Arkansas & Gunnison Basins
Joint Meeting, June 7, 2010
Meeting Notes

Roundtable Business – Michelle Pierce/Gary Barber

The meeting was called to order at 12:15 pm. Members and visitors introduced themselves.

Presentation and Discussion – Alex Davis, IBCC Director

Ms. Davis covered some history of the Aspinall Unit and the Marketable Pool. The Aspinall Unit is Blue Mesa Reservoir, Crystal and Morrow Dams. It is a Colorado River Storage Protection Act Reservoir – under that law four major reservoirs were built: Lake Powell, Flaming Gorge Reservoir, Aspinall, and Navajo (in New Mexico). The purpose of those reservoirs was to allow the Upper Colorado River Basin states; Colorado, Wyoming, New Mexico and Utah, to meet their compact obligations and to meet their compact entitlement. We have seen how the other states are using these reservoirs, for instance, all of the water that is stored in the Navajo Reservoir is used by New Mexico for its compact entitlement. Flaming Gorge is pretty open, but a lot of that water is committed to endangered species operations. Lake Powell is the major reservoir used to meet compact obligations.

30 years ago or so, the Federal Government filed for the Black Canyon National Park water right. That water right languished in court for a long time, but about five years ago negotiations picked up again. That water right is downstream from Aspinall, and the State of Colorado had two goals going into those negotiations: 1. The National Park Service should get a meaningful water right in this instance. 2. The other goal was to protect storage in Aspinall Reservoir. The next federal process was the Aspinall EIS for the reoperations for endangered fish species. All of the four major reservoirs have now gone through this process. There are four species of endangered fish involved.

One of the methods used to protect storage in this process was to lay claim to 200,000 acre feet of water in the marketable pool. By starting a process to lay claim to that water, the State could insist that the Bureau of Reclamation figure out how to meet fish flow recommendations without using that water. That water is not intended to be used by the Fish and Wildlife Service to provide minimum fish flow recommendations for fish species, and the State believes that there is enough water in Aspinall to do this.

The State of Colorado committed that it would never finalize a contract or move ahead with this purchase without a thorough vetting with stakeholders. Now, other subjects have taken precedence over this issue, including the budget crunch at the state level.

Q&A:

Q: How would the water actually be used?
A: There are two ways this water could be used – it could be pumped back to the Arkansas, or it could be run downstream in order to augment some other critical diversions on the Colorado or the Yampa. If there was a compact curtailment situation, this water could be released to Lake Powell, rather than affecting individual water rights.
Q: Is it a new appropriation?
A: The Bureau Right is from 1957. The contract would be with the BOR.
Q: Could the amount be split up differently in different years?
A: Yes
Q: Are there any plans to pursue this aggressively in the near future?
A: Alex would like to see what the IBCC comes up with. It might be an important piece of the puzzle statewide.
Q: What would the costs be to reserve that water? Would it be a standard bureau contract?
A: No, but the cost is unknown. The BOR talked to them about a standby contract, but discussions were very informal.
Q: The Upper Gunnison sent a letter asking questions about the proposed contract. For instance, who makes the decision about how the water would be used? If the State contracts for 200,000 acre feet of water and there is an extended drought, the bucket could get emptied in the first year of drought – what would happen in the second year? What benefits do we accrue by having that water under contract, rather than having it in the pool? We don't want the expectation created that this is something that is easily done or easily contemplated.
A: The cost? Who knows? We'll figure that out when we get to that point. The CWCB or DNR would likely be in control. The expectation question is very interesting. Alex has heard that before when talking about the Flaming Gorge project – but the expectation of water to be delivered vs. the Law of Prior

Appropriation is one that applies to all water users and water rights owners. In a dry period, there are all sorts of users that are denied water that they are used to receiving. She doesn't see what makes a difference here. The benefits? If this contract is pursued, it would be because it had gone through a thorough vetting process. From a 30,000 ft level, it makes sense to the State of Colorado to keep options open and retain flexibility going into a period where we don't know what the future might look like.

Gunnison Basin Perspective

George Sibley: Addressed the question – how does the Gunnison Basin RT see the role of the Arkansas Basin in particular, and the Front Range in general, in resolving Colorado's 2030/2050 water challenges?

George started by stating his belief in this Water For The Future process. We all own the water of Colorado in common, so the problems of any basin are the problems of all basins, in the long run.

- Population statewide may double by 2050, the bulk of that on the Front Range.
- We will likely be moving into a very different energy paradigm in the future as well. There are a lot of entities that think by 2050, we need to be 80% gleaned from fossil fuels. The more we move water around, the more energy it takes.
- Food has to come into this too, because as we phase out of oil, transportation will become more expensive, which will make food more expensive.
- The joker in the deck is climate change. When you try to factor in climate change, it makes the pendulum between minor and major estimated needs swing wider.

There are only two solutions to rising water needs; we can develop more supplies or we can conserve more water.

There needs to be some research to see if there really is a marketable pool in Blue Mesa Reservoir. We can continue to pick up more supply by increasing water re-use. There is an end somewhere down the line as to how much new supply can be developed.

Is there a difference between demand reduction and conservation? Maybe we need to be starting the demand reduction process, by making sure that when people come here from elsewhere that they know they can't bring bad water use habits with them.

At some point along the continuum of water conservation, restrictions may mean a 20-40% reduction by conservation. Need a statewide addressing of conservation, but the Front Range should provide leadership and lead the way in these measures. The East Slope is inherently better positioned to get into this, because those roundtables are made up of urban, suburban and rural users. This is a serious and painful process for everybody, especially municipal areas. The pains that the Front Range Metro area have had are growing pains. The pain that the West Slope experiences is the pain of an amputation. We've always said let the people come, we'll guarantee water to them. Let the people come, so long as they realize that a comfortable urban lifestyle will be provided to them, but not necessarily the lifestyle they've been accustomed to in the past.

We on the West Slope have to be willing to follow our own advice, and practice conservation to the same degree as urban areas on the East Slope.

In Las Vegas they are paying people a 1.50 per square foot to tear up their lawns and xeriscape. Colorado needs to implement stricter conservation methods, and land use policies statewide must be tied to water availability.

John McClow: We understand this reservoir was created to provide water to the compact. We have lots of questions about such a contract. John quoted from the first paragraph of the Colorado River Storage Act:

"In order to initiate the comprehensive development of the water resources of the Upper Colorado River Basin, for the purposes, among others, of regulating the flow of the Colorado River, storing water for beneficial consumptive use, making it possible for the states of the Upper Basin to utilize, consistently with the provisions of the Colorado River Compact, the apportionments made to and among them in the Colorado River Compact and the Upper Colorado River Basin Compact, respectively, providing for the reclamation of arid and semiarid land, for the control of floods, and for the generation of hydro-electric power, as an incident of the foregoing purposes, the Secretary of the Interior is hereby authorized (1) to construct, operate, and maintain the following initial units of the Colorado River storage project..."

John respectively disagrees with Alex regarding the conclusions drawn from the modeling that has been done. During negotiations with the United States, they worked hard to protect the water stored in the Aspinall Unit. They did work consistently with the State to protect that storage. Once we see the record of decision from the Department of the Interior, it will be possible to sit down and do an analysis of

that reservoir and see how it might be used as some form of augmentation. If the demand is placed on the stream downstream from the reservoirs, many more uses become possible.

It is difficult to understand how we gain anything by buying water that we already have according to the Colorado River Compact.

The Gunnison Basin Roundtable is not here to tell you that the Aspinall is not available, just that it has to be utilized in an appropriate fashion that allows all of us to derive benefits that Congress intended by that statute.

Water conservation and demand control should apply equally in the Gunnison Basin as well as the Front Range. To be fair, it seems that if we're going to ask Denver, Colorado Springs, Pueblo and others to put in place certain standards, then West Slope efforts should be equal. If nothing else, these measures could help us provide for our own gap.

The Roundtable has done a lot of work on their consumptive and non-consumptive needs. We think that we have only enough water to meet our own needs in terms of appropriated water for consumptive and non-consumptive needs, and we think our assessments will show that.

What we can do to address the state's water crisis is to do what we're doing right now, to sit down cooperatively with water users around the state in order to try to solve these problems together – to dispel acrimony and fears, in order to talk honestly about tough issues .

Arkansas Basin Perspective

Gary Barber: Gary went over the resource document: "Projects and Methods to Meet the Needs of the Arkansas Basin". The Executive Summary talked about food, water and energy. The report focused on Consumptive and Non-Consumptive needs assessment, a look at projects that were funded with Basin grant funds, and a ranking of projects and methods that would meet the needs of the Arkansas Basin.

"Much of the water supply gap of the Arkansas Basin, nearly 20,000 acre-feet, could be addressed in the near term if the Rotating Ag Fallowing method is coupled with regional cooperation on new infrastructure. However, the future of sustainability for both consumptive and non-consumptive needs in the Arkansas is tied to the future of the Colorado's entitlement under the Colorado River Compact. Presentations and reports by the Roundtable's IBCC Reps make clear the interdependence of Colorado River imports, both existing and future, with the longevity of irrigated agriculture within the Arkansas Basin."

When the Arkansas RT ranked methods to supply future water needs, the top two methods are the Voluntary Flow Agreement and Municipal Conservation. The roundtable has also spent a lot of time working on difficult issues, like Ag to Urban Transfers.

We have a pretty good handle on what we do for the next 20 years-beyond that, things get a little muddy. We are an importing and an exporting basin, and we do see ourselves as having a leadership role.

Jay Winner: Jay heard "demand reduction, conservation, then we'll talk about the marketable pool." We need to talk about everything holistically right now. We cannot continue to look at the dry-up of Ag as solving all water use needs into the future.

Jim Broderick: We can no longer just study one thing, then get an answer, then go study something else. We have to look at all of it together. We have to put it on the table to talk about it. We might not agree on what road to take, but we need to talk about it.

It's hard to transfer conservation ideas from Arizona to Colorado. I've yet to see land use planners in the discussion of water, except in the 1960's for about three years. Las Vegas has such a different funding source – Colorado would not be able to offer the same kind of incentives.

Jim thinks that we need to talk about infrastructure. We need to start showing progress on something. The progress needs to be more than just being able to sit around a table and say we talked about it.

Alan Hamel: It's a time for the Roundtables to jointly offer to the IBCC some ideas, rather than wait for the IBCC to come up with solutions. Utilization of existing storage vessels and infrastructure is of increasing importance. Storage is one of the most important things we can do in Colorado. We've always known that we have a finite resource. If we had already had increased storage in Pueblo Reservoir in 1999, as considered, we could have filled it up, and been in better shape in 2002. This year we could have filled it up again. Conservation and demand reduction is in all Urban water plans. Pueblo has challenges to conservation measures, including low-income families. Alan would like to be able to pass some projects forward to the IBCC jointly, rather than wait for the IBCC to produce solutions for us. The Colorado River shortage really attracts attention. Working together, hopefully we can balance it out and preserve the quality of life in Colorado.

Reed Dils: Reed is a retired river outfitter, recreation guy. We're not asking for more water, but want to utilize the water that we already have - all of that water, when it's moved downstream at the right time, provides a huge benefit to the Upper Basin. Historically, back in the days before boating got real popular, we relied on Twin Lakes to provide most of the water, because it was mostly all ag water, and was released in July & August. Now that is municipal water. Once Frying Pan-Arkansas water became available, that was used for boating. There are some similarities in the non-consumptive values.

Moderated Discussion – Eric Hecox

Opened up for questions that came out of the first part of the meeting.

The impact on agriculture is very great. Ag needs to be kept in the picture.

One of our challenges is to have a real shift in our values. If we can teach people that this is not a place where we water our lawns, then maybe we'll have different kinds of people who will come.

Is this marketable pool something that can be discussed with the Gunnison Basin? Is this something we can push up to the IBCC as an IPP?

Would the Gunnison Basin allow the Mesa Pumpback to be studied by the IBCC? Yes, if a study was conducted along the same paths as the others, it should be a part of that process.

Pumpback is a different issue than the marketable pool. We don't want to study anything in isolation. While it's certainly possible that either of those projects could provide a piece of the puzzle, it will be a small piece, and should not be looked at in isolation.

The Gunnison Basin Ag Needs subcommittee has determined that there currently is an Ag shortage of 127,000 af in the Gunnison basin. If there is a marketable pool, how do we decide who gets that?

If we can't eat food or drink water, nothing else matters.

In four ditches in the Arkansas Basin, the infrastructure that is needed is huge, because we don't have storage facilities. We couldn't put another 100,000 af in Pueblo Reservoir at this time.

How do we solve infrastructure issues?

Eric Hecox: People in both groups are willing to talk about this issue. Eric recommends that the two roundtables could work on this issue together, rather than just move it upward to the IBCC or CWCB. Alex Davis echoed this recommendation.

Yes, the enabling legislation would allow the marketable pool to be used for consumptive needs.

In 1999, Lake Powell was almost full; today it's at 58%. Where is this extra water? Could the Arkansas RT help the Gunnison get Lake Powell a little fuller, so that the Gunnison is more comfortable with letting other West Slope water go?

1. If there is water available, how should it be used?
2. Conservation
3. Both basins have an invested interest in avoiding a compact call. It's in nobody's best interest to over-allocate the water.

Lake Powell and Lake Mead were built for the very purpose they are being used for now. They weren't meant to always be full. They were designed to fluctuate up and down.

Using the Marketable Yield Pool to avoid a compact call is different from using the marketable yield pool for a trans-mountain diversion.

We've got 4 years invested with IBCC. The Front Range is going to thirst to death by 2050, and the West Slope says not one more drop. It seems like we have an opportunity to do something positive with the

marketable pool. Would you rather have the State control 200,000 af of new storage or be at the mercy of the Bureau of Reclamation?

The West and East slopes both worry about a compact call. Estimates range from 0 to 1,000,000 af of water in the Colorado River Basin. Let's assume there's 350,000 af. Can we use Blue Mesa as an insurance policy against the compact call? If you look at the mechanics of determining a compact call, we'd all be dead before a decision would be made. Here's a chance to agree on a solution that benefits all water rights holders that have rights junior to 1922. Can we agree that we'd like the State of Colorado to control that water? Can we start there? Yes.

Can we come up with a Joint Resolution?

Yes, but some fundamental questions need to be answered before we get very far down this road.

We're shifting from what to how.

The CWCB was asked to look for smaller incremental projects – looked at the Taylor Park area. Most if not all of the viable small projects were already IPPs. Those that aren't IPPs are already being pursued by others.

The CWCB looking at a Blue Mesa Pumpback is a very different conversation than what we do with the marketable pool. That information will be available very soon.

We should start with finding out what kind of a marketable pool there really is. That was also before the Black Canyon and the re-operation of the Aspinall Unit. Could we ask State Staff for an estimate of the marketable pool?

The two roundtables could jointly ask the CWCB to do that analysis. Or the 2 roundtables could get together and do that analysis. Eric proposed that the two roundtables work together with the assistance of the CWCB to look at the marketable pool to see whether it can be used as a contingency for a compact call. The two roundtables ask that the state look at all the state's water as a whole to protect against a compact call.

Perhaps the roundtables could start working on criteria for the negotiation of an actual contract with the DNR. This could be done at the same time the studies are being done.

Lets sit down together, frame what we think the issues are at Blue Mesa, make a memo. Let's start there and drive the process, rather than ask CWCB to do it.

Let's set a time limit - set another Joint Roundtable meeting to discuss that. What if we form a joint subcommittee to work on it in the meantime.

Let each roundtable discuss the subcommittee progress in August, and meet jointly again in September.

Let's take the lead. We will ask CWCB to come with technical & administrative support. Eric agreed to help.

To close, Gary reminded participants to either be on the subcommittee or honor the work of the subcommittee.

Interested RT members discussed two sub-committees after adjournment: Marketable Pool and Demand Management.

Meeting was adjourned at 3:04 pm.

Respectfully submitted,
Jay Winner