

Regional Water Supply Resiliency Program

Project Update

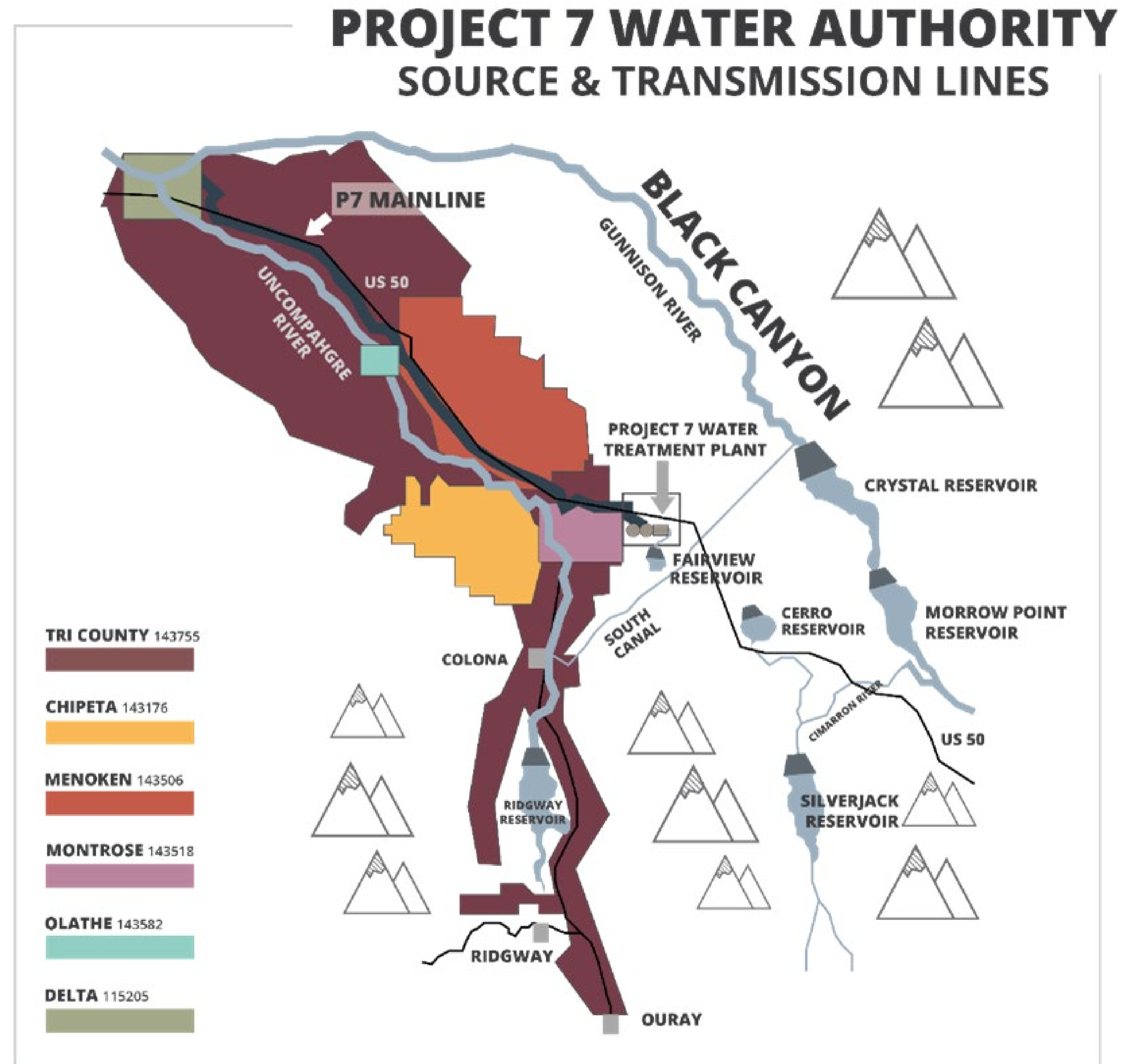
Q4 - 2024

Presentation Purpose:

Learning More About Our Drinking Water System

Understanding The Project 7 Regional Water Supply Program...And Why It Is Needed

Awareness Of The Decision-Making Process And Where We Are Going



WHO WE ARE: *A unique cooperative effort among seven water entities to provide high-quality potable water to the municipalities and rural areas of the Uncompahgre River Valley.*

The six entities that represent Project 7 Water Authority (P7WA) are:

- City of Montrose
- City of Delta
- Town of Olathe
- Tri-County Water Conservancy District
- Chipeta Water District
- Menoken Water District

Project 7 
Water Authority



OUR HISTORY: *Formed in response to regional water shortages and infrastructure challenges.*

A Legacy of Cooperation:

- **1909:** Gunnison Tunnel begins delivery of irrigation and raw drinking water supplies
- **1973:** Regional water shortages as a result of undersized and outdated treatment facilities
- **1977:** Project 7 established as a governmental entity
- **1980:** Regional water system goes online to treat and distribute drinking water
- **1995:** Significant treatment and storage improvements
- **2000's:** Resiliency planning for direct access to Ridgway Reservoir water rights
- **2019:** Regional Water Supply Program initiated

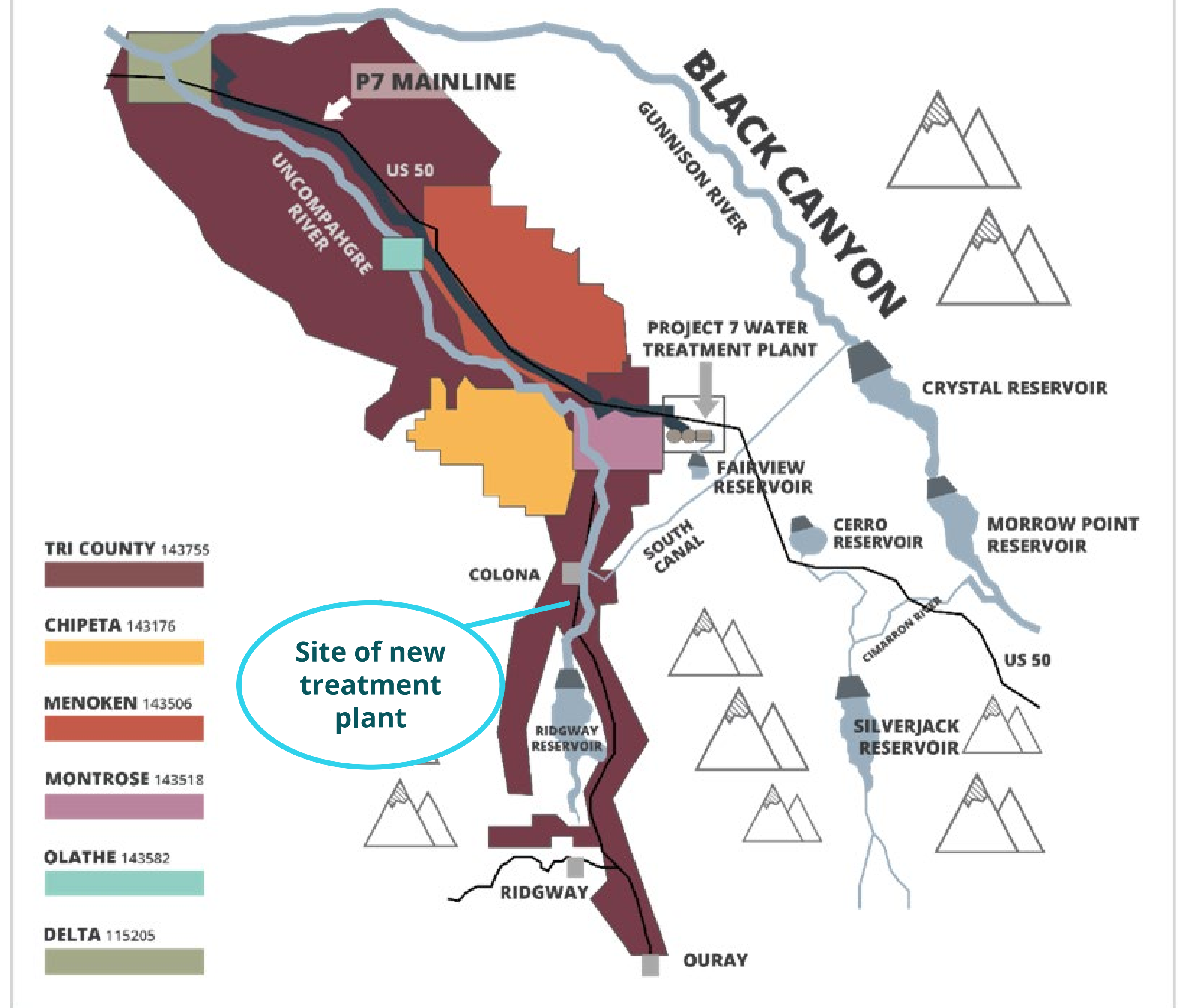
Project 7 Water Authority



The Regional Water Supply Program & Why It's Needed

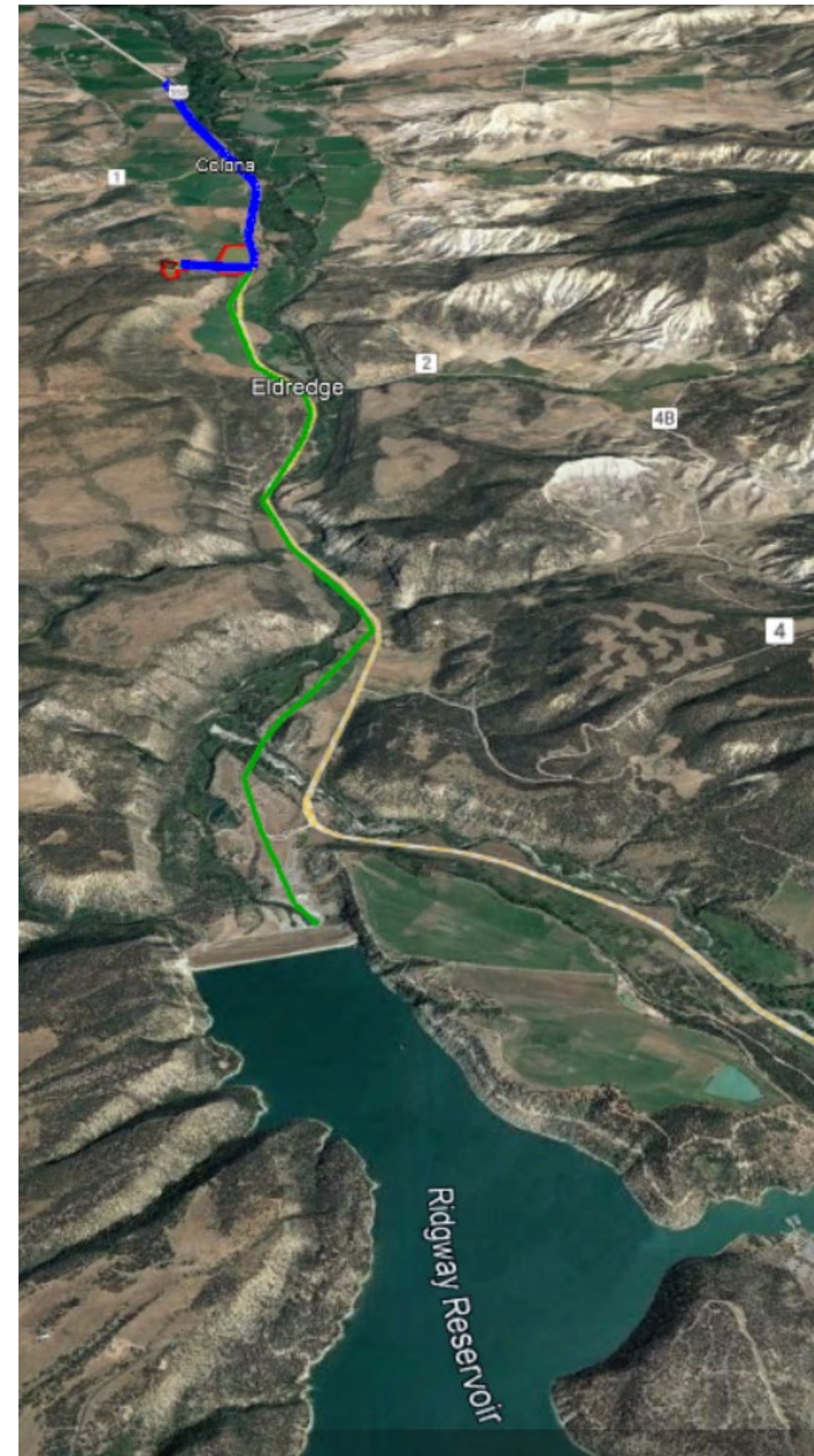
A second treatment facility is needed to protect our existing single source system and meet the day-to-day needs of our communities

PROJECT 7 WATER AUTHORITY SOURCE & TRANSMISSION LINES

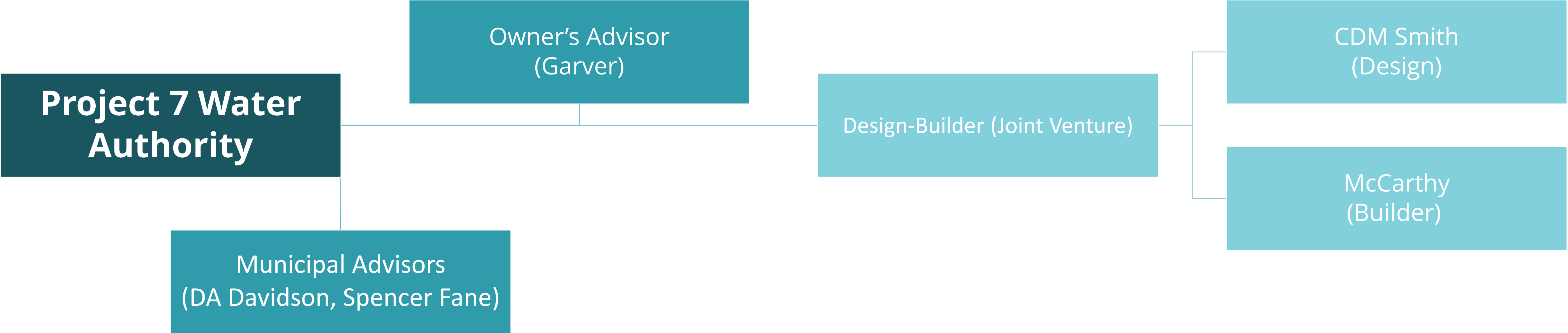


Elements of the Resiliency Program:

- **A new raw water transmission line** installed between Ridgway Reservoir and the new facility (approximately 5.5 miles of 24" pipe)
- **A new drinking water transmission line** to serve all members via an adequately sized tie in point (approximately 5.5 miles of 24" pipe)
- **A new water treatment facility** located at:
35679 US-550, Montrose, Colorado 81403
 - **6 million gallons per day** (6MGD) of surface water treatment (filtration) and softening
 - Hydroelectric generation from raw water line



Resiliency Program Organization Chart



In 2022, the U.S. Bureau of Reclamation awarded \$612,059 to Project 7 from the Desalination and Water Purification Research Program to test different technologies for the new treatment facility.

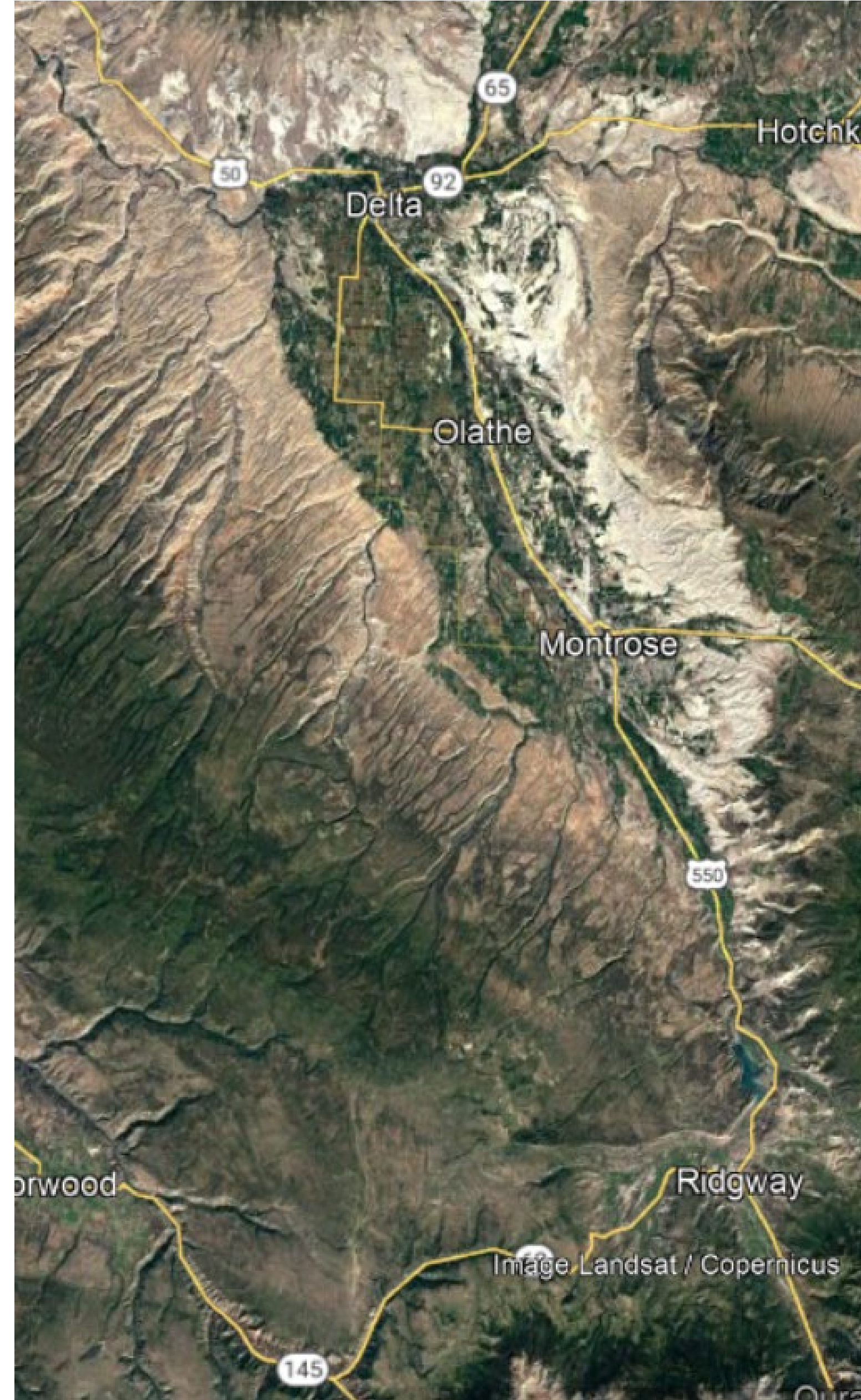


PROJECT NEED:

Mitigate the risk of being dependent on a single drinking water source and treatment facility

MAJOR RISK FACTORS:

A wildfire, pipeline, tunnel failure, or treatment plant outage could impact drinking water that over 50,000 people depend on.



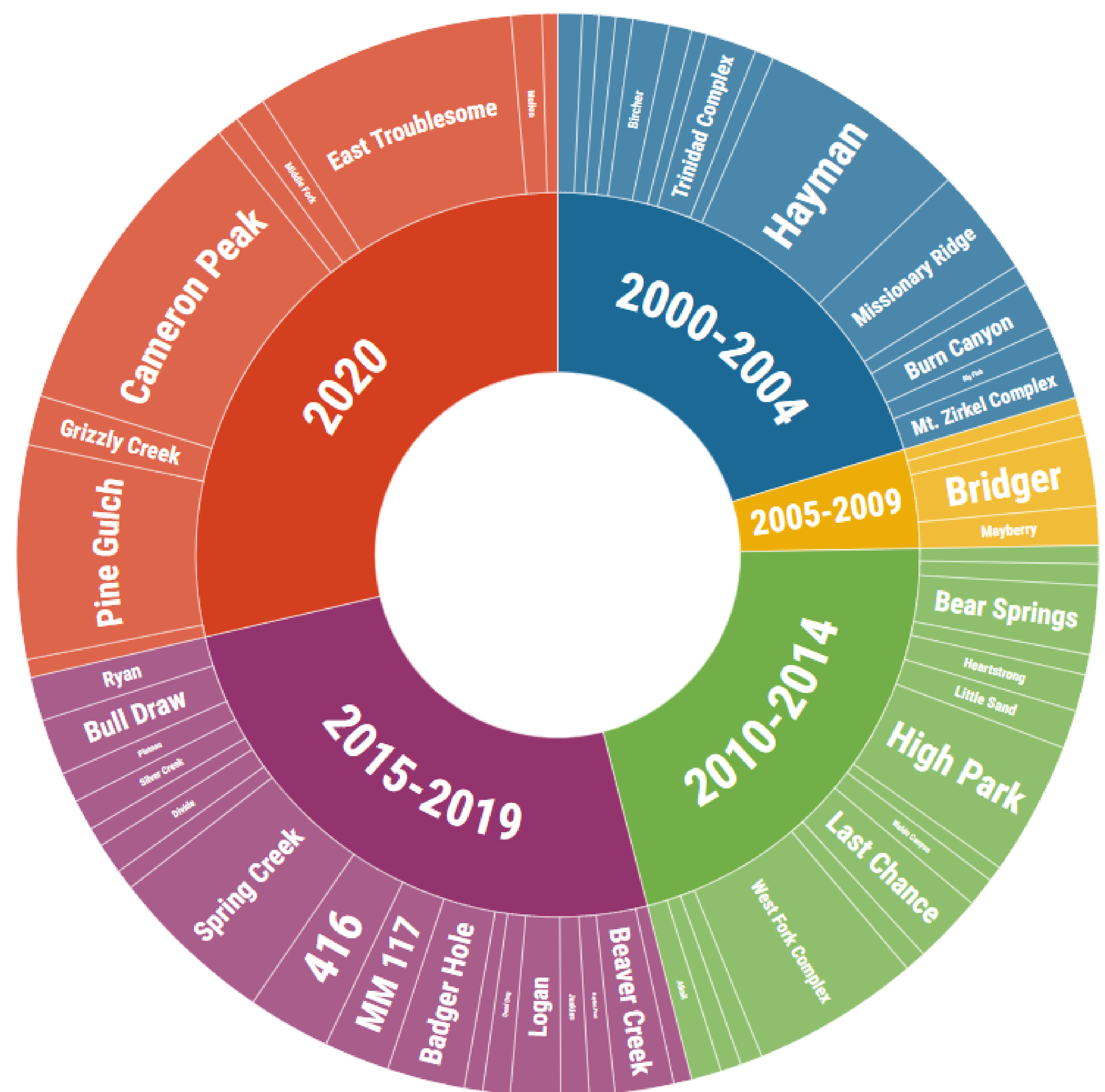
- *50,000+ individuals served safe drinking water by Project 7 Water Authority*
- *2 Cities, 1 Town, 3 Districts*
- *Only one water treatment plant and only one drinking water transmission line running the length of the valley.*

The P7WA Water Supply Resiliency Program will:

Mitigate the risk of being dependent on a single drinking water source and treatment facility

MAJOR RISK FACTORS:

A wildfire, pipeline, tunnel failure, or treatment plant outage could impact drinking water that over 50,000 people depend on.



Source: [Rocky Mountain Area Coordination Center](#)

Acreage totals for 2020 fires are current as of Oct. 19. This chart includes the more than 20,000 acres that the Mullen Fire, which started in Wyoming, has burned so far in Colorado.

Key Program Benefits:



Investing in the Future: Realize Project 7’s founding vision of a resilient and reliable water supply for more than 50,000 people in the Uncompahgre River Valley.



Dependability: Reduce the need to pump water around the valley, which lowers operations/maintenance costs, reduces energy use and benefits the environment.



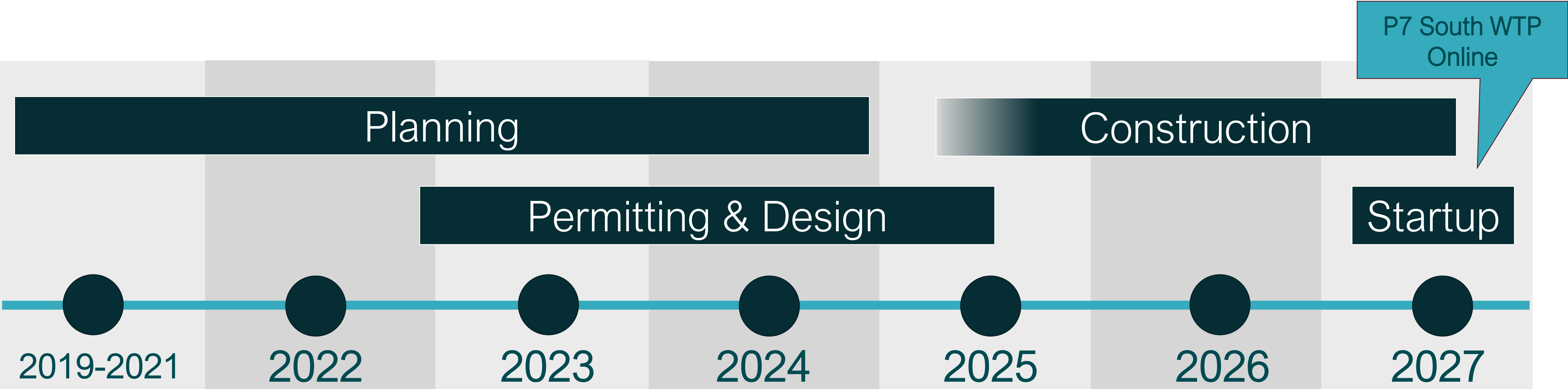
System Strength: Develop a new treatment facility and water source to reduce the risk of a single source system from wildfire or drought in the Gunnison watershed, or a failure in the Gunnison Tunnel.



Direct Access: Provide member entities with direct access to their existing water rights in Ridgway Reservoir, currently accessed through trades and exchanges.



The goal of the Regional Water Supply Program is to produce water for the Uncompahgre Valley by 2027



The new water treatment plant will be designed so additional capacity can be added in the future.

Program Evolution

Scope and Cost: 2000-2023

Program Evolution: 2000 - 2023

**Early
2000's**

- **Study completed to update existing plant (20.6 to 27.6 MGD)**
- \$10M to add 7 MGD

2007-2009

- **New potential plant at Ridgway dam with no softening or transmission**
- \$10M to \$31M cost estimates for 2, 5 and 10 MGD with

2010

- **Potential 10kAF expansion of raw storage with UVWUA**
- \$43M cost estimate

2013

- **First proposed plant plus transmission at Ridgway dam site based on Risk Assessment**
- \$42.7M cost estimate for 5 MGD without softening

2018

- **Added softening to proposed plant at Ridgway dam and/or Spud Hill**
- \$35M - \$59M cost estimates for 5 MGD but did not address transmission needs

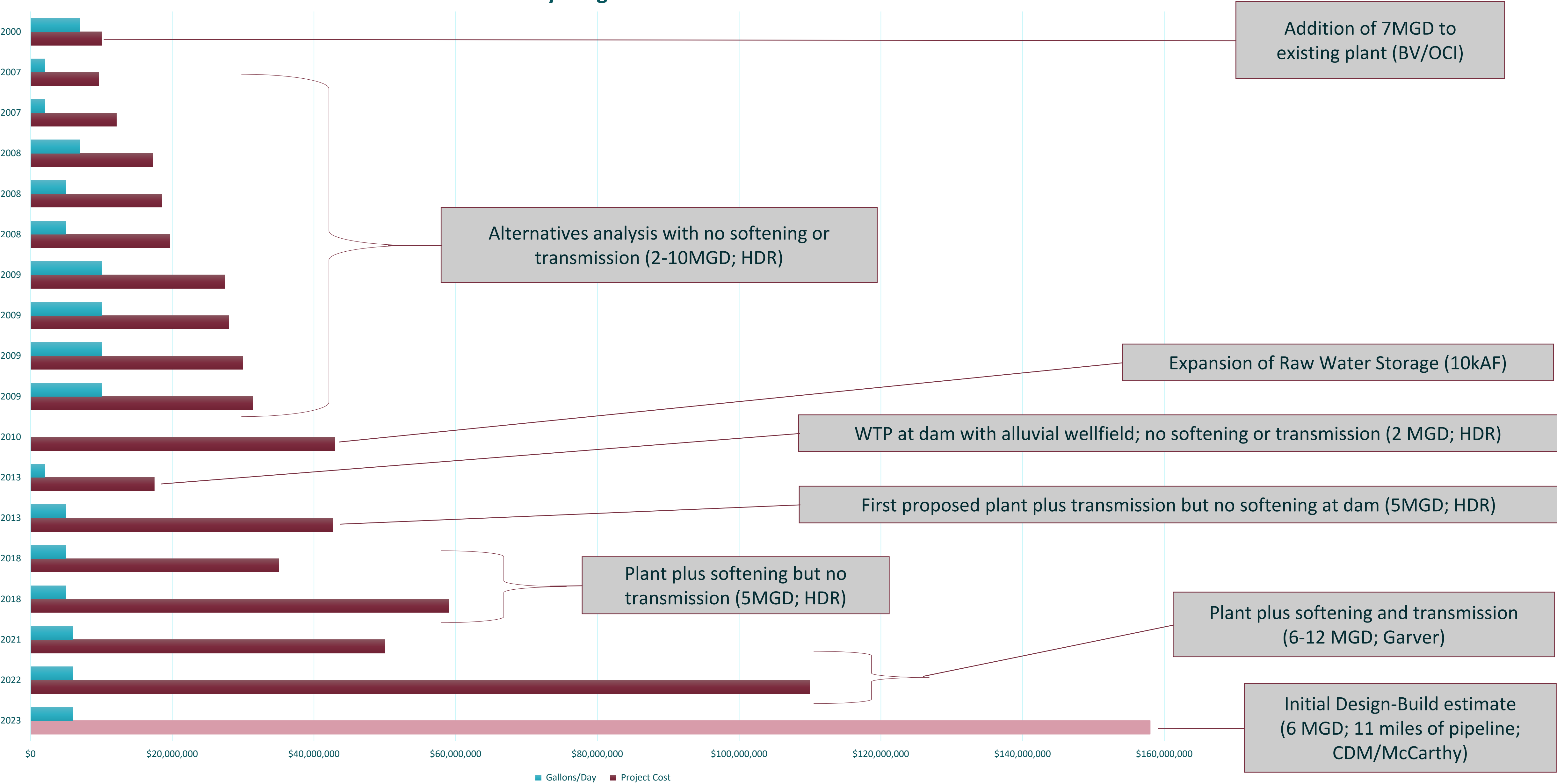
2019-2022

- **Evaluated treatment, softening, transmission and alluvial well options at Colona site**
- Up to \$110M cost estimates for 6 MGD with 6 miles of transmission

2023

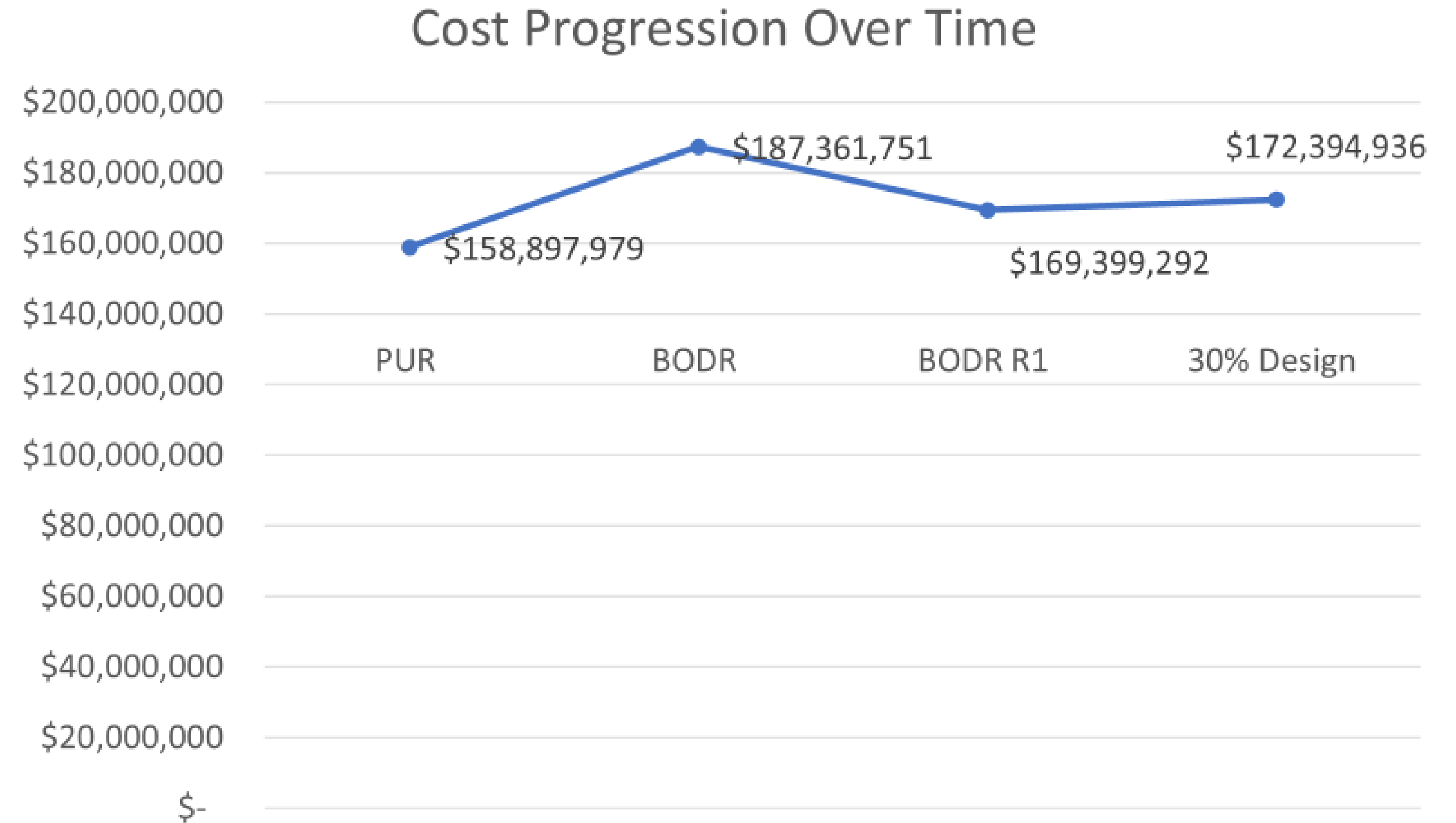
- **Preliminary design-build plan for treatment, softening, raw and finished water transmission**
- \$158M cost estimate for 6 MGD and 11 miles of transmission

Resiliency Program Evolution



Cost Estimate Progression

Phase/Milestone	Estimated Cost
Project Understanding Report	\$158,897,979
Draft Basis of Design Report - Opinion of Probable Construction Cost	\$187,361,751
Basis of Design Report – Revision 1 – Opinion of Probable Construction Cost	\$169,399,292
30% Cost Model	\$172,394,936



P7 Board: Deliberation & Decision-Making Process

October 2024	November 2024	December 2024	January 2025	February 2025	March 2025
• Define GMP Components • Understand our Options • Consensus on Process for Decision-Making • Develop Process Position Statement	• No P7 Board Meeting • Independent Cost Estimation • Reconcile Discrepancies • Update Governing Entities on GMP Process	• Special Meeting to Present GMP (Dec. 19) • Review Updated Capital Finance Plan • Clarify P7 Board Questions • Provide GMP Update to Governing Entities	• Share Governing Entity Feedback • Further Discussion • <i>P7 Board: GMP Recommendation</i> • Provide Recommendation to Governing Entities	• Governing Entity Feedback • Further Discussion • <i>P7 Board: GMP Decision-Making</i> • Consensus on Path Forward	• Further Deliberations (as needed) • Evaluation of Cost Implications • <i>GMP and Financial Model Revision, as Needed</i>

Financial Projections

PROJECT 7 WATER SUPPLY RESILIENCY PROGRAM

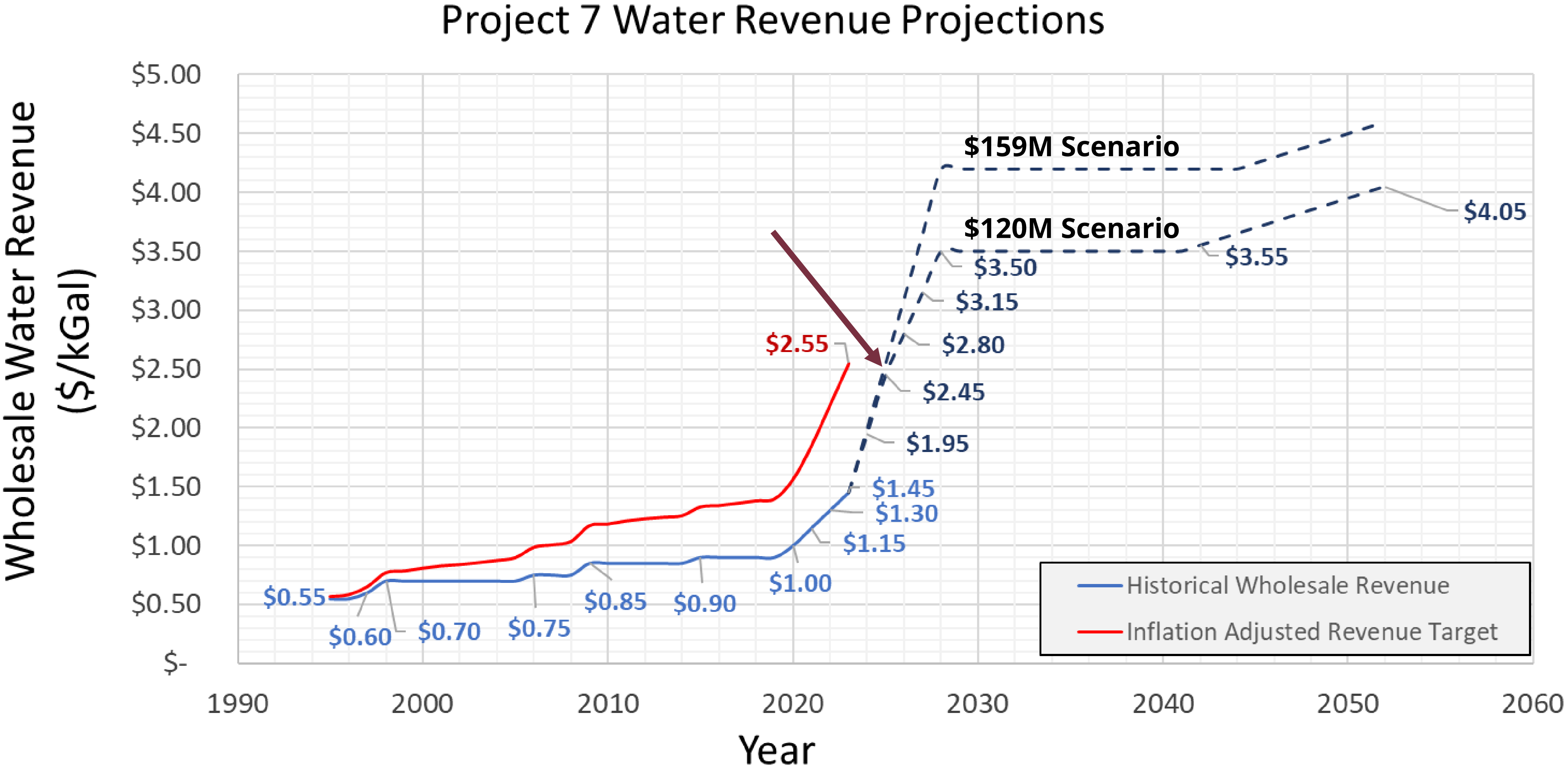
Project 7 Water Authority
Board of Directors Meeting
March 28, 2024

Funding Strategy & Value of Water

- **Maximize outside funding** to multiply every dollar contributed locally
- **Strong candidate for federal/state grants**; however, a local match is required by increasing the price of wholesale water
- **Match the inflation adjusted value of water**; 40+ years of efficient management has allowed us to keep rates below inflation adjusted levels
- **Fund the region's future water needs**, while keeping rates as low as possible and correcting for deferred inflation
- **Bottom Line:** After decades of planning, now is the time to reinvest in a secure regional water supply for future generations



Project 7's Board commits to a minimum of two \$0.5/kGal increases for 2024 and 2025



Grant Funding Update

- White House Brief on Water Infrastructure
- Congressionally Directed Spending (FY 2025)
- USBR Title XVI Program
- Other State and Federal Programs
- Grant funding target: \$30-35M (roughly 20% of project)



THE WHITE HOUSE

FEBRUARY 20, 2024

FACT SHEET: Biden-Harris Administration Announces Nearly \$6 Billion for Clean Drinking Water and Wastewater Infrastructure as Part of Investing in America Tour

One community benefitting from this funding is Ridgway, Colorado, where over 50,000 people rely on a single water treatment plant that is vulnerable to failure, putting their drinking water supply at risk. Through a \$50 million investment from the Bipartisan Infrastructure Law, the community will be able to build an additional treatment plant and extend service to additional communities, helping to ensure safe, reliable drinking water for the region.

Potential Project Funding Sources

❑ Good News ~ Many Options



Army Corps
of Engineers



Bureau of
Reclamation



CoBank



Congressionally
Directed Spending



CO Department
of Local Affairs



CO Department of Public Health &
Environment



CO Water
Conservation Board



CO Water Resources & Power
Development



Economic Development
Administration



EPA



Public Finance
Authority



Rural Community Assistance
Partnership



Rural Water
Association



USDA Rural
Development



Water Infrastructure Finance &
Innovation Act

❑ Bad News ~ ***Too*** Many Options

- Bewildering to Elected Officials, Managers, and Staff ~ ***How, When, Where to Start?***
- Filter Sources Based by Project, Program Requirements, and Impact to Rate Payers



DEFINING SUCCESS:

Program leadership regularly meets with all Project 7 members to track progress towards common definitions of success.

System Strength: “We are part of the whole and we want the whole system to be strong.”

Financial Modeling: “We need real numbers and specifics on how this is going to work.”

Return on Investment: “What size is the right size to provide maximum value on day one.”

Long-Term: “Twenty years from now this will be a bump in the road, but a water shortage is remembered forever.”

Value of Water: “The founding investment in Project 7 yielded huge regional benefits. Now is the time to reinvest. No one wants to be the generation that drops the ball.”

Get Involved

1. **Community Events & Site Tours:**
Existing facility and/or new site
2. **Request a Presentation**
For your organization or event
3. **Learn More:**
www.Project7water.org
4. **Contact Us:**
Project7@Montrose.net



Questions?

Project 7 
Water Authority

