**DEPARTMENT OF THE INTERIOR**

**Bureau of Reclamation**

**Arkansas Valley Conduit (AVC) and Long-Term Excess Capacity Master Contract, Fryingpan-Arkansas Project (Fry-Ark Project) Colorado**

**AGENCY:** Bureau of Reclamation, Interior.

**ACTION:** Notice of intent to prepare a draft Environmental Impact Statement (EIS).

**SUMMARY:** Pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969 (NEPA) and the Council on Environmental Quality’s (CEQ) regulations for implementing the procedural provisions of NEPA, the Bureau of Reclamation (Reclamation) proposes to prepare a draft EIS that analyzes effects associated with construction of the AVC, a proposed feature of the Fryingpan-Arkansas (Fry-Ark) Project, and the issuance of an Excess Capacity Master Contract to Southeastern Colorado Water Conservancy District (Southeastern). The proposed Federal action is to construct the pipeline to provide treated water to the service area in southeastern Colorado. Towns in the service area need to construct new or improved water treatment systems, supplement their current water supply, and/or purchase other water supplies to replace poor quality water. Some also need more water to meet demands of a growing population. The proposed Federal action associated with the Excess Capacity Master Contract is to issue a long-term contract to Southeastern for storage of non-Fry-Ark Project water in Pueblo Reservoir, a feature of the Fry-Ark Project. The water would be used by several water providers within Southeastern’s boundaries.

**DATES:** Written or e-mailed comments will be accepted through September 13, 2010. Public scoping meetings will be held in August 2010. See the Supplemental Information section for dates and locations of these meetings.

**ADDRESSES:** Written comments and requests to be added to the mailing list may be submitted to Bureau of Reclamation, Dakotas Area Office, Attention: J. Signe Snortland, P.O. Box 1017, Bismarck, ND 58502.

**FOR FURTHER INFORMATION CONTACT:** J. Signe Snortland, telephone (701) 221–1278; facsimile (701) 250–4326. You may submit comments, requests, and/or other information by e-mail to jsnortland@usbr.gov.

**SUPPLEMENTARY INFORMATION:**

**Dates of Public Scoping Meetings**

- August 16, 2010, 6:30 p.m.–8 p.m., Salida, CO
- August 17, 2010, 6:30 p.m.–8 p.m., La Junta, CO
- August 18, 2010, 6:30 p.m.–8 p.m., Lamar, CO
- August 19, 2010, 1 p.m.–3 p.m., Fountain, CO
- August 19, 2010, 6:30 p.m.–8 p.m., Pueblo, CO

**Locations of Public Scoping Meetings**

- Salida Community Center—305 F Street, Salida, CO 81201
- Koshare Indian Museum—115 West 18th Street, La Junta, CO 81050–3302
- Lamar Community Center—610 South 6th Street, Lamar, CO 81052
- Lorraine Education and Community Center—301 E. Iowa Avenue, Fountain, CO 80817
- Southeastern Colorado Water Conservancy District—31717 United Avenue, Pueblo, CO 81001

Meeting facilities are accessible to people with disabilities. People needing special assistance to attend and/or participate should contact Kara Lamb at (970) 962–4326, Bureau of Reclamation, Eastern Colorado Area Office, as soon as possible. To allow sufficient time to process special requests, please call no later than one week before the public meeting of interest.

**Background Information**

The AVC, an authorized feature of the Fry-Ark Project, would transport water about 135 miles east from Pueblo Dam along the lower Arkansas River to near Lamar, Colorado. It was not constructed after Fry-Ark was authorized primarily because of the inability of project beneficiaries to repay allocated construction costs. On March 30, 2009, however, the Omnibus Public Land Management Act of 2009 (Pub. L. 111–11) amended the original Fry-Ark authorization. Public Law 111–11 authorized annual appropriations as necessary for construction of the AVC, and included a cost sharing plan. Construction costs would be paid from Federal appropriations, with 65 percent non-reimbursable and 35 percent reimbursable from other sources. These other sources include crediting revenues from Fry-Ark Project excess capacity and exchange contracts and payments from the local beneficiaries if the AVC would be completed. Approximately 40 municipalities or water districts have expressed interest in participating in the AVC Project.

Recently, water users in the Lower Arkansas Valley have expressed renewed interest in the AVC due to higher water treatment costs because of poor groundwater quality and changes to the Safe Drinking Water Act. The Colorado Water Conservation Board and State Legislature approved a $60.6 million loan to meet part of the local share of AVC Project cost. In 2009, the Environmental Protection Agency awarded Southeastern a State and Tribal Assistance Grant to begin project planning. Southeastern, a cooperating agency for the draft EIS, has assumed an administrative role, including securing grants and loans for local funding, supporting legislation, and working with project beneficiaries.

The proposed Excess Capacity Master Contract is being pursued by Southeastern to provide about 28,200 acre-feet of excess capacity storage in Pueblo Reservoir for entities within its boundaries in the Upper Arkansas basin, Lower Arkansas basin, and Fountain Creek basin, including AVC participants. This excess capacity storage space would be available for use by participating entities. Non-Fry-Ark Project water stored in Fry-Ark reservoirs would be subject to spill priorities in accordance with a proposed contract between the United States and Southeastern.

Reclamation has scheduled five scoping meetings to determine potentially significant issues, alternatives, and impacts to be considered in the draft EIS. Through these meetings, Reclamation is inviting agencies, tribes, non-governmental organizations, and the public to participate in an open exchange of information and to provide comments on the proposed scope of the EIS.

**Preliminary Identification of Relevant Environmental Issues**

Reclamation invites you to comment on the following potentially significant issues thought to be of widespread public interest about the proposed Federal action. We encourage comments about other potentially significant issues that you believe should be addressed in the draft EIS. This list is preliminary and is intended to facilitate public comment.

- Short-term and long-term impacts on water quality in the Arkansas River from reduced stream flow
- Changes in storage levels and water quality at Pueblo Reservoir due to AVC and Excess Capacity Master Contract operations and potential contributions to flooding
- Relevant cumulative environmental impacts to the Arkansas River and Pueblo Reservoir from past, present, and reasonably foreseeable future actions
• Water quantity associated with AVC and Excess Capacity Master Contract operations and climate change
• Arkansas River Compact, change in water quantity at the Colorado/Kansas state border
• Aquatic communities and habitats in the lower Arkansas River, particularly downstream of Pueblo Reservoir
• Changes in Arkansas River flow upstream from Pueblo Reservoir
• Changes in aquifer and groundwater levels and soil saturation as a result of altered well use and pumping
• Water-based recreation, such as changes to fishing and boating and other river-associated activities, such as hiking and observation of riparian wildlife
• Water rights and irrigated agriculture, such as impacts from exchange of agricultural water for domestic use by project participants
• Spread of invasive species, such as salt cedar (tamarisk) growth
• Floodplain, wetland, playa, and riparian communities
• Aquatic and terrestrial plants and animals and their habitats, including species that are federally or State-listed as threatened or endangered, proposed, candidate, or of special concern and/or critical habitat
• Social and economic conditions in affected communities associated with repayment responsibility for water provided by the AVC
• Environmental justice, particularly whether or not water delivery activities have a disproportionate adverse effect on minority and low-income populations
• Changes in social and economic conditions from improved domestic water supplies and construction
• Cultural resources such as historic, archaeological, architectural, or traditional properties
• Construction effects on local communities and coordinating the AVC Project with improvements to Highway 50
• Private property: how would the proposed project impact private property
• Compliance with all applicable Federal, State, and local statutes and regulations and with international agreements and required Federal and State environmental permits, consultations, and notifications
• Compliance with all applicable executive orders

Preliminary Alternatives

As required by Council on Environmental Quality (CEQ) implementing regulations (40 CFR 1502.2[e]), a range of reasonable alternatives will be evaluated in detail in the EIS. These alternatives will include No Action and may include alternatives such as development of alternative project configurations, water supplies, and types of water treatment. A preferred alternative has not been identified yet.

Public Disclosure Statement

To assist Reclamation in determining issues related to the proposed Federal action, comments made during formal scoping and later on the draft EIS should be as specific as possible. It is very important that those interested in this proposed Federal action participate by the close of the scoping period so that substantive comments are made available to Reclamation at a time when the agency can meaningfully consider and respond to them.

If you wish to comment, you may mail or e-mail your comments as indicated under the Addresses section. Before including your name, address, phone number, e-mail address, or any other personal identifying information in your comment, you should be aware that your entire comment (including your personal identifying information) may be made available to the public at any time. While you can request in your comment for us to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.


Robert Quint,
Acting Deputy Commissioner-Operations, Bureau of Reclamation.

For further information contact: Kurt M. Barton at 303–239–3714, Kurt_Barton@blm.gov; or Desty Dyer at 970–240–5302, Desty_Dyer@blm.gov.

Supplementary Information: The authority for the notice is section 2(b) of the Mineral Leasing Act of 1920, as amended by section 4 of the Federal Coal Leasing Amendments Act of 1976 and the regulations adopted as 43 CFR part 3410. The purpose of the exploration program is to gain additional geologic knowledge of the coal underlying the exploration area for the purpose of assessing the reserves contained in a potential lease. The Federal coal resources are located in Delta County, Colorado.

T. 12 S., R. 91 W., 6th P.M., Sec. 31, Lots 12 to 26, inclusive; Sec. 32, All; Sec. 33, W1/2NW1/4. T. 12 S., R. 92 W., 6th P.M. Sec. 36, S1/2. T. 13 S., R. 91 W., 6th P.M. Sec. 9, Lot 3, inclusive, N1/2SW1/4, and SW1/4SE1/4.

These lands contain 2,200 acres, more or less.

The proposed exploration program will be conducted pursuant to an exploration plan to be approved by the BLM. The plan may be modified to...