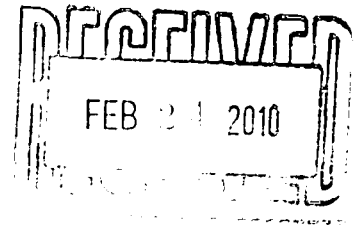




DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, OMAHA DISTRICT
DENVER REGULATORY OFFICE
9307 SOUTH WADSWORTH BLVD
LITTLETON, COLORADO 80128-6901



February 23, 2010

Mr. Bart Miller
Western Resource Advocates
2260 Baseline Rd., Suite 200
Boulder, Colorado 80302

Dear Mr. Miller:

This letter is in response to your February 19, 2010 letter regarding the Environmental Impact Statement (EIS) for the Million Conservation Resource Group's (MCRG's) proposed Regional Watershed Supply Project in Wyoming and Colorado. The U. S. Army Corps of Engineers (Corps), Omaha District, is the lead Federal agency responsible for preparation of the EIS. The Corps received MCRG's statements of interest from water users on January 20, 2010. In your letter, you stated that the letters of interest submitted by MCRG does not comply with the Corps' request to provide user information.

It was determined that the information is sufficient to continue the EIS. Please be aware that the Corps' Clean Water Act review process does not require an applicant to have specific information related to purpose and need to start a review, however the Corps may require specific information from the applicant during the review. The Corps recognizes that the proposed project lacked specificity at the start, and still lacks certain details. However, an applicant has the right to apply for a permit and proceed through the review process. After the Corps verifies the user information --a process which will take several months-- the next step would be to develop the Corps' purpose and need statement, which will be used to develop project alternatives. Once alternatives are developed, the Corps will then be able to examine the costs of water supply alternatives and determine which alternatives are practicable. Alternatives that either do not meet the Corps' purpose and need or are determined to not be practicable, based on cost, logistics and technology, may then be eliminated.

Your letter also mentions the issue of water rights, as well as issues regarding the application of water right laws in the States of Wyoming and Colorado. The Corps' Section 404 regulations [33 CFR 320.4(g)(6)] specifically state, "The applicant's signature on an application is an affirmation that the applicant possesses or will possess the requisite property interest to undertake the activity proposed in the application. The district engineer will not enter into disputes but will remind the applicant of the above. The dispute over property ownership will not be a factor in the Corps public interest decision". Water rights are a form of property

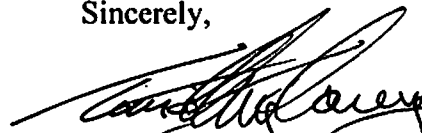
interest; therefore, the Corps will not enter into disputes regarding ownership of water rights or application of State water laws.

While I appreciate your concern regarding the budgetary impact of EIS-preparation, please be aware that no Federal funds, other than routine labor for existing Corps staff, have been allocated for preparation of any of the Front Range water supply EISs managed by the Corps' Regulatory Program. All costs associated with the third-party contracts, which are being managed by the Corps, are being paid by the project proponents.

Regarding your desire for a meeting, the Corps appreciates hearing the viewpoints of Western Resource Advocates, as well as the viewpoints expressed by thousands of citizens during the EIS scoping process. The Corps must be consistent in our response to many groups and individuals who are interested in the MCRG proposal. Therefore, due to Corps staff time constraints and the Corps' desire to be as focused and effective as possible in verification of actual needs for this project, a meeting at this stage of the process would not be appropriate.

In closing, let me assure you that prior to releasing a Draft EIS, the Corps will thoroughly address the salient issues raised in your letter. If the proposed project is contrary to the public interest or does not comply with the Section 404(b)(1) guidelines, a permit will not be issued. If you have any questions, please feel free to contact me or Ms. Rena Brand, EIS Project Manager, at (303) 979-4120.

Sincerely,



Timothy T. Carey
Chief, Denver Regulatory Office

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