Draft
FINDING OF NO SIGNIFICANT IMPACT (FONSI)

LA PLATA WEST WATER AUTHORITY INTAKE STRUCTURE AND WATER TEATMENT PLANT AT LAKE NIGHTHORSE

In accordance with the National Environmental Policy Act of 1969, as amended, and based on the following, the Bureau of Reclamation (Reclamation) has determined that the approval and issuance of an out-grant for the proposed La Plata West Water Authority (LPWWA) Intake Structure and Water Treatment Plant project at Lake Nighthorse would not result in a significant impact on the human environment.

Background--In 2000, the Bureau of Reclamation (Reclamation) completed the Final Supplemental to the Environmental Impact Statement (FSEIS) for the Animas-La Plata (ALP) Project and issued a Record of Decision (ROD) approving the construction of the project. The ALP Project was developed to meet the Colorado Ute Indian Tribes' water rights and to provide a future source of water for municipal and industrial needs in southwestern Colorado and northwest New Mexico. The LPWWA project represents one of the end uses of ALP Project water. In early 2008 LPWWA applied to Reclamation and received approval for a special use permit to study and design a domestic water treatment plant and intake structure at Lake Nighthorse (Ridges Basin Reservoir), a feature of the ALP Project. The La Plata West Water Authority Intake Structure and Water Treatment Plant at Lake Nighthorse Environmental Assessment evaluated the potential impacts of the construction of the facility and potential impacts of long-term operation and maintenance on Reclamation project lands.

Purpose and Need--The proposed LPWWA system will potentially serve southwest La Plata County, Colorado, northern San Juan County, New Mexico, the Southern Ute Indian Tribe and the Ute Mountain Ute Indian Tribe. Residential development in this area is limited by the lack of a reliable water supply, the poor quality of groundwater, and the lack of a water delivery system. The proposed water delivery system would bring a reliable supply of quality domestic water to southwestern La Plata County. Currently, there is no means for pumping water out of Lake Nighthorse. The ALP Project water must be accessed at the Ridges Basin Dam outlet works or diverted from the Animas River following release from the dam outlet works. The LPWWA intake structure would provide an alternate means to access ALP Project waters and deliver it to water-poor regions, including areas to the south and west of the reservoir that are not on the Animas River.

Scoping/Public Involvement— The proposed project developed over many years, the process involved development of three major studies which were conducted to determine the need for domestic water in rural La Plata County and of acceptable alternatives to resolve the problem. LPWWA gathered input from the public, Indian Tribes (Southern

Ute Indian Tribe and Ute Mountain Ute Indian Tribe), La Plata County, Southwestern Water Conservancy District, the State of Colorado – Colorado Water Conservation Board and others.

No Action Alternative--There are currently no other proposals to meet the growing municipal and industrial water needs in southwest La Plata County. If the no action alternative is selected and a water supply system is not developed, service area residents will continue to depend on limited groundwater wells and hauling water; conflict for water use and limits on development will persist and increase in the area.

Alternatives Considered, But Eliminated from Detailed Analysis--Five options (described in Preliminary Engineer Report, August 2008) for the project design, all relying on Lake Nighthorse as the water supply source were developed out of the scoping process, and four were eliminated as described below:

*Option 1: Intake structure in Lake Nighthorse, water treatment plant at Blue Hill, and delivery of water to Lake Durango area. The cost of pumping raw water to Blue Hill and the number of existing taps (that could not finance additional infrastructure) in the Lake Durango service area eliminated this option.

*Option 2: Intake structure in Lake Nighthorse and use of Lake Durango water treatment plant. The limited capacity of Lake Durango facilities, the number of existing taps (that could not finance additional infrastructure), and the distance from the service area of location of the Lake Durango facilities eliminated this option from further consideration.

*Option 3: Connection at the Ridges Basin Dam outlet works and water treatment plant near Durango, (possibly shared with the City of Durango), and pumping water over topography to service area. The City of Durango's need for additional water treatment capacity differs in timing, location and design from the needs of LPWWA. Therefore, sharing a water treatment plant with the City has been eliminated from consideration for the project. The building and operation of a pipeline to pump water to the service area would likely pose many easement issues as well as significantly increase the cost of constructing and operating the project.

*Option 5: Connection at Durango Pumping Plant, water treatment plant near Durango, (possibly shared with the City of Durango), and pumping water around topography to service area. Differs from Option 3 in route for pumping and location of storage; eliminated for same reasons.

Preferred Alternative / Proposed Action-- Reclamation selected Option 4 from the LPWWA studies as the preferred alternative and analyzed it for potential impacts within the EA. A brief description of the alternative follows:

The proposed action is licensing (out-grant) by Reclamation of the construction and operation of an intake structure, water treatment plant and utility corridor adjacent to Lake Nighthorse. The proposed intake structure will be built on Reclamation land on the

northwest shore of Lake Nighthorse with intakes at two elevations within the reservoir. The basic design includes bored horizontal shafts from within the reservoir to the onshore structure where they will intersect the vertical bore shafts that are fitted with pumps to withdraw water from the reservoir. By horizontally boring, the disturbance and potential impacts to the surface are minimized. It is estimated that the boring will be 10 feet below ground surface.

The water treatment plant will have the capability of processing between 2 million gallons per day (mgd) to 4 mgd. The plant will use a packaged surface water treatment method or a membrane technology to filter the raw water. The water treatment plant will be located adjacent to the intake structure. This location of the plant will minimize the distance required to pump raw water, thereby increasing efficiency and reducing operational costs and wear of the system. The preferred site has been chosen because of better water quality, adequate access and minimized potential of cultural resource disturbances.

Summary of Findings for Analysis of Alternatives—Reclamation conducted analysis of a wide range of environmental criteria for the No Action Alternative and the Preferred Alternative (Option 4).

The No Action Alternative does not meet the purpose and need as described above.

Under the Preferred Alternative, Reclamation will approve the out-grant for construction of the intake and water treatment system which will become part of the future drinking water system for rural southwest La Plata County. The system will be an end-use of ALP Project water which is one of the purposes and needs of the ALP Project. In terms of environmental consequences associated with implementing the preferred alternative, no significant adverse effects are anticipated.

Wildlife Resources—Construction-related short term disturbance will occur in the immediate project area but are not anticipated to have a significant impact on wildlife. The project area has been previously surveyed for proposed, threatened, and endangered species) for the Biological Assessment (1999) and Final Biological Opinion (FBO) (2000) which was a component of the FSEIS. Because this project is within the study area of the Final Biological Opinion, the same findings of the opinion are assumed to apply to the proposed action. The project is determined as no effect, in that it will avoid and not jeopardize the existence of listed threatened and endangered species or their critical habitat.

Cultural Resources--Construction and operation of the facility will not adversely affect historic properties located on ALP Project lands. The project has been designed to avoid cultural resource sites determined to be eligible for inclusion in the National Register of Historic Places.

Water Quality--Water quality of Lake Nighthorse will not be negatively impacted by operations of the facility. In fact the project designer feels that the operations of the

system will work towards improving water quality in the future by increasing lake circulation. Additionally, Best Management Practices required for construction of the ALP Project are incorporated within the construction and operations standards for the project and will reduce potential impacts to waters of the United States. A Clean Water Act Section 404 permit will not be required because the project will be built prior to filling of Lake Nighthorse.

Land Use and Recreation--There are no land use conflicts anticipated, being that the proposed project is compatible with the use of the federal project lands for Lake Nighthorse; and significant potential recreation impacts are not expected because of commitments related to aesthetics and land use.

Indian Trust Asset--In respect to Indian Trust Assets the action is not seen as having the potential to adversely affect Trust Assets; the Colorado Ute Tribes are sponsor parties to the ALP project and potentially will benefit from the development of an intake structure and water treatment plant for the reservoir. The Tribes have both issued Letters of Support for the LPWWA project. The development of water supply infrastructure is listed as a potential use of funds allotted in the 2002 Colorado Ute Settlement Act.

Environmental Justice—There are no economically disadvantaged groups within the project area (federal lands adjacent to Lake Nighthorse); therefore no disproportionate adverse effects to low income or minority populations are anticipated as a result of the proposed action

Environmental Commitments—Environmental commitments developed by Reclamation with in the FSEIS for successful construction and operation of the ALP Project are not compromised by the implementation of the Preferred Alternative. In addition, the following special provisions will be included in the license agreement:

- Prior to initiating design of storage tanks/treatment plant, discussions will be held with Reclamation on methods to minimize aesthetic impacts of the facilities. The final design will address aesthetics of the facilities and will need to be reviewed by Reclamation prior to construction.
- Final designs will include plans for the planting and maintenance of vegetation to provide screening of the facilities.
- Reasonable public access and recreation use and development will be allowed on and across the license agreement corridor.
- Disturbed areas will be revegetated per plans to be approved by Reclamation

Conclusions:

The No Action Alternative will not meet the purpose and need of the proposed action.

Based on the review and analysis of environmental impacts, Reclamation concludes that signing a license agreement to allow construction on Reclamation lands for the La Plata West Water Authority Water Intake and Treatment Plant as described within the

Preferred Alternative will not have significant impact on the quality of the human environment or the natural resources in the project area.

This Finding of No Significant Impact has, therefore, been prepared and is submitted to document environmental review and evaluation of the proposed action in compliance with the National Environmental Policy Act of 1969, as amended.

Prepared By:

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