

**COLORADO**

Department of Natural Resources

Executive Director's Office
1313 Sherman Street, Room 718
Denver, CO 80203

Colonel John W. Henderson
Commander, Omaha District
U.S. Army Corps of Engineers
1616 Capitol Avenue
Omaha, NE 68102-4901

April 8, 2016

Re: Chatfield Storage Reallocation Project

Dear Colonel Henderson:

By this letter, the Colorado Department of Natural Resources (CDNR), provides notice pursuant to the *Agreement between the Department of the Army and the Colorado Department of Natural Resources for Reallocation of Water Storage Space, Recreation Modifications, and Compensatory Mitigation Features at the Chatfield Dam and Reservoir, Colorado* (Water Storage Agreement), Article XV, Section D., regarding the refined cost estimate for the Chatfield Storage Reallocation Project.

Article XV, Section D. of the Water Storage Agreement provides:

Within eighteen months after the effective date of this Agreement, the CDNR will reexamine and refine the total costs of the *Chatfield Storage Reallocation Project*, and give notice to the Government of such refined cost estimate in accordance with the notice provision of this Agreement.

If the refined cost estimate exceeds one hundred and thirty four million dollars (\$134,000,000) by ten percent or more, the CDNR shall have the right, for a period of 90 days after the day on which it gives notice to the Government, to terminate this Agreement.

Based upon the preliminary design work completed to date, CDNR has recently received an updated preliminary cost estimate for the Chatfield Storage Reallocation Project which exceeds \$134 million by more than ten percent. This latest preliminary cost estimate will continue to be the subject of intensive review and refinement over the next several months as the preliminary design process for each of the Project elements progresses. CDNR anticipates final cost estimates for the Project will decrease from the latest estimate with further refinement.

At this time, CDNR has no intention of terminating the Water Storage Agreement. We will keep you apprised of future cost estimates.



Please feel free to contact me or CDNR staff with any questions. We look forward to working with you and other partners on the Chatfield Storage Reallocation Project.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Randall". The signature is fluid and cursive, with the first name "Robert" and last name "Randall" clearly distinguishable.

Robert Randall
Interim Executive Director
Colorado Department of Natural Resources