

Moffat Collection System Project
Grand County Mitigation and Enhancement Coordination Plan
February 13, 2014

Introduction

The Moffat Collection System Project is an enlargement of Gross Reservoir in Boulder County. The large majority of the water to fill the enlarged reservoir will be diverted from streams in Grand County using Denver Water's existing diversion facilities. Since the permitting process for the Project began, Grand County and Denver Water have executed the Colorado River Cooperative Agreement (CRCA), and have begun a new way of doing business together. Grand County and Denver Water share the following goals:

1. A legally enforceable permit should be issued for the Moffat Project.
2. The aquatic environment will be better off with the Moffat Project.
3. Regulatory flexibility is essential to improving the aquatic environment.
4. Learning By Doing¹ should be the implementation mechanism for mitigation because of its function and design.
5. Ongoing efforts in Grand County should be integrated with mitigation and other state or federal permit conditions.

This Grand County Mitigation and Enhancement Coordination Plan (MECP) represents agreement between Denver Water and Grand County on the most effective way to manage the aquatic environment to accomplish these shared goals.

Section I of the MECP describes regulatory obligations Denver Water will propose to the Army Corps of Engineers (ACE), and the Colorado Department of Public Health and Environment (CDPHE), consisting of (i) mitigation measures to offset Project-related impacts in Grand County identified in the FEIS, and (ii) additional environmental protections. These regulatory obligations would be incorporated as Moffat Project permit terms and conditions. Section II describes relevant, nonregulatory, environmental enhancements committed to by Denver Water in separate stakeholder agreements, including the CRCA and the Fish and Wildlife Enhancement Plan (FWEP). Denver Water believes the measures proposed in Section I more than offset impacts identified in the EIS, and that implementation of Section II will provide a net improvement for the environment in Grand County. Under the MECP, both implementation of

¹ Learning by Doing is a cooperative environmental effort of interested entities, including Denver Water, Northern Colorado Water Conservancy District, Middle Park Water Conservancy District, Grand County, Colorado River Water Conservation District, Trout Unlimited, and the Colorado Parks and Wildlife (CPW). LBD addresses the aquatic environment in the Fraser and Williams Fork Basins and the mainstem of the Colorado River from the outflow of Windy Gap Reservoir to its confluence with the Blue River.

mitigation, and implementation of additional environmental protections and enhancements would be coordinated through Learning by Doing.

In many instances, the specifics of regulatory measures adopted as part of the ACE's permit terms and conditions, e.g., which stream reach should receive mitigation water, , will need to be determined at the time the mitigation measure is to be implemented. In its proposed mitigation plan, Denver Water will recommend to the ACE that such operational details of mitigation requirements for Grand County be implemented through LBD, recognizing that regulatory agencies might require separate monitoring and performance standards to track compliance with regulatory obligations. Denver Water will retain the ultimate responsibility to ensure that proposed measures satisfy the regulatory requirements for the Project. Voluntary enhancements in Section II will be combined with the mitigation measures and additional environmental protections in Section I to the extent Denver Water's efforts can be accomplished without materially impacting Project water supply or compromising Denver Water's obligations to mitigate Project impacts.

I. Proposed Regulatory Obligations to Respond to Project-Related Impacts

The following elements will be included in the mitigation plan to be proposed to the regulatory agencies to offset impacts of the Project identified in the FEIS. Denver Water will submit its final mitigation proposal, including those identified in this MECP to the ACE and CDPHE in a format that links proposed mitigation with impacts identified in the EIS and complies with the ACE's mitigation requirements (33 CFR 332).² Implementation of most of the mitigation measures and additional environmental protections described in this Section I would start after project operations begins.

A. Learning By Doing. Since LBD is integral to success of the MECP, Denver Water will request that the ACE add a permit condition to the 404 permit requiring Denver Water to remain in good standing and actively participate in LBD for as long as the LBD is functioning. If LBD ceases to function, the requirement would be for Denver Water to participate in an alternative process approved by ACE that is dedicated to implementing the elements of the MECP.

B. Temperature. Implementation by Denver Water of the following measures would constitute successful compliance with the mitigation requirements for temperature impacts in Grand County potentially caused by the Project and would provide additional environmental protections.

² Denver Water's final mitigation proposal will also include all other mitigation requirements to offset impacts identified in the EIS for impacts outside Grand County. These other mitigation requirements are not part of the Mitigation and Enhancement Coordination Plan.

1. Temperature Mitigation Monitoring. Commencing when acceptable regulatory approvals are received for the Project, Denver Water will monitor temperature at the locations listed below, which have been approved in the FWMP. Denver Water will ensure that the data are provided to LBD.

- a. Fraser River below Crooked Creek near Tabernash (USGS gage #09033300) - an existing real-time gaging and temperature station maintained by the USGS.
- b. Ranch Creek near Fraser, CO (USGS gage #09032000) - an existing USGS gaging station. Denver Water will pay the USGS to install, monitor and maintain a real-time temperature monitoring station on this gaging station prior to Project operations.
- c. Colorado River downstream of Windy Gap - Denver Water will work with the Municipal Subdistrict of the Northern Colorado Water Conservancy District (Subdistrict) to install, monitor and maintain two continuous, real-time temperature monitoring stations on the Colorado River at the Windy Gap gage and upstream of the Williams Fork River confluence.

2. Temperature Mitigation Response. Denver Water agreed in the Fish and Wildlife Mitigation Plan approved by the Colorado Parks and Wildlife (CPW) to bypass up to 250 acre-feet of water, at a rate up to 4 cfs, to alleviate temperature problems.

a. Mitigation Response Triggers. Bypass of the 250 acre-feet will be triggered by the occurrence of any of the following temperature action levels during the period from July 15 to August 31, whether or not the Project is diverting water at the time the trigger occurs.

- 1.) Daily Maximum temperature³ of 21.2 degrees C (70.2 degrees F) at either of the Fraser Basin gages and 23.8° C (74.8° F) at either of the Colorado River gages, based on the current acute standard.
- 2.) Maximum Weekly Average Temperature (MWAT)⁴ of 17 degrees C (62.6 degrees F) at either of the Fraser basin gages and 18.2° C (64.8° F) at either of the Colorado River gages, based on the current chronic standard.

³ The daily maximum is defined by the Colorado Water Quality Control Commission (WQCC) as the highest 2-hour average water temperature. The daily maximum is used for the acute standard with the exclusion of values concurrent with maximum daily air temperatures greater than the 90th percentile of historic daily temperature.

⁴ The MWAT is defined by the WQCC as the largest mathematical mean of multiple evenly spaced daily temperatures over a 7-day consecutive period, with a minimum of 3 data points spaced evenly through the day. The chronic standard is determined by the maximum weekly average temperature (MWAT) in a 3-year period with the exclusion of values concurrent with maximum daily air temperatures greater than the 90th percentile of historical monthly temperature.

b. Mitigation Response Action. As stream temperature approaches a temperature action level after the Project is operational, LBD will determine which of Denver Water's facilities should bypass the 250 acre-feet. If agreement cannot be reached by the members of LBD, the CPW will decide. Any decision to implement a bypass must a) involve a location at which Denver Water is currently diverting, and b) determine there is sufficient streamflow available for bypass so as to make up to 250 acre-feet available.

3. Additional Environmental Protections. If Denver Water has already bypassed the 250 acre-feet and the response triggers listed below occur, Denver Water will undertake additional response actions described below.

a. Additional Environmental Protection Response Triggers. Additional Environmental Protections will be warranted by the occurrence of either of the following temperature actions levels during the period from July 15 to August 31 when the Project is diverting.

- 1) Either of the Fraser Basin gages (USGS gage #09033300 and/or USGS gage #09032000) records a Daily Maximum temperature of 21.2 degrees C (70.2 degrees F).
- 2) Either of the Fraser Basin gages records an MWAT of 17 degrees C (62.6 degrees F).

b. Additional Environmental Protection Actions. Depending on where the Response Triggers occur, Denver Water will coordinate with LBD and implement either one or both of the following measures.

- 1) Ranch Creek. At its Ranch Creek diversion, Denver Water will bypass an amount of water up to the natural inflow at the Ranch Creek diversion that will maintain the flow in Ranch Creek at the USGS gaging station near Fraser, CO (USGS gage #09032000) at 6 cfs (which is 2 cfs above the CWCB's in-stream flow right). This operation will continue until the temperature falls below the Action Level or Project Water is no longer being diverted.
- 2) Fraser River. At its Fraser River and/or Jim Creek diversion(s), Denver Water will bypass an amount of water up to the combined natural inflow at the Fraser River and/or Jim Creek diversions that will maintain the flow in the Fraser River at the Winter Park USGS gage (#0902400) at 14 cfs (which is 6 cfs above the CWCB's in-stream flow right for the Fraser River at this location). This operation will continue until the temperature falls below the Action Level or Project Water is no longer being diverted. Denver Water will use reasonable efforts to provide the additional flows from the Jim Creek diversion to assure a flow in Jim Creek.

4. Adaptive Management. If after no more than 20 years of Project operation, the Additional Responses Actions are determined by LBD and verified by the CDPHE to have a *de minimis* effect in reducing the stream temperature below the temperature response triggers at USGS gage #09032000 or USGS gage #09033300 when the Project is diverting, Denver Water will contribute \$1 million dollars to LBD for the exclusive purpose of designing and constructing projects to address stream temperature issues in the Fraser River Basin.

C. Channel Stability (Additional Environmental Protection).

Implementation by Denver Water of the following measures would constitute successful compliance with the mitigation requirements for channel stability and sediment transport impacts in Grand County potentially caused by the Project and would provide additional environmental protections.

1. Flushing Flows. The flows described in this paragraph have been identified in the Grand County Stream Management Plan as being desirable [without regard to whether the need for the flows was created by the Project.] to improve channel stability and sediment transport. Denver Water will use reasonable efforts to provide water on an as-available basis to help achieve the desired flows once the Project becomes operational without regard to whether the Project creates the need for the flows. Denver Water will inform LBD when flows are available in excess of those needed for the Project or by its existing system, and will coordinate with LBD on the timing and location of the flows to achieve the flows described below. Denver Water will make reasonable efforts to provide the following flows for a minimum of 72 consecutive hours in 40% of the years (16 out of 40 years) and 3 out of every 10 years.

- a. Fraser River as measured at the Winter Park USGS gage #09024000—up to 80 cfs mean daily discharge.
- b. St. Louis Creek as measured at the St. Louis Creek USGS gage #09026500—up to 70 cfs mean daily discharge.
- c. Vasquez Creek as measured at the diversion—up to 50 cfs mean daily discharge.
- d. Ranch Creek as measured at the USGS gage #09032000—up to 40 cfs mean daily discharge.

Prior to the Project becoming operational, Denver Water will work with LBD to identify opportunities to voluntarily provide flushing flows for the dual purposes of looking for operation issues that may need to be addressed and to test different prescriptions for addressing channel stability issues.

2. Fraser River Sediment Pond. Denver Water will continue to operate the Fraser River Sediment Pond as provided in the intergovernmental agreement between the Colorado Department of Transportation (CDOT), Grand County, Town of Winter Park and Denver Water, dated June 8, 2011, to reduce the sediment load to the Fraser River from traction sand used by CDOT on Berthoud Pass.

3. Adaptive Management. If after no more than 20 years of Project operation, the Flushing Flows defined above are determined by LBD and verified by the CDPHE to have a *de minimis* effect in addressing the concerns regarding channel stability and sediment transport, Denver Water will contribute \$1 million dollars to LBD for the exclusive purpose of designing and a constructing project(s) to improve channel stability and sediment transport in the Fraser River Basin.

D. Cutthroat Trout (Mitigation).

Denver Water agreed in the Fish and Wildlife Mitigation Plan approved by the CPW to provide funding (\$72,500) to the CPW to construct a barrier and restore cutthroat trout habitat in Grand County. CPW will select a headwater stream that currently does not support cutthroat trout, construct a barrier at the downstream end of the habitat, eradicate all the trout in the stream upstream of the barrier, and then reintroduce a conservation population of cutthroat trout. Denver Water will provide the funding and assist CPW in constructing the barrier when acceptable regulatory approvals are received for the Project.

The ACE is currently consulting with the U.S. Fish and Wildlife Service (USFWS) under Section 7 of the Endangered Species Act to address the adverse effects to greenback cutthroat trout in Little Vasquez Creek, Bobtail Creek, Steelman Creek, and Hamilton Creek. The ACE, USFWS, CPW, United States Forest Service (USFS) and Denver Water are currently collaborating to identify appropriate conservation measures to protect the greenback cutthroat trout. Possible measures include restoring or expanding habitat on the mainstem of the Williams Fork River, South Fork Williams Fork River and St. Louis Creek. The final measures will be determined by the USFWS in its Biological Opinion.

E. Fish Habitat (Mitigation).

Implementation by Denver Water of the following measures would constitute successful compliance with the mitigation requirements for the Project's potential decrease in aquatic habitat in the Fraser and upper Williams Fork basins potentially caused by the Project.

Denver Water will place \$750,000 in an escrow account within one year of receiving acceptable regulatory approval for the Project, for stream habitat restoration projects to compensate for reduced flows caused by the Project and the potential decrease in aquatic habitat in the Fraser and upper Williams Fork basins. Denver Water and CPW, in consultation with other members of the LBD Management Team, will determine appropriate locations and general concepts for the stream habitat mitigation projects. CPW will be ultimately responsible for the actual design of the stream habitat projects, and Denver Water will be responsible for permitting,

constructing, and maintaining the aquatic habitat improvements. Denver Water's costs for design, permitting, and maintaining the aquatic habitat improvements are in addition to the \$750,000. The LBD parties will work to ensure that the project design and implementation complement the enhancement efforts occurring in the Fraser Basin.

Mitigation funds may be used for stream improvements on private lands, but preference will be given to those lands where public access is allowed or where matching funds are provided. Any stream improvement on private lands will require landowner permission and a permanent easement granted to Denver Water or CPW to ensure the mitigation measures remain effective.

F. *Determining When Diversions Are Project Diversions.* When dealing with mitigation, enhancement measures, and additional environmental protections, all intended to address the aquatic environment, it is important to distinguish between flow changes caused by diversions attributable to Denver Water's existing system and the incremental impacts caused by diversions related to operation of the Project, so that mitigation can be measured for regulatory compliance purposes. The following accounting procedure will be used to distinguish whether a flow change is being caused by the diversions for Denver Water's existing system (which is not subject to mitigation requirements) or by diversions for the Project .

After the Project is constructed, daily reservoir accounting will first credit the water diverted by Denver Water from the Williams Fork and Fraser basins to fill the existing, "Old Water" capacity of Gross Reservoir, which is 41,811 acre-feet. When the amount of Old Water in storage equals 41,811 acre-feet, the next increment of water put into storage at Gross Reservoir from the Williams Fork and Fraser basins will be counted as "Project Water." The Old Water is the first water stored in Gross Reservoir and the first water taken out of storage. Project Water does not include water stored from South Boulder Creek or flow-through water.⁵

II. Voluntary Enhancements for Aquatic Resources

Outside the scope of mitigation and Project impacts, Denver Water has voluntarily entered into binding agreements with various stakeholders to provide significant resources to restore and enhance aquatic resources in Grand County. These enhancements are intended to address both current and future conditions of the aquatic environment without regard to causation.

Most of the enhancement resources to be provided by Denver Water under contracts are contingent upon the status of the Project. Some enhancement efforts can begin in the short term, upon Denver Water's receipt and acceptance of federal permits, while other resources will be available once the Project is operational. For purposes of clarifying how enhancements will work, it is assumed that the permitting process will be concluded late in 2015, and that the

⁵ Flow-through water is water diverted and passed directly through Gross Reservoir to meet demand without being stored in the enlarged reservoir. Flow-through water is not considered Project Water because Denver Water could and would divert and pass through that water without the Project.

Project would become operational in 2021. Therefore, the period 2015-2021 is defined for illustrative purposes as the ***Interim Period***, and after 2021 is the ***Project Period***. When the Interim Period begins and ends and when the Project Period begins will change if issuance of permits or operation of the project is delayed.

A. Learning by Doing (LBD).

Under the Colorado River Cooperative Agreement (CRCA), Denver Water has entered into the LBD intergovernmental agreement with Grand County, the Colorado River Water Conservation District and Middle Park Water Conservancy District. The explicit purpose of LBD is to “maintain and, where reasonably possible, restore or enhance the condition of the aquatic environment in Grand County.” The parties to LBD intend “to build and promote a stable, permanent, relationship that respects the interests and legal responsibilities of the parties, while achieving the goals of the Cooperative Effort.”

LBD is a unique and groundbreaking effort to manage an aquatic environment on a permanent cooperative basis. Importantly, LBD “will not seek a culprit for changes in the condition of the stream, but will provide a mechanism to identify issues of concern and focus available resources to address those issues.” LBD will be implemented through the ongoing work of a management committee comprised of the parties to the LBD IGA, plus Northern Water, Colorado Parks and Wildlife, and Trout Unlimited. All the parties to the LBD IGA have agreed to contribute resources on an ongoing basis. The most significant resources are those provided to Grand County by Denver Water under the CRCA, not the least of which is its ongoing permanent involvement in the LBD effort. The actions undertaken by LBD are to be coordinated with mitigation actions related to the Project, thereby increasing the effectiveness of both efforts.

B. Enhancement Resources Available During Interim Period.

1. LBD During Interim Period.

- a. Denver Water Resources Provided. LBD will become effective upon Denver Water’s acceptance of permits related to the Project. Under the CRCA, the following resources will become available to LBD during the Interim Period.
- 1) \$1.25 million for aquatic habitat improvements.
 - 2) \$2 million for water quality projects, including but not limited to improvements to the capacity of wastewater treatment plants. Although this fund will be administered by Grand County and several sanitation districts, the projects should be coordinated through LBD.
 - 3) As determined by Denver Water on a case-by-case basis, Denver Water will use the flexibility in its system and provide in-kind contributions of people, equipment, and material to benefit LBD efforts.

4) Denver Water will undertake voluntary pilot projects using the environmental water described below that may become available in the Interim Period.

b. LBD Monitoring Program. In the IGA, the LBD parties specifically agreed to develop a stream monitoring plan to monitor conditions for the purposes of identifying and responding to potential changes to the environment; defining desired improvements and modifications; and measuring the effectiveness of actions taken. Monitoring will help identify the stressors that may cause impacts to the aquatic environment, regardless of causation, so the stressors can be addressed by LBD. This monitoring program is a voluntary effort as defined in the CRCA and is not part of the regulatory process.

1) Defining Stream Conditions in Grand County. A common data base for the Fraser Watershed should be established to better understand the relationship between hydrologic changes and impacts to the aquatic environment; the role of naturally-occurring conditions such as climate change, beetle kill, air temperature or wildfire; and the effectiveness of different management responses to address problem areas. An example of potential hydrologic changes is the increased diversions by Denver Water using its existing infrastructure, which will occur prior to Project operation. Using the common data base, Denver Water and other parties in the Fraser Basin can participate in voluntary operational experiments to develop prescriptions for important stream reaches. Prescriptions might include operational actions, restoration projects, and other voluntary efforts.

The LBD parties have agreed to rely on the information contained in Grand County's Stream Management Plan and to enhance the information in the SMP. The LBD Monitoring Plan will incorporate elements used during Phase 3B of the SMP. Monitoring under LBD "will be used to identify changes in the aquatic environment, identify critical stream reaches, assign priorities for action steps, evaluate the effectiveness of actions taken, and to modify and refine strategies for achieving goals of the Cooperative Effort." As members of the LBD management team, Denver Water and Grand County will advocate for the Monitoring Plan to address the issues described below.

2) Water Temperature. Monitoring water temperature will help improve the understanding of the relationship between water temperature at the mouth of tributaries and higher up in the watershed, and the thermal interactions among water flow, air temperature, shading and channel configuration.

- LBD should expand the existing network of water temperature data loggers to other streams and locations in the Fraser basin where flow data is available. Temporary loggers should be placed near the mouth and at upstream locations in streams experiencing temperature issues. The LBD Management Team will identify locations for additional data loggers and how long loggers remain in the field.
- Air temperature should be monitored at each water temperature data logger location and at a few general locations in the watershed.
- Data from the loggers would be used to determine where and how many real-time temperature monitoring stations LBD should deploy throughout the basin.

3) Channel Stability and Sediment Transport. Enhancement of the Grand County SMP described in the LBD IGA should include additional channel stability and sediment transport data and analysis, including the analysis used in the FEIS for the Project, to develop valid prescriptions for specific stream reaches.

4) Benthic Macroinvertebrate Monitoring. LBD should design and implement annual monitoring for macroinvertebrates, using Colorado's Multi-Metric Index (MMI) or another agreed to methodology. Monitoring locations should represent, at a minimum, the four stream segments in the Fraser River watershed defined in the WQCC's Standards and Classifications for the Upper Colorado River (5 CCR 1002-33). The purpose of the monitoring is to establish a baseline to identify priority stream reaches and test the effectiveness of management activities initiated by LBD.

5) Riparian Areas and Wetland Monitoring. Denver Water will work with LBD to design and implement a mapping program for riparian vegetation in the Fraser River watershed. Locations for the monitoring efforts will be determined by LBD, and should include at a minimum a species inventory and photo documentation.

c. Use of LBD Resources. The parties to LBD, including Denver Water, have committed to develop an annual operations plan to maximize the stream environmental benefits produced by the available resources, including the water and funding contributed by Denver Water. The plan will explore opportunities for coordinated operations of diversion structures and reservoir releases among all water users in Grand County, including Northern Water; the Subdistrict; the Bureau of Reclamation, the Board; Middle Park; River District; and in-county diversions for agricultural, municipal, industrial, and others uses. The purpose of

coordinated operations is to allow the water users to meet the supply requirements of their systems, while maximizing the effectiveness of LBD. It is anticipated that coordinated operations could greatly enhance the effectiveness of such activities. Denver Water and Grand County agree that some of these resources should be dedicated to the same issues addressed by the mitigation measures to leverage benefits to the stream environment.

1) Temperature. Helping to ameliorate temperature issues in the Fraser River Basin and the Colorado River is one of LBD's priorities. Using the data generated through the LBD monitoring plan described above, experimental voluntary responses (changes in diversions, increased shading, and modified channel configurations) will be tested to define possible combinations of actions to address temperature issues. As part of voluntary pilot projects, Denver Water will release available water in excess of its needs when stream temperatures are measured within 1 degree Centigrade of the Daily Maximum acute temperature standard and when stream temperatures are measured at or above the Maximum Weekly Average Temperature chronic standard at agreed upon locations.

2) Channel Stability. Based on the supplemental data and analysis provided through the LBD monitoring plan, LBD should begin to develop prescriptions to address channel stability and sediment transport. As part of voluntary pilot projects, Denver Water will use water on a voluntary basis to test the prescription for flushing flows and to determine potential operational issues with releasing flushing flows. In addition, LBD should address sediment loading issues through mechanical means. For example, Denver Water has already proposed a joint effort with LBD to replace the culvert downstream of the Fraser River Diversion structure with one that is more fish friendly and designed to reduce sediment into the Fraser River.

2. Fish and Wildlife Enhancement Plan. Denver Water submitted a voluntary Fish and Wildlife Enhancement Plan to improve the existing aquatic environment in the Colorado River downstream of the Windy Gap diversion structure, which was approved and adopted by the CPW and the CWCB. The Plan will become effective once Denver Water and Northern Water - Municipal Subdistrict have received acceptable permits for the Project and the Windy Gap Firming Project, respectively. The main component of the Enhancement Plan is the Upper Colorado River Habitat Project, funded and implemented jointly with Northern Water - Municipal Subdistrict and CPW. Denver Water and Northern Water - Municipal Subdistrict will contribute \$6 million for the Habitat Project to improve the existing aquatic conditions in approximately 17 miles of the Colorado River from the Windy Gap Diversion to the Kemp-Breese State Wildlife Area downstream of the confluence with the Williams Fork River.

3. Wild and Scenic River Funding. As part of the CRCA package, Denver Water will provide \$1 million within one year after Denver Water receives acceptable regulatory approvals for the Project to be used for flow-related projects to protect outstandingly remarkable values in the Wild and Scenic River management program for the Colorado River. Any use of these funds will be coordinated with the Wild and Scenic Rivers Stakeholder Group.

4. Forest Restoration Funds. Under the CRCA, certain East Slope recipients of water from Denver Water will pay a surcharge into a West Slope Fund. The West Slope Fund could begin to receive funds as early as 2014. A portion of that surcharge, 1.25% of Denver Water's standard outside-service-area rate for nonpotable water, will be dedicated to projects in Grand County for forest restoration and aquatic improvements related to forest health. This funding will serve to augment Denver Water's commitment to watershed health through its nationally-recognized Forests to Faucets partnership with the USFS.

5. Grant Funding. Denver Water will participate in LBD efforts to obtain grant funding from a variety of public and private sources, once LBD is actively functioning.

C. Additional Enhancement Resources Available During the Project Period.

Once the Project is operational, the mitigation measures will become operational. In the CRCA, Denver Water has committed to Grand County additional enhancement resources that will also become available to LBD at that time. Denver Water and Grand County share the goal of blending the water and non-water resources managed under LBD with the mitigation package to provide the maximum value for the stream environment.

1. Monetary Resources Provided to LBD.

- a. \$2 million for environmental enhancements.
- b. \$1 million for use in pumping water at Windy Gap to Granby Reservoir for subsequent release to improve the aquatic environment in the Colorado River below Granby Reservoir.

2. Water Dedicated to Stream Flow. The amounts of water described below will become available on an annual basis and will be managed through LBD for environmental purposes. To ensure that the water bypassed or released by Denver Water actually arrives at the intended stream reaches without being diverted by others, Denver Water and Grand County have entered into a water delivery agreement with the Colorado Water Conservation Board (CWCB). The water will be administered by the Colorado State Engineer to its intended stream location for instream flows. Denver Water, Grand County, and the CWCB have filed an application in Colorado water court to obtain the adjudication of a decree that will allow this use of water for instream purposes to improve aquatic habitat.

- a. 1,000 acre-feet of water each year released from Denver Water's Fraser collection system in Grand County.
- b. Up to 1,000 acre-feet released from Williams Fork Reservoir. This commitment also includes the use of up to 2,500 acre-feet of storage in Williams Fork Reservoir to manage the releases and provide the most benefit for the aquatic environment.

3. Use of Resources.

a. Water Resources. LBD could coordinate use of the Fraser 1,000 acre-feet of bypasses and the Williams Fork releases with the 250 acre-feet from the FWMP and the Additional Temperature Response water defined in the mitigation plan. These resources could be used if stream temperature monitoring in the Fraser River Basin indicates a need for action in accordance with the temperature response triggers defined in subsection I.A.3, and also to enhance sediment transport and channel stability conditions of streams in Grand County not addressed in the mitigation measures or to supplement the mitigation measures.

b. Non-Water Resources. Long term voluntary non-water actions (vegetative shading, install narrower and deeper channels, channel bank undercuttings, etc.) would be defined and implemented through LBD and coordinated with the application of the non-water mitigation actions to augment any water responses.

D. Increased Bypasses from Fraser Collection System.

Denver Water is required by the USFS or the Bureau of Land Management to bypass specified flows at its points of diversion on the Fraser River, Vasquez Creek, St. Louis Creek and Ranch Creek. Once the Project has become operational, Denver Water will commit to not reduce these bypasses of water, except when Denver Water has implemented a ban on residential lawn watering in its service area. Denver Water estimates that this commitment will bypass an additional 2,000 to 3,000 acre-feet of water in the streams below its diversions, which will serve to maintain aquatic habitat during critical drought periods.