

RECLAMATION

Managing Water in the West

FONSI No. 2019-01

Project No. 2015-05 and 2015-028


**Final Programmatic Environmental Assessment
for Pueblo Reservoir
Temporary Excess Capacity Storage Contracting
Program,**


and

**Site Specific Environmental Assessment for
Donala Water and Sanitation District
40-Year Excess Capacity Storage and
Conveyance Contract,
and**

**Bureau of Land Management 40-Year Excess
Capacity Storage Contract**

Finding of No Significant Impact

Approved:  Date: 12/7/2018
Area Manager



The seal of the Bureau of Reclamation, U.S. Department of the Interior, is located below the signature line. It features a circular design with the text "U.S. DEPARTMENT OF THE INTERIOR" at the top and "BUREAU OF RECLAMATION" at the bottom. In the center is a stylized landscape with mountains and water.

U.S. Department of the Interior
Bureau of Reclamation
Great Plains Region
Eastern Colorado Area Office

December 2018

Mission Statements

The mission of the Department of the Interior is to protect and manage the Nation's natural resources and cultural heritage; provide scientific and other information about those resources; and honor its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities.

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

FINDING OF NO SIGNIFICANT IMPACT

In accordance with the National Environmental Policy Act (NEPA) of 1969, as amended, and the Council on Environmental Quality's Regulations for implementing the procedural provisions of the National Environmental Policy Act (40 CFR Part 1500-1508), the Bureau of Reclamation has prepared an environmental assessment for the continuation of the Fryingpan-Arkansas (Fry-Ark) Project Temporary Excess Capacity Contracting Program (Temporary Program), a Donala Water and Sanitation District (Donala) 40-year excess capacity storage and conveyance contract, and a Bureau of Land Management (BLM) 40-year excess capacity storage contract. The Final Environmental Assessment (EA) analyzes No Action and Proposed Action alternatives.

The EA is programmatic in nature and evaluates associated resource impacts associated with continuation of the Temporary Program and specific impacts associated with Donala and BLM 40-year contracts. For the Temporary Program, it focuses on a broad scale of resource impacts associated with the Action Alternative and its broad level of proposed contract actions. Each contract application under the Temporary Program will be evaluated for site-specific resource impacts not included in this EA and if appropriate will be addressed under separate National Environmental Policy Act compliance tiered to this EA prior to execution.

Based on the following, Reclamation has determined that the Proposed Actions will not result in a significant impact on the human environment.

Background

Reclamation has historically contracted with entities to allow Non-Project water to be stored in Fry-Ark Project storage space on an as-available basis. The first Fry-Ark Project excess capacity storage contract was issued in 1986. Historically, the primary users of these contracts have been Colorado Springs Utilities and the City of Aurora. Only water that entities are legally entitled to divert and store in Fry-Ark Project facilities, either through a decree by the Colorado Water Court, or by temporary approval of the State Engineer, may be stored under these contracts.

Prior to 2006, Reclamation completed individual NEPA compliance review for each proposed temporary or long-term contract. The environmental review and NEPA compliance documents associated with these temporary contracts increased applicant's contract costs for the associated environmental review and NEPA compliance documentation, which would be reduced by consolidation into this EA. From 2006 to 2018, Reclamation tiered NEPA compliance to a 2006-2010 programmatic EA that analyzed environment effects associated with the Temporary Program contracting up to 80,000 acre-feet of excess capacity storage within Fry-Ark Project reservoirs in addition to a long-term excess capacity contract with Pueblo Water for 10,000 ac-ft of storage in Pueblo Reservoir. In 2018, the total amount of Fry-Ark Project long-term and excess capacity storage contracts exceeded the 90,000 ac-ft. of excess capacity analyzed in the 2006-2010 EA; however, there was never more than 90,000 ac-ft of excess capacity water in Pueblo Reservoir.

The Proposed Action includes continuing the Temporary Program using up to 25,000 acre-feet per year of excess capacity storage in Pueblo Reservoir and consolidates the environmental review, thus reducing costs to the applicant.

Purpose and Need

The purpose of the Proposed Actions is to maximize the use of existing Fry-Ark Project infrastructure to support entities with temporary agricultural, municipal and industrial (M&I), fishery, and recreation needs in response to increasing water demands and annual variability of climate and hydrologic conditions. By providing excess capacity storage and exchange contracts for Non-Fry-Ark Project Water (Non-Project Water), Reclamation is acting pursuant to the Act of June 17, 1902 (32 Stat. 388) and Acts amendatory and supplementary thereto, including the Act of August 4, 1939 (53 Stat. 1197; 43 U.S.C. § 389), and the Fryingpan-Arkansas Project Act of August 16, 1962 (76 Stat. 389 (1962); 43 U.S.C. § 616), as amended, particularly, but not limited to, Pub. L. No. 111 - 11, § 9115 (123 Stat. 991, 1320 (2009)) and Public Law 87-92 as amended. The need for each proposed contract action is discussed in greater detail below.

Fry-Ark Project Temporary Excess Capacity Storage Contracting Program

Continuing the Temporary Program gives Fry-Ark Project municipal and agricultural users space to temporarily store Non-Project water when space is available, for later use. Temporary excess capacity storage and exchange contracts help meet short-term water user needs by increasing water management flexibility and efficiency and continuing deliveries when systems need repairs or flow augmentation. Only water entities legally entitled to divert and store in Pueblo Reservoir, either through a decree by the Colorado Water Court or by temporary State Engineer approval, may store water under these contracts.

Donala Water and Sanitation District 40-Year Excess Capacity Storage and Conveyance Contract

Donala identified a need to reduce dependency from nonrenewable groundwater to renewable surface water sources. Donala has available annual groundwater supplies sufficient to meet total existing and planned demand, which includes future development of Chaparral Hills and the Mining Museum and minimal remaining infilling. The proposed 40-year contract would enable Donala to efficiently use its existing water rights using existing infrastructure for long-term water storage and conveyance. It increases Donala's water management flexibility and facilitates use of its Willow Creek Ranch surface water rights and leased water from the Pueblo Board of Water Works (Pueblo Water). If approved, a 40-year contract would replace Donala's temporary contracting, which has allowed Willow Creek Ranch Water Rights to be stored and exchanged in Pueblo Reservoir. Donala has requested use of Pueblo Dam's North Outlet Work (NOW) to convey water through the Colorado Springs Utilities' (CSU) Southern Delivery System (SDS) pipeline.

Bureau of Land Management-40-Year Excess Capacity Storage Contract

BLM needs to supplement flows in Grape Creek below DeWeese Reservoir to benefit aquatic and riparian resources. Storage and releases from DeWeese Reservoir for agricultural purposes can result in variation of flow rates from day to day of up to 30 cubic feet per second (cfs) and can result in flow rates close to zero below the dam (BLM 2017a). Since 2004, BLM has

obtained annual contracts with Reclamation under the Temporary Program to assist in augmenting flows in Grape Creek below DeWeese Reservoir. Grape Creek flows through BLM's Grape Creek Area of Critical Environmental Concern downstream of DeWeese Reservoir to the Arkansas River at Cañon City. The Area of Critical Concern is managed by the BLM to protect significant riparian, scenic, wildlife and plant resources (BLM 2017b). The proposed BLM 40-year Excess Capacity Storage contract would streamline BLM and Reclamation contracting and administrative processes.

Project Alternatives

Proposed Actions

Reclamation evaluated three independent contracting actions in the EA. All proposed actions would store water in Pueblo Reservoir near Pueblo, Colorado, when space is available. The Proposed Actions include:

- 1) Continuing Fry-Ark Project Temporary Excess Capacity Storage Contracting Program (Temporary Program) to temporarily store up to 25,000 ac-ft per year of agricultural and municipal water if and when storage is available in Pueblo Reservoir for use within the Arkansas River Basin;
- 2) Approving a 40-year excess capacity storage and conveyance contract with Donala to store up to 499 acre-feet of water per year in Pueblo Reservoir for augmentation and municipal uses within Donala's defined water service area. Authorized conveyance using Fry-Ark Project facilities is limited to the use of Pueblo Dam's North Outlet Works for delivery through the Southern Delivery System; and
- 3) Approving a 40-year excess capacity storage contract with the BLM to continue storing up to 500 acre-feet of water per year in Pueblo Reservoir for exchanges between Pueblo and DeWeese Reservoirs to supplement flows in Grape Creek.

No Action

Under the No Action Alternative, Reclamation would discontinue the Temporary Program and all future temporary excess capacity storage and exchange contracts would require individual NEPA analysis annually and would be issued on a first come, first serve basis or require a long-term contract. The entities outside of the boundaries (Out-of-District) of Southeastern Colorado Water Conservancy District (Southeastern) would cover costs of additional hydrologic analysis and NEPA compliance annually for each requested temporary contract. The entities inside the boundaries of Southeastern (In-District) costs are covered by the ad valorem tax paid to Southeastern.

In some cases, temporary contract entities would need to find other sources for exchanges and/or augmentation to meet existing needs. In extreme case, some diversions and groundwater pumping could be curtailed when water rights are out of priority and augmentation water is not available.

Under the No Action Alternative, the proposed 40-year excess capacity storage and conveyance contracts with Donala and BLM would not be executed. Donala has indicated that it does not intend to continue requesting temporary contracts in the absence of a long-term contract. Donala would likely sell its Willow Creek Ranch water rights.

BLM likely would continue requesting annual storage contracts. They have relied on temporary contracts since 2004 to use their Park Center and other water rights to increase flows in Grape Creek during flow periods; however, reduced flows in Grape Creek like those experienced prior to 2004 could occur under the No Action Alternative if BLM were unable to secure additional water rights in the Grape Creek Basin.

Consultation and Coordination

Reclamation conducted informal discussions with federal, state and local agencies to identify issues and concerns associated with proposed continuation of the Temporary Program and the proposed Donala and BLM 40-year contracts. In addition, Reclamation relied heavily on the numerous environmental documents prepared by Reclamation over the history of the Temporary Program.

On October 29, 2018, Reclamation issued a news release announcing the availability of the Draft EA for public review and comment. The Draft EA was available on Reclamation's website at: www.usbr.gov/gp/eca/nepa/fryark.html. Reclamation also sent a news release to 242 individuals and entities included in Reclamation's Eastern Colorado Area Office AVC, Pueblo and Trinidad/Purgatoire Distribution Lists.

Reclamation requested comment on the Draft EA by November 10, 2018. Email comments from CSU dated November 9, 2018, were the only comments received and the comments were addressed in the Final EA.

Summary of Environmental Impacts

During the environmental review process, potential effects resulting from the Proposed Action were identified, either by the public, other agencies, or Reclamation. Reclamation used potential effects to help focus the environmental review process, to structure the Environmental Assessment, and to identify opportunities for mitigating or avoiding adverse effects of the Proposed Action, as appropriate.

In the Final EA, Reclamation evaluated the environmental consequences associated with implementing No Action or Proposed Action. No unavoidable adverse impacts or irreversible and irretrievable commitment of resources are expected under the No Action or Proposed Action.

Impacts associated with continuation of the Temporary Program and a 40-year excess capacity storage and exchange contract with Donala, and a 40-year excess capacity storage contract with the BLM are summarized below. With implementation of environmental commitments, the predicted changes in streamflow in the Arkansas River Basin and Pueblo Reservoir storage results in negligible to minor effects to the human environment.

Resource Category	Temporary Program	Donala 40-Year Contract	BLM 40-Year Contract
Surface Waters Resources- Rivers and Streams	<p>Negligible increases in annual streamflow at the Catlin, La Junta, and John Martin stream gage locations</p> <p>Negligible decreases in annual streamflow at the Twin Lakes, Portland, Above Pueblo Combined Flow, Moffat, Avondale, and Coolidge stream gage locations</p>	<p>Negligible changes at all modeled streamflow except at two locations: <u>Lake Creek below Twin Lakes</u> –2 modeled years (one dry and one mean) where decreases ranged from 2.8% in Feb. and 6.8% in Sept.</p> <p><u>Above Pueblo</u> – Maximum decrease in flow of up to 39.9% in Oct. in dry years. Represents 0.3 cfs decrease</p> <p>Changes < 0.11% in annual flow at modeled stream gage locations for Fry-Ark RiverWare Model</p> <p>Changes in mean monthly flows < than 1%, except increase in mean March monthly flow of 0.4 cfs or 10% for below John Martin and Coolidge locations</p>	<p>Predicted changes included in Temporary Program analysis</p> <p>1 cfs to 3 cfs increase in winter flows in Grape Creek with release from DeWeese Reservoir</p>
Surface Waters- Reservoirs	All reservoir elevation changes would be negligible, except Pueblo Reservoir's average EOM elevation increases by 1.66 ft	Pueblo Reservoir EOM elevation increase of ~1 inch	
Groundwater Resources	Entities relying on groundwater could use excess capacity storage when available to meet some augmentation	Donala would continue to use its Willow Creek Ranch water rights to reduce dependency on non-renewable groundwater resources	BLM would continue to store a portion of the water from the BLM's Park Well water right in Pueblo Reservoir and exchange it to DeWeese

Resource Category	Temporary Program	Donala 40-Year Contract	BLM 40-Year Contract
	requirements for out-of-priority pumping	and increase operational flexibility	Reservoir to augment winter flows in Grape Creek below DeWeese Reservoir and its confluence with the Arkansas River
Water Rights	Complies with Colorado Water law as administered by CDWR and no adverse effects to senior water rights		
Water Quality	Negligible changes in water quality		
Aquatic Life and Recreation	<p>Upper Arkansas River Flow Management Program - decrease of 7.1 cfs in July 1st to August 15th flows</p> <p>Mean flows avg. 1,106.9 cfs (>700 cfs goal)</p> <p>Reservoir Recreation-Increase in Pueblo mean surface area by 89 acres.</p> <p>Minimum surface area increases by 132 acres, minimally</p> <p>Increased in EOM elevations generally benefit recreation and aquatic resources</p>	<p>Upper Arkansas River Flow Management Program - increase of 0.2 cfs mean flow from July 1st to August 15th</p> <p>November 16th to April 30th flows increase by 0.2 cfs</p>	Predicted changes included in Temporary Program analysis
Historic Properties	No effects to Historic Properties		
Threatened, Endangered and Candidate Species	No effects to listed species but requires Upper Colorado River Endangered Fish Recovery Program Agreements for historic Colorado River Basin imports if not previously executed		
Socioeconomic Resources	Potential Fry-Ark Project revenues between of \$1.1 and \$1.8 million per year	Additional Fry-Ark Project revenues	Additional Fry-Ark Project revenues

Resource Category	Temporary Program	Donala 40-Year Contract	BLM 40-Year Contract
	under the Temporary Program		
Environmental Justice	Additional Fry-Ark Revenues to support Fry-Ark Project repayment, O&M and AVC		
Indian Trust Assets	None identified		
Other Resources	No effect		

Environmental Commitments

The following environmental commitments will be implemented by Reclamation and followed by Donala, BLM, and all contractors who participate in the Temporary Program.

1. All water must be transported, stored, and released in accordance with Colorado water law.
2. All contractors shall comply with all sections of the Clean Water Act.
3. The Temporary Program is limited to using up to 25,000 ac-ft per year of excess capacity storage in Pueblo Reservoir.
4. All Temporary Program participants must complete a Temporary Program Application that discloses the following:
 - Description of water rights, including dates, type of right, exchanges, and origin of adjudicated water for water that will be stored in Pueblo Reservoir;
 - Description of the types of water use or uses (i.e. irrigation, municipal and industrial);
 - Description of the water service area;
 - List of facilities used to transport water to Pueblo Reservoir;
 - A list of facilities used to deliver from Pueblo Reservoir to the service area;
 - Water storage and release plan including a breakdown of water sources and monthly inflow and outflows;
 - Disclosure of a proposed change in water use or construction of facilities listed in or eligible for listing in the National Register of Historic Places; and
 - Other resource information, as appropriate.
5. Donala and BLM 40-Year contracts are limited to storage and exchange of water rights, exchanges, uses, facilities, and water service areas described in the Final EA. The storage of any new water rights or exchanges and/or changes in water use, facilities and water service area must be approved in writing by the Contracting Officer once adequate environmental review and additional NEPA compliance is completed.
6. Reclamation will continue to monitor temporary excess capacity operations including daily storage and release data for contractors' accounts to adaptively manage future temporary excess capacity storage and exchange contract operations.
7. Any future Pueblo Reservoir temporary excess capacity storage and exchange contract environmental compliance may be tiered to the EA so long as:

- a) Only the duration of the contract is changed (annual contract to long-term contract),
or
 - b) All proposed contract changes to water use, water rights, and exchanges are analyzed using the Fry-Ark Project RiverWare Model and found to be within the range of effects disclosed in this EA.
8. Any future long-term contract issued will decrease the 25,000 ac-ft per year available to the Temporary Program as described and analyzed in this EA.
 9. All future proposed Fry-Ark Project long-term contracts will use the Fry-Ark Project RiverWare Model or its future version to analyze and describe effects to the Arkansas River Basin including effects to the Temporary Program.
 10. Excess capacity contractors may not exchange water from Pueblo Reservoir to upstream locations against releases made by Reclamation in support of the Upper Arkansas River Voluntary Flow Program or make any exchanges from Pueblo Reservoir that would require Reclamation to release additional water to meet objectives and recommendations of the Upper Arkansas River Voluntary Flow Program.
 11. Reclamation will not execute contract exchanges until the Natural Resource Conservation Service makes its annual May 1st water supply forecast, and Reclamation determines whether contract exchanges will affect its ability to operate in accordance with the Flow Program recommendations or impair the ability of Fremont Sanitation and/or Salida wastewater treatment plants to meet their discharge permit requirements.
 12. Reclamation will limit Temporary Program, Donala, and BLM contract operations when Arkansas River below Pueblo Reservoir flows are ≤ 500 cfs and ≥ 50 cfs, and the operation can result in a 50% decrease or greater in mean daily flow as measured by adding the flow at the Above Pueblo stream gage with Pueblo Fish Hatchery return flows.
 13. Reclamation will limit Temporary Program, Donala, and BLM contract operations that can affect the Arkansas River when flows at the Above Pueblo gage combined with Pueblo Fish Hatchery return flows are ≤ 50 cfs.
 14. Temporary Program contractors that proposed to store water that originates in Upper Colorado or Gunnison River basins must have a signed recovery agreement with the U.S. Fish and Wildlife Service. Entities with existing agreements do not need to sign a new agreement.
 15. Reclamation will consult with the Service if any proposed Colorado or Gunnison River Basin depletions are not included in the 15-Mile Reach programmatic biological opinion or other ESA Section 7 consultation.
 16. Any future Temporary Program contract requests with effects not evaluated in this EA may require additional environmental compliance.
 17. All excess capacity contracts shall comply with all applicable federal, state and local laws and regulations.