

**Water Supply Reserve Account – Grant and Loan Program  
Water Activity Summary Sheet  
Agenda Item 5.k**

**Applicant:** Pikes Peak Regional Water Authority

**Water Activity Name:** Basin Roundtable Project Exploration Committee: Flaming Gorge

**Water Activity Purpose:** Study or analysis of structural water project

**County:** N/A

**Drainage Basin:** Green River to South Platte & Arkansas

**Water Source:** Green River

**Amount Requested:** \$250,000. \$150,000 from the Statewide Account; and the following from Basin Accounts:

- \$30,000 from the Metro
- \$20,000 from the Arkansas
- \$20,000 from the South Platte
- \$10,000 from the Gunnison
- \$10,000 from the Colorado
- \$5,000 from the Rio Grande
- \$5,000 from the Southwest

**Matching Funds:** \$5,000 from Pikes Peak Regional Water Authority (PPRWA); \$54,200 in-kind contributions from PPRWA, Peak Facilitation, and the Keystone Center; \$5,000 contingency from El Paso County Water Authority.

<b>Staff Recommendation</b>
Staff recommends approval of up to \$250,000, \$150,000 from the Statewide Account, \$30,000 from the Metro account, \$20,000 from the Arkansas account, \$20,000 from the South Platte account, \$10,000 from the Gunnison account, \$10,000 from the Colorado account, \$5,000 from the Rio Grande account, and \$5,000 from the Southwest account for the Basin Roundtable Project Exploration Committee to examine a Flaming Gorge Project contingent on resolution of the items in the Issues/Additional Needs section.

**Water Activity Summary:**

This proposal is for the establishment and initial work of the Basin Roundtable Project Exploration Committee. The Project Exploration Committee would serve as a venue for roundtable-to-roundtable discussions of potential water supply projects, with the Flaming Gorge discussion serving as a test case or starting point. **The Project Exploration Committee will *not* be asked to find consensus on whether to build a Flaming Gorge Project, but rather to seek agreement on the issues involved in the project, the challenges or barriers to such a project, and potential criteria of maximizing benefits and minimizing negative impacts of such a project if it is built.**

This proposal builds on the Flaming Gorge Task Force Situation Assessment WSRA grant approved by the Board in May 2010. The Assessment grant asked independent facilitators to assess the timeliness and merit of a larger stakeholder dialogue on the topic of Flaming Gorge. The Assessment concluded that a dialogue would have value to the majority of the individuals interviewed, and the Final Assessment Report provided a potential structure of a stakeholder dialogue or task force and seated an initial working group to shape a path

forward. On June 29, 2011, a meeting was held of a preliminary working group as the final task under the Flaming Gorge Task Force Situation Assessment WSRA grant. (The meeting draft notes are attached to the application as Attachment 5.) The initial working group decided to move forward with a discussion of the Flaming Gorge project, but agreed that the discussion should be roundtable-to-roundtable and should focus on the benefits and challenges with the project not whether or not to build the project. This WSRA grant application seeks to implement this agreement.

This proposal would engage the basin roundtables and stakeholder by establishing the Basin Roundtable Project Exploration Committee as follows:

- 2 members each: Colorado RT, Yampa/White/Green RT, Gunnison RT, Southwest RT, Arkansas RT, Metro RT, and South Platte RT
- 1 member each: Rio Grande RT and North Platte RT
- 2 members each, one from each side of the Divide if possible: environmental community, recreation community, and agricultural community (The June 29 meeting did not include a discussion about how to select these 6 members. The first task of the 16 RT representatives will be to determine how to proceed in filling these seats.)
- Up to 3 members from the State: Director of CWCB, representative from DNR, and Director of IBCC or their designees
- *Note:* Federal and Colorado State regulatory entities, as well as State representatives and stakeholders from Wyoming and Utah, are welcome and encouraged to attend meetings and participate as invited experts and/or guests to provide insights and information, but will not be seated members. Also, Basin Roundtables are welcome to appoint members with different perspectives and affiliations

The Project Exploration Committee will identify and discuss threshold issues, identify and discuss potential project criteria or components, and engage basin roundtables, stakeholders, and the public to keep the broader community of interest informed. The process will be facilitated and individuals will be encouraged to consider the statewide and broader water community interests in addition to the perspective(s) of the entities or constituencies they represent. Committee members will not be asked to find consensus on whether to build a Flaming Gorge project or which such project to build, but rather to seek agreement on the issues involved in the project, the challenges or barriers to such a project, and potential criteria for maximizing benefits and minimizing negative impacts of such a project if it is built.

The proposal consists of the following tasks which are further described in the Scope of Work attached to the application:

- Task 1—Convene the Committee
- Task 2—Interest Identification and Discussion of Threshold Issues
- Task 3—Identification of Potential Project Criteria or Components
- Task 4—Roundtable, Stakeholder, and Public Engagement

The process will include consultation with roundtables, stakeholder groups, the IBCC, and CWCB. Meetings will be held in different locations throughout the state to share the burden of traveling as equally as possible among Committee members and to engage the public throughout the state. Meeting agendas and summaries will be made widely available and meetings will be public. If funding is approved, the first meeting will be held in October or early November 2011. The process is anticipated to take about 18 months and about 25 meetings.

#### *Threshold and Evaluation Criteria*

The application meets all five Threshold Criteria.

The application meets the Evaluation Criteria in the following way:

Tier 1: Promoting Collaboration/Cooperation and Meeting Water Management Goals and Identified Water Needs

- a. **Multipurpose:** By incorporating stakeholders from across the state and across interest groups, the task force will aim to address multiple needs, both by looking for ways to minimize impacts to agricultural and nonconsumptive needs as well as opportunities to maximize the benefits to these values.
- b. **Collaboration & Cooperation:** As witnessed by the attendees and their dialogue during the initial working group discussion, this grant has the potential to significantly promote collaboration and cooperation between roundtables, IBCC, CWCB and stakeholder groups. Engaging all the roundtables and other stakeholders is a key goal and outcome of this process.
- c. **Meets Defined Needs:** Although the grant does not specify whether or not a Flaming Gorge project should or should not move forward, it will help define both broad and specific issues related to developing a Flaming Gorge project or other transbasin projects. Project specific conversations are important to understanding how and if such projects could be multi-purpose and meet the consumptive and nonconsumptive needs identified in SWSI 2010 and by several basin roundtables.

Tier 2: Facilitating Water Activity Implementation

The IBCC and the CWCB have both identified the need for a mix of solutions to Colorado's water supply challenges, including the development of new water supplies in the Colorado River system. This grant facilitates implementation of the new supply development "leg-of-the-stool" by exploring implementation issues associated with a specific new water supply development project.

Tier 3: The Water Activity Addresses Issues of Statewide Value and Maximizes Benefits

This grant facilitates a discussion on maximizing benefits and minimizing impacts across the state and among multiple stakeholder interests. These facilitated discussions will help identify how the new supply development "leg-of-the-stool" can be implemented in a way to address issues of statewide value. It will explore whether and how a Flaming Gorge project could help sustain agriculture, and open space, environmental and recreational needs (criteria g); assist in the administration of compact-entitled waters...and promote maximum utilization of state waters (criteria h); and provide a high level of benefit to Colorado (criteria j). The grant does not help implement a Flaming Gorge Project or even ask the Project Exploration Committee to find consensus on whether to build the project, so nothing in this grant will achieve criteria g-k. Rather, the grant explores how development of new water supplies could be done in a way to achieve these criteria.

*Funding Overview*

The applicant is requesting grant funding of \$250,000. \$150,000 from the Statewide account; and the following from Basin Accounts:

- \$30,000 from the Metro
- \$20,000 from the Arkansas
- \$20,000 from the South Platte
- \$10,000 from the Gunnison
- \$10,000 from the Colorado
- \$5,000 from the Rio Grande
- \$5,000 from the Southwest

The intent of the Basin Account funds is to provide a match to the Statewide Account in the case of the Metro, Arkansas, and South Platte, and to cover travel costs for Basin Roundtable representatives.

Additional matching funds are being provided as follows:

The Keystone Center is providing a reduced hourly rate for Mike Hughes, generating an in-kind match of approximately **\$5,200**. Peak Facilitation and The Keystone Center are contributing travel time as an in-kind contribution of approximately **\$19,500** and **\$22,000** respectively. PPRWA is contributing the time for contract administration and billing, approximately \$2,500, along with \$5,000 in cash, for a total of **\$7,500**. Basin funds are contributing **\$100,000** of matching dollars. A contingency amount of **\$5,000** will also be provided by the El Paso County Water Authority as needed.

The overall funding structure is:

Statewide Account: \$150,000

Basin Accounts: \$100,000

Cash Match: \$ 5,000

In-Kind Match: \$ 54,200

Contingency: \$ 5,000

**Total: \$ 314,200**

Funding from the Statewide Account constitutes 48% of the overall project cost.

#### **Discussion:**

Staff is recommending approval of this grant based on several factors. First, the Colorado Water for the 21<sup>st</sup> Century Act (HB 05-1177) created the nine Basin Roundtables to help address Colorado's water supply challenges and was specifically set up to discuss controversial water issues that cross basins. As a roundtable-to-roundtable discussion, this grant application is consistent with the purposes of the Act and the majority of the Basin Roundtables have either supported or agreed to participate in this type of discussion.

Second, one of CWCB's key findings in SWSI 2010 stated that "developing new water supplies in the Colorado River Basin for use on both the East and West Slope can reduce the need for agricultural transfers. This can only be accomplished through continued dialogue." This grant proposal seeks that type of continued dialogue, and Board approval is consistent with the Board's SWSI 2010 Recommendation to "Evaluate multi-purpose projects or packages of projects to develop new water supplies for use on the West Slope and the Front Range."

Third, the CWCB is already supporting statewide discussions of specific implementation issues on other major topics, including conservation and alternative agricultural transfer methods. The CWCB and IBCC have said that exploration of implementation issues associated with specific new supply projects should come from the roundtables. With this grant, several roundtables have proposed exactly that. Other roundtables, even if they do not support the project, have agreed that an open and transparent discussion of the project's opportunities and challenges warrants their participation. This grant does not seek support for a Flaming Gorge project; rather, it seeks support for the Basin Roundtables having a specific and facilitated discussion focused on the benefits and challenges of a multi-purpose project involving a set of stakeholders from across the state with diverse interests.

In addition to the factors outlined above, the Board should also consider specific feedback related to this grant application. Feedback received by CWCB staff includes the following:

- Several Basin Roundtables want to be very clear that their approval of this grant was an approval to participate in the Project Exploration Committee should it be formed and should not be interpreted as support for the Flaming Gorge Project.

- Several Basin Roundtables expressed concern over the venue for discussing specific new supply projects. The Southwest Roundtable expressed a preference that new supply projects such as Flaming Gorge should more appropriately be evaluated by the IBCC, however absent the IBCC discussing specific projects they would like to participate in the Project Exploration Committee. Additionally, individual members of different roundtables questioned why a roundtable-to-roundtable committee was being established rather than evaluating projects through the IBCC, the IBCC's new supply sub-committee, or the CWCB.
- Members of some roundtables questioned why only the Flaming Gorge Project was being evaluated and not other projects.
- The Colorado/Wyoming Coalition expressed their hope that this grant application will take a fair look at a potential Flaming Gorge project; they are concerned about attempts to bias or terminate the process (letter attached).
- Several environmental groups started an online petition drive to allow individuals to express their opposition to the approval of this grant. CWCB received automatically generated form letters opposing approval of this grant from 2,409 individuals as of 8/18/2011. Of these, 1,089 or about 45% were from Coloradoans. 1174 or about 49% were from people in other states, and 146 of them were from out of the country. Copies of the form letter, additional comments provided on the form letter, a breakdown of who sent in copies of the form letter, and any additional letters received by CWCB are included in the Board notebook. In addition, any additional information received after 8/18/2011 will be compiled and provided to Board members as a red-flag item at the Board meeting. The concerns expressed fall into two general categories: concerns about the process/venue/use of state funds and concerns about the Flaming Gorge project itself.

#### **Issues/Additional Needs:**

- Integration with other new supply discussions: Task 4 in the scope of work includes "work with participants to identify roundtable, stakeholder, and public engagement needs in Tasks 1 & 2." Because of the concern expressed about the venue for specific new supply project discussions, Task 4 should ensure the CWCB, the IBCC, and the IBCC new supply sub-committee are engaged in the Project Exploration Committee's progress and have the opportunity to provide input. The Project Exploration Committee's regular (6 month) Progress Reports to the CWCB should include a description of how it's work is complimenting and building on other new supply development discussions such as the basin roundtable's portfolio work, the CWCB's implementation of SWSI 2010 recommendations, and the IBCC new supply development sub-committee's activities.
- Budget: Since the original grant application was submitted, several Basin Roundtables have agreed to participate and approved money from their basin account to cover the travel costs of their representatives. These approvals and amounts are reflected in this summary sheet, but are not reflected in the budget. Prior to contracting, CWCB will need an updated scope of work and budget.

#### **Staff Recommendation:**

Staff recommends approval of up to \$250,000, \$150,000 from the Statewide Account, \$30,000 from the Metro account, \$20,000 from the Arkansas account, \$20,000 from the South Platte account, \$10,000 from the Gunnison account, \$10,000 from the Colorado account, \$5,000 from the Rio Grande account, and \$5,000 from the Southwest account for the Basin Roundtable Project Exploration Committee to examine a Flaming Gorge Project contingent on resolution of the items in the Issues/Additional Needs section.

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 revised WSRA Criteria and Guidelines, 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.