Proceedings of the Statewide Roundtable Summit

Thursday, March 3, 2011, Westminster, CO



EXECUTIVE SUMMARY

On March 3, 2011, the Statewide Roundtable Summit drew participants from all corners of Colorado to discuss how to move forward with planning for the State's water supply future. The Summit was designed by the Public Education, Participation and Outreach Workgroup of the IBCC as an opportunity to meet fellow water supply planning cohorts from around the state and continue connecting the activities and entities within the Basin Roundtable process. Lively dialogue at the Summit centered on the role of the roundtables and the IBCC Framework. Of the 275 people that registered for the Summit, 128 were from a Basin Roundtable or the Interbasin Compact Committee, representing about 40% of the roundtable community (see table below). Of the remainder of participants, 22 were supporting staff and consultants, and 125 were members of the interested public. The latter represented government agencies, water providers, engineering firms, non-profit organizations, congressional offices, and academic institutions.

Roundtable	Members in Attendance	% Registered BRT Members
Arkansas	21	40%
Colorado	16	47%
Gunnison	15	47%
Metro	13	48%
North Platte	5	31%
Rio Grande	6	20%
South Platte	22	43%
Southwest	11	32%
Yampa/White/Green	10	45%
IBCC or BRT Liaison (who are not members)	9	N/A

This document provides a summary of the day. Additional detail, including complete notes, can be found by going to the Statewide Roundtable Summit <u>webpage</u>.

Morning Speakers' Take-Home Messages: Governor Hickenlooper, Eric Hecox, IBCC Subcommittee Chairs, and Heather Bergman

Governor Hicklenlooper welcomed attendees with a keynote address. In this, he noted that Colorado has the needed data, cooperation and collaboration to move forward with statewide goals. In the **short-term**, the Governor recommended leaving Water Supply Reserve Account and CWCB funds intact in order to begin implementing projects from an integrated approach and he asked the IBCC to identify top priorities at their next meeting. In the **mid-term**, the Governor urged the roundtables to work with all interests in their basin on a portfolio approach to address consumptive and non-consumptive needs. In the **long-term**, the Governor stressed that the future of Colorado depends on meeting municipal and industrial needs without compromising agriculture or environmental and recreational resources. He closed by charging the IBCC, CWCB and the basin roundtables to continue addressing the challenges that we face with collaborative solutions, and ultimately asking for a detailed plan on how Colorado is going to share its water resources to meet our consumptive and nonconsumptive water supply needs.

Eric Hecox followed by giving an update on what has changed for the 2010 Statewide Water Supply Initiative. Eric offered responses to recurring questions concerning the fundamental need to have a framework and continue statewide water supply planning. Those recurring questions and brief responses based on SWSI 2010 are below:

1. Can't we just control our population?

Colorado's population is expected to nearly double from about 5 million people to 10 million by 2050. Half of this growth is from births over deaths, so we would need to accommodate for population growth even if all in-migration ceased. The other ½ from in-migration is to fill jobs that are expected to be needed in Colorado. In terms of magnitude, most of this growth will be on the Front Range, but in terms of growth rate, the biggest challenges will be on the West Slope. Unless we want to limit or reduce job growth, it's not a question of whether we grow, but how we grow. One recommendation is that local entities should consider a closer connection between land use planning and water supply planning with encouragement and support from the state. This could help reduce the amount of water per person that is needed.

2. Can't we just use less water?

Depending on the population growth projection, Colorado will need between 600,000 and 1 million acre feet of additional municipal and industrial water supplies, even after taking into account passive conservation. Since 2000, statewide water needs for each person has decreased by about 18 percent statewide. Projections assume this is permanent and that all of passive conservation will be used to meet new demand, which are big assumptions. Additional conservation will be needed to meet those future demands, and is part of the overall portfolio. However, conservation alone is not sufficient to meet all of Colorado's future water supply needs.

- 3. Do nonconsumptive needs really deserve equal treatment as consumptive needs? Environmental and recreational values will continue to be important. In many areas the local economy is dependent on these amenities. Much of the reason we have job and population growth is because of Colorado's recreational and environmental opportunities. Businesses move here or stay here because of this. In order to move forward on water projects, environmental needs will have to be met. Roundtables identified where the nonconsumptive values are and are now working to determine projects and methods to meet the needs.
- 4. Does it really matter if Colorado's agriculture dries up? / Does the whole state agree we need to have a viable ag industry in the South Platte? / Isn't ag going to dry up anyway and we're just delaying the inevitable?

The status quo portfolio leads to a significant reduction in irrigated acres, especially in the South Platte which could lose an additional 35% of acreage. Such large-scale dry-up would have adverse economic and environmental impacts. In addition, the state's agricultural economy is linked: a concern is the potential diminished ability for cattle to be finished and slaughtered and for agricultural products to be worked into the supply chain. Therefore there is a statewide vested interest in preventing the status quo. In addition, there are upward pressures on agricultural economies from the need for food security, proximity of food supplies to population centers (buying locally), and the need to feed the 5 million new people. Therefore, dry up is not inevitable.

5. Isn't water available from other basins aside from the Colorado River? / Is water available in the Colorado River?

Historical records indicate Colorado River supplies are still available to develop, although there may be local scarcities. Water supplies in other basins are extremely limited, especially when taking into account the projects that water providers are planning on implementing. The framework considers opportunities to develop Colorado River water supplies while mitigating for risks.

6. Do we really need a portfolio of solutions?

In order to avoid the status quo, Colorado is going to need a mix of solutions. On paper we might be able to meet future M&I needs with any one strategy, but that would not meet our water management objectives. Ag transfers would dry up irrigated lands in the South Platte; a large new water supply project brining water from the West Slope east may cause unacceptable harm to the environment; too much conservation could negatively impact flows on the South Platte river; neither the planned projects nor conservation is sufficient to meet future needs. Therefore we need to pursue a mix of solutions and do so concurrently.

As charged, a framework was submitted to former Governor Ritter and Governor Hickenlooper by the Interbasin Compact Committee on 12/15/2010. This emerging framework is a summary of their work over the past several years in crafting strategies to meet Colorado's future water needs. The Chairs of each IBCC subcommittee gave a brief report on their respective components of the framework.

Heather Bergman, facilitator of the IBCC, then gave a presentation of the feedback received during January and February 2011 basin roundtables and the public on the IBCC framework. Feedback on the framework has taken two forms: quantitative polling or survey data and qualitative suggestions for improvement. The overall results indicated that:

- A majority in each BRT and 74% of BRT members overall believe the framework is good or very good (only two members thought it was excellent).
- A majority of the public agrees that the framework is good or very good.
- Specific comments:
 - The framework is a big, first step
 - Tries to balance gives and gets across the divide
 - Focuses on "yes/and" rather than "either/or"
 - Acknowledges that there is more to discuss and do
 - o Emphasis on balancing all sources is important

There was about 30 minutes of questions from the audience to the subcommittee chairs and CWCB staff.

Table Discussions on Water Supply Solutions

In order to facilitate an in-depth discussion on the components of the IBCC Framework and the roles of the roundtables in moving forward, each participant was assigned to a table based on their stated preferences of the six topics outlined below. The tables were designed to be geographically diverse and represent a variety of interests. Each table was moderated by an IBCC member to guide the discussion with PEPO and staff members taking detailed notes. Every table was asked to discuss two questions. The first of which is detailed below. The second asked how the table would suggest the particular framework component they were considering be moved forward over the next 18 months in the IBCC work plan, within the roundtables and through the CWCB.

New Supply (six tables): How could the framework better balance the risks and benefits associated with developing new water supplies while enabling unappropriated water to be used on both the West and East Slopes of Colorado?

Conservation (four tables): If increased conservation levels helped ensure that new water supplies could be developed for both West Slope and East Slope uses, are the conservation elements in the framework appropriate?

Alternative Agricultural Transfers (six tables): How can the framework facilitate alternative agriculture transfers that are geared toward balancing the needs of agriculture, municipal, industrial, and environmental interests on a statewide basis?

Identified Projects and Processes (five tables): Assuming IPPs will be needed to help meet the water supply gap, how can the framework strike the right balance between helping to move some IPPs forward responsibly and not jeopardizing other interests?

Nonconsumptive (four tables): How could the framework better ensure that the nonconsumptive guiding principles are met while meeting the statewide water supply gap?

Framing It All Together (three tables): What is your overall vision for how the IBCC, roundtables, and CWCB should work towards meeting our future water challenges?

In addition each table was asked to address the following questions if time allowed:

- 1. How can we sequence the four supply components (IPPs, conservation, alternative agricultural transfers, and new supply development) without leading to a crisis in the future? How do we start the planning process on a new supply project now while ensuring/encouraging strict conservation measures on the Front Range?
- 2. During polling and discussions on the framework, roundtable members in each basin indicated that their basin is giving up more than it is getting. What changes are necessary to help each basin feel that it is getting more than it is giving up?
- 3. Are all needs and uses equally important? Or is it most important to focus on addressing the M&I need with the least damage to agriculture and the environment? What should the IBCC framework say regarding priorities?
- 4. How can (or should) the framework address trust trust in the process and trust between entities, agencies, basins, etc.?
- 5. Are there any changes to water law that are needed (i.e., in the areas of reuse, agricultural efficiency, alternative agricultural transfers, etc.)? If so, what are those?

A summary of the table discussions is included below.

Pioneering Solutions and Future Collaborations

The afternoon sessions of the Summit including three breakout tracks and one plenary that explored cross-basin and collaborative approaches addressing multi-purpose solutions.

Future of the Roundtables: Stepping Up or Standing Down: State funding, potential partnerships and the future of the basin roundtables

Panelists discussed State budget issues and how to reconcile funding with the need for implementation. The conversation focused on how the IBCC and SWSI have pointed towards an implementation phase and CWCB will be working with each roundtable to put together portfolios of solutions. Highlights of the discussion included:

- Roundtables are a forum to build understanding of the needs and advocate for solutions, such as nominating projects for implementation and integrating consumptive and nonconsumptive needs
- Many roundtables are setting examples of cross-basin collaboration and more west-east slope meetings are needed
- Some roundtables are more ready for implementation than others. Short-term implementation has been on conservation and IPPs, long-term on new supply and ag transfers. Most basins need greater specificity on IPPs to move forward.
- The IBCC framework can serve as a template for a compact and set acceptable guidelines across basins such as the global settlement process
- There is an opportunity for greater structure and communication between the roundtables and the IBCC in order to be most effective
- CWCB is making decisions based on the perspectives and experiences of the IBCC and roundtables and how CWCB can best support the process will be defined

Nonconsumptive Needs: Building off the success of the 10,825 process, multi-purpose projects, and the Watershed Flow Evaluation Tool

Panelists gave examples of successful and collaborative approaches to meeting nonconsumptive needs around the state. The discussion highlighted how consumptive and nonconsumptive needs are not always in conflict and can be integrated as we move forward with solutions, such as:

- The process of identifying nonconsumptive needs has united some basins around the state, such as the Colorado, in understanding common values and priorities.
- Opportunities exist for landowners to partner with environmental organizations and municipalities to enhance ecological values and increase land values while maintaining flows.
- When environmental and recreational flows are in conflict, parties can learn from others that have achieved voluntary flow agreements benefitting all involved. Multi-purpose water projects are a way to build in flexibility for meeting future needs.
- Tools exist for creating a common platform and quantifying nonconsumptive needs. These evaluations can identify sites where greater specificity is needed.
- The nonconsumptive community will achieve greater success if long-term identification of needs is done in conjunction with consumptive needs.

Pressures on Agricultural and Urban Water Demands: Building off lessons learned from the Super Ditch, South Platte Water Co-op, Rio Grande groundwater management plans, and municipal experiences to bridge the urban-nonurban divide

Panelists gave examples of collaborative arrangements that protect agriculture while plan for municipal and industrial water demands. The audience was provoked to think about how to address existing and future barriers in order to increase the viability of such arrangements. The highlights of the discussion included:

- Arrangements should be open and transparent and follow existing water law.
- Water provided must be a permanent supply for a municipality to rely upon to meet future demands with the option of leasing the water back to the farmer until it is needed or leasing reusable return flows for augmentation use by agricultural organizations.
- Colorado water law should provide basin-specific flexibility to promote irrigation efficiency and accommodate conserved agricultural water to meet future M&I demands.
- In order for local farmers to buy into the concept of rotational fallowing rather than the traditional buy and dry process of providing water for M&I demands, they need to see the benefits of doing so, such as reduced transaction and conversion costs.
- Additional pilot studies are needed to demonstrate the impacts and benefits of these arrangements.

Challenges with New Supply: Building off lessons learned from the West Slope Water Bank, the Blue Mesa Workgroup, and other experiences to bridge the east-west slope divide Panelists gave examples of successful in-basin or cross-basin initiatives related to new supply development. The proceeding discussion focused on new supply's overarching principles that would have universal applicability as well as balancing and protecting interests on both sides of the divide, including:

- Future success will depend on continuing a transparent dialogue and including all perspectives at the table. Establishment of a task force can identify and address critical issues up front.
- Water banks indirectly affect storage. These collaborative processes can decrease the likelihood of compact curtailment and define a process for mitigating potential impacts
- Revenue for new supply can come from large municipal and agricultural users that have established water sharing and reuse arrangements.
- A uniform set of criteria for new supply is needed to move forward cooperatively

Summary Compilation of Table Discussions

John Stulp summarized the table discussions from the morning. The table discussions are summarized in more detail below.

General

- Additional discussion and progress will require trust, which is still lacking between some stakeholders. We need to build trust and increase engagement and partnership between the IBCC and the basin roundtables (BRTs), between the basins, among advocacy groups, with the public, and with State and Federal agencies.
- There is a need for greater transparency on water availability, water consumption, water conservation, water planning, etc. Transparency facilitates trust.

- Broader education and outreach is needed to increase participation and understanding on the role of the IBCC, CWCB, and the BRTs; on the balance of gives and gets in the framework; on the sources of Colorado's water supply; on the complexities of Colorado water law (including seniority and return flows); and on the gap and the need for everyone in the state to do their part. This is between basins, with state and federal agencies, and the public.
- Developing sustainable funding and ensuring wise spending of current resources is critical. We should begin prioritizing to get the biggest bang for the buck and advancing "the low-hanging fruit" with available resources.
- Implementation needs to begin and accelerate. People need to see results of all these discussions.
- Specificity is important; additional detail will help build agreements and identify remaining problems to be addressed. Consider a statewide water plan.
- Increased regionalization may increase cooperation. One size does not fit all, and we can build geographic partnerships to tailor solutions to specific areas and problems.
- There is a need for a larger role of the BRTs. BRTs have unique knowledge and can explore issues and solutions in a regional context. Basin Roundtable vacant positions need to be filled.
- Eighteen months is not long enough to develop solutions to decades of problems. There are a lot of creative ideas and suggestions for next steps are emerging from discussions at the Summit. We need to gather these and consider if/how to explore them.
- Complete set of decision support system modeling tools statewide. This will allow for the ability to model future projects, quantify nonconsumptive needs, and model the impacts of climate change.
- Define what a state water project would be and if it would be helpful.

New Supply Development

- More specificity is needed on the new supply components of the framework, particularly regarding options and approaches for risk management on the West Slope and the East Slope (including new or expanded storage), definition and operation of a trigger, protection against and management of a Compact Call, the amount of water available (if any) for diversion, and the specific of a new supply development project (location, ownership, financing, seniority, role of the State, etc.).
- 1041 is a matter of great interest and there are a variety of perspectives on the issue, especially about the degree of certainty or uncertainty that 1041 provides for a variety of stakeholders. Additional discussions of benefits, concerns, and options are needed.
- There are examples of cooperative efforts that meet multiple interests, like Aspinall. We should explore these examples, learn the lessons they offer, and build on them.

Conservation

- Additional work is needed to explore unintended consequences of conservation and reuse.
- Some mandates or tools included in the framework may not be politically viable. Incentives may be a more effective approach, although the cost is higher.
- Several concepts are absent from the framework: conservation retrofits, rural water use/users, land use planning, and reuse. Additional consideration of these issues is needed.
- Additional work is needed to clarify how conserved water will be used and how much can be applied to the gap.

- Better understand how conservation and developing water work together.
- One size does not fit all. In different areas of the state, conservation is needed for different reasons, can be implemented differently, and will yield different results.
- We need to explore Colorado water law to examine options for agricultural efficiency and augmentation credits and to look for ways of mitigating the constraints of "use it or lose it" doctrine.
- Develop model codes for conservation.

Nonconsumptive Needs

- Nonconsumptive needs need to be considered on their own, as well as with water supply projects. Prioritizing and implementing nonconsumptive projects and methods is critical.
- We need to balance and/or integrate consumptive and nonconsumptive needs.
- Discussions, studies, and projects about nonconsumptive needs are lagging and lacking; we need to advance the non-consumptive conversation.
- Consider nonconsumptive needs early in project development; design to address them.
- Quantification of needs is critical. Data that is accessible by the public would be good.
- More work is needed to integrate/reconcile nonconsumptive needs and agricultural uses.
- When considering mitigation for all entities the approach should be "no gain, no loss" for the environment.
- Quantify the costs of meeting nonconsumptive needs. Incorporate nonconsumptive costs into water supply projects.
- Identify sustainable funding for nonconsumtive needs (like GOCO or habitat stamp).

Alternative Agricultural Transfer Methods (ATMs)

- We need to develop water markets for agricultural transfers.
- There is a need to increase infrastructure to increase transfer and storage flexibility, especially for better water markets and ability to use alternative transfer methods. Include both east/west and north south alignments.
- It would be helpful to quantify the amount of water that could come out of agriculture.
- Strong rural economies keep people from selling their agricultural water.
- There are a lot of options and creative ideas related to transferring a portion of water and leasing agricultural water to municipalities that have not been sufficiently explored.
- Focus dry-up on marginal lands.
- Look at statutory frame for opportunities that would better allow for alternative agriculture transfer methods to move forward and gain traction.

Identified Projects and Processes (IPPs)

- What is the proper role of the State, the IBCC, the BRTs, other stakeholders, and the public in evaluating and/or facilitating IPPs?
- There are other tools for facilitating IPPs that are not included in the framework, such as early convening of stakeholders and the public for discussion, requiring State agencies to share their evaluation criteria, and encouraging multi-purpose projects.
- The framework should address improving existing infrastructure.
- We need a framework to reconcile and integrate consumptive and non-consumptive IPPs.

Fitting it all Together (FIAT)

• There needs to be more staff support for the basin roundtables.

- More joint basin roundtable meetings.
- Try role reversals (e.g. Colorado roundtable should think about what they would do if they were the Metro roundtable, and vice versa)
- Resolve IBCC, roundtable, and CWCB roles and responsibilities.

Moving Forward

There was considerable agreement between Governor Hickenlooper's remarks, the table discussions, the SWSI 2010 recommendations, and the IBCC framework. Some of the overlapping themes of the Summit included:

- \checkmark Implement where it can be done now.
- \checkmark Develop more specificity to the other elements so that they can be implemented.
- \checkmark Use the roundtables to guide this process from a regional approach.
- ✓ Build the level of trust across basins and between stakeholders and increase the level of engagement with the public, permitting agencies, and other stakeholders.
- ✓ Spend our current resources strategically and in a prioritized manner.

Over the coming weeks information laying out next steps resulting from the Summit will be provided. This will take into consideration results from the on-line follow-up survey, the notes provided herein, feedback from basin roundtable chairs, and other inputs.

Press Coverage of the Summit

Issues won't trickle, says governor's aide Time is now to assure state will have water for growth, Stulp says. By Chris Woodka, The Pueblo Chieftain, March 6, 2011 <u>http://www.chieftain.com/news/local/issues-won-t-trickle-says-governor-s-</u> aide/article_175c0b08-47a5-11e0-8fd0-001cc4c03286.html

Colorado water forum dowsing for solutions By Bruce Finley, Denver Post, March 4, 2011 http://www.denverpost.com/news/ci_17535848

Governor sees 'path forward' for water issues Hickenlooper tells roundtables they're on the right track for a statewide solution. By Chris Woodka, The Pueblo Chieftain, March 4, 2011 http://www.chieftain.com/news/local/governor-sees-path-forward-for-waterissues/article_7599f50e-4624-11e0-bacb-001cc4c002e0.html

Water, water everywhere for Colo.? Hickenlooper calls on experts to help quell regional conflicts By Joe Hanel, Durango Herald, March 4, 2011 http://www.durangoherald.com/article/20110304/NEWS01/703039917/Water-watereverywhere-for-Colo? Experts to sell public on water's value Roundtables splash into true cost, its part food prices and power. By Chris Woodka, The Pueblo Chieftain, March 6, 2011 http://www.chieftain.com/news/local/experts-to-sell-public-on-water-s-value/article_1fbfe8aa-47a5-11e0-880a-001cc4c03286.html

New crop of water ideas sown in valley For farmers, there will be more choices throughout the state. By Chris Woodka, The Pueblo Chieftain, March 5, 2011 http://www.chieftain.com/news/local/new-crop-of-water-ideas-sown-in-valley/article_1b167f86-46f0-11e0-b8f6-001cc4c03286.html