MEMORANDUM
JULY 6, 2018

TO: BOARD OF DIRECTORS
   ANDY MUELLER, GENERAL MANAGER
   PETER FLEMING, GENERAL COUNSEL
   JOHN CURRIER, CHIEF ENGINEER

FROM: MIKE EYTEL, SENIOR WATER RESOURCE SPECIALIST

SUBJECT: GRAND COUNTY MUTUAL DITCH & RESERVOIR COMPANY

This memo is provided as an update for discussion. No Board action requested.

STRATEGIC INITIATIVE(S): 1A, 4B, 5A, 6C, 7A-D

Prior to the Colorado River Cooperative Agreement settlement a number of Grand County local interests and the River District pursued purchase of a number of shares of the Vail Ditch for potential use in the upper Fraser Basin. Grand County Mutual Ditch & Reservoir Company (GCMDRC) was incorporated January 22, 2008 as a nonprofit corporation. 6 local entities form the shareholders of GCMDRC.

The GCMDRC shareholders are:

- Grand County BOCC
- Grand County Water and Sanitation District #1
- Winter Park Water and Sanitation District
- Town of Winter Park
- Town of Granby
- Colorado River Water Conservation District Water Project Enterprise

Through a number of purchase agreements and a Colorado Water Conservation Board (CWCB) grant for $1.5 million GCMDRC was able to acquire 115.5 shares of the 400 total shares of Grand County Irrigated Land Company (Vail Ditch). The River District has not participated equally in all transactions. River District investment to date has been limited to the original share purchase for $183,333 and staff time supporting ditch company activities. In total GCMDRC has over $3 million invested in the Vail Ditch shares.¹

The Vail Ditch water right consists of 65.94 cfs with a September 22, 1909 appropriation and August 3, 1911 adjudication along with a contractual right to the first 850 acre-feet of storage in

¹ GCMDRC History Memorandum. Board of County Commissioners. March 2, 2016.
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Meadow Creek Reservoir. Meadow Creek Reservoir is owned by Henderson Mine (Climax), Denver Water, and City of Englewood. These are senior pre-compact water rights which are senior to the “Cameo” calls. *(See attached figures 1 & 2 for maps of Vail Ditch & Moffatt Collection System)*

Originally envisioned, the direct diversions could be exchanged or substituted with Denver Water’s Moffat Collection System to provide instream or dilution flows in the Fraser Basin and the consumptive use component would be utilized for augmenting shareholders local needs. The Colorado River Cooperative Agreement (CRCA) contemplates use of the Vail Ditch. Each shareholder has varied interests but the joint objective of the GCMDRC is to increase stream flows and water supply in the Upper Fraser Basin and the Colorado River through Grand County. Since the purchase of the Vail ditch shares, the status quo has been to lease back the shares to their original owners for continued use on historically irrigated lands, while GCMDRC figures out a temporary or permanent use for these shares. Since the settlement of the CRCA will provide some of the needed instream flows in the Fraser Basin once the firming projects are constructed, GCMDRC is reassessing the potential use of the Vail Ditch. GCMDRC intends to undergo an initial consumptive use analysis, assist the GCILC in a ditch management plan, and meet with members of the Colorado Water Trust and CWCB concerning possible acquisition for the instream flow program.

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