

**Interbasin Compact Committee
Gunnison Basin Roundtable Meeting**

**Holiday Inn Express
Montrose, Colorado
May 2, 2011**

Voting Members Present:

Thomas Alvey	North Fork WCD
Mike Berry	Tri-County WCD
Marc Catlin	At-Large Member
Cary Denison	Ouray County
Joanne Fagan	Ouray Municipalities
Steve Glazer	Environmental
Austin Keiser	Grand Mesa WCD
Frank Kugel	At-Large Member
Rachel Kullman	Montrose Municipalities
Henry LeValley	Crawford WCD
Olen Lund	Delta County
John McClow	House and Senate Ag Committees, CWCB Liaison
Bill Nesbitt	Gunnison Municipalities
Michelle Pierce	Hinsdale Municipalities
Hugh Sanburg	Industrial
Ron Shaver	At-Large Member
Steve Shea	Agricultural
George Sibley	At-Large Member
Ken Spann	Upper Gunnison River WCD
Bill Trampe	Colorado River Water Conservation District
Adam Turner	Local Domestic Water Supplier

Voting Members Absent:

Rick Brinkman	Mesa Municipalities
Allen Brown	Hinsdale County
Tim Decker	Montrose County
Wendell Koontz	Delta Municipalities
Dixie Luke	At-Large Member
Chuck Mitisek	Ute WCD
Neal Schwieterman	Recreational
Vacant	Gunnison County
Vacant	Mesa County
Vacant	Saguache County

Liaisons and Non-Voting Members Present:

Sharon Dunning (Assistant Recorder), Bob Hurford (CDWR), Dave Kanzer (At Large), Gary Shellhorn (USFS), Denis Reich (CSU Extension).

Public: Nicole Rowan (CDM), Greg Johnson (CWCB).

Welcome

The meeting was called to order at 4:00 p.m. by Chairperson Michelle Pierce.

Roll Call/Introductions

Following roll call it was declared that the membership was one member short of a quorum. However, eventually enough members arrived to make a quorum.

Approve Agenda

Ken Spann wanted to add a possible ratification to item 4 on the Agenda.

Tom Alvey made a motion to approve the Agenda as amended. Frank Kugel seconded and the motion carried unanimously.

Approve April 4, 2011 Meeting Minutes

Frank Kugel requested a change to minutes at the top of page 2 to correct Mike Gibson's affiliation from San Luis Valley Water "Conservation District" to "Conservancy District."

Ron Shaver made a motion to accept the April 4, 2011 meeting minutes as amended. Tom Alvey seconded, and the motion carried unanimously.

Report from the IBCC Representatives

Bill Trampe stated that he had attended the IBCC meeting the previous Friday and that it was well attended. There are new members on the Committee from the North Platte and Yampa Roundtables. The general atmosphere was to push the IBCC to identify projects and move forward with them.

He passed out the subcommittee report that had been put together since the State summit. The report lays out what each subcommittee wants to do from now until June. They spent a lot of time talking about the agendas of the subcommittees. He was a little troubled about some discussion regarding moving projects forward without much concern about risk management, and was told they would get back to risk management in June. The IBCC is trying to determine demand at specific areas rather than total demand. The IBCC and CDM would like the Roundtable to wrap up the Needs Assessment processes by the June 23rd meeting, at which time they will have new chores for the basin roundtables.

Olen Lund also attended the meeting and stated that he wasn't sure which direction the IBCC was headed, and that he felt they didn't know what to do with "grass roots" or what to do with the Roundtables. He was also disappointed that the letter from the Roundtable was not distributed in the packet for the meeting, but they were distributed later at the meeting and was not sure how many IBCC members read it. Bill Trampe mentioned that Director Stulp did apologize that the letter was not included in the packets.

Hugh Sanburg made a motion to ratify the IBCC report by the IBCC Representatives. George Sibley seconded and the motion carried unanimously.

Report from the Educational Committee

George Sibley stated that he had nothing to report that would not be covered later in the meeting.

Report from CWCB Representative

John McCloy stated that there had been no meeting since the last roundtable meeting. A CWCB planning session meeting is scheduled for the following day, and the next CWCB meeting is scheduled in two weeks.

1. Agricultural Shortages – Report from SWSI 2010 Gunnison Basin Subcommittee.

Tom Alvey stated that they met and discussed the portion of the report regarding the Gunnison Basin. They included categories and projects that fit those categories. He asked that anyone with further input to let them know quickly. He also asked for input for the category “efficiency.” The report will need to be wrapped up for the most part by the end of the month.

Steve Glazer added that he thinks it is important to identify water quality as an important factor in protection of our beneficial uses of water, and feels that there are at least three IPP’s that need to be added to that part of the report.

2. Non-Consumptive Needs Assessments – Introduction to Phase 2 Report.

Steve Glazer stated that he would like to take action to formally make the final draft introduction part of the Phase II report. Steve then made a motion to adopt the Phase II Non-Consumptive Needs Assessment report as ratified earlier by the Gunnison Basin Roundtable (Attachment A). Steve Shea seconded and the motion carried unanimously.

3. SWSI 2010 Basin Reports – Nicole Rowan and Greg Johnson were present to discuss the status and timeline for the submission of the SWSI 2010 Basin Reports.

They had no presentation, but were there to answer questions and looking for input on the conclusion section. Greg suggested pulling material from the letter to Director Stulp as a beginning for the conclusion section.

4. Response to Proposed IBCC Framework – The final draft of this letter was mailed to IBCC Director John Stulp on April 22, 2011.

Ken Spann thanked all who helped with the letter to Director Stulp (Attachment B). Ken then made a motion to ratify the action of the chairperson in sending the letter to John Stulp, the Director of the IBCC, in response to the Proposed IBCC Framework. Bill Nesbitt seconded and the motion carried unanimously.

It was suggested that the letter also be sent to the Governor, as well as to the Legislators. John McClow made a motion to send carbon copies of the letter to each of the State Legislators. Ron Shaver seconded and the motion carried unanimously. Michelle Pierce agreed to send the letter.

5. Proposed Education Plan

George Sibley presented and discussed the draft education plan slideshow that is being developed. George asked for help on the agricultural issue. The slideshow is a twenty-five minute presentation that will be given at the State of the River meeting taking place next month after the next Roundtable meeting.

6. Presentations to Roundtables – The Roundtable members discussed whether a committee should be formed to develop a new presentation and travel to the other eight other Roundtables to give updated information during their upcoming meetings.

Bill Trampe mentioned that the IBCC is going to request the roundtables start working with modeling and develop their own user framework and develop their own mid-supply/mid-demand portfolios, and then share them with other roundtables.

The volunteers for this committee are: Michelle Pierce, John McClow, Olen Lund, Hugh Sanburg, George Sibley, Adam Turner, Bill Trampe.

7. Four West Slope Roundtable Meeting – There will be a four West Slope Roundtable meeting on Thursday, May 26, 2011 at the Ute Water Conservancy District Office in Grand Junction. The Roundtable members discussed an overview of the Agenda, and Michelle asked for input. She will be in a conference call with the other three West Slope Roundtable Chairs to refine the Agenda. Michelle encouraged the members to attend the meeting.

8. Retirement Reception for Dick Margetts – There will be a reception on May 26 from 6:00 – 8:00 p.m. at the Holiday Inn Express for Dick Margetts who is retiring at the end of May.

Next Meeting

The next regular meeting of the Gunnison Basin Roundtable will be at 4:00 p.m. on Monday, June 6, 2011.

Adjourn

There being no further business to come before the Roundtable, the meeting adjourned at 5:40 p.m.



Mike Berry, Recorder

Action Items

Michelle Pierce to send copies of the Stulp letter dated April 22, 2011, to the State Legislators.

Attachment A

GUNNISON BASIN ROUNDTABLE NON-CONSUMPTIVE NEEDS ASSESSMENT PHASE 2 REPORT

BACKGROUND/INTRODUCTION

In 2005, the Colorado Legislature adopted HB05-1177, the COLORADO WATER FOR THE 21st CENTURY. Section 37-75-104 authorized the formation of Basin Roundtables. “37-75-104(1)(a) to facilitate continued discussions within and between basins on water management issues, and to encourage locally driven collaborative solutions to water supply challenges...” (2)(c) directs each Roundtable to develop a basin-wide consumptive and non-consumptive water supply needs assessment ... and propose projects or methods, both structural and non-structural, for meeting these needs....

With guidance and assistance from the CWCB and its contractors, each basin identified and mapped the non-consumptive (environmental and recreational) attributes and needs in our basins. This was phase 1 of the assessment. In the Gunnison Basin, we prioritized 21 segments where there was an aggregation of attributes and needs. These segments covered both warm and cold water eco-zones as well as flat water and stream boating and fishing activities. We also included segments with impaired water quality that interferes with attaining the identified beneficial uses of water. A purpose of phase 1 was to identify segments that require strategies to help maintain properly functioning riparian and aquatic ecosystems; segments where recovery of fish or riparian function restoration is needed; and to identify segments where water quality remediation needs and efforts are underway or being organized.

In the Gunnison Basin Phase 2 involves a description of management strategies that address these non-consumptive needs. Some of these strategies were developed through hard-fought legal battles while others were developed through collaborative, pro-active stakeholder efforts. Since natural hydrologic cycles involve dynamic and variable conditions, most if not all of these efforts are ongoing and involve adaptive management.

Many of these strategies include a quantification of flow needs or targets while others involve restoration goals that can be described as either short term or long term. A description of these management strategies was ratified by the Roundtable in August 2010 and is attached.

CONCLUSION/RECOMMENDATIONS

A key element to maintaining the effectiveness of these strategies is not only to work at assuring their continued funding but to also protect and enhance the integrity of these strategies by resolving that future water development projects will avoid or reduce and mitigate their impacts to the attributes we have identified. To accomplish this, we need to integrate non-consumptive needs into planning efforts of future water supply projects.

New water development projects to meet consumptive needs can have impacts or benefits

to environmental function (both riparian and aquatic) and to recreational opportunities of our waterways. A significant contribution to our economic wellbeing relies on maintaining healthy stream flows. To avoid new conflicts, new projects can be designed with multifaceted aspects that can not only provide new supplies but also protect these functions. It is the advice of this Roundtable that proponents of new water projects be respectful of the environmental and recreational attributes that we have identified and that we deem worthy of continued protection, restoration and enhancement.

The Roundtable recognizes that it has no authority to require adherence to these principles but all project proponents will be asked to consider how their project might improve, or at least not damage, nearby identified nonconsumptive uses. Respect for the common-ground values identified and ratified by consensus will facilitate a smoother path to approval and implementation of new water supply projects. To back this up, the Roundtable can and does offer incentives. We have a grant program for use within our basin to fund studies, to fund design and engineering to prepare projects as well as to assist with actual construction. We also offer support for worthy projects that compete for a larger pool of statewide funds that are available. This support can also be used to encourage other funding opportunities available from a diversity of sources, both governmental and non-governmental.

This report should not be taken as a final word on identifying all of the attributes or challenges to protecting these resources or restoring them. The Gunnison Basin Roundtable recognizes that more can be done to protect, conserve and restore our treasured resources. Wise land use planning and land conservation efforts are important tools that can be utilized to maintain properly functioning riparian and aquatic habitat that contribute to ecosystem.

We request and hope that the entities represented on this Roundtable and elsewhere will utilize their authorities to follow a path that reduces conflict and achieves the goal of meeting our future needs by acknowledging that our activities create impacts that can and should be avoided or minimized and mitigated.

Attachment B

The Gunnison Basin Roundtable

April 22, 2011

Mr. John Stulp
Director, Interbasin Compact Negotiations
Interbasin Compact Committee
1580 Logan Street, Suite 200
Denver, CO 80203

RE: Gunnison Basin Roundtable Comments on the IBCC Framework Document for
Consideration at the April 29, 2011 IBCC Meeting.

Dear Director Stulp and IBCC Members:

Thank you for this opportunity to formally respond on behalf of the Gunnison Basin Roundtable to the IBCC framework document. The comments below were developed after careful review of the framework document, input from Roundtable members at two formal Gunnison Basin Roundtable discussions, and from members of the public. In addition, 15 current members of the Gunnison Basin Roundtable attended the March 3, 2011 Statewide Roundtable Summit in Westminster to become further informed. Our Roundtable wishes to sincerely express its appreciation for the tremendous effort that was made by the various subcommittees of the IBCC to begin to frame the issues and present them in a coherent fashion.

The opportunity to meet together as a Statewide Roundtable Summit was very useful and we would encourage you to provide that opportunity again in early March, 2012. We support the concept of a framework to guide water development over the long term and believe the IBCC has taken a meaningful step in a positive direction.

A. The Big Picture.

All of the discussion thus far has centered upon the need for the State of Colorado to fill an anticipated Gap between expected needs and the projected available water supplies by the year 2050. In Western Colorado, the driving force is not meeting the M&I needs of the Front Range, but rather, meeting the needs of our own growing and diverse communities and agriculture, while avoiding any curtailment in use resulting from our obligations under the Colorado River Compact of 1922 and the Upper Colorado River Basin Compact of 1948. Therefore, we place great importance on clearly understanding the amount of water being currently used in the Colorado River Basin, available in the Colorado River for future use in Colorado, and available to meet our compact obligations downstream. That is why our Roundtable is anxiously awaiting the timely completion of the Colorado River Water Availability Study. We want to move forward meaningfully with assessing the real risk to existing water users of further large scale development of Colorado River water.

Moreover, in the Gunnison River Basin, agriculture is the foundation of our local economies. While tourism-recreation, education, and government

services are growing segments, agriculture provides the basis upon which most of the communities are shaped culturally and economically. The needs assessment required by HB 1177 has resulted in a very detailed summary of current agricultural water shortages that total nearly 128,000 acre feet per year with an additional current 54,000 acre foot shortage for M & I uses in the Gunnison Basin. Those figures have recently been further refined by detailed GIS mapping from CDM which is just now being reviewed by the Gunnison Roundtable.

B. The Colorado River, the Colorado River Compact, and New Supply Development.

During the March 3, 2011 Statewide Roundtable Summit in Westminster, representatives of the State announced from the podium that there was water available for development in the Colorado River...“up to potentially 900,000 acre feet annually”. To many in the Gunnison Roundtable, that statement was a significant and unfortunate overreach of the facts on the river. While it may be true that Colorado River Compact entitlements are not fully utilized, to plan on the possibility of that quantity remaining carries significant risk of eventual large scale curtailment of existing users. Creating an expectation that water of that magnitude remains available in the Colorado River system to meet Colorado’s needs is unrealistic and irresponsible. We think a more measured approach is merited, one that recognizes that the lower end of the projected range is closer to reality when the consequences of overdevelopment are considered.

Also, there is a presumption in the framework document that further development of the Colorado River: 1) should be used to address both East and West Slope needs, and, 2) a goal is to allow for full development of Colorado’s Colorado River Compact allocation.

As to the first point, we believe that a discussion should be had as to the importance of meeting needs on the Western Slope first before allowing further East Slope development of Colorado River water. There should not be an assumption that the basin of use will be treated equally with the basin of origin. Consumptive and non-consumptive uses on the Western Slope should be carefully and promptly addressed as the most cost efficient means of utilizing the remaining compact entitlement before Front Range demand is addressed.

Secondly, the Gunnison Basin Roundtable recognizes that as a State we must plan to meet our downstream obligations under the Colorado River Compact, recognizing that there is a range as to what those ultimate legal and physical obligations might be. However, we are concerned that a blind rush to full development carries with it an unacceptable risk of over-appropriation with attendant consequences, especially to existing users, as has occurred on the South Platte, Republican, and Arkansas River systems.

C. The Five (Six) Part Framework.

We fully support the general outlines of a five part framework proposed by the IBCC, with the following comments and observations, and the addition of a sixth part: “Demand”. We understand the importance of aggressive pursuit of conservation, reuse, and IPPs to minimize risk and delay the need for new supplies and additional agricultural transfers.

1. IPPs

While the Gunnison Basin Roundtable supports much of the discussion developed by the IBCC Subcommittee on IPPs, there is substantial disagreement with the statement that "the State of Colorado become public advocates for a project" and that there be "Direction to publically advocate for a project from the Governor...shared with all State Agencies". As presented, this proposal represents a fundamental shift in the role of the several state agencies and processes and should be withdrawn. There is not support in the Gunnison Basin Roundtable for the State as an advocate of a particular project, except insofar as advocating for the federal government to expedite review of projects and for federal funding of projects with established statewide public support.

The Gunnison Basin Roundtable supports the role of the State as a facilitator bringing interested parties together. In particular, there is considerable experience in the Gunnison Basin with the Colorado Joint Review Process and its resurrection may be a useful model for how to proceed. There is support in our Roundtable for the development of a clear sequential process of internal and external actions to move a project forward through the regulatory process, complete with deadlines and responsible parties clearly identified.

We also believe that significant opportunities for greater reuse of existing water supplies should be aggressively pursued. The notion of using introduced waters to extinction has a valid place in Colorado law and may provide significant reductions in the Gap. We sincerely appreciate the efforts on these issues to date and encourage broader application of the principles of reuse.

2. Water Conservation.

The Gunnison Basin Roundtable supports the concept of large domestic water providers taking every meaningful step possible to conserve water. The steps being taken by the large metro providers to conserve water are necessary and acknowledged. In particular, their efforts to manage the irrigation component associated with lawn watering shows results.

Members of our Roundtable expressed concern about the practicality of requiring high levels of water conservation by small and mid-sized rural domestic water providers. The cost of such requirements would not be offset by additional water yield, and the benefit would contribute very little in terms of new supplies. In our area, the Tri-County Water Conservancy District is implementing meaningful conservation steps, even though the actual water savings are relatively minimal.

As to increased agricultural efficiency, many of our Roundtable members noted that increased efficiency had additive benefits to other non-consumptive uses within the river systems. However, rather than first focusing on on-farm efficiency, instead prioritize rehabilitation, restoration and improvements to existing major diversion structures, head gates, and major control and distribution facilities. We have an aging infrastructure in irrigated agriculture in many locations in the Gunnison Basin and improving and restoring those facilities would provide direct benefits. The challenge for these activities remains adequately funding those improvements and having all interests who benefit participate in

bearing the cost. If the focus is solely on direct on-farm efficiency, there may be reductions in historical return flows to immediate downstream farms and neighbors, while not necessarily freeing up additional water that can be efficiently captured for new uses.

3. Ag Transfers.

Dry-up of irrigated agriculture has considerable social, environmental and economic impacts. The Gunnison Roundtable recognizes that large scale dry-up of land along the Platte, Arkansas, Colorado, or even Gunnison Rivers is not in the long term best interest of our state and its economic and food security interests. One only needs to travel in areas of Colorado where the water has been removed to see the impacts (e.g. South Park, Crowley County, and Rocky Ford) to whole communities. Furthermore, no segment of our agriculture production in Colorado is or should be considered expendable to benefit another region. There should be no presumption that wheat grown in Weld County or lambs fed in Larimer County are more valuable than peaches from Palisade, sweet corn from Olathe, or beef from Gunnison.

The Gunnison Basin Roundtable concurs that transfers of water out of agriculture to make municipal or industrial water available should not become the easiest or "default" option to achieve new supplies. However, some of the proposals put forth may have only limited applicability due to climatic or legal factors and the subcommittee has correctly outlined additional technical work that needs to be done.

We support the development of new methods of alternative water transfers as opposed to simply buying and drying the land. Further, we recognize that not all methods will have applicability in all areas, but the concepts of alternative or rotational fallowing or long term leasing deserves further exploration and development. The challenge will be to provide essentially a firm new supply while maintaining a serious mode of long term agricultural production. On irrigated hay meadows, orchards, and other long term crops, the concepts of fallowing will probably not work.

4. Demand.

The Gunnison Roundtable suggests that the IBCC add "Demand" as an additional component of the framework. Changing the ultimate amount of water Colorado needs, or even the pace at which that demand is brought on-line could significantly affect the amount of water remaining in the river systems and provide for non-consumptive uses and drought protection. In our view, the IBCC process thus far has focused on finding new supplies to meet the anticipated increases in demand, and not enough on limiting or reducing what those water needs actually are.

On January 6, 2010, the Gunnison Basin Roundtable sent a letter to the IBCC requesting that the IBCC include in its deliberations in developing the framework discussions and ideas about affecting the demand for the M&I water that creates the tremendous M&I "Gap". A copy of that correspondence is attached and we renew our request that this issue be further developed.

Is there a clear connection between the concepts outlined in the IBCC Framework and the early Vision that the IBCC laid out for the future of Colorado? We recognize that land use planning has historically and appropriately occurred at the local level, but feel that an important part of the framework should be State incentives that encourage land use strategies

that minimize increases in demand for water, such as infill development and higher density that reduces thirsty landscaping. Another possibility is limiting those areas where growth can occur using conservation easements in the urban-rural interface or open land preservation like what has occurred in the Boulder Greenbelt. We need additional incentives that focus on what kind of Colorado we want in the future and on how much water we will need.

Passive conservation will contribute to reducing demand, but we would like the IBCC to examine State and local incentives for aggressive active conservation measures that permanently reduce demand. An example of such incentives is Las Vegas paying its residents to remove lawns or reuse to extinction of imported water. Another would be very aggressive graduated water rates that discourage unnecessary outdoor water use. We recognize that the current budget crisis makes it difficult to consider any additional expenditure of State or local funds for any purpose, but in the context of long term planning for the Colorado we want to see in 2050, we think that our economy will recover sufficiently to make these incentives a realistic possibility.

5. New Supply.

There are three components to the new supply framework: 1) locally developed new supplies, 2) large trans-basin new supplies, and 3) large permanent agricultural transfers. In the Gunnison Basin, locally developed new supplies are already being developed and improved. The Roundtable is playing a leadership role in bringing about those local improvements in our basin.

As to the new supply tasks outlined in the subcommittee report (page 34), the Gunnison Roundtable acknowledges that the tasks are necessary. All the tasks, but particularly the risk management and the conceptual outline for benefits and trade-offs, need meaningful discussion and feedback that reaches the grass roots level to promote understanding and develop trust. Our Roundtable is vitally interested in those topics.

We do agree wholeheartedly with the following recommendation in the framework documents:

"that the IBCC, CWCB, and the basin roundtables discuss the need for a detailed analysis of future risk and risk management strategies, taking into account information available under the Colorado River Water Availability Study, the Compact compliance Study, and other related work."

We strongly support the development of a risk management program for the Colorado River and the further commitment of time and resources to fully develop that concept. The Colorado River Water Conservation District has provided leadership on this issue and the concept has merit. This discussion must be meaningful, open and transparent. No successful resolution of these issues will be achieved if the process is not built on trust and disclosure. The conclusions reached based on the results of the Compact Compliance Study will affect millions of Colorado water users.

We are interested in an approach that not only minimizes, but possibly avoids entirely a future Colorado River Compact curtailment on all Colorado River users. We are interested in how this might be accomplished. To that end, we are exploring various mechanisms, including the availability of

storage space in the Aspinall Unit, and support the work of the Colorado River Water Conservation District, the Southwestern Water Conservation District, The Nature Conservancy, the Front Range Water Council and others in developing a water bank concept.

Regarding a water transfer fee, one of the difficulties that will need to be addressed will be to not only value the fee fairly, but to also value the project's impacts at their true cost. We are learning more about the true value of existing uses, the actual cost of the risk of a Compact call, and the relative and usually undervalued benefits of non-consumptive uses. The cost of new supply will be substantial.

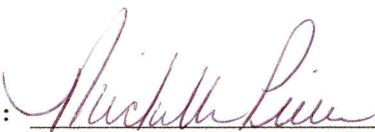
6. Non-consumptive Uses.

The Gunnison Basin has a number of very important non-consumptive uses across the basin. They are protected by a number of different strategies, some developed by hard fought legal battles while others were developed through collaborative, pro-active stakeholder efforts. We recognize that there is an important link between sustainable agriculture and a whole range of non-consumptive uses of water. Agriculture in our basin provides important return flows that sustain late season flows for fisheries and recreation.

The framework identifies funding as a critical component of protecting these uses. We concur. Developing sustainable funding options to help pay for protecting and restoring non-consumptive values will have statewide public benefit. It will also insure that those values have a seat at the table when multi-purpose project opportunities come forward.

In our Roundtable, representatives of the BOR, the CDOW, NRCS, and the USFS make important and significant contributions. While not supplanting the primary roles of the various Roundtable and IBCC members in this process, their input, cooperation, and assistance is important and should be encouraged as this dialogue moves forward.

Thank you for the opportunity to provide this input.

BY: 

Michelle Pierce, Chairperson
Gunnison Basin Roundtable

Adopted by the Gunnison Basin Roundtable,

April 22, 2011