



Rocky Ford High Line Lease for Municipal Drought Recovery

Population (Program Excellence Award Nominations Only): 300,000
Name of Person Submitting the Nomination or the Person Who Should Be Contacted with Questions Regarding the Nomination: Melissa Elliott
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Please indicate the month and year in which the program you are nominating was fully implemented. (Note: All Program Excellence Award nominations must have been fully implemented by or before January 24, 2004 to be eligible. The start date should not include the initial planning phase.)

Month: January **Year:** 2004

Name(s) and title(s) of individual(s) who should receive recognition for this award at the ICMA Annual Conference in Minneapolis, Minnesota, September 2005. (Each individual listed MUST be an ICMA member to be recognized at the ICMA Annual Conference.):

Name: Ronald S. Miller
Title: City Manager
Jurisdiction: City of Aurora

Name: Stan Fedde
Title: President
Jurisdiction: High Line Canal Company

In 2002, the worst drought ever experienced in history hit Colorado. Aurora, a city of 300,000 along Colorado's Front Range, was severely impacted by the drought, which left the city's reservoir levels at an all-time low in 2003 at just 26 percent full. The city was just nine months away from being without any water resources. In response, the City of Aurora placed mandatory restrictions on water consumption, prohibiting citizens' outdoor water use and preventing new homeowners from laying down new sod or plantings.

The city's water customers did an amazing job of conserving water, exceeding all expectations by reducing their water use by 30 percent. However, it was readily apparent that conservation alone would not solve the problem. Additional water resources were needed quickly to ensure that Aurora's residents and businesses would be able to continue to be served by the city's water utility.

As much of the rest of Colorado's drought-parched municipalities were undergoing similar struggles to meet water demands, water to purchase and place on the city's system was not readily available. The solution seemed to lie in leasing water from farmers who were also struggling with the drought. In late 2003 the City of Aurora developed a short-term lease of water from shareholders in the Rocky Ford High Line Canal, located 150 miles from the city of Aurora in the lower Arkansas Valley of Colorado. Leasing the water provided farmers with a stable income during the drought and benefited the city by helping recover its water storage. The lease began in February 2004 and continues today.

Part of the process for this lease, which at 12,600 acre feet was the largest ever in Colorado state history, was the requirement that the city work to pass a new statute in the Colorado Legislature in 2003 that streamlined the process for a short-term solution of water leasing.



The lease has helped prevent significant economic impacts to the city. In 2003, Aurora City Council considered the feasibility of a limitation on water taps as a drought response. The direct and secondary economic impacts of an Aurora tap moratorium would have been in excess of \$1 billion – a severe consequence to the region's economy. Leasing water from agricultural users provided the city with a new water supply

that ultimately allowed City Council to set aside this option.

The impact of the drought on Colorado's agricultural community has been well documented. Many agricultural users, including the High Line Canal Company, do

not have any appreciable water storage to carry them through drought cycles.

Declining streamflows in the late summer are often insufficient to provide enough water supply to vulnerable crops. An entire crop may be lost and the consequent risk to the farmers' future economic vitality is high. funding mechanism for the Sand Creek Greenway. The completion of the Center provided the partnership with a tangible example of their accomplishments and enhanced fundraising, bringing more benefit to the City.

What the City of Aurora accomplished in cooperation with the High Line Canal Company is unique. Short-term leases have rarely been used in a large-scale manner for drought recovery. The objective of the two-year lease was to assist Aurora in recovery of its storage reserves during the present drought cycle. Water leased from the High Line shareholders is temporarily stored in Pueblo Reservoir, operated by the U.S. Bureau of Reclamation. This water is then exchanged through the federal Fryingpan-Arkansas Project to Twin Lakes Reservoir.



Water is pumped through the Homestake Project (Aurora owns this jointly with Colorado Springs) to Spinney Mountain Reservoir in South Park. Water is conveyed down the South Platte River to Strontia Springs Reservoir (jointly owned with Denver Water) and finally delivered to Aurora.

Aurora developed 124 individual contracts with shareholders in the High Line Canal Company at a total cost of \$4.5 million in 2004. In order to finance the cost of this and other leases, Aurora added a drought surcharge of \$0.34/1,000 gallons to its customer billing. Aurora also developed two contracts with the U.S. Bureau of Reclamations to access the needed infrastructure to move the leased water to the city's use.

If Aurora had developed this water for permanent use, the cost would easily exceed \$40 million. The benefits to both the city and the farmers of the canal company have been substantial. The leasing structure is now seen as a model of cooperation throughout Colorado, a state well known for contentious water battles.