

Arkansas Basin Roundtable
Meeting of January 13, 2010
Meeting Notes

Roundtable Business

Chairman Barber called the meeting to order at 12:46 pm.

Members and visitors introduced themselves. Twenty five (25) members were present. The agenda was reviewed.

A motion was made by Jay Winner and seconded by SeEtta Moss to approve the minutes of the November meeting. The motion passed unanimously.

Gary described the extra handouts, including a response letter from the Gunnison Roundtable and a packet regarding the Flaming Gorge project.

DSS Update

Lindsay – Brown & Caldwell

The DSS work has not officially begun. The team is in place. The contract has been executed, and is waiting for signature by the CWCB. The first three months of work will focus on user interviews. Lindsay may be back in February with a survey and comment sheet.

Public Comment

John Wiener: the Society for Range Management and the Weed Science Society are in Denver the 7th thru the 10th of February. The Ditch and Reservoir Alliance meeting is the following week in Durango. The Central Plains Irrigation Association's annual short course is the 23rd & 24th of February in Kearney, NB. Extension Services of four states combined put this course together.

Phyllis mentioned that the roundtable's report was passed out at the South Platte RT meeting. She commented that the Arkansas Basin Roundtable has set the bar high for the other roundtables.

Ken Weber described the Tipping Point Study, which might answer the following question - How much irrigated land can be removed before the support structure for Ag disappears? The study area is the Arkansas Basin, from Boone to La Junta. The tipping point concept is based on the idea that there may be critical moments, or thresholds, when changes occur and the trajectory of events change. The direction taken following a tipping point may be either positive or negative. The first phase of the project is a "proof of concept" phase. It will seek to determine if this concept is "workable", that is, if it is applicable to water transfers and the Arkansas Valley case and if there is sufficient data to make this type of analysis productive. If the first phase is successful, the next phases will ultimately seek to determine if there is a tipping point when the valley's agricultural economy becomes non-viable and what the tipping point might be. George Oamek, an economist, is the project leader and there are four others on the research team. A report on phase one of the project is due the end of March, 2010.

Executive Committee/IBCC Updates

The Executive Committee talked about the Gunnison letter in response to our resolutions. The letter is also a response to the joint Front Range Roundtable letter. Members agreed that a joint meeting with the Gunnison Roundtable would be beneficial.

Todd Doherty: There will be a meeting Feb 10th in Summit County regarding non-consumptive needs for all roundtables. Phase I was mapping. Phase II will look further at non-consumptive priority areas. This is the same day as our regular roundtable meeting.

SeEtta Moss: Still trying to finalize a contract for quantification. The committee will meet next in February.

Jay Winner: Paul Flack will be bringing an app to the RT for review at Jim Broderick's request. The purpose will be to develop an improved model that quantifies both consumptive and non-consumptive CFS requirements. The MOU for the current voluntary flow agreement ends in 2011. This new model would have an expanded scope, and would include the reach through Pueblo, and also John Martin Reservoir.

Gary: further described his intent to submit a grant app to organize a task force process around the Flaming Gorge project.

Todd Doherty: The Arkansas Basin RT has \$96,000 available plus \$52,000 newly available later in January. The CWCB eliminated the May state-wide request cycle, and will look at statewide requests in September only. Requirements will include tying projects to the needs report. Apps will need to be able to demonstrate a positive benefit to water needs.

IBCC Update:

Jeris – The IBCC met December 2nd. They discussed how to evaluate conservation percentages. The information that CWCB staff is using isn't complete. Need to sit down with municipal folks that are implementing conservation measures to get a better idea of what can really be done.

Jay – The trade-off model was used at the last IBCC meeting. He stressed the importance of pushing approved projects forward in order for the gap to be met. Jay thinks 40% conservation in municipalities is unrealistic. It may be attainable but very expensive and difficult to attain, and not equitable.

Wayne: agreed with Jay. The trade-off tool doesn't provide specific metrics to measure economic or social impacts. The IPPs currently in the pipeline have the greatest prospect of at least alleviating the gap in the short-term and these projects need our support.

Jeris – had a report on the Colorado River Water Availability Study, Phase I. The assumptions made focused on worst-case scenario with climate change. Range was from 100,000 af to 700,000 af. They settled on 350,000 as being likely.

Reed Dils – Colorado River Water Availability Study – dire predictions for 2040 as to how much water will be left in rivers in Colorado. The **Joint Budget Committee** asked Jennifer Gimbel what the impact to water projects in the State would be if the General Assembly were to transfer \$106.5 million in FY 2009-10 from the CWCB Construction Fund and the Perpetual Base Account of the Severance Tax Trust Fund? Reed read her letter of response, which is as follows:

"To help reduce the recent General Fund shortages, the General Assembly has already taken over \$107 million from the CWCB Construction fund and the Severance Tax Perpetual Base Account, which already has affected water projects in the State by limiting the funds available for water projects. The proposed scenario of an additional transfer of \$106.5 million will affect not only water projects but all of the CWCB operations and the programs, as well as the overall health of the two funds. The combination of taking over \$213 million could reduce the value of the funds by \$287 million over the next 20 years (including foregone interest earnings on the CWCB loan portfolio).

Without the ability to make loans, CWCB will be stranding many water users who have already indicated the need for money to rehabilitate diversion structures and reservoirs with dam restrictions and the acquisition of water rights for augmentation to ameliorate the effects of recent court opinions. The CWCB anticipates over \$12 million of requests for the remainder of this Fiscal Year 2010. Over the next few years, our projections show that we have the prospect of over \$105 million worth of both small loan projects (under \$10 million each) and some major projects. The CWCB is the only practical option for many of the small municipalities and water

districts in obtaining loans for augmentation water, rehabilitation of structures, and participation in larger water supply projects like Chatfield Reservoir. Banks are very unlikely to make these smaller loans at the interest rates CWCB is able to provide, providing a vital service to the State. If funding is shifted away, small communities and water districts are left with few, if any, options for project financing. These projects allow water users to put their rights to the maximum beneficial use and increase their economic viability. On the larger scale, the State will not be able to meet its water needs in the near future without water projects moving forward. CWCB estimates that Colorado's population will double by 2050 and it will take over \$2 billion of projects to help meet the associated water supply needs of that population. Without State funding, many proposed projects cannot move forward and cities will be forced to buy water from farmers, thus drying-up even more agriculture land and threatening not only Colorado's food supply but its rich agricultural economy.

The transfer of \$54 million from the Construction Fund takes away all non-reimbursable funds that are used for the satellite monitoring program and flood response activities. The satellite monitoring system is important both to the Division of Water Resources in administering water rights and assuring compliance with Interstate Water Compacts as well as to the CWCB in protecting instream flow water rights. Getting rid of non-reimbursable programs would also eliminate the State's ability to leverage over \$6 million annually of federal and local money for such programs as floodplain mapping, without which communities would be unable to obtain federal flood insurance, and watershed protection. Non-reimbursable funds provide for the very important programs that the CWCB provides to the state water supply planning for the future, compact protection, instream flow protection, water conservation and drought planning, and further data collection and analysis for such projects as the Colorado River Water Availability Study and the Arkansas Valley DSS. Finally, transferring all but \$70,000 out of the CWCB Construction Fund would leave the Department with serious cash flow issues. With essentially no money left in its funds, the CWCB may be temporarily unable to pay salaries and other expenses the CWCB is obligated to pay.

Discussion

Presentations and Work in 2010.

Gary discussed the Activity Report, which summarized what Roundtable members reported that they would like to do in 2010 (from the November RT meeting). He asked members to rank presentations and activities in order of their importance so that the Roundtable can map out a schedule for the year.

Members took a break to fill out the worksheet. The Roundtable then reconvened and members took turns listing the top three presentations and activities they would like to see in 2010. Results in order of ranking are as follows:

Presentations the Roundtable would like to see:

- Keep up with the Colorado River Availability Study
- Ark DSS
- New DNR Director Jim Martin
- Update of funded projects
- South Platte business plan for leasing/fallowing
- Stay updated on state and national activities
- Climate impact on water

Work the Roundtable wants to do:

- Quantify how proposed projects & methods will meet the gap
- Take the top 5 proposed projects & methods and use the Trade-Off Model to assess
- Joint roundtable meetings
- Municipal conservation project
- More exploration of alternatives to Ag to Urban water transfers
- Put the Ag to Urban report to use

Meeting adjourned at 2:30 pm.

Respectfully submitted,
Jay Winner

Links:

Arkansas Basin Water Forum

www.abwf.org

CWCB

<http://cwc.state.co.us/>

Fountain Creek Watershed

www.fountain-crk.org

IBCC

<http://ibcc.state.co.us>

Colorado River Water Availability Study

<http://cwc.state.co.us/>

Ag to Urban Water Transfers Report

www.secwcd.org

Colorado Water Trust

www.coloradowatertrust.org