Interbasin Compact Committee Basin Roundtables Rio Grande Basin Roundtable MINUTES December 9, 2014

Attending - Those who signed in are as follows: J.B. Alexander, Mike Gibson, Eugene Jacquez, David Marquez, Ron Brink, Rio de la Vista, Steve Vandiver, Greg Higel, Larry Sveum, Dale Wiescamp, Nicole Langley, Dwight Martin, Michael Wisdom, Hew Hallock, Ralph Curtis, Ed Nielsen, Don Thompson, Courtney Hurst, Cleave Simpson, Mathew (cannot read last name), Kristin Barker, Rick Basagoitia, Charlotte Bobicki, Judy Lopez, Cindy Medina, Stan Moyer, Marvin Reynolds, Craig Cotten, Steve Russell, Jim Ehrlich, Travis Smith, Craig Godbout, Paul Tigan, Wayne Schwab, Brenda Felmlee, Gene Farish, Tom Acrie, Peter Clark, Ruth Heide, Ann Bunting, Adam Moore, Mac McFadden, Heather Bergman, Mike Blakeman, Cathy Morin, Adam Mendonca, Amy Waring, Nancy Butler

Welcome: Chairman Mike Gibson called the meeting to order, established quorum, welcomed all.

Announcement: Mike announced that he would be "standing down" as Chairman of the Rio Grande Basin Roundtable as of next April. He said he would also be retiring as the Manager of the San Luis Valley Water Conservancy District and explained that he would be training Heather Dutton to take over the District position. As to the Roundtable, he explained "Typically the Roundtable elects officers in January, but come March, I'll be stepping aside."

Thank you to Mike: Cindy Medina expressed everyone's appreciation for Mike's many years of leadership and his inclusive way of dealing with the issues that come up. Travis Smith recalled when Mike volunteered, almost nine years ago. "He has been the champion, leading the funding of many projects. We've followed the protocol and grown the Roundtable to include many supportive and engaged members and participants. Mike has successfully engaged many interested parties in the greater community, including representatives from State and Federal agencies." Applause expressed everyone's real appreciation. Thank you, Mike!

Approval of Minutes of November 10, 2014 – Cindy Medina moved that the Minutes be approved and Ron Brink Seconded: Unanimous approval. Dwight Martin said he was in attendance at the November Meeting. Everyone was reminded of the need to sign in at every meeting.

Colorado Foundation for Water Education - Headwaters Magazine — The winter 2015 Headwaters magazine will be devoted to Colorado's Water Plan. Coverage will include an examination of the factors that led to the unprecedented drafting of the water plan in 2014. CFWE is asking each Roundtable to share in raising \$35,000, which is the cost of producing an issue, and to help identify potential funding sources from our local stakeholders. Each Roundtable will receive 100 copies to distribute. Any and all contributions greatly appreciated. Contact CFWE Development Director, Alicia Prescott, Alicia@yourwatercolorado.org or 303-377-4433.

Emma Regier encouraged support for this cause and also for the Rio Grande Headwaters Land Trust, as today is "Colorado Gives" day, www.coloradogives.org, click to support whatever organization you want.

Welcome back, Heather! Mike, with heartfelt sympathy, let folks know that Heather has now completed six rounds of chemo. She came in a little late and joined us, sitting quietly at the back, out of range of our roomful of germy people. Many cheers (and surely plenty of prayers) went up for Heather!

Funding Request: "Economic Impact Analysis of Decreased Crop Production Due to Reduced Groundwater Irrigation in the San Luis Valley" – Hew Hallock, San Luis Valley Development Resources Group (SLVDRG). Hew Hallock presented a request for \$30,314 from WSRA Basin Funds on behalf of the San Luis Valley Regional Council of Governments. The total project cost is \$80,300, and the Department of Local Affairs (DOLA) is providing a \$38,250 grant for the project. The study itself is expected to cost \$68,600, with other costs including project management, administration, publication and public meetings. Hew had introduced the project in October, presented a Preview in November, with today's presentation being the request for WSRA funding.

Hew explained that the potential loss of up to 60,000 acres of crop production holds significant economic impacts to the region's economy. The San Luis Valley Council of Governments and San Luis Valley Extension seek to initiate an analysis of the economic effects that a reduction in irrigated acres would have on the regional economy of the San Luis Valley. Objectives of the study are:

- (1) Identify sectors of the region's economy affected by anticipated reduction in crop production;
- (2) Estimate the fiscal impacts of reduced crop production to the regional economy; and
- (3) Establish an economic activity matrix that may be used to assess future crop reduction in the region, or for other regions in Colorado. The study will take 18 months to complete and will be conducted by a research team from the Colorado Water Institute at Colorado State University, headed by Dr. James Pritchett. The CSU team will gather local economic data, analyze the data, and prepare a report of their findings. Electronic and hard copies will be made and distributed and programs will be developed.

Discussion: [The following is your scribe's attempt, for the record, to capture the lively (and important) discussion which took place. Any and all errors are those of your scribe.] As discussion started, many were in favor of the proposal and perhaps an equal number were not in favor of approving the requested funds. Hew Hallock and Mike Wisdom responded to many questions: Who exactly is doing the work? We don't know exactly, but the team from the CSU Colorado Water Institute will be headed by Dr. James Pritchett. What will be done with this information? How will it help us? This is data which will be important for anyone, for many. If it's going to take 18 months, how can it help us, because we're only now forming the subdistricts. This is a valuable study and the model will help us to do "what if" analyses, a tool to help us to solve problems. Jim Ehrlich: Will Subdistrict No. 1 data be used? Seems to me the impetus for this should come from the subdistricts themselves. Seems this could only provide them with some sort of basic general data, as that study won't evaluate anything that they're considering right now. And why should this take 18 months? There's lots of data to gather and analyze, and this base line data will be valuable to many, it will provide a matrix. Ron Brink: If you're going to end this in 18 months, how are you going to add this into the study if the subdistricts are not yet formed? By establishing the matrix, like a formula, that will help decision making -but then maybe this study will go into another subsequent phase after that so that others can plug in. Cindy Medina: This study deals with the elephant in the room. We have needed to have this information, but up to now we don't seem to have a commitment for [solving] that. Ed Nielsen: If this is going to do a good economic analysis, it will have to include rangeland, land uses. We have a big picture, and I'm not seeing your addressing that. Greg Higel: It's the cattle people who have hurt the most. You're blasting past some of the real issues. Seems this is just a way to give someone a job. I'm not sure it's going to be valuable to most of us. Mike Wisdom: Greg, this is about producing data. Travis Smith: At the Preview you mentioned the creation of an advisory group, but it's not in the proposal. Will that be the COG?

Mike Wisdom: We can certainly add this to the proposal before sending it on [to CWCB]. **Hew Hallock:** This is a COG project. The COG board would have to act on whether to create a separate advisory board for this project. Or maybe the COG board would itself serve as the advisory board. Mike Wisdom explained that the COG advisory board is representative of the Valley, with county and municipal representatives. Darius Allen (Alamosa County Commissioner, District one) explained the value of this study to the counties – when a request for funds comes to a county and the county does not have the data, this study could be referenced. Every county can benefit from this proposal. He said Alamosa County is committed to this project for about \$3,000 and that all six counties have been asked for a collective commitment of \$10,000. Asked again about exactly who the advisory group would consist of, Hew said he did not know yet, but "We'll invite folks from around the Valley." Judy Lopez: What Ag parameters are required? Several people indicated they were not sure what Judy meant by that question and Hew also said he didn't know. Peter Clark: What are we doing with this information? What will you do with the results? Ron Brink suggested that we need to start somewhere – we need to have SOME kind of information, then we can manage it as we go along. J.B. Alexander: I have serious reservations about this project. My concern is that this does not have any place at this roundtable. The application – does this meet some need? (There were many questions to Hew from JB.) The project getting money from DOLA, that's good. It's a good project for DOLA, but I don't see how our Basin funds are justified for this project. Does this fill some gap?

Travis Smith calmly urged folks to recognize that this discussion is a good and useful process. "We're having a public discourse right now. Does it meet the minimum qualifications? I think it does. Does it meet the mission and the goals for the San Luis Valley? I think this is a worthy application because this question gets asked in many ways. Perhaps having a broader advisory group might alleviate some of the discomfort some members are feeling. Pete, you asked the right question -- what are we doing with this, but this will give us some important data. J.B. Alexander: Based on the findings of this study – is this study going to have any impact on the rules (CDWR proposed Well Rules and Regulations)? Steve Vandiver: This has nothing to do with the fees that the subdistricts will pay. I do not see how people can gather any meaningful data at this point. And it's not just about subdistricts. The amount of money it takes to run a subdistrict has nothing to do with what the economic impact and the reduction of acreage is. I do not see the tie. I would like it to be stated here that this is not about subdistricts. Craig Cotten: When we started this we knew there would be an impact, but the findings of this or any other study will not change the contents of the planned Well Rules and Regulations.

Nicole Langley: From my eight years of experience writing and winning 30 of these WSRA grants, it is clear to me that the application itself does not meet the WSRA grant guidelines or the criteria. This application needs to be carefully reviewed and made to comply with the WSRA rules. We all have to play by the same rules, so, why should this application be exempted? **Mike Gibson** said that Nicole had mentioned this before but that when he asked her for details she had not provided them. Nicole explained she had not had time but that she had subsequently put together some notes analyzing the proposal in terms of whether or not it addressed the criteria and guidelines. She gave those notes to Mike. **Cindy Medina** addressed Nicole and told her that she felt deeply offended by Nicole's remarks about the proposal. Cindy said she hoped Nicole would apologize to the applicants because she felt Nicole had been rude and disrespectful to them. Nicole replied that she was simply communicating a matter of fact and that the applicants should try to bring their application into compliance. [For the record, Nicole, who is also your scribe, intended and expressed no offense, only urging that this applicant, like every other WSRA funds applicant, should be required to play by the same rules as the rest of us.]

Steve Vandiver suggested that this study might be premature, since only one subdistrict is in place. More subdistricts will be forming and about 40,000 acres are expected to come out of production, if we have normal hydrological conditions. As the other subdistricts are forming, they don't even know what they are going to have to dry up yet. "This study would be an estimate of an estimate of an estimate." Steve informed members that until RGWCD has determined the number of acres that they think are going to come out of production, "...it's going to be hard for Dr. Pritchett or anyone else to make a comprehensive statement what the economic impact is." Steve also listed other variables which are still not known, such as weather and crop prices. "It scares me to think that we'll end up with some mushy study that may not be usable." Steve explained that 25,000 acres have been dried up in Subdistrict One, "and it did not cause banks to close or Wal-Mart to shut down." He said they had no idea yet about the other subdistricts. "I would ask the same question as Pete - OK, so what if the study finds it is a \$10 Million impact. Then what? Are the banks going to close down? So if you work with "average" numbers and do a lot of "what if's" then what do you get? You end up with some sort of formula that starts with averaging everything, including prices, weather... I have a hard time getting behind this thing. I see no definition and I don't see how information from this study would be useful in the end. Somebody is going to use this information, so it has got to mean something when we're done."

Chairman Mike Gibson said that the debate could continue but asked that a motion be made to approve the request, reject the request or table the matter.

VOTE: Steve Vandiver moved to table the request for funding until some of these issues could be addressed. Ron Brink seconded the motion. By a show of hands, the majority of members voted to table this request for funding.

[Ruth Heide published a front page article on this meeting in the 12/11/14 Valley Courier and included a response from Nicole Langley in the "Letters to the Editor" of 12/13/14.]

Request for Funding: Rio Grande Headwaters Land Trust – Courtney Hurst, Stewardship Director. *The Rio Grande Initiative: Campbell-Redden Property and Dugan Ranch Conservation Easement Projects.*Courtney explained that this project is part of the overall *Rio Grande Initiative.* It will permanently protect two adjacent properties, the Campbell-Redden Property (90 acres) and the Dugan Ranch (316 acres) and their senior water rights, including a share of the # 1 senior water right on the Rio Grande, through the purchase of two voluntary conservation easements.

Discussion: Pete Clark stated that we would not want to curtail or cut back on agricultural production. Courtney said this would not do so. Steve Vandiver asked if these conservation easements restrict the use of water. Courtney: the water will continue to be used as it has been in the past, although the landowner can lease water rights for a brief period of time within a ten year period. Steve: On these conservancy projects, there are going to be some new things coming, such as forbearances, leases of water, and as the laws change there will be more pressure for some flexibility on these conservation projects. Mike: If the landowner wishes to do something different can they come to the Trust and ask permission? Nancy Butler: The Land Trust Board exercises discretion. If forbearance issues change over time, the Land Trust could discuss such changes with the landowner. Anyway, this does not apply to these two properties. **Comments:** This area has a lot of water; these easements are big and cost a lot of money; Courtney – it depends on the value of the conservation easement, the transaction costs, appraisal, survey, lawyers, all are part of the conservancy process. Mike said that when he was with The Nature Conservancy it cost the same amount for a 50-acre conservation easement as for a 5,000-acre

conservation easement. **Craig Cotten** stated that he had provided a letter of support because the land is in the floodplain and this project would be good for administration of the flood plain.

VOTE: J.B. Alexander moved to approve the request for funding Dale Wiescamp seconded the motion. Unanimous approval.

Rio Grande National Forest Plan Revision – Heather Bergman, Peak Facilitation Group and Adam Mendonca, USFS: Adam Mendonca explained the Forest Plan Revision process. The most recent one, under which they are operating now, was done in 1996. As physical and socioeconomic conditions change, the Forest Plan guides policy. The present revision requires a very important public process. Adam asked some questions about how people use the forest, and he introduced Amy Waring who will be here for 120 days, and the Peak Facilitation Team. Mike Blakeman (USFS) helps us get the word out. The last plan to 10 years to do, and they hope to improve that process and make it more efficient. We are encouraged to provide input – Visit the website at http://www.fs.usda.gov/main/sanjuan/home

Discussion: Pete Clark – I've been away from the USFS for 8 years. He asked Adam if the USFS ever got a new planning rule? The objectives were to streamline the planning process and make it more adaptable. Adam responded that they did and that is where they are now. In 2012 we were operating under planning rules made in 1982. Dead trees are a new reality for us. It wasn't that way in 1996 when the last plan was written. Travis thanked Adam, recalling that they had met at the time of the Papoose fire. Travis encourages all to participate. Mike suggested they might come back and spend a whole meeting. Mike Blakeman suggested that would be mutually beneficial, as we could share our knowledge of water and this could be included in the assessment. Perhaps in February. Craig – maybe Amy Volkens of Riverside Technologies might be coming around that time. Rio: We might work this into our work on the RG Water Plan.

Rio Grande Basin Implementation - Water Plan: Mike distributed a 5-page chart containing potential topics for Project Sheets. He urged everyone to examine the list and to get project sheets turned in to him or to Kelly DiNatale.

Pre-Funding Review: Suggested Alternative Economic Study - Charlie Spielman: "What's the Cost of Going Dry? - A Good Question to Ask When the Time is Right." Charlie presented an overview of an economic impact analysis which, if it were done under the auspices of the Rio Grande Basin Roundtable itself, he suggested would have more relevance, be less expensive, and would more accurately reflect the realities in our Basin than to have a CSU research group do it, as proposed by SLVCOG. Charlie's slide show suggested using the experience and expertise of Roundtable members and other experts within the Basin, as was done with the Subcommittee system on the Rio Grande Basin Water Plan. This study would gather and analyze data and would determine the likely economic impacts of reduced agricultural production due to cutbacks in groundwater and irrigation. Although his proposal did not go into details, he asked the Roundtable whether this presentation would constitute the customary "Preview" in anticipation of a full proposal at some time in the future. Response: Yes. Local advisory and research team which Charlie has put together so far includes principal research and writing coordinated by Charlie, Alley Davey, and Nicole Langley (same team as did the M&I study) plus possibly one more. Principal advisory team: Jim Ehrlich, Craig Cotten, Pete Clark, Merl Dillon, Ralph Curtis, and Nathan Coombs; critical collaboration and oversight from Mike Gibson, Travis Smith, & Steve Vandiver. Contributors who have agreed to help at this point include Robert Webb (Monte Vista School Principal), Rick Basagoita, & Brit Jardon; with other similarly qualified local resources. Nicole asked if he would include modeling and other research tools. "Yes, so long as we have direct access and input."

Discussion: Travis was very clear in his challenge to Charlie: "Do you think we should presume that we could do a better job than Alamosa County? Than the SLVCOG? Than DRG?" Charlie: We did our Basin Water Plan, our M&I study, and this was pertinent data and very well received. Courtney questioned whether an in-house study would be appropriate, and whether such a study would measure up to the usual grant-funding requirements [of impartiality, expertise, comprehensiveness]. Jim Ehrlich confirmed his willingness to participate in this alternative Basin-based study, but he said he agreed with J.B. in questioning whether the Basin funds would be appropriate to fund this study. "If the Basin does the study, I'm not sure the Basin should also be the mechanism to provide the funds – but there's no question that it needs to be done." The question of timing was brought up several times, to which Charlie explained that we need to heed what Steve has said if this is to be useful. Ed agreed with Travis' comment, but made it clear that he was not in favor of the COG proposal. Craig Godbart explained that the IMPLAN software does not require putting in hard numbers, but that different variables are used to derive other numerical outcomes. Cindy said she does not agree with doing it such a study in house. "After tabling the other one it would not look good." Judy: Until we know what's happening no study could come up with anything accurate. Ed: "Our focus should be on the aquifer. The main prize is the aquifer". Steve: "We have busted it to figure how to reduce pumping to restore the aquifer, so what methods do you have?"

Rio Grande Water Conservation Board – Steve Vandiver: After seven months of work the Subdistrict has made up the required depletions to the Rio Grande. The fees went up because the 5-year average from the canals went down. The average of what they can claim continues to drop. We've had an average year. The aquifer level, for the first time in six years, is going up, per the graph which just came out today. Cleve Simpson has done an incredible job on working with the other subdistricts to move them along. Depletion numbers are not yet available from the State so precluding moving forward with the other subdistricts to any conclusion.

Colorado Division of Water Resources, Division 3 Engineer, Craig Cotten: Colorado is looking good on the Rio Grande Compact deliveries this year. The state may over deliver on the Rio Grande and almost exactly on target for the Conejos. Snowpack as of today is at 57% of normal and at about 40% of where this point last year. The National Weather Service has predicted the good news that the area will be above average precipitation for the rest of the season, but the bad news is they've been predicting that for a while! News from New Mexico: The Governor of NM replaced the State Engineer just a few days ago. This will have some impact on Colorado'sr dealings with New Mexico. Good news on the model: the peer review team met last week and all agreed that the model is adequate to go forward, so getting closer to having depletion figures. Developing response functions is next – this takes what we've done and looks forward. The response functions tell the subdistricts what they have to replace. Craig was to meet with the modelers the next day and if the response functions look good they are tentatively planning for a Well Rules Advisory Committee meeting on December 18. It's Dick Wolfe's goal to get the Rules issued by the end of the year.

Adjourn

Light Refreshments Will Be Served

Next Meeting: January 13, 2015
Conference Room, San Luis Valley Water Conservancy District

623 Fourth Street, Alamosa, Alamosa, Colorado