

# Project 7 Water Authority

*We are all in this together: Project 7 is a unique cooperative effort among seven entities to provide high quality drinking water to the municipalities and rural areas of the Uncompahgre River Valley*

## **What Is The Ridgway Reservoir Planning Project?**

This planning effort is exploring options to provide Project 7 members full access to existing water rights in Ridgway Reservoir and strengthen the dependability of the regional drinking water system as a whole.

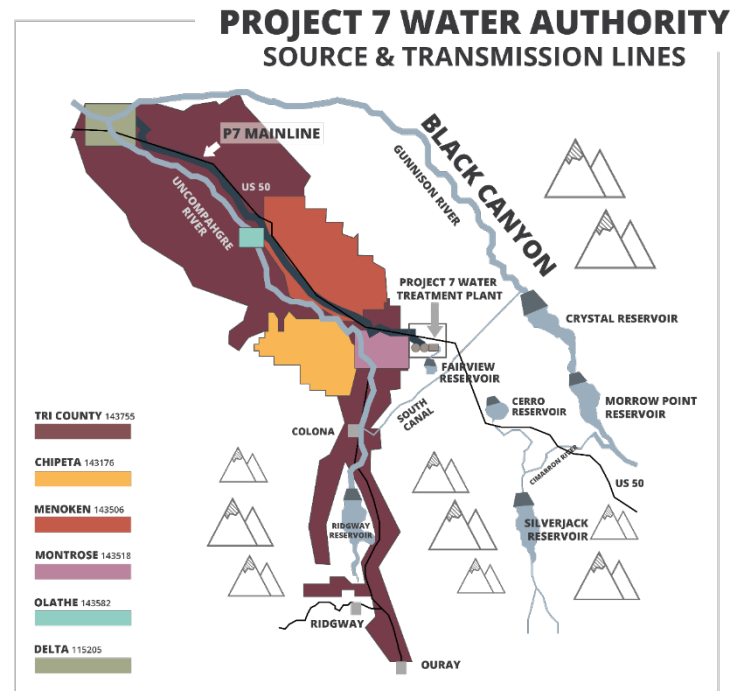
## **Why Is The Project Needed?**

Currently all drinking water supplied by Project 7 in the Uncompahgre Valley comes from one treatment plant and one source (Gunnison River). This project would add a second water source (Ridgway Reservoir) and create a more secure and reliable system in the event of a water shortage or interruption from the Gunnison River.

## **What Are The Benefits?**

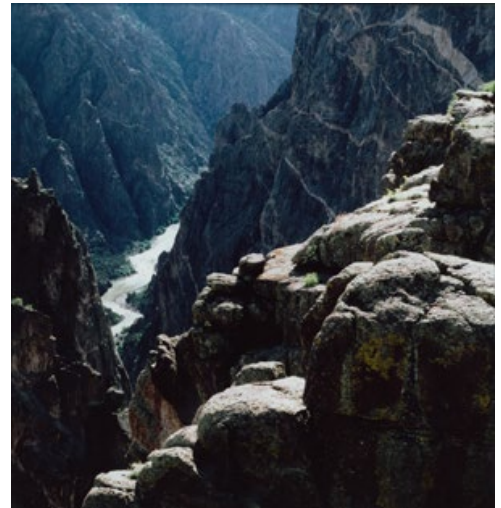
In 1977, Project 7 was founded on the idea that a cooperative approach to water management would yield regional benefits and cost stability. This effort is designed to continue that legacy by identifying and refining options that provide maximum system-wide benefits, such as:

- **System Strength:** The Ridgway Reservoir project improves reliability and reduces risk from wildfire, drought, distribution system and tunnel failures for all member entities. It presents an opportunity to manage all major risk factors – water supply, treatment, and transmission to our communities.
- **Reliability:** A secure and reliable source of high-quality drinking water is the top priority. This effort is exploring the most cost-effective options for building a more reliable, diversified and scalable system that is less dependent on pumping.
- **Predictability:** Project 7 members need transparent cost projections and specifics on how the ultimate program is going to work. This effort is defining alternatives and establishing estimated costs in a transparent way that is understood by all members.
- **Existing Infrastructure:** This effort is designed to get every last drop of value out of what is in the ground today. By taking advantage of gravity-powered distribution pipelines in the pumping-dependent southern portions of the system, we may reduce energy, operations and maintenance costs.
- **Direct Access:** All Project 7 members own existing water rights in Ridgway Reservoir that are currently dependent on trades and exchanges. There are benefits to members having direct access to their water rights through this project.



### How Much Will It Cost And Will Rates Increase?

Yes. The Ridgway project is an investment in the future of our regional water system, and it will require some level of yet to be determined rate increases. How the project is funded and how those costs are distributed is a universal concern for all Project 7 members. The primary goal of this effort is to evaluate options that provide the greatest return on investment, this includes:



- **Financial Modeling:** A transparent and collaborative financial planning process is underway to understand affordable phasing options, rate implications and identify what level of investment produces the most immediate value and flexibility to meet future needs.
- **Cost Sharing:** Clear and predictable funding scenarios are being developed that provide all members with a thorough accounting of the cost implications needed to do independent rate forecasting.
- **Rate Setting:** The Project 7 members understand that sensitivity to rate increases will vary by entity and there needs to be long-term stability and predictability in the cost increases related to this effort.

### How Long Will It Take?

The need for this project has been acknowledged for decades and many variations of this concept have been studied over the years. The current effort is evaluating a wide-variety of water treatment and distribution alternatives, potential phasing options and quantifying the costs and benefits associated with each. Based on this information the Project 7 member entities will work to identify an implementation plan and timetable.

