



SAVE THE COLORADO

Date: March 27, 2017

To: U.S. Army Corps of Engineers

From: Save The Colorado

Re: Significantly Increased Cost Estimates for Moffat Collection System Project

Save the Colorado (STC) submits the following comments on the Final Environmental Impact Statement (FEIS) for the proposed Moffat Collection System Project (Moffat Project) to the US Army Corps of Engineers (Corps). New and relevant information concerning the estimated costs of the preferred alternative proposed by the Moffat Project has recently come to light and the Corps must adequately consider this information before proceeding with its environmental review and its permitting decision for the project.

In the FEIS, the Moffat Project costs for the preferred alternative were identified as:¹

Total Capital Construction Costs - \$139.9 million

Annual Operating and Maintenance Costs - \$291,000 (\$8.7 million for 30 years)

Importantly, these cost estimates serve not only to characterize the preferred alternative but also form the basis for one of the alternative screens that was used to eliminate potential alternatives to the proposed action.² This screen eliminated 19 of 35 possible alternatives,³ greatly constraining the approaches that received detailed review in the FEIS.

¹ FEIS at 2-119

² FEIS at 2-15 – 2-17

³ FEIS at 2-15, 2-16

As the Corps is aware, the project proponent, Denver Water, is also undergoing project review before the Federal Energy Regulatory Commission (FERC). Denver Water has recently submitted its final application to FERC (FERC Application),⁴ which, similar to FEIS, contains a variety of information on the proposed project. This document contains a discussion of project costs in Exhibit D which is more extensive than that provided in the FEIS.⁵

The FERC Application lists project costs as:⁶

Permitting/Design - \$30 million

Construction/Mitigation - \$331 million

Overhead - \$19 million

This gives an “all-in project cost estimate,”⁷ which is roughly equivalent to the FEIS’s “Total Capital Construction Costs,” of \$380 million compared to the FEIS’ \$139.9 million (which, adjusted to 2016 dollars—the date of the FERC Application—from the 2006 dollars in the document, is \$166.6 million).

The FERC Application also identifies costs for the 30-year projected life span of the project of:⁸

Debt Service - \$113 million

Operation/Maintenance - \$15 million

The FEIS completely ignores the debt service costs associated with the project. The FERC Application’s projected operation and maintenance costs are 50% higher than those disclosed in the FEIS, even when the FEIS figures are adjusted to 2016 dollars (\$10.4 million). All told, the FEIS cites a cost estimate of \$177 million (in 2016 dollars), while the FERC Application documents \$508 million in project costs.

This is a stunning difference—current estimates for the Moffat Project are nearly three times the estimate being considered by the Corps while it reviews the project. Further, the estimates underlying the alternatives screen are similarly wrong, calling into question the legitimacy of the alternatives screening process.

⁴ Moffat Collection System Project FINAL FERC Hydropower License Amendment Application Gross Reservoir Hydroelectric Project, FERC Project No. 2035, available from the FERC Online eLibrary (<http://elibrary.ferc.gov/>) at Ascension Number: 20161125-5046, last viewed March 24, 2017.

⁵ *Ibid* at Exhibit D.

⁶ *Ibid* at Table D-1.

⁷ *Ibid* at D-1.

⁸ *Ibid* at Table D-1.

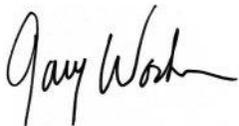
Given these fundamental flaws in the FEIS, the Corps must request current and accurate cost information for the preferred alternative from Denver Water, including a full disclosure of all costs not previously disclosed to the Corps including, but not limited to, debt service. Upon receipt of these cost figures, the Corps must review and revise any analysis in the FEIS and/or subsequent analyses that are dependent on the preferred alternative cost estimates. The Corps must also either disregard the 1c alternatives screen or reconsider the 2 alternatives screen using all alternatives that survived the 1b screen, or if it refuses to do so, recomplete the 1c screen and thoroughly reconsider all subsequent environmental analysis incorporating any alternatives which meet the designated threshold as determined by the updated cost estimates.

In order to comply with the National Environmental Policy Act, Clean Water Act, and Endangered Species Act, the Corps must supplement the FEIS to address the concerns identified above.

Save The Colorado stands ready and willing to meet with the Corps and Denver Water officials to discuss this crucial and glaring flaw in the current NEPA documents prepared in conjunction with the Moffat project.

Please acknowledge receipt of this letter.

Thank you,



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The mission of Save The Colorado is to protect and restore the Colorado River and its tributaries from the source to the sea. Save The Colorado focuses on fighting irresponsible water projects, supporting alternatives to dams and diversions, fighting and adapting to climate change, supporting river and fish species restoration, and removing deadbeat dams. Save The Colorado has thousands of supporters throughout the Southwest U.S. from Denver to Los Angeles and beyond.