

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Docket Number: P-2035-099

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Representing: The Consolidated Mutual Water Company

Recommendation:

The Consolidated Mutual Water Company (“Company”) and the City and County of Denver, acting through its Board of Water Commissioners (“Denver Water”) have enjoyed a mutually beneficial relationship for close to seventy (70) years. The Company was one of Denver Water’s oldest distributors, having entered into its first Master Meter Contract in 1949. In 2013, the Company’s Master Meter Contract was converted into a Potable Water Lease allowing the Company to lease up to 9,200 acre feet of potable water per year from Denver Water. The Company serves approximately 90,000 customers through 22,300 tap connections in Lakewood, Wheat Ridge and unincorporated portions of central Jefferson County, Colorado. Approximately, 65% of the Company’s service area is served with potable water purchased annually from Denver Water. The remaining 35% of our service area is served with water rights owned by the Company. As a water lessee receiving water from Denver Water, we support the Federal Energy Regulatory Commission’s (“FERC”) approval of Denver Water’s License Amendment Application. While the amended license - and approval to increase production of hydropower that it will provide – is critical, it is part of a much larger program envisioned by a broad coalition of stakeholders across the state. The larger program will also enable the expansion of Gross Reservoir, which will provide storage for a reliable supply of potable water that our customers need.

Our customers rely on the larger collection, treatment and distribution of water from Denver Water. Availability of this product is vital to the community we serve. As the state continues to see an increase in population, we have to prepare for greater demand on our water supplies. Even with conservation measures in place – which have proven to be significant – our current customers and those in the future can’t conserve their way to water security.

Beyond conservation, Denver Water’s system is currently unbalanced, with 90 percent of its storage in the south system and the other 10 percent in the north system, which includes Gross Reservoir. We’re concerned that if an emergency or natural disaster on either end of Denver Water’s supply system occurs, communities that rely on the system face the real possibility of running out of water.

If there are natural disasters that affect Strontia Springs Reservoir, such as the 2002 Hayman Fire, the Moffat System would become the sole water supply for all Denver Water and its distributors. Currently 80 percent of Denver Water’s raw water supply flows through Strontia Springs Reservoir on Denver Water’s south end, highlighting the need for additional supply on Denver Water’s north end in the Moffat Collection System.

Expanding the capacity of Gross Reservoir will help protect us from the worst consequences of a range of possible emergencies – whether they be the effects of climate change, wildfires, floods, or other crises that might impact one or more of Denver Water’s critical watersheds.

Expanding Gross Reservoir will provide a more balanced water system that will help ensure against a serious drought or interruption of supply. As a major step towards a solution, the Gross Reservoir Expansion Project will help us provide water for current and future generations.

Our Company is obligated to provide water to all customers in our service area who front any of our mains and only after they become stockholders of the Company. While there is debate about growth issues, those debates are best handled by the legislative process and not by water providers. Denver Water has identified a water supply shortfall of 34,000 acre-feet of water by 2030. The question is not *if* we will need this water; it’s *when*. Denver Water plans to address roughly 16,000 acre-feet per year of the shortfall through conservation measures. The additional 18,000 acre-feet is expected to be addressed with the Gross Reservoir Expansion.

It is our understanding the Denver Water Board will use some of the conservation savings to increase its strategic reserves. The reserves are needed as issues such as climate change and forest fires create a need for increased reserves. As uncertainties increase, so should the strategic reserve of raw water.

Conservation and Denver Water’s recycled water system have decreased the demand for some of that new supply, but there is a need for additional supply, especially on the north end of Denver Water’s system.

We urge FERC to proceed with the necessary approvals to amend Denver Water’s existing hydropower license; the next step to enable this critical program to move forward.