Wolf Creek project secures River District grant

Funding will go toward permitting of reservoir project in northwest Colorado

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The Colorado River Water Conservation District board of directors approved a request to partially fund the permitting costs for a dam and reservoir project in northwest Colorado.

The Rio Blanco Water Conservancy District asked the River District for $3 million over three years for federal and state permit work for the construction of the Wolf Creek Reservoir. But the conservancy district did not get the full amount it asked for. At staff’s recommendation, the River District committed to $330,000 — one year of initial funding from the Community Funding Partnership. River District staff encouraged Rio Blanco to apply for more project funding in coming years.

Amy Moyer, River District director of strategic partnerships, said the district did not have the funding to provide the full $3 million over three years.

“We felt like ($330,000) was a good amount to help Rio Blanco hire a contractor they will need to start the permitting process,” she said.

In January, Rio Blanco secured a water right for a 66,720-acre-foot reservoir between Rangely and Meeker. The conservancy district is proposing an off-channel reservoir with a dam 110 feet tall and 3,800 feet long, with water that will be pumped into the Wolf Creek drainage from the White River.
Rio Blanco said it will use the funds for the National Environmental Policy Act permitting process, which will be administered by the Bureau of Land Management, using a third-party contractor. Rio Blanco estimates the permitting will take three to five years at a cost of $6 to $10 million.

In its application, Rangely-based Rio Blanco said that the River District’s support of the permit phase is essential for the eventual development of the project.

“The project provides a desperately needed new storage reservoir for the White River basin,” the application reads. “The White River basin currently does not have adequate storage to meet the current water needs during drought conditions or any additional future water needs within the basin.”

No River District directors voted against the funding. Rio Blanco County representative Alden Vanden Brink abstained from voting because he is the general manager of the Rio Blanco Water Conservancy District.

“I support this concept,” said Gunnison County representative Kathleen Curry. “Investing in a permitting process is wise right now.”

Moffat County representative Tom Gray wondered if funding this request would mean the River District has a moral obligation to approve future funding requests for the Wolf Creek project. But River District General Manager Andy Mueller encouraged board members to look at it as a one-time request because the future of the overall project is still uncertain.

“It is possible that this applicant could have the whole permitting process blow up on them,” Mueller said. “Something beyond our control may occur. ... Think of it on an application-at-a-time basis.”

The Wolf Creek project will also need permits from the State Historical Preservation Office, the U.S. Fish & Wildlife Service, the Army Corps of Engineers, the Colorado Department of Public Health and Environment and a consultation under the Endangered Species Act.

Rio Blanco has budgeted a minimum of $250,000 per year to contribute to the permitting process. Since planning first began in 2013, Rio Blanco and its funding partners, including the Colorado Water Conservation Board, have spent $2.1 million on the project. The project has the support of Rio Blanco and Moffat counties and the Town of Rangely, but so far these governments have not made funding commitments. Rio Blanco estimates the total cost to build the reservoir at $142 million.

Securing the water right for the project took longer than Rio Blanco expected because for five years, Colorado’s top engineers at the Department of Water Resources argued the project was speculative because Rio Blanco could not prove a need for the water. The water right that was eventually granted after years of back-and-forth in water court gave Rio Blanco the amount of water it was
seeking, but does not allow the district all the water uses it initially wanted.

The decree granted Rio Blanco a water right for municipal use for the town of Rangely; augmentation within its boundaries; mitigation of environmental impacts; hydroelectric power; and in-reservoir use for recreation, piscatorial and wildlife habitat. The conservancy district will not be able to use the water for irrigation, endangered fish or augmentation in the event of a compact call.

Vanden Brink said there is a sense of urgency to build the Wolf Creek project. He said he is thrilled at the River District's grant.

“We think it's a great partnership with the River District,” he said. “It's critical that this thing gets done.”

The River District's Community Funding Partnership was established last year when voters passed ballot measure 7A, increasing the River District's mill levy. Eighty-six percent of the revenue from the tax hike goes toward funding water projects in five categories: productive agriculture; infrastructure; healthy rivers; watershed health and water quality; and conservation and efficiency.