

2/14/79

WATER MARKETING PROSPECTUS FOR RUEDI DAM AND RESERVOIR

Contracting Entity

The Colorado River Water Conservation District (district) formed under provisions of Colorado State law (37-45-102) will serve as the principal entity to contract with the United States for the marketable yield of Ruedi Dam and Reservoir. Because of limited taxing authority, the district is seeking subcontractors to assist with the repayment of the costs attributable to the marketable water supply.

Authority and Purpose

The Bureau of Reclamation has constructed Ruedi Dam and Reservoir as a feature of the Fryingpan-Arkansas Project, pursuant to the Act of August 16, 1962 (76 Stat. 389), the Fryingpan-Arkansas Project Authorizing Act. The primary purposes of the dam and Reservoir are to provide replacement water to satisfy demands of senior diversion rights in western Colorado simultaneous to times of Fryingpan-Arkansas Project diversions to the Arkansas Basin in eastern Colorado and to furnish water and regulatory storage to western Colorado water users. Recreation and preservation of the fish and wildlife resources are also purposes of the dam and reservoir.

Location and Water Supply

Ruedi Dam and Reservoir are located on the Fryingpan River, a tributary of the Roaring Fork River which is a tributary of the Colorado River, approximately 13 miles east of Basalt, Colorado. The dam has a main

Project" published as House Document No. 130, 87th Cong. 1st sess., and maintains the dam and reservoir. In summary, the Operating Principles provide for (1) release of replacement capacity by the United States upon request by the State Engineer to the extent that water would have been available to senior diversions, and (2) sale or lease of regulatory capacity by the United States to water users in Colorado for any purpose recognized by the United States in accordance with the payment ability of the water users. Any sale of water outside the natural basin of the Colorado River can only be made with the consent of the district.

The Operating Principles further require the maintenance of minimum releases from Ruedi Dam to the Fryingpan River for fishery mitigation purposes. The Forest Service has developed and maintains recreation facilities in conjunction with White River National Forest lands which surround the dam and reservoir.

Costs

Repayment of the proportionate capital cost of Ruedi Dam and Reservoir and interest during construction chargeable to the marketable water supply in not to exceed 50 years with interest at 3.046 percent is required by the act authorizing construction of the project. Proposals for repayment over a shorter period of time will be considered more favorably. In addition, potential contractors will pay their allocated share of the operation, maintenance, and replacement cost for Ruedi Dam and Reservoir, currently estimated at about \$50,000 annually. At the time this feature was transferred to operation and maintenance

The United States expects to enter into a fixed repayment obligation contract with the district. Consequently, the district will require letters of intent from potential contractors to enter into a firm contractual obligation with the district for purchase of the marketable water supply. These letters of intent must include: (1) water quantity desired, (2) demonstrated need, (3) anticipated use, and (4) willingness to assume a firm contractual obligation to the district.

Following receipt of prospective letters of intent, or their equivalent, the district and the United States will enter into negotiations for the repayment of the reimbursable allocated costs of Ruedi Dam and Reservoir associated with the marketable supply.

Additional information may be obtained by contacting the Colorado River Water Conservation District, Glenwood Springs, Colorado. Proposals for purchase or lease of the water supply under the constraints described herein will be received by the district until 10 a.m., local time, April 30, 1979.

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