

Meeting Notes

Interbasin Compact Committee (IBCC)

Radisson Hotel

Longmont, CO.

March 16, 2009

Interbasin Compact Committee Members

Carl Trick	Harris D. Sherman	Peter Nichols
Carlyle Currier	Jay Winner	Raymond Wright
Chips Barry	Jeff Devere	Rita Crumpton
Bill Trampe	Jeris Danielson	Stan Cazier
Dan Birch	John Porter	Steve Harris
Eric Kuhn	Mark Pifher	Steve Vandiver
Eric Wilkinson	Melinda Kassen	T. Wright Dickinson
Kent Crowder	Mike Shimmin	Wayne Vanderschuere

State Staff and Technical Assistance Team

Alex Davis, DNR	Greg Johnson, CWCB	Sue Morea, CDM
Dan McAuliffe, CWCB	Jacob Bornstein, CWCB	Todd Doherty, CWCB
Dori Vigil, CWCB	Jennifer Gimbel, CWCB	
Eric Hecox, CWCB	Nicole Rowan, CDM	
Viola Bralish, CWCB		

Members of Public who attended

Caroline Bradford	John Stulp	Tekla Taylor
Nicole Seltzer	Don Ament	Marc Waage
Kristin Maharg	Justice Greg Hobbs	Hal Simpson
MaryLou Smith	Polly Hays	

Welcome, Introduction, and Agenda Review – Harris Sherman, Eric Hecox

Harris Sherman opened the meeting and welcomed Justice Hobbs and John Stulp who were in attendance of the meeting. He talked about the three water supply strategies that would be discussed at the meeting (conservation, agricultural transfers, and new water supply development). He asked the IBCC members to offer feedback on these strategies and asked for their help in developing them noting that nothing is set in stone. He asked for their input on the technical work done by CWCB staff and CDM and whether the numbers are making sense. Director Sherman also asked members to go back to the roundtables and their communities to discuss these strategies with them and return to the next IBCC meeting with their feedback.

Scenarios for Colorado's Water Supply Future – *Eric Hecox, Sue Morea*

The presentation is organized differently. The information to be presented is in the front and at the back on page 28 of the presentation there is additional information. Eric mentioned the purpose is to talk about these as individual strategies then bring them back together towards the end. Ultimately we are looking to come up with packages of solutions with a mix of conservation, agricultural transfers, and new supply development. Eric discussed the broader context for these strategies including scenario planning and water providers' "identified projects and processes" (IPPs). There was a discussion and questions about the strategies meeting M&I needs and how agricultural and Nonconsumptive needs factored in. Some members felt that if scenarios were being talked about they needed to have all of the pieces, meaning not just M&I, but environmental and agriculture in order to offer feedback. They were assured by staff that environment and Ag were included and would be discussed.

Conservation Strategy – *Veva Deheza*

In discussing the conservation strategy, information was presented on two basins (Colorado and South Platte) but similar information was developed for all the basins. The conservation strategy looks at 20%, 30%, and 40% reductions in M&I water use from 2000 levels. It also ties conservation practices identified and analyzed in SWSI II to these reductions for each basin.

Steve Harris – I always thought rates were the biggest part of water conservation, but can utilities set rates based on conservation or does it have to be on a cost recovery basis?

Chips Barry – we have added an element for rate conservation, but I don't think anyone can simply set rates based on wanting them to save water.

Eric Wilkinson – they tier it in a way to encourage conservation; there are some entities that do that.

Wayne Vanderschuere – its cost based to set the baseline but then you add in a rate structure for higher needs.

Mike Shimmin – it looks to me that these are retrofitting existing stuff but what can we build to a newer standard, I don't think it is reflected here.

Veva Deheza -there are other conservation methods that get to that new group of people that are coming in.

Harris Sherman – I think that is a great point and I would encourage Mark Pifher, Chips Barry, and Wayne Vanderschuere to weigh in on this. If there is a real shift in growth how much savings is potentially available?

Wayne Vanderschuere – 20% with existing customers, there may be opportunities for what you can do with new customers if you are willing to change landscaping and lifestyle patterns. There are certain expectations old customers.

Eric Wilkinson - over time advances in plumbing fixtures, I would agree that a 20% reduction is all you are going to get. If you are shooting for 40% you will need to use mandatory restrictions. A lot of times a dual water system causes you to use more water; you need to do the reduction through outdoor water use. I can't answer the question about since 2000 I don't have that data.

Chips Barry – 20% is reasonable if you want to get beyond that you need to look at land use and Denver water does not have the authority to put down land use requirements.

Eric Kuhn- are we talking consumptive use or diversion demand? What's the objective here is it to reduce how much you divert or consume?

Nicole Rowan – the data is based on diversion demand reported by the providers.

Eric Wilkinson – under Colorado state law you can't do expanded use, it enables an expanded use of a municipalities water rights. A lot will manifest in return flows at least in the South Platte basin. The savings actually come from return flows.

Veva Deheza – you all acknowledge that your 20% conservation is coming from outdoor irrigation and not from indoor use. Much indoor conservation is based on small incentives. I don't think we have completely tapped the existing users.

Harris Sherman – I think it would be very helpful if the major water providers could let us know where your conservation programs are going, feedback on new growth and development, and additional savings we can get .

Decisions and Major Points

The next steps for the conservation strategy will include:

- Completing a basin-by-basin analysis working with providers and the Basin Roundtables. To the extent possible this will include confirming where 2000-2008 savings are permanent or temporary and confirming conservation measures utilized.
- Working with CWCB's Conservation Section to confirm the cost estimates.
- Analyze other conservation elements such as sharing conserved water and infrastructure and institutional arrangements required.
- Looking to whether the conservation strategy can be further broken down into consumptive use vs. diversion demand; system wide use vs. residential use; and current uses vs. new customers.
- Work with the CWCB's Conservation Section to analyze the impacts of conservation measures on the tree canopy.
- IBCC members will work on completing benefits, impacts, and attributes table to further develop the conservation strategy.

Director Sherman asked the major water providers to give their assessment of the savings they have seen since 2000; their projected use rates into the future; and how they target conservation measures at new customers versus existing uses.

Break at 10:45 and restarted at 11:15

Agriculture Transfer Strategy – Todd Doherty, Nicole Rowan

Nicole Rowan discussed the basis and assumptions for the engineering and cost element of the agricultural transfer strategy and news supply development strategy. There were questions on the assumptions for water quality, storage, and water rights. It was clarified that 320tds is the metric for water quality, and storage and water rights were not included in the cost estimates for the agricultural transfer strategy. These elements will be included in a further round of refinement should the IBCC find this useful. *If anyone wants the backup information or further detail on the assumptions used for the engineering and cost elements they can contact Eric Hecox.*

Todd discussed the South Platte concept.

Jeris Danielson – under attributes on slide 54 (lower South Platte concept example of benefits, impacts, and attributes) who is going to decide? Who is going to force these people to look at the 10% lands that may be marginal?

Jennifer Gimbel – you bring up a good point and one of the questions is who is going to decide? This is what we want this group to work on.

Jeris Danielson – the market decides unless we are going to throw out the market.

Eric Wilkinson – I have to agree with Jeris, when an entity goes to purchase water they are going to look at the biggest bang for the buck. It wasn't on the list of cost but part of it will be litigation and they are going to pick the low hanging fruit and may have junior water rights.

Sue Morea – this strategy looks at something different from the status quo which would be a coordinated ag transfer as opposed to one that is driven only by the market.

Mark Pifher – this concept came up in the Arkansas report, it was a coordinated effort to identify the water they need and then see if there is a way to transfer to the areas which had a need.

Todd discussed the Arkansas concept. He also noted that on May 13th the Metro, South Platte, and Arkansas roundtables are going to have a joint meeting and one of the major agenda items will be to go over the benefits, impacts, and attributes tables for the Ag Transfer Strategy.

John Stulp commented that there is a tipping point for Ag transfer but at some point you do get rid of Ag as we know it today. There are tipping points at the ditch level and regional level.

Bill Trampe – it's not all economics. It is the psychology as well and what is tolerated as the norm in a community.

Don Ament – John Stulp laid it out but you need to understand that a lot of this stuff is in progress. How many times have you heard them say where is the food coming from for all these people in 2050?

Todd Doherty – Posed a question about the regional inter-dependence of agriculture and whether a healthy west slope ag economy depends upon east slope ag.

T. Wright – it is not just West slope it is Wyoming, Montana, and Dakota that contribute cattle to Greeley. At some point you lose that critical mass, and the industry can't survive. Can an animal packing plant remain and if they move somewhere else you lose that part of the economy?

Carlyle Currier– most of the cattle come to Colorado and we are very dependent on that, Sterling, Fort Morgan, and Greeley. If we lose that it will have a major impact.

Ray Wright – all parts of the Western US are under some pressure, the state engineer of Idaho is talking about shutting down flow on the Snake River. The elimination of sustainably irrigated crop lands is going to have impact on food supply on this country and policy makers should not take this lightly.

John Stulp – 70% of Colorado agriculture is the livestock industry and other states bring a significant amount to our feed lots here. We are highly dependent on the downstream; we are a desirable state to come to whether it is people or cattle.

Steve Vandiver – when it comes to water left in the system and the Nonconsumptive piece, we are trying desperately in the Rio Grande to look at the alluvial sponge. There are compact issues that come up and I just think that the whole calculation of consumptive use and the remaining water that stays in the ditch is carefully calculated and what it does to the environment.

Decisions and Major Points

The next steps for the agricultural transfer strategy will include:

- Incorporating information from the Super Ditch and other Alternative Ag Transfer grants into the strategy as information becomes available.
- Working with other entities (Dept. of Ag, CSU, etc.) to investigate the regional interdependence of agriculture (both within Colorado and with other western states)
- Investigate the “tipping point” for agriculture both at the ditch system level and regional level. Peter Nichols noted that the Super Ditch will look at components of this and CWCB will coordinate with their efforts.
- Incorporate additional items into the cost analysis including: water rights and firming storage; the benefits and impacts of reuse; and transaction costs.
- IBCC members will work on completing the benefits, impacts, and attributes tables for the South Platte and Arkansas concepts to further develop this strategy.

Lunch discussion – Update on the Colorado River Water Availability Study – *Blaine Dwyer*

The consultants gave a presentation on the progress of this study. They reminded the IBCC of the scope of work the IBCC helped put together breaking the study into two phases. Phase One looks at current demand patterns under three different hydrologies (gauged records, paleohydrology, and climate change models). Phase II will look at future demands under these three hydrologies.

The presentation summarized how the CDSS is being used in the study, feedback the study team received from four meetings with the basin roundtables, and information on the alternate hydrologies.

The IBCC was asked to start thinking about inputs for phase II as they will help scope this effort beginning this summer.

The presentation and other material related to the study are available at:

<http://cwc.state.co.us/WaterInfo/CRWAS/CORiverWaterAvailabilityStudy.htm>

Steve Harris made a motion to support Phase II of the study in the construction bill. It was seconded and passed unanimously by the group.

New Supply Development/Risk Management Strategy – *Eric Hecox, Sue Morea*

Eric discussed some of the additional information included in the back of the presentation on environmental and recreation needs and agricultural needs. The group discussed how environmental/recreational needs and agricultural needs are incorporated into the strategies.

Eric presented information on the new supply development strategy and discussed the engineering and cost element for the Green Mountain Concept, Yampa Concept, Flaming Gorge Concept, and “Big Straw” (Colorado River Return) concept. He noted that all of these concepts were studied in-depth by other efforts and the purpose of the current effort is to put these concepts on a comparable basis.

Melinda Kassen – There are numerous impacts to all of these concepts. These are all big plays over 100 thousand ac ft. Is there a reason why the focus is on one big block of water or it might make more sense to look at smaller options that folks around the table would think are more reasonable?

Eric Hecox – that is the kind of feedback we want to get from this. We want feedback on which of these concepts should fall off the table and don’t need additional analysis and if there are other concepts that should be looked. In particular, feedback on additional small and medium sized new development projects would be helpful. Also, the easy part of this exercise is filling out the impacts, what I challenge you to do is supply us with what needs to be added in to make these workable.

Dan McAuliffe – part of what the team looked at was where the “gap” is going to exist and we know it won’t get smaller because not all of the IP&P’s will be successful. Are there other projects or combinations of projects that the team should look at? What does that future look like and are there new projects you want us to look at, we will know more in 2009/10 then when we first started SWSI. If these 6 or 7 are not the right ones to look at then where else should we go?

Harris Sherman – timing aside for the moment let me give you my assessment of what we need to do. This group is given the task of looking at the future. We have to look at Ag trade off issues and done in a way where the ag economy is able to remain strong. I think we need to look at larger projects and smaller projects and look at these projects as protection of the environments. What is an intelligent balance for the future of the State? All of these are component parts of a difficult puzzle and there may be a general consensus that will make sense. I think that is what this exercise is about and we need to blend the two together to move forward.

Sue Morea asked for input from the group on small and medium incremental strategies that we can start to look at.

Decisions and Major Points

The next steps for the new supply development/risk management strategy will include:

- Analyzing additional projects in the small to medium range.
- Incorporate additional items into the cost analysis including: the impact of reuse and transaction costs.
- IBCC members will work on completing the benefits, impacts, and attributes tables for the new supply development concepts to further develop this strategy.
- IBCC members will provide feedback on which concepts should not be looked at any further and which additional projects/concepts should be looked at.
- Present additional detail on the risk management strategies.

Harris Sherman asked the IBCC members how they feel right now about the work the IBCC is doing and if they felt that we were moving in a direction that is helpful?

Melinda Kassen - I don't think we are on the right track. We need to put together a mix of small projects.

Carl Trick – I think that we've made the most progress with this group since we started; I think we need further analysis and I urge you to move forward. I think this group will eventually be asked to endorse something and I urge you to go forward and collect all the information you can.

John Porter – You laid down some things that I need to think about from a statewide point of view.

Peter Nichols – I think it has been a good meeting but we have some issues on the table that need to be added in and talked about. I think we are on the right track and we need to move forward with the items discussed today.

Mike Shimmin – I really think the hope for success is being honest about protecting the basins water supply and building a water project that meets all the needs and is financially possible. I think the large projects make the most sense, I do think we are making progress and I think we should keep talking about the larger projects that could result in Interbasin agreements.

Chips Barry – this group doesn't have and never will have the authority to make a decision but if you ask that we are moving in the right direction I would say yes.

Mark Pifher – speaking for the Metro members they are not looking for a silver bullet but they are looking for a specificity. I think now we can see a direction that is moving towards a result and that would be an excellent outcome.

Eric Wilkinson – I think this was an excellent meeting, we don't know where it's going but at least we have some tools and ideas to think about, it's a good process.

T. Wright Dickinson – I would like more in depth presentations on the risk management implementation.

Bill Trampe – this is a discussion that gets to the heart of my concern, I have a different perspective than the other people at this table. This risk analysis is at the heart of my concern; if you take one or two projects then my risk analysis is I cease to exist. You will have to get my senior water rights to get the water to the taps on the Front Range. The demise of West Slope Ag is there and to me this risk management should be the biggest focus.

Eric Kuhn – go back to the scenario planning my hope is that when you put these proposals together it doesn't lead to a decision that over uses the Colorado River. I don't see how a big project can succeed in satisfying the West Slope and the other entities.

Steve Harris – Could you include some IP&P costs in the further analysis for comparative purposes?

Eric Hecox concluded the meeting at 3:30 and encouraged the IBCC members to look at the tables and work on them with their roundtables and constituency groups. He said a follow up email will go out including the matrices in electronic form.

The next IBCC meeting will be held on July 20, 2009 in Crested Butte, CO.