

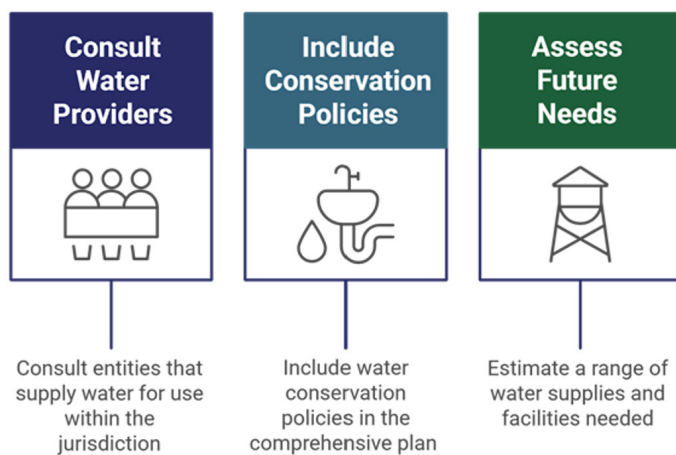
PLAN ELEMENT FOCUS: WATER SUPPLY

LEGISLATIVE AND STATUTORY COMPLIANCE

In accordance with Senate Bill (SB) 24-174 and C.R.S. § 31-23-206, Colorado municipalities with a comprehensive plan – such as the City of Montrose – must adopt a water supply element in their comprehensive plans by December 31, 2026. As shown in Figure 3.11 and described below, the water supply element (WSE) for the City of Montrose Envision 2040 Comprehensive Plan is organized by three primary legislative components:

Figure 3.11: Water Supply Element, Summary of Required Components

Source: Colorado Department of Local Affairs



1. **Consult Water Providers.** The WSE is developed in consultation with entities that supply water for use within the City of Montrose. A table listing the water providers engaged and a description of coordination efforts is included on page 23.
2. **Include Conservation Policies.** The WSE includes a summary of the City's adopted water conservation goals, objectives and activities, beginning on page 25.
3. **Assess Future Needs.** The WSE provides general supply/demand projections and describes water supply or water infrastructure-related constraints to the growth described in the Envision 2040 Comprehensive Plan. Key assumptions that may need to be revisited in future updates are also identified. See page 26.

SB 24-174 also requires that Montrose consider the Colorado Water Plan where applicable or appropriate.

The Colorado Water Plan, prepared by the Colorado Water Conservation Board in 2023 was reviewed in the preparation of this WSE. Specifically, the following goals for the Gunnison Basin were considered:

Gunnison Basin Roundtable Goals

- Protect existing water uses in the Gunnison Basin
- Discourage the conversion of productive agricultural land to all other uses within the context of private property rights
- Improve agricultural water supplies to reduce shortages
- Identify and address municipal and industrial water shortages
- Quantify and protect environmental and recreational uses
- Maintain or, where necessary, improve water quality throughout the Gunnison Basin
- Describe and encourage relationships among agricultural and environmental recreational water uses
- Restore, maintain, and modernize critical water infrastructure
- Create and maintain active, relevant, and comprehensive public education, outreach, and stewardship processes involving water resources in the six sectors of the Gunnison Basin

The WSE was adopted by the Montrose Planning Commission on **[INSERT DATE]** and approved by the Montrose City Council on **[INSERT DATE]** as indicated in the resolution accompanying this Envision 2040 document. In accordance with state requirements, the City intends to update the WSE within five years of the date shown in the adoption resolution. A five-year timeframe also aligns the WSE with the City's maintenance schedule for water usage data, as well as the next anticipated water resource plan and comprehensive plan updates. Specifically, the City's Utilities Department will maintain water usage data, the Engineering Department will update the water resource master plan, and the Community Development Department will update the comprehensive plan.

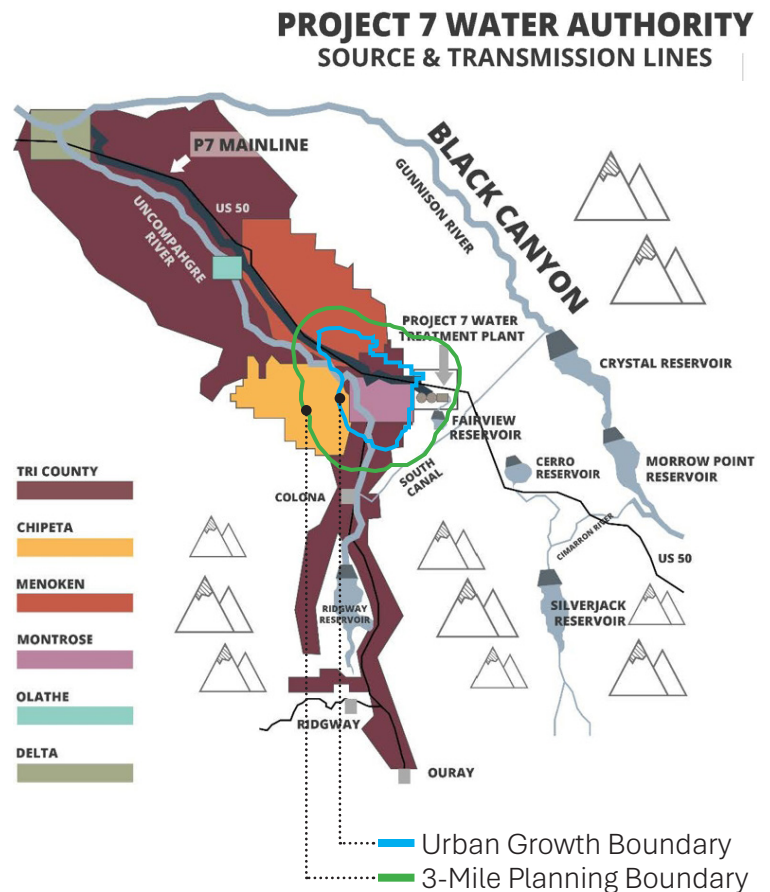
WATER PROVIDER COORDINATION

The City of Montrose Water Division constructs, operates, and maintains the water distribution lines and meters within the City, providing water customers with a safe and reliable domestic water supply that complies with all state and federal laws. Water in this area is primarily supplied by the Gunnison River and treated by the Project 7 Water Authority water treatment plant. Project 7 provides high quality, potable water to the municipalities and rural areas of the Uncompahgre River Valley through a unique cooperative effort among six area water providers, including the City of Montrose. The map in Figure 3.12 shows the water service areas within the planning area and the four entities that service those areas, including the City of Montrose, Chipeta Water District, Menoken Water District, and Tri-County Water Conservancy District. The City has water service agreements with all four entities.

The stakeholders listed in Table 3.1 coordinate amongst each other on a routine basis in the following ways:

- All development proposals (site developments, subdivisions, annexations, etc.) within the City of Montrose are coordinated with affected stakeholders for their review and approval before moving forward.
- All agencies meet on a routine basis to coordinate operations and releases from Ridgway Reservoirs and discuss water supply forecasts.
- All agencies hold water supply agreements with Tri County Water that outline raw water supply, water service area boundaries, and modifications to service area boundaries as necessary to adapt with land use and development patterns.
- All agencies hold representation on the Project 7 Water Authority's board and staff participate in routine meetings as a technical advisory group (TAG) to Project 7. The TAG group advises the board regarding long-range planning for the Project 7 water treatment plant and discusses issues being experienced within their respective water systems.

Figure 3.12: Water Service Areas



In addition to coordination with the preparation of this Water Supply Element, the stakeholders listed in Table 3.1 will be consulted during the preparation of the new Water Resources Master Plan currently being prepared by the City of Montrose and LRE Water. It is anticipated that the Water Resources Master Plan will be finalized in 2027.

Table 3.1: Water Service Stakeholders

Stakeholder	Role	Contact
City of Montrose	Municipal Water Provider (Part of Project 7)	Water Department (970) 240-1480
Montrose County	WSE Coordination with Montrose County Master Plan	Planning and Building Department (970) 249-6688
Project 7 Water Authority	Municipal Water Treatment Provider	General Manager (970) 249-5935
Tri County Water Conservancy District	Rural Water Provider (Part of Project 7)	General Manager (970) 249-3369
Menoken Water District	Rural Water Provider (Part of Project 7)	General Manager (970) 249-3242
Chipeta Water District	Rural Water Provider (Part of Project 7)	General Manager (970) 249-8871
City of Olathe	Municipal Water Provider (Part of Project 7)	Water Department (970) 323-5601
City of Delta	Municipal Water Provider (Part of Project 7)	Water Department (970) 275-4923
Uncompahgre Valley Water Users Association	BOR's Uncompahgre Project (irrigation) Operator and Provider of Raw Water to Project 7	General Manager (970) 249-3813
Gunnison Basin Roundtable	Water Resource Roundtable and Liaison to CWCB Regarding Water Issues/Water Plan	Roundtable Chair gunnisonriverbasin.org/contact
Colorado Division of Water Resources Division 4 Montrose	Water Resource Administration and Technical Advisor Dam Safety Administration for Cerro Reservoir	Division Engineer Dam Safety Engineer (970) 249-6622

WATER CONSERVATION POLICIES

The City's water conservation policies are adapted from the City of Montrose Water Conservation Goals Conservation Plan (<https://www.cityofmontrose.org/688/Water-Conservation>) and are expressed as the following goals and activities:

Water Conservation Goals

1. **Goal 1:** Reduce Annual Water Demand Ten Percent (10%) By 2040
2. **Goal 2:** Educate Citizens, Visitors, and Businesses About the Value of Water
3. **Goal 3:** Gain recognition as a West Slope Water Efficiency Leader

Water Conservation Activities

1. **Targeted Conservation Outreach.** The City, in cooperation with all six water providers in the area, the Uncompahgre Valley Water Users Association, Project 7, and Montrose County, implements a water conservation campaign throughout the summer months to encourage efficient water use, limit outdoor watering, and encourage limiting turf landscaping. This includes weekly social media postings, newspaper ads, and ads at local movie theaters.
2. **Water Resource Education.** The City implements an annual water resource outlook public meeting, participates in an annual water resource summit, and participates in an annual 4th grade natural resource festival to help educate the public regarding the City's water resources and to help residents understand the limited nature of our water resources.
3. **AquaHawk Leak Monitoring.** The City utilizes a free service available to City water customers called AquaHawk which allows for real-time waste usage monitoring and automatic leak detection/alerting of customers.
4. **Mayor's Water Challenge.** The City participates in the annual Mayors Water Challenge which is a national conservation program to pledge conservation activities and promote conservation.

5. **Water Rate Structures and Billing Systems Designed to Encourage Water Use Efficiency in a Fiscally Responsible Manner.** The City charges water customers a nominal base fee plus a usage fee. The pay-for-use rate structure encourages customers to conserve water to reduce monthly billings.
6. **Regulatory Measures Designed to Encourage Water Conservation.** Section 3-5-18 (Restriction of Water Use) of the City of Montrose Municipal Code specifically encourages water conservation. The City's site development and subdivision regulations also include provisions limiting non-essential turf in accordance with Colorado Senate Bill 24-005 and House Bill 25-1113.
7. **Turf Buyback Program.** When State funding is available to supplement the program, the City partners with Montrose County to implement a turf buyback program. This program offers financial assistance for residents to convert turf yards to more water-wise xeriscaping.
8. **Water Resource Master Plan.** The City's water resource master plan document (currently being finalized) includes three volumes: a summary of the City's water resource portfolio, water demand forecasting based on anticipated population density/land use, and a third volume dedicated specifically to water conservation. This third volume will include a robust public outreach program aimed to identify additional conservation measures to be incorporated into City codes and a capital priority list for non-essential turf elimination at existing City facilities.
9. **City Landscaping Practices.** All new City infrastructure and facility construction projects utilize water-wise landscaping techniques and do not use any non-essential turf.

WATER NEEDS

The November 2025 draft Montrose Water Resource Report - Volume 1: Water Demands prepared by LRE Water provides the following water supply and demand projections for the City's water service area based on based on historic water use patterns, planned land use, and projected growth.

Future Demand Projections

Future water demands for the City's water service area were projected using parcel-level, land use planning from the Envision 2040 Comprehensive Plan. Two complementary methods were applied:

1. A unit-area demand approach using representative Montrose neighborhoods.
2. A probabilistic water demand model using GoldSim to reflect variability in medium-density residential demand.

At full buildout of the City's water service area, the projected annual retail water demand ranges from approximately:

- 8,000 to 8,200 acre-feet per year under median statistical assumptions, and up to
- 9,000 acre-feet per year under the higher-demand neighborhood scenario.

Table 3.2 shows these buildout water demand projections scaled to the comprehensive plan's 2040 timeframe, based on potential growth rates. It should be noted that the City has generally been experiencing less than 2% average annual growth rate. Water usage growth rates have also been trending lower than the population growth rates as water use per capita drops:. To account for this variability in growth and per-capita water use, the table includes a range of demand and growth forecasts.

Table 3.2: Buildout Water Demand Projections

Growth Rate	Year of Full Buildout	2040 New Demand 25th Percentile (AF)	2040 New Demand 50th Percentile (AF)	2040 New Demand 75th Percentile (AF)
1%	2104	2,000	2,100	2,100
2.5%	2055	3,600	2,700	3,800
4%	2041	4,700	4,900	5,000

Notes:

- (1) Year of Full Buildout: Year in which all land use types have reached maximum acreage using this growth rate.
- (2) There is a 25% likelihood that demand will be lower than this volume in 2040.
- (3) There is an equal likelihood that demand will be above or below this value in 2040.
- (4) There is a 75% likelihood that demand will be lower than this volume in 2040.

Supply Comparison

Assuming a firm annual wholesale supply of 10,000 acre-feet per year from Ridgway Reservoir (exchanged for Gunnison River water and treated at the Project 7 treatment plant) and continuation of current non-revenue water losses of approximately 10.5%, projected wholesale deliveries at buildout range from approximately 8,900 to 10,100 AF.

Under these assumptions, the City is projected to have sufficient supply to meet planned development within its current service area at full buildout. Specific to housing need and the nearer-term comprehensive planning timeframe, the available water supply is sufficient to meet the City's Housing Needs Assessment and Housing Action Plan targets of 3900 additional dwelling units by 2040.

In addition to the 10,000 acre-feet per year available from Ridgway Reservoir, the City also holds 80 shares of water within the Cimarron Canal Company which serves as a backup, emergency water supply for the City and additional buffer for ultimate buildout. Depending on the snowpack conditions and time of year the water is needed, these shares can provide between 900 and 3,000 additional acre feet of supply per year.

Growth Constraints and Assumptions

Water supply or water infrastructure-related constraints to the growth described in the Envision 2040 Comprehensive Plan include the following planning implications identified by LRE Water:

- Medium-density residential water use is the key lever affecting long-term supply adequacy.
- Continued monitoring of non-revenue water is critical to maintaining supply margin.
- Regular updates to demand projections are recommended as development occurs.
- Additional evaluation of supply-side risk is warranted in future planning efforts, especially in consideration of the continued aridification of the Western United States.

Key assumptions/open questions expressed as uncertainty and limitations by LRE Water include:

- The impact to water availability from climate-driven changes.
- Any potential constraints to the operation and management of Project 7 supplies.
- Changes in conservation measures or changes to the amount of non-revenue water. As a result, supply sufficiency should be interpreted as conditional on the continued availability of Project 7 supplies and current system performance.

These items may need to be revisited in future updates to the Montrose Water Resource Report and/or this Water Supply Element.

In addition to the report findings, the Growth Area Map shown in Figure 3.14 on page 30 takes into account the limitations of rural water districts. Both documents identify an Urban Growth Boundary to guide new development within the City's water service area and select portions of the rural service areas where adequate water and fire protection can be provided. The Urban Growth Boundary (shown on the Water Service Areas Map, Figure 3.12) demonstrates that utility capacity directly guides municipal growth boundaries. Multi-jurisdictional recognition of an Urban Growth Boundary helps support the State's water plan goal of limiting the conversion of productive agricultural land to residential uses.