created by the weight of the water falling turns two turbines, which in turn power two generators, producing up to 15 megawatts of electricity. The electricity benefits consumers across Western Colorado.

The water emerges from the plant unconsumed and ready to support the environment, recreation, and municipal uses. The famed Shoshone boat ramp is located right at the plant for this very reason, and remains a popular destination for recreational boaters.

A COMMAND OF THE RIVER TODAY & IN A HOTTER, DRIER FUTURE

The seniority of Shoshone's water right brings exceptional value for West Slope communities and water users. Without these flows, river levels would be lower, temperatures higher, and other interests upstream could take more water out of the natural river basin. Bolstered by Shoshone flows, the Colorado River supports a robust \$14.6 billion water-based recreational economy in Colorado from Grand County westward for rafters, kayakers, and anglers – both commercial and private.



Shoshone flows are also essential for maintaining both upstream and downstream environments for native fish and wildlife, including Colorado's four listed threatened and endangered fish: the humpback chub, the bonytail chub, the Colorado pikeminnow, and the razorback sucker - occupying critical habitat in the 15-Mile Reach near Grand Junction. Shoshone's senior water rights act as a bedrock for the success of the Upper Colorado Endangered Fish Recovery Program and continued, streamlined compliance with the Endangered Species Act (ESA). The consistent flow regime also helps sustain local agricultural producers and Colorado's \$11.9 billion agricultural economy through increased flows and higher water quality and provides water quality benefits for West Slope communities that rely on the Colorado River for drinking water.

WWW.KEEPSHOSHONEFLOWING.ORG



FOR IMMEDIATE RELEASE

Tuesday, June 11, 2024

CONTACT:

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970.456.8973

**Garfield County commits \$3 million to Shoshone Water Right
Preservation**

Local and state sources have now pledged \$54.15 million of the \$99 million needed to permanently protect the Shoshone water rights.

Garfield County, Colorado — On June 10, the Garfield County Board of County Commissioners voted unanimously to approve a commitment of \$3 million to support the purchase and permanent protection of the water rights associated with the Shoshone Hydroelectric Power Plant. The flows provided by these senior, non-consumptive water rights are essential for maintaining agricultural and recreational economies, and for providing municipal water resources in Garfield County.

The total purchase price for the water rights is \$99 million. The Colorado River Water Conservation District has secured commitments of over \$14 million from 19 Western Slope partners, with Garfield County (\$3 million), the City of Glenwood Springs (\$2 million), Eagle County (\$2 million), and the Ute Water Conservancy District (\$2 million) pledging large contributions, among others.

The commissioners plan to dedicate the county's Conservation Trust Fund allocation, among other funding sources, toward the water right purchase. They noted the flow is vital to local economic development and sustainability.

The county pledged the funds to boost the dedicated, visionary efforts by the Colorado River District on behalf of a growing coalition of communities and agencies in western Colorado to preserve Western Slope water rights into the future.

"I've been working on this for more than 16 years, and I hope and pray that it becomes a reality," said **Commissioner Mike Samson**. "We still have a long way to go, but what a blessing this will be for the Western Slope, as well as other regions down the river. If more is needed from us, we'll talk again ... it's the importance of water, which is the lifeblood of the West."

Located in Glenwood Canyon on the Colorado River, the Shoshone Hydroelectric Plant holds senior, nonconsumptive water rights which date back to 1902. These water rights provide vital water supplies to the river, while generating enough electricity to serve roughly 15,000 homes (15 megawatts). The Colorado River flows for approximately 80 river miles in Garfield County, from Glenwood Canyon to the Mesa County line.



"I'm comfortable at the \$3 million level. It's right here in the heart of Garfield County," said **Commissioner Tom Jankovsky** in expressing his support. "It's recreation, it's agriculture, oil and gas, it's domestic water – it is the building block of our economy."

"The Shoshone call provides critical water supplies that drive the recreational economies supported by rafters, kayakers, and anglers from Eagle to Mesa County," the River District's memo to the board notes. "Shoshone's flows also provide critical habitat to four fish listed under the Endangered Species Act, and water security and quality to our Western Slope agriculture and many of our cities who utilize the mainstem of the Colorado for drinking water supplies and wastewater discharge."

"This is a 50- to 100-year issue. We need to make a step now and think long term," expressed **Commissioner John Martin**. "We are very committed to preserving the Shoshone water diversion right, which protects the Western Slope like no other action in history."

"The county's leadership and significant investment in protecting these critical water rights will go a long way to ensure the future of water security for communities throughout Garfield County," said **Colorado River District General Manager Andy Mueller**. "The counties on the West Slope act as anchor points for managing natural resources, and their support for this project demonstrates its importance to the future of the people and the economies they represent."

Last December, the Colorado River District, on behalf of a growing coalition of West Slope water entities and local governments, signed a purchase and sale agreement with Xcel Energy to secure and protect the Shoshone water rights for the price of \$99 million.

Since then, 19 West Slope water entities and local governments, including Garfield County, have contributed \$14.15 million in local funding. In addition to the \$20 million appropriated by the state through the Colorado Water Conservation Board Projects Bill (HB24-1435), and the \$20 million from the Colorado River District's Community Funding Partnership program, \$54.15 million has been raised so far.

The broad-based Shoshone Water Right Preservation Coalition is working with local, state, and federal sources to secure funds for the remainder of the \$99 million purchase price. At the same time, the Colorado River District continues to negotiate an instream flow agreement in partnership with the state to ensure that the water will continue to flow regardless of the status of power production at the Shoshone Hydroelectric Plant in Glenwood Canyon.

A durable solution and multi-generational investment, Shoshone permanency will provide priceless benefits for water users on both sides of the divide. More information about the Shoshone Water Right Preservation Campaign & Coalition can be found at: www.KeepShoshoneFlowing.org.



FOR IMMEDIATE RELEASE

Friday, May 17, 2024

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City of Glenwood Springs pledges \$2 million for Shoshone Water Right Preservation campaign.

Fundraising effort tops \$50 million and exceeds halfway mark towards total purchase price.

Glenwood Springs, Colorado — During a regular public meeting on Thursday, May 16th, the Glenwood Springs City Council voted unanimously to contribute \$2 million to the Shoshone Water Right Preservation campaign. These senior water rights, currently used for hydroelectric power production at the Shoshone Power Plant, are essential for maintaining the flows of the Colorado River through Glenwood Canyon.

Last December, the Colorado River District, on behalf of a growing coalition of West Slope water entities and local governments, signed a purchase and sale agreement with Xcel Energy to secure and protect the Shoshone water rights for a price of \$99 million.

The City of Glenwood's \$2 million contribution pushes the total amount raised so far to over \$50 million, just over half the total cost. The Colorado River District will continue to work with local, state, and federal partners to secure the remainder of the purchase price before the deal closes in 2027.

"This forward-thinking investment in the permanent protection of the Shoshone rights is a legacy investment for Glenwood because the health of our rivers is directly tied to the heart of our community, quality of life for our residents, and our local economy," said Glenwood Springs Mayor Ingrid Wussow. "We are incredibly appreciative of the dedication of all partners who have worked to advance this opportunity for our community today and for generations to come."

According to the Shoshone Outfitter Partnership, the Colorado River through Glenwood Canyon experiences over 70,000 commercial customer trips and an estimated 80,000 private boaters who launch from the Grizzly Creek and Shoshone boat ramps. River recreation drives the summer economy of the City of Glenwood Springs, which sustains local businesses and a foundational tax base for the city through its recreation- and tourism-based economy. Achieving Shoshone permanency provides certainty and security for outfitters, the hospitality industry, and all local businesses that rely on resident and nonresident tourists and qualified employees. In 2022, the

Colorado River Outfitters Association estimated that commercial river rafting through Glenwood Canyon created an economic impact of \$23.5 million.

West Slope partner organizations have now contributed \$10.05 million in local funding. Last December, the Colorado River District's Community Funding Partnership grant program committed \$20 million, and the Colorado General Assembly recently appropriated another \$20 million through the Colorado Water Conservation Board Projects Bill (HB24-1435).

"We thank the City of Glenwood Springs for their strong leadership and support in securing the future of the Colorado River," says Andy Mueller, Colorado River District General Manager. "With the City's contribution, our growing West Slope coalition has secured \$50 million, over half of the purchase price, in less than five months. These funding commitments serve as examples of the decisive mentality needed to support long-lasting solutions for future generations."

A durable solution and multi-generational investment, Shoshone permanency will provide priceless benefits for water users on both sides of the divide. More information about the Shoshone Water Right Preservation Campaign & Coalition can be found at: www.KeepShoshoneFlowing.org.

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City of Rifle commits \$100,000 to the Shoshone Water Rights Purchase

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Katherine Tomanek [FOLLOW](#)
ktomanek@postindependent.com



This photocopy of a 1935 photograph of the Shoshone Hydroelectric Plant in Glenwood Canyon underlines the importance of the water rights.
Library of Congress |

The Rifle City Council listened to a funding request from a Colorado River District representative during their Wednesday regular session.

“We are asking that the City of Rifle consider a funding request for \$100,000,” Amy Moyer said, Director of Strategic Partnerships for the Colorado River District.

The Colorado River District, as Moyer explained, is asking for the money because they’re trying to purchase the Shoshone Water Rights.

The Shoshone Hydro Power Plant sits in Glenwood Canyon and is owned by the Public Service Company of Colorado, a subsidiary of Xcel Energy. It produces 15 megawatts of hydro power, which is enough to power around 15,000 homes.

“To operate the plant, water is diverted from the Colorado River near the Hanging Lake tunnel, it travels around two and half miles through a tunnel, drops through the penstocks, and is immediately returned to the river,” Moyer explained.

The historic Shoshone Water Rights, Moyer continued, are extremely important, especially to those in the Western Slope of Colorado.

“They’re among the largest non-consumptive water rights on the Colorado River, the first being the senior water right that was appropriated in 1902, that carries 1,250 cubic feet per second (cfs), and the second water right that’s associated with the Shoshone Hydro Power Plant, that’s an additional 158 cfs, so that’s a total of 1408 cfs,” Moyer said.

Non-consumptive means that this water is diverted from the Colorado River, but is then put back, ensuring that any water used can then be beneficial later on in its journey downriver.

“It also means that the river operates year-round,” Moyer said.

Moyer explained the district’s reasoning for wanting to go forward with purchase now:



She added that they have historic funding opportunities on both the state and federal side that make a purchase price for the magnitude of the water rights a real opportunity for the Western Slope. Other reasons for the purchase happening now are seeing impacts of a hotter and dryer future, and the stability of Western Slope in terms of communities that draw on the water.

“Preserving the Shoshone Water Rights is incredibly important to our recreation economy. River recreation contributes \$14.6 billion to the state’s GDP,” Moyer said about the multiple benefits to Colorado and the Western Slope if they attain these rights.

Other benefits of this 250 mile stretch would be for the agriculture, water quality and environment of the Colorado River, which includes four species of endangered fish.

Moyer said that Public Service Company of Colorado and the Colorado River District signed a purchase and sale agreement to transfer ownership of the historic Shoshone Water Rights to the Colorado River District on Dec, 19, 2023, for a purchase price of \$98.5 million.

There are four parts to the agreement. One of those parts is securing funding for that purchase price.

“We’re working with our west slope coalition partners to secure \$10 to \$20 million of that purchase price. The Colorado River District has already committed \$20 million. At the end of January, the state of Colorado, through the Colorado Water Conservation Board, also committed \$20 million to the purchase price,” Moyer said. “All of that is aimed at setting us up for success to request \$49 million from the federal government.”

The Colorado River District is requesting these funds in advance to be put into an escrow account, which wouldn’t be used unless they did all that was asked of them in the purchase agreement between the district and the Public Service Company of Colorado.

“If, for any reason, the purchase and sale agreement was terminated, the funds, with interest, would be returned to all of the coalition partners and public entities,” Moyer said.

The Colorado River District doesn’t need these funds until the end of 2027, but they’re working on these funding commitments now because they believe it’s important to their ask of federal funding.

The city council authorized staff to sign a letter committing \$100,000 to the purchase of the Shoshone Water Rights. This would be in the budget for 2025.

“I just want everyone to realize how historic this Shoshone Water Rights Purchase is and how it can totally save the western slope in case something ever happened to Xcel or that power plant. So I’m glad they came in and I’m glad we’re partnering with them,” council member Clint Hostettler said in their closing comments for the meeting.

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Colorado Water Conservation Board Approves Funding for Continued Shoshone Preservation Efforts

January 29, 2024—The Colorado Water Conservation Board (CWCB) has voted to recommend \$20 million in funding to the Colorado River District as part of the annual Water Projects Bill contributing to a larger funding effort to secure Shoshone permanence and foster water security on the Colorado River.

“The CWCB Board considered this funding application very carefully. This is a significant step towards maintaining historic flows on the Colorado River,” said Lauren Ris, CWCB Director. “As an agency, we will continue to do our due diligence in this process, with the hope that these efforts can benefit the environment and give West Slope water users more certainty.”

The decision follows a special workshop held on January 25, and a final vote during CWCB's January Board Meeting. On [December 19](#), 2023, the Colorado River Water Conservation District and Public Service Company signed an agreement that would allow the River District to purchase the water rights associated with the Shoshone power plant. The River District is also planning to seek funds from the Bureau of Reclamation and others.

In the coming months to years, CWCB will work with the River District to negotiate an instream flow agreement. If approved, the two entities would then seek a change in water right decree through Colorado Water Court. The CWCB's Instream Flow Program secures instream flow water rights to protect streamflow to preserve the natural environment of streams and lakes where fish and other species live. The integrity of this long-standing program depends on a thorough review, so it's critical CWCB staff follow public processes.

“We also greatly appreciate the hard work and dedication of CWCB staff in this effort and their positive recommendation of funding to the Board,” said Andy Mueller, Colorado River District General Manager. “We consider the state an integral partner in protecting Shoshone's flows in perpetuity, and the \$20 million funding milestone brings this generational investment in Colorado water security one step closer to the finish line.”

“If completed, Shoshone water right preservation would help maintain flows on the Colorado River, and support the system as a whole,” said Dan Gibbs, Executive Director of the Colorado Department of Natural Resources. “Securing this water right and negotiating an instream flow use agreement could mean supporting healthy agriculture, providing clean drinking water, fostering healthy environments, and more. We look forward to working with the Colorado River District and Xcel Energy as this process enters the next phases of evaluation and approval.”

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SHOSHONE
WATER RIGHT PRESERVATION

FOR IMMEDIATE RELEASE

Tuesday, December 19, 2023

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Historic Agreement Reached to Advance Colorado Water Security

Shoshone Water Right Preservation Campaign kicks-off with Purchase & Sale Agreement to permanently protect flows in the Upper Colorado River.

Glenwood Springs, CO — This afternoon, 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. The agreement marks a first step towards permanent protection of the most senior, non-consumptive water right on the Colorado River, a project with a 20-year history of support from 19 western Colorado governments and water entities.

“This announcement is a critical first step in preserving the water rights that flow through our Shoshone Hydro Plant turbines on the Colorado River,” said Robert Kenney, president of Xcel Energy – Colorado. “This is an important agreement for the 1.6 million electric customers and communities we serve statewide by allowing us to continue generating clean electricity as part of our commitment to be good stewards of the Colorado River and all who rely on it.”

Leadership from Xcel Energy and the River District celebrated this milestone alongside a broad base of Shoshone Water Right Preservation campaign partners at the Hotel Colorado. Remarks from county commissioners, local and state elected officials, as well as environmental and recreation-based interests followed the official signing of the agreement.

“On behalf of the Colorado River District and the headwaters communities in Eagle County, we thank Xcel Energy for being a committed partner to the West Slope, our economy, and our environment,” said Colorado River District Board President and Eagle County Commissioner Kathy Chandler-Henry.

With the PSA signed, the Shoshone Water Right Preservation Coalition – a diverse and growing partnership of stakeholders – now begins a multi-year effort to secure funding for the purchase and to add an ‘instream flow’ benefit to the historic Shoshone water rights in water court. With its command of 1,408 cfs (or up to 1.02-million-acre feet of water per year) on the Colorado mainstem and benefits both upstream and downstream of Glenwood Canyon, Coalition members see Shoshone permanency as a generational investment in water security for Colorado's environment, economy, and communities across the state.

“We now look forward to working alongside the State of Colorado, the Bureau of Reclamation, the U.S. Fish & Wildlife Service, and Colorado water users, all of whom will be integral partners in this effort’s success,” Commissioner Chandler-Henry added.

Central to the statewide benefit of the Shoshone water right is the vital role it plays in Endangered Species Act (ESA) compliance. Over 1,250 Colorado water projects on both sides of the divide rely on the Upper Colorado River Endangered Fish Recovery Program to maintain ESA compliance and continued operation. In dry years, Shoshone calls between 41,000 and 86,000-acre-feet (AF) of water downstream from the Shoshone Hydropower Plant, bolstering needed cold-water flows in the Grand Valley’s 15-Mile Reach – critical habitat for Colorado’s four native fish listed under the Endangered Species Act.

The consistent flow regime also helps sustain local agricultural producers and Colorado’s \$11.9 billion agricultural economy through increased flows and higher water quality. It also provides water quality benefits for West Slope communities that rely on the Colorado River for drinking water, and drives the state’s \$14.6 billion water-based recreation economy along the Colorado River.

“Protection of Shoshone’s flows presents a unique opportunity to protect the long-term viability of the Colorado River and the communities across the state that depend on it, many of which I represent,” said state Senator Dylan Roberts (SD-8). “There is still a lot of work to be done, but today is incredibly exciting. Taking action on behalf of current and future water users is absolutely worth it and should be a top priority.”

"Agriculture, recreation, and the environment all benefit from Shoshone’s flows. But it’s important to remember that the drinking water supplies for many of the communities in my district come directly from the Colorado River,” said State Representative Elizabeth Velasco (HD-57). “Towns like New Castle, Silt, Rifle, and others all benefit from the flows that Shoshone provides. Higher, consistent stream flows provide clean drinking water for thousands of people in my district and reduce the cost of water treatment for rural communities."

“Colorado has an opportunity with Shoshone permanency to take durable, decisive action on water security for the sake of our productive agriculture and our hard-working farmers and ranchers here in the Grand Valley,” stated Mesa County Commissioner Bobbie Daniel.

After today’s official kickoff, the Shoshone Water Right Preservation Campaign moves forward with in-depth public engagement planned across Colorado. Both West Slope and Front Range residents are encouraged to stay tuned in the coming year as local events are announced. Learn more at www.KeepShoshoneFlowing.org.

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