

SGW'S REBUTTAL TO ADAM JOKERST'S RESPONSES IN THE GREELEY TRIBUNE REGARDING THE TERRY RANCH DEAL

PART 1

1) IS IT LIKELY THAT GREELEY WILL BE ABLE TO GET MILTON SEAMAN RESERVOIR EXPANSION PERMITTED?

- **AJ** Very unlikely
- *SGW Permitting could be accomplished with diligent effort. MSR permitting was not effectively pursued by previous water dept. staff. The \$19 million that present staff says was spent on permitting, was largely spent on the new 60" Bellvue pipeline, which was considered part of the permitting process, in that the enlarged pipeline would be required to handle the increased storage of MSR. We have enough water to ensure reasonable growth in Greeley for the next 20 years until MSR can be permitted and built. Therefore, we do not need Terry Ranch. Also, MSR can be staged. It could be taken to 20,000 acre feet which would allow us to perfect our conditional decrees of app. 15,000 acre feet. This could be done in a slightly larger footprint that it has now*

2) WHY IS TERRY RANCH A BETTER ALTERNATIVE THAN ENLARGING MSR?

- **AJ** Can't get a permit, MSR is too expensive.
- *SGW The cost of MSR is being exaggerated. We did a CORA to try to get the City's estimates for the cost of enlarging MSR and they wanted \$3,600 to locate and pull the files for the public. SGW does not have that kind of money for something the public has already paid for. There seems to be a hostility toward the public if they question staff's assumptions and presentations. One suggestion: Let the public choose their own engineering firm to do an estimate, at City expense, on the construction cost of enlarging MSR to various capacities.*

3) SGW TERRY RANCH WILL RESULT IN THE LOSS OF TWO VALUABLE CONDITIONAL WATER RIGHTS TOTALING 14,892 ACRE-FEET. AT THE CURRENT CASH-IN-LIEU PRICE FOR WATER, THAT WOULD BE A LOSS OF \$506,328,000 FOR GREELEY.

- **AJ** We won't lose these decrees, we will move them to Terry Ranch
- *SGW That's not practicably possible. These decrees only fill during spring runoff which comes hard and fast. The water needs to be stored until it can be fed into the Bellvue Treatment Plant, which has a capacity of 35 million gallons/day and then pumped 40 miles up to Terry Ranch. This could only be done with an enlarged MSR. The City would*

[need a Treatment Plant about 5 times larger to process the spring runoff quickly without enlarging MSR.](#)

- AJ The \$500 million valuation of the 15,000 acre feet conditional decree is absurd. When Fort Collins lost a 33,000 acre foot decree through negligence, FC sued the law firm and received \$2.5 million in compensation. Therefore Gauthiere's valuation of \$500 million for 15,000 acre feet of water is absurd.
- [SGW Jokerst would like to have us think that the insurance settlement on the 33,000 acre foot decree that he lost was paid out at 100%. What a joke! Divide \\$2.5 million by 33,000 acre feet and the insurance company paid Fort Collins about \\$76/acre foot. Gauthiere valued the 15,000 acre feet at \\$34,000/acre foot which is about half of the market price.](#)

PART 2

1) WILL INJECTION OF TREATED BELLVUE WATER DISSOLVE PRECIPITATED URANIUM ORE BODIES, CAUSING URANIUM LEVELS TO SPIKE, CAUSING PROBLEMS WITH TREATMENT?

- AJ "We tested Bellvue water in the aquifer for 24 hours and then for 3-4 days with no adverse reaction."
- [SGW This is not sufficient time to determine reactivity. The volume of water injected and then removed was not sufficient to contact any uranium ore bodies that may be present.](#)

2) TERRY RANCH IS NOT AN EXCLUSIVE WATER RIGHT IN THE UNDERGROUND AQUIFER. THE STATE LAND BOARD LAND, WHICH CHECKERBOARDS THE RANCH, IS VULNERABLE TO OTHERS FILING WATER RIGHTS.

- AJ "We have an exclusive right to the groundwater underlying the surface land owned by the Terry Grazing Association. The Terry Grazing Association lands are checkerboarded with State Land Board land, but part of the purchase agreement is an exclusive lease to the water under the State Land Board land. The water under the State Land Board land has not been decreed. It's not a decreed water right, but if it were decreed, Greeley would have the exclusive lease on the water."
- [SGW So do we have an exclusive lease on SLB or not? Adam seems to be talking out of both sides of his mouth.](#)
- AJ North Terry Ranch is where the most productive wells are.

- *SGW That's also where the highest concentration of uranium has been found to date. This is also the greatest recharge area for the aquifer and is most vulnerable to contamination from Fort Collins sewage sludge field to the West, the TCE plume to the North, and is the sight of the approved and pending fracking wells.*

3) THE PROPOSED TERRY RANCH PIPELINE ROUTE IS VERY INEFFICIENT FROM A COST AND ENERGY STANDPOINT.

- AJ Yes, but we won't use it every day.
- *SGW In previous presentations they said they would have to keep the wells running continuously to keep them from plugging up. Now they compare Terry Ranch to a big SUV that you keep in the garage and just take out during a drought. The pumping charges to inject our clean Poudre water into the aquifer would be enormous. Uphill (1,400 feet) for 40 miles, requiring at least 2 pump stations.*

4) IS WINGFOOT'S \$125 MILLION CONTRIBUTION A LOAN?

- AJ It is not a loan. There is no monthly or annual payment to Wingfoot.
- *SGW Wingfoot has the right to sell 167 water credits to Greeley per year. The City of Greeley is required to buy 167 water credits/year starting at \$30,000/credit and inflating 3% per year. This is to occur for 25 years. This comes to \$5 million/year for 25 years amounting to in excess of the \$125 million that Wingfoot supposedly contributed up front to get this party...I'm sorry...this project, started. If this is not a Public/Private Partnership (P3), I do not know what is!*

5) The City of Fort Collins applies their sewage sludge to the land upstream of the Terry Ranch aquifer. Currently, Fort Collins applies 2,344 metric dry tons of sewage sludge per year to the property.

- AJ Fort Collins sludge will take 1,400 years to make it to the Terry Ranch aquifer.
- *SGW The MODSIM model the consultants used to achieve their predetermined result was done at the SW corner of Terry Ranch where there is tight soil and little or no water production. They should have tested the NW corner where the greatest aquifer recharge and water production occurs. Any model can give erroneous results... garbage in...garbage out. Another attempt to deceive the public.*

1) WILL THE TCE PLUME FROM AN OLD MISSILE SITE CONTAMINATE TERRY RANCH?

- AJ The plume is moving East and will take at least 900 years to contaminate Terry Ranch.
- *SGW The USACE has expanded their review boundary to the Northern border of Terry Ranch. The plume is likely to move SE and follow the path of least resistance down the Lone Tree Creek geology. According to the USACE, "buried paleo-drainages that generally mimic the surface topography exist, such as the drainage pattern of Lone Tree Creek. These paleo-drainages represent preferential groundwater flow pathways." This seems to indicate that Lone Tree Creek, which feeds directly into Terry Ranch and its recharge area, could move the TCE faster than the City is speculating. The plume has traveled 12 miles in 60 years and is now 6 miles from Terry Ranch.*

2) WHO GETS WHAT?

- AJ "Greeley gets ground water rights and access to an easement over the surface land to develop the ground water rights, an exclusive lease; five wells, and an option to recall those; (??) and \$125 million. Wingfoot gets 12,121 water credits and that put option to call it back, to sell credits back to Greeley. They get certain revenue sharing if Greeley elects to sell this water to any user outside of the city of Greeley, or should we generate hydropower from this in the future."
- *SGW Jokerst did not mention the 50/50 split on revenue from water rented to oil field fracking operators or agricultural users.*
- AJ If we build MSR we will need a very large bond issue.
- *SGW MSR would probably not be built for 15-20 years. What has happened to the Water Department's Water Acquisition Fund and Capital Replacement Fund, which are required to be maintained by City Charter? Section 17.5 of the City Charter says that "All funds received from the water rates shall be used only for the operation, maintenance, replacement of and additions to the water system, including the acquisition of water rights". Through modest rate increases these funds could be built up to help with the enlargement of MSR down the road, as long as these funds are not raided to do things like build hotels, tearing up City Parks, etc., which would be prohibited by the City Charter. The City should set up a digital library, so that anyone, including the citizens, can access it, at no expense, to serve as a watchdog over the City.*