Arkansas Basin Roundtable August 8, 2012 Meeting Notes

Roundtable Business

Chairman Barber called the meeting to order at 12:30 pm. Members and visitors introduced themselves. Twenty four (24) members were present. There are 39 active roundtable members at this time - 20 is a quorum.

Public Comment

Chris Woodka – Asked for your stories about the Frying Pan-Arkansas Project for the 50th anniversary.

July Minutes

A motion was made and seconded to approve the minutes of the July meeting. The motion passed unanimously.

Agenda Reviewed

Dr. Pritchett was added to the agenda with a presentation on Ag, Economics and Drought.

PEPO – Perry Cabot

Report on the side table: Irrigation Practices, Water Consumption, & Return Flows in Colorado's Lower Arkansas River Valley, by Tim Gates

Executive Committee – Gary Barber & Dick Brown

The Metro RT prepared a resolution of support for the Chatfield Reservoir storage Reallocation Project. They ask the Arkansas Basin RT to also support this project with a resolution. The Executive Committee would like to bring a draft resolution to the September meeting for RT approval.

IBCC Report

The next meeting is September 11th. There were two subcommittees formed, one for metrics and one for scenarios. They've met a couple of times and work is ongoing.

Presentations

Gore Canyon Whitewater Park, Colorado River at Pumphouse – Caroline Bradford, Colorado River Basin Roundtable

-Non-Consumptive Use – Recreational Project Implementation

-Located on the Upper Colorado River, west of Kremmling -Project Funding

| Colorado Basin Fund | \$100,000 |
|-----------------------------------|---------------------|
| Statewide Fund | \$400,000 |
| Grand County | \$600,000 (secured) |
| Boaters/other partners | \$600,000 (pending) |
| t is a "Park & Play" Whitewater I | Dark? |

-What is a "Park & Play" Whitewater Park?

Large man made block-like concrete objects placed across the stream channel

- Engineered to create waves and other features
- Used by whitewater recreation enthusiasts to play in the water using kayaks, surfboards, etc.

-Whitewater parks support economic development.

-There are more paddlers than skiers in the US.

| Alpine skiing | 10,346,000 participants | |
|--|-------------------------|--|
| Paddle sports | 17,800,000 participants | |
| Kayaking | 7,800,000 participants | |
| -Paddle sport participation is growing | | |
| Average of 10 annual outings per participant | | |

- 174 million annual outings by Americans
- -Grand County is committed to protecting:
 - Future M&I water needs

Healthy environment

Strong recreational economy

-3,000 AF Carve out upstream

Water stays in the river for other users downstream.

-CWCB voted in favor unanimously at their March RICD hearing.

-Strong support from boating community

Over 100 Statewide letters of support

Regional kayak retailers excited to partner

National wholesale manufacturers expressed interest at CROA/UGO Conference

-Non-consumptive needs include Environment and Recreation

\$50,000 Yampa River structures

\$325,000 Arkansas River Boat chutes

-This is one small part of the Cooperative Agreement

Denver Water funds are NOT paying for any recreational features, only environmental enhancements.

This project was not eligible for GOCO funds due to it being on BLM Land. They would like a letter of support from the Ark Basin RT.

Understanding the Fryingpan – Arkansas Project: Roy Vaughn

A Multi-purpose project:

"For the purposes of supplying water for irrigation, municipal, domestic, and industrial uses, generating and transmitting hydroelectric power and energy, and controlling floods, and for other useful and beneficial purposes incidental thereto, including recreation and the conservation and development of fish and wildlife."

Constructed, Operated, and Maintained by Reclamation

- Southeastern Colorado Water Conservancy District is the legal agency responsible for the repayment of the reimbursable portion of the project.

- The District allocates the water provided by the Fryingpan-Arkansas Project.

- In accordance with the Allocation Principles, water is allocated 54% to municipalities and 46% to agriculture.

Obligations, Considerations, Commitments

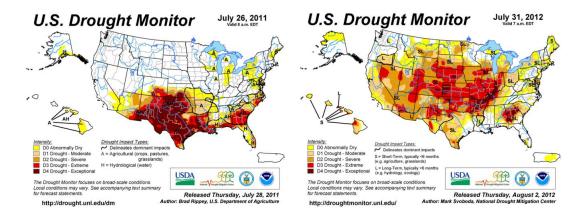
- Maximization of Congressionally authorized Project purposes, which include: "supplying water for irrigation, municipal, domestic, and industrial uses, generating and transmitting hydroelectric power and energy, and controlling floods (at Pueblo), and for other useful and beneficial purposes incidental thereto, including recreation and the conservation and development of fish and wildlife."
- Colorado water law (Doctrine of Prior Appropriation)
- Operation and maintenance scheduling
- Project and non-project water customer demands
- Hydroelectric power generation and power customer demands
- Balancing lower and upper reservoirs and water movement of both Project and non-project water for greatest benefit to all
- Exchanges and substitutions (Project and non-project water)
- Voluntary Flow Management Program (recreation and fishery)
- Other project operations (Homestake, Busk-Ivanhoe, Twin Lakes Canal Company)
- Upper reservoir water elevations (recreation)
- Keeping court-decreed water rights whole
- "Good neighbor" arrangements on Lake Fork Creek and Lake Creek
- · Current year projections for weather, snowpack, import and run-off
- Project averages for weather, snowpack, and imports
- Minimum flow requirements on Lake Fork and Lake Creeks
- Supplied water to the Leadville Fish Hatchery

Mr. Vaughn described the various facilities, systems and programs that are included in FryArk.

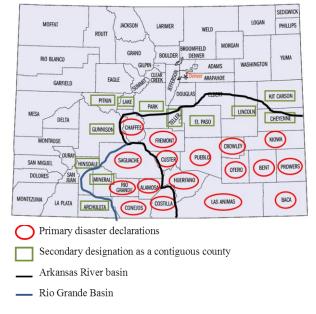
The Economic Impact of the 2011 Drought on Southern Colorado: Dr. James Pritchett Numbers don't always tell the whole story.

Three Questions for the 2011 Drought ...

- What are biophysical impacts of the drought related to ranching and cropping?
- How did farm and ranch managers alter their practices due to drought?
- How did these changes create an economic impact?

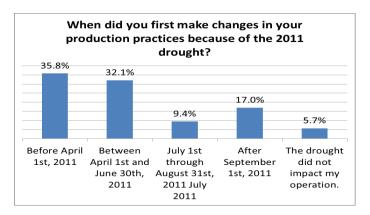


Drought Designation in 2011 - Primary and Secondary



2011 Drought Survey

- Survey of Agriculture Operations
- Internet Survey Advertised by Stakeholders
- Diverse Set of 113 Operations*



*Note - not all charts are shown here – RT members will be emailed a copy of the presentation, and we will try to get it posted to the Arkansas Basin RT web page.

Key Concepts

- Economic Activity: total number of dollars spent within a region.
- Economic Impact: change in economic activity associated with a particular event.
- Important notes:
 - Economic impact analysis does not reflect the impact of the drought on production costs.
 - Typically represents a "snapshot" of short-run impacts.

Changes in Economic Activity and Production Costs: Accounting for Forward Linkages

- Utilized CEDMP to estimate changes in economic activity and production costs in the Livestock Industry.
 - Pros: capable of distinguishing between internal and external supply/demand shocks.
 - Cons: only models agricultural sectors of the economy.
- Results:
 - Short-term statewide impact on total revenues less than 1%.
 - Total feed costs increased by \$110 million statewide.
 - 10-15 percent increase over recent conditions.
 - Anecdotal evidence suggests resiliency of farm and ranch operations is impacted.

Future Work

- Survey:
 - Earlier more systematic release.
 - Extend geographical scope to all of Colorado.
- Economic Impact Analysis:
 - Extend geographical scope to all of Colorado.
 - Explore opportunities for accounting for multi-year impacts.

James Pritchett - email: james.pritchett@colostate.edu Phone: (970) 491-5496

Future Meetings – Tentative Schedule

September 12th Storage October Annual Meeting

The meeting was adjourned at 3:00 p.m.

Respectfully submitted, Terry Scanga