Alternative Agricultural Water Transfer Methods – Competitive Grant Program
Water Activity Summary Sheet
Agenda Item 13.b

Applicant: Colorado River Water Conservation District

Water Activity Name: Compact Water Bank

Water Activity Purpose: Nonstructural Activity

Drainage Basin: Colorado

Water Source: Pre 1922 Agricultural Water Rights

Amount Requested: $180,000

Matching Funds: $120,000 (67% match; $30,000 from each of the following entities: Colorado River District, the Southwestern Water Conservation District, the Front Range Water Council and the Nature Conservancy)

Staff Recommendation
Staff recommends approval of up to $180,000 from the Alternative Agricultural Water Transfer Methods Program to help study a Compact Water Bank.

Water Activity Summary:
An informal group composed of representatives of the Colorado River Water Conservation District, Colorado Water Conservation Board (CWCB), Front Range Water Council, Southwestern Water Conservation District, and The Nature Conservancy (the Water Bank Group) is investigating the development of a "Water Bank" that may prevent a compact curtailment, or allow continued water use in the event of a compact curtailment. The water bank would seek to provide a means for pre-compact (pre- 1922 and not subject to curtailment) water rights and post-compact reservoir storage to be used to allow critical post compact water rights to continue to divert rather than be curtailed in the event the 10-year running average flow at Lee Ferry, Arizona falls below 75 MAF.

At a conceptual level, the bank would operate as follows. Willing agricultural participants in the Water Bank would temporarily fallow certain lands that are irrigated by pre-1922 water rights. These willing participants would be compensated for the loss of economic value that is incurred while the irrigated lands remain fallow, and the consumptive use of the fallowed land would be available to a Water Bank. Post-1922 water users would "subscribe" to the bank, and thereby gain access to pre-1922 water that would offset or replace water use that would otherwise be curtailed by Colorado River Compact administration. It is anticipated that any land that is fallowed, may be done so on a rotational basis, in conjunction with other irrigated lands. The fallowing may avoid permanent irrigation dry-up, and minimize the economic and environmental impacts that can occur in surrounding communities and economies.

As stated in the scope of work, the Water Bank Study will be completed in three distinct phases:

- Phase 1 of the study will evaluate the amount of water supplies that may be associated with a Water Bank, and will also evaluate the potential demand for these supplies.
- Phase 2 of the study will assess the actual on-farm implementation of a water bank for representative pre-1922 irrigation systems.
- The final phase of the study will assess regional economic and environmental considerations.

Discussion:
The proposed project is intended to complement the Compact Compliance Study. There is some discussion about using publically available work stemming out of the study and working within the confidentiality requirements of the study.

While this study tackles critical issues that need to be addressed in order to establish a water bank, several additional elements will be needed to establish and operate the bank. The scope is not intended, nor did staff expect the scope to fully address all aspects of establishing the water bank.

Issues/Additional Needs:

- Please indicate how the consultant team will be selected for the project.
- Include a coordination task with CWCB, the Gunnison/Arkansas Water Bank discussions, and other stakeholders as needed.

Staff Recommendation:
Staff recommends approval of up to $180,000 from the Alternative Agricultural Water Transfer Methods Program to help study a Compact Water Bank.

All products, data and information developed as a result of this grant must be provided to the CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and will help promote the development of a common technical platform.

In accordance with the Criteria and Guidelines of the Alternative Agricultural Water Transfer Methods Competitive Grant Program, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

Reporting: The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the tasks identified in the scope of work including a description of any major issues that have occurred and any corrective action taken to address these issues.

Final Deliverable: At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

Engineering: All engineering work (as defined in the Engineers Practice Act (§12-25-102(10) C.R.S.)) performed under this grant shall be performed by or under the responsible charge of professional engineer licensed by the State of Colorado to practice Engineering.