FONSI No. 2022-01
Project No. 2021-70

Triview Metropolitan District
Long-Term Excess Capacity Contract

Final Environmental Assessment
Fryingpan-Arkansas Project

Finding of No Significant Impact

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Approved: ______________________ Date: 2021.10.27 18:01:33 -06'00'
Area Manager
Date: ______________________

U.S. Department of the Interior
Bureau of Reclamation
Missouri Basin Region
Eastern Colorado Area Office

October 2021
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 Triview Metropolitan Water District (Triview) 40-year excess capacity storage and conveyance contract. The Final Environmental Assessment (EA) analyzes a No Action and Proposed Action alternatives.

Based on the following, Reclamation has determined that the Proposed Action will not result in a significant impact on the human environment. Therefore, preparation of an environmental impact statement is not required.

Background

Fry-Ark Project Excess Capacity Contracting
Reclamation has historically contracted with entities to allow Non-Project water to be stored in Fryingpan-Arkansas (Fry-Ark) Project storage space on an as-available basis. The first Fry-Ark Project excess capacity storage contract was issued in 1986 and 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 Colorado State Engineer, may be stored under the excess capacity contracts with Reclamation.

Prior to 2006, Reclamation completed individual NEPA compliance review for each temporary or long-term contract request. The environmental review process and NEPA compliance documents associated with the temporary contracts increased the applicant’s contract costs for the associated environmental review and NEPA compliance documentation, which would be reduced by consolidation into a programmatic EA. From 2006 to 2018, Reclamation tiered NEPA compliance for temporary contract requests 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. This was in addition to a long-term contract issued in 2000 to Pueblo Water (aka Pueblo Board of Water Works) for 10,000 acre-feet of storage in Pueblo Reservoir. Between 2007 and 2016, Reclamation also entered into additional long-term contracts (Pueblo Water, Southern Delivery System, and Master Contract) for up to 80,453 acre-feet of additional excess capacity storage in Pueblo Reservoir.

In 2018, Reclamation prepared a new programmatic EA for continuation of the Temporary Program evaluating up to 25,000 acre-feet per year of additional excess capacity storage in Pueblo Reservoir. A Finding of No Significant Impact (FONSI-2019-01) was issued on December 7, 2018. Two additional long-term excess capacity storage contracts (Donala Water and Sanitation District and Bureau of Land Management) totaling 999 acre-feet in Pueblo Reservoir were also included in the 2018 Programmatic EA.

Triview Metropolitan Water District
In 2020, Triview requested a long-term (40-year) excess capacity and conveyance contract (Contract) from Reclamation for up to 999 acre-feet of storage in Pueblo Reservoir and use of Pueblo Dam’s North Outlet Works to deliver up to 4 million gallons per day through the Southern Delivery System to Triview’s service area in and around Monument, Colorado.

The Project Area is located within the Arkansas River Basin of Colorado. Triview’s service area boundary encompasses land located within El Paso County, Colorado, and Triview owns and maintains facilities that provide water, wastewater, and stormwater services to a 2,590-acre service area within the Town of Monument,
Colorado, including more than 1,900 homes and 60 commercial customers. Triview’s service area is located entirely within the Arkansas River Basin. Historically, Triview’s water supply has been derived from non-renewable deep aquifers in the Denver Basin, which are currently being depleted and are not a long-term sustainable resource. In recent years, Triview has been actively acquiring renewable water sources in the Arkansas River Basin to supplement its Denver Basin groundwater, and the means to convey such renewable resources to its service area as follows:

- 1,057 shares of the Fountain Mutual Irrigation Company, representing an average annual yield of approximately 739.9 acre-feet;
- Access to water storage in Big Johnson Reservoir through its ownership of 1,057 shares of the Fountain Mutual Irrigation Company.
- Approximately 50% share of Excelsior Ditch, representing an average annual yield of approximately 720.8 acre-feet;
- Ownership of 2,050 acre-feet of conditional water storage rights in the Stonewall Springs Reservoir Complex as filled with the Excelsior Ditch, and 19,538 shares in the Stonewall Springs Reservoir Company, representing approximately 19,538 acre-feet of conditional storage capacity;
- Ownership of the Arkansas Valley Irrigation Company shares representing an average annual yield of approximately 439.8 acre-feet; and
- Ownership of the Bale Ditch No. 1 and 50% of the Bale Ditch No. 2 shares representing approximately 82.0 acre-feet.

**Purpose and Need**

The purpose of the Contract is to provide a long-term, reliable means of delivery of Triview’s existing water rights that maximizes use of existing infrastructure and supports Triview's municipal water supply needs. The Contract will enable Triview to use its water more efficiently by providing long-term water storage and conveyance capacity opportunities, increases Triview’s water management flexibility, and reduces Triview’s dependency on non-renewable groundwater supplies.

The Contract would facilitate the movement of Triview’s water rights from Fountain Mutual Irrigation Company, Excelsior Irrigation Company, Arkansas Valley Irrigation Company and Bale Ditch No. 1 and No. 2, and reuse of return flows generated by such water rights. The transfer and lease of water rights are governed by Colorado water law and administered by the Colorado Division of Water Resources.

The purpose and need for the Contract includes:

- Providing water storage and conveyance capacity to increase water management portfolio and service area;
- Reducing Triview’s dependency on nonrenewable groundwater;
- Facilitating conversion to renewable surface water;
- Complementing Triview’s reuse of its return flows in the form of treated effluent discharged to Monument and Fountain Creeks; and
- Maximizing the use of existing infrastructure, including Southern Delivery System, to serve Triview’s municipal and industrial water supply demands where feasible.

**Alternatives**

The Final EA evaluated a Proposed Action and No Action alternatives. The Contract’s proposed water supplies are in Table 1 of the Final EA. Triview contracted with LRE Water to complete the hydrologic modeling for
this Proposed Action and to assist with drafting the draft and final EA. Descriptions of the two alternatives are as follows:

**Proposed Action Alternative**
Triview seeks a 999 acre-feet excess capacity storage and conveyance contract with Reclamation to support its efforts to replace its non-renewable Denver Basin groundwater supplies. The Denver Basin groundwater is currently the sole source of water available for direct delivery to Triview.

The Proposed Action does not require construction of a new diversion or delivery facilities and Triview would convey the water stored in Pueblo Reservoir under the Contract when space is available. Raw water would be conveyed from Pueblo Reservoir through Colorado Springs Utilities’ Southern Delivery System infrastructure, as capacity allows up to 4 million gallons per day through Pueblo Dam’s North Outlet Works, for treatment and distribution. Triview would enter into separate agreements with Colorado Springs Utilities for use of the Southern Delivery System.

Under the Proposed Action, the Contract’s exchange component would operate:

a. **Fountain Mutual Irrigation Company**—Triview’s reusable effluent to Fountain Creek, as well as Triview’s Fountain Mutual Irrigation Company shares, would flow to the Fountain Creek confluence with the Arkansas River. These flows are then exchanged up the Arkansas River to Pueblo Reservoir or conveyed down the Arkansas River to the point of diversion for the Excelsior Ditch for delivery to the Stonewall Springs Reservoir Complex and exchanged or administratively traded into Pueblo Reservoir at a later date.

b. **Arkansas Valley Irrigation Company and Bale Ditch No. 1 and 2**—Triview’s Consumptive Use Credits will flow down the Arkansas River into Pueblo Reservoir, where the water will either be conveyed directly to Triview’s service area via the Southern Delivery System or stored in Pueblo Reservoir using the Contract.

c. **Excelsior Ditch**—Triview’s in-priority diversions of Excelsior Ditch water rights would be delivered to the Arkansas River (via Excelsior Ditch Augmentation Station Outlet Canal) for exchange to Pueblo Reservoir or stored in Stonewall Springs Reservoir Complex for exchange or administrative trade into Pueblo Reservoir at a later date.

d. **Stonewall Springs Reservoir Complex**—All deliveries into Pueblo Reservoir by administrative trade, or by direct exchange or exchange from Stonewall Springs Reservoir Company facilities, will either be stored using the Contract or conveyed directly to Triview’s service area via the Southern Delivery System instantaneously (without storage) in Pueblo Reservoir.

**No Action Alternative**
Under the No Action Alternative, Triview’s excess capacity storage and conveyance contract would not be granted. The likely disposition of Triview’s water rights are discussed below.

1. **Fountain Mutual Irrigation Company**—Triview would be unable to place the water and water rights attributable to its Fountain Mutual Irrigation Company shares in storage in Pueblo Reservoir. Triview’s water and water rights would continue to be leased to other water users under the Fountain Mutual Irrigation Company ditch for native irrigation purposes, left in the ditch for pro-rata use by other Fountain Mutual Irrigation Company shareholders in a similar manner, or continue to be leased to downstream water users. Such potential uses of water would result in no material change to the timing or quantities of flows in Fountain Creek or the Arkansas River, consistent with Triview’s current use of these water rights.
2. **Excelsior Irrigation Company**—Triview’s recently acquired interests in the Excelsior Ditch are currently leased to the Arkansas Groundwater Users’ Association. The No Action Alternative assumes this practice would continue, with little to no change in flows on Fountain Creek or the Arkansas River.

3. **Arkansas Valley Irrigation Company and Bale Ditch No. 1 & 2 Water Rights**—subject to the outcome of Triview’s change cases in Colorado Water Court, Triview’s recently acquired Arkansas Valley Irrigation Company water rights would likely continue to be used for irrigation practices with little to no change in flows on Cottonwood Creek.

The Bale Ditch No. 1 & 2 water rights would also likely be leased to other downstream municipal users or diverted to Triview’s Stonewall Spring Complex, subject to Triview’s pending change cases.

4. **Stonewall Springs Complex**—storage in the Stonewall Springs Reservoir Complex under the both the No Action Alternative could potentially include any of Triview’s water sources should such sources obtain judicial or administrative approval. Water supplies once stored in Stonewall Springs Reservoir Complex, could be traded with other third parties, or exchanged by other parties utilizing existing appropriative rights of exchange, to the existing Pueblo Reservoir storage space of such third parties. The effect of such trades or exchanges with third parties might have effects on both the Arkansas River and Fountain Creek similar to what Triview proposed with its own requested storage interests in Pueblo Reservoir under the Proposed Action. Any water placed in storage in the Stonewall Springs Reservoir Complex might likewise be moved via various infrastructure or exchanges on Fountain Creek, with similar effects.

5. **Denver Basin Groundwater**—Under the No Action Alternative, Triview would continue its reliance on finite and unsustainable groundwater resource for the foreseeable future, or until exhausted. Should this occur, wastewater effluent return flows would be maintained in much the same way they exist today with Triview leasing such return flows to downstream water users, with no material changes to stream flow in Fountain Creek or the Arkansas River.

### Consultation and Coordination

Reclamation conducted informal discussions with federal, state and local agencies to identify issues and concerns associated with the proposed Triview contract. In addition, Reclamation relied heavily on the numerous environmental documents prepared by Reclamation over the history of the Fry-Ark Project Excess Capacity Contracting Program. The references list includes many of the documents used during preparation of the EA.

On September 2, 2021, Reclamation issued a news release announcing the availability of the Draft EA for public review and comment. The Draft EA was made available on Reclamation’s website at: [https://www.usbr.gov/gp/ceao/nepa/triview.html](https://www.usbr.gov/gp/ceao/nepa/triview.html). Reclamation also distributed a news release to 242 individuals and entities included in Reclamation’s Eastern Colorado Area Office Arkansas Valley Conduit, Pueblo and Trinidad/Purgatoire Distribution Lists. A copy of the Draft EA distribution list is available upon request. Comments were requested by October 4, 2021 and Reclamation received no comments on the Draft 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, hydrologic modeling and EA, and to identify opportunities for mitigating or avoiding adverse effects of the Proposed Action, as appropriate.
In the Final EA, Reclamation evaluated environmental consequences associated with implementing the Proposed Action and No Action alternatives. No unavoidable adverse impacts or irreversible and irretrievable commitment of resources are expected under the Proposed Action or No Action alternatives.

Impacts associated with the Contract are summarized in Table 1. With implementation of environmental commitments developed for other Fry-Ark Project temporary and long-term contracts, predicted changes in streamflow in the Arkansas River Basin and Pueblo Reservoir storage results in negligible to minor effects to the human environment.

### Table 1-Summary of Impacts

<table>
<thead>
<tr>
<th>Resource</th>
<th>Proposed Action Level of Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hydrology-Surface Water Resources</strong></td>
<td></td>
</tr>
<tr>
<td>Arkansas River flows at Wellsville, Co</td>
<td>Negligible to Minor Effect</td>
</tr>
<tr>
<td>Arkansas River flows at Portland, Co</td>
<td>Negligible Effect</td>
</tr>
<tr>
<td>Arkansas River Above Pueblo</td>
<td>Minor Effect</td>
</tr>
<tr>
<td>Arkansas River at Moffat Street at Pueblo</td>
<td>Minor Effect</td>
</tr>
<tr>
<td>Arkansas River near Avondale</td>
<td>Minor Effect</td>
</tr>
<tr>
<td>Pueblo Reservoir</td>
<td>Negligible Effect</td>
</tr>
<tr>
<td><strong>Water Rights</strong></td>
<td>No Effect</td>
</tr>
<tr>
<td><strong>Aquatic Resources</strong></td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Water Quality</strong></td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Wildlife, Vegetation, and Floodplain, Wetlands, and Riparian Zones</strong></td>
<td>Negligible Effect</td>
</tr>
<tr>
<td><strong>Threatened and Endangered Species</strong></td>
<td>No Effect</td>
</tr>
<tr>
<td><strong>Special Status Species</strong></td>
<td>Negligible Effect</td>
</tr>
<tr>
<td><strong>Land Use and Recreation</strong></td>
<td>Negligible Effect</td>
</tr>
<tr>
<td><strong>Environmental Justice</strong></td>
<td>No Effect</td>
</tr>
<tr>
<td><strong>Socioeconomics</strong></td>
<td>No Effect</td>
</tr>
<tr>
<td><strong>Cultural Resources</strong></td>
<td>No Effect</td>
</tr>
</tbody>
</table>

There are no impacts anticipated for the following resources: air quality and noise; wilderness and wild and scenic rivers; geology, soils, and minerals; prime and unique farmland; public safety; and paleontological resources, water rights, environmental justice, socioeconomics, and cultural resources.

The Proposed Action will also have no effect to threatened and endangered species or designated critical habitats for species listed under the Endangered Species Act.

### Cumulative Effects

There are no construction activities associated with the Proposed Action; therefore, there will be no effect on greenhouse gas emissions from construction activities. Long-term contributions of greenhouse gas emissions would include energy needs of pumping plants and water treatment plant operations. These energy needs are not anticipated to exceed the CEQ’s threshold of 25,000 metric tons of carbon dioxide.
The Joint Front Range Climate Change Vulnerability Study predicted changes in Arkansas River Basin streamflow ranging from an increase of 5 percent to a decrease of 21 percent by 2070. Decreases in streamflow resulting from climate change will result in reduced yields associated with Triview’s changed water rights and smaller increases in flow above and below Pueblo Reservoir during the direct diversion season. Smaller decreases in flows can be expected below Pueblo as a result of reductions in exchange potential. The net impact of decreased streamflow would be a reduction in the frequency and magnitude of storage and conveyance through Pueblo Reservoir, especially in modeled wet and average years.

Conversely, increases in streamflow resulting from climate change will result in increased yields associated with changed water rights and larger increases in flow above and below Pueblo during the direct diversion season. Increased streamflow below Pueblo would result in increased exchange potential, providing both more opportunities for exchanges and higher exchange rates. The net impact of increased streamflow would be an increase in the frequency and magnitude of storage and conveyance through Pueblo Reservoir.

Environmental Commitments

Environmental commitments developed during the preparation of prior Reclamation EAs and environmental impact statements and their associated FONSIs, records of decisions and contracts pertinent to Pueblo Reservoir, Fountain Creek, and Arkansas River were considered for the Proposed Contract. These documents include, but are not limited to the following:

1) Fry-Ark Project Pueblo Reservoir Temporary Excess Capacity Contracting Program Final EA and FONSI (2006);
2) Record of Decision for the Southern Delivery System Final Environmental Impact Statement (2009);
3) Record of Decision for the Arkansas Valley Conduit and Long-Term Excess Capacity Master Contract Final Environmental Impact Statement (2014);
4) 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 (2018); and
5) Information obtained from temporary contracts issued in 2021 under the provisions of 4) above.

The following environmental commitments will be implemented by Reclamation and Triview, as part of the Contract that results from this EA, to avoid or lessen adverse impacts to the resources in the Arkansas River Basin and Pueblo Reservoir.

Reclamation Commitments

1. The amount of storage allowable under temporary excess capacity contracts will be reduced by 999 acre-feet, consistent with environmental commitment No. 3 in FONSI No. EC-1300-06-02 and Nos. 8 and 9 in FONSI EC-2019-01, for the Fry-Ark Project Temporary Excess Capacity Contracting Program.
2. Reclamation will monitor excess capacity operations including daily storage and release data for Contractors’ accounts, to better understand real-time use of contracted storage. This will aid in understanding how excess capacity is used and present the opportunity to manage adaptively future temporary excess capacity contract operations.
3. Reclamation will not execute contract exchanges until the Natural Resource Conservation Service makes its annual May 1st water supply forecast, and Reclamation determines whether or not contract exchanges will affect its ability to operate in accordance with the Upper Arkansas River Voluntary Flow Management Program recommendations, or impair the ability of Fremont Sanitation District Wastewater Treatment Plant or the Salida Wastewater Treatment Plant to meet their Colorado Discharge Permit System permit limits.
4. Reclamation will limit excess capacity contract operations from Pueblo Reservoir to upstream locations against releases made by Reclamation in support of the Upper Arkansas River Voluntary Flow Management Program or make exchanges from Pueblo Reservoir that would require Reclamation to release additional water to meet objectives and recommendations of the Upper Arkansas Voluntary Flow Management Program.

5. Reclamation will limit excess capacity contract operations that will affect the Arkansas River below Pueblo Reservoir when flows are \( \leq 500 \text{ cubic feet per second} \) and \( > 50 \text{ cubic feet per second} \) to a decrease of no more than 50% of the average daily flow as measured by adding the flow at the Above Pueblo Gage to fish hatchery return flows.

6. Reclamation will limit excess capacity contract operations that will affect the Arkansas River below Pueblo Reservoir when flows are \( \leq 50 \text{ cubic feet per second} \), as measured by adding the flow at the Above Pueblo Gage to fish hatchery return flows.

**Triview Commitments**

1. Triview’s water will be transported, stored, and released in accordance with the laws of the State of Colorado. Only water from sources owned or leased by Triview, as described in this EA, may be stored and conveyed under these contracts.

2. By entering into an excess capacity contract with Reclamation for the use and distribution of United States waters, Triview’s project operations shall comply with all sections of the Clean Water Act.

3. If Triview’s excess capacity contract operations are anticipated to change such that potential effects would be outside of the range of conditions evaluated in Triview’s Hydrologic Model, additional environmental compliance will be completed as required.