

South Platte Basin Roundtable Meeting Minutes

Tuesday, August 11, 2015
4209 Weld County Road 24 1/2
Longmont, Colorado 80501
4:00PM-8:00PM

South Platte Basin Roundtable Business Meeting

Meeting started at 4:05PM.

1. Welcome/Introductions (5 min)

Joe Frank announced members of the Metro Roundtable were in attendance to discuss the IBCC Conceptual Framework. Introductions were made so attendant members of the South Platte Basin Roundtable, Metro Roundtable, public, and CWCB knew each other

2. Approval of Meeting Summary (5 min)

Minutes were approved with changes.

3. Agenda - additions or changes

The Greenway Foundation update to the Roundtable was struck from the agenda and would be readded upon the appearance of a representative.

4. Committee Updates

a. WSRA Needs Committee (Boring - 5 min)

The Water Supply Reserve Account ("WSRA") Needs Committee update was given by Joe Frank, noticing a September 1st meeting at 2PM at the Weld County Services Building to provide information about the WSRA funding process. It was clarified the application deadline would be Nov. 1, 2015. A press release for the meeting was pending release at the time of meeting. Sean Cronin suggested Frank explain the WSRA to new members. Frank explained there were two types of projects, Basin and Statewide, and each of those projects pulled from different pots, which were refilled once a year. The SPBRT had created a committee to evaluate applications and make recommendations to the Roundtable based on the criteria posted to the CWCB website. Frank argued the project benefits were usually multitudinous. Brent Newman clarified the Basin account was at \$378,000 and the Statewide account was near 2.1 million dollars. Jacob Bornstein reported the Basin account received another \$60,000 in July.

b. Groundwater Subcommittee (Hall - 10 min)

Jim Hall reported the firm Brown and Caldwell was looking at high groundwater levels in the Sterling/LaSalle/Gilcrest area and their report was recently finalized. Hall committed to

providing that report to the Roundtable. The report pointed out the high returns coming back from irrigation, which had been significantly contributing to high groundwater in the study area. Hall reported there had been recent meetings with the Farmer Independent Company regarding wells on the east and west sides of the study area to discuss decreasing groundwater. Hall also reported there was recently a call on the river in the study area and an effort was made to ensure water was not drawn from the area immediately below the well. The CWCB had already approved the criteria for grant money to give Gilcrest \$90,000 for the dewatering of the area. Bob Laungenbaugh reported the dewatering well in Gilcrest went off on the 5th of August and was off until August 11th; groundwater was decreasing while the pump was on, but during the period when the pump was off, the groundwater rose by nearly 1.5 feet. Laungenbaugh reported Gilcrest was experiencing fewer wet basements this year than in recent years, most likely due to the dewatering program. Laungenbaugh's general message was the dewatering program was working as planned.

c. Environmental-Recreational Needs (Kernohan - 5 min)

No Environmental-Recreational Needs Committee updates were offered during this portion of the meeting.

d. Education Subcommittee (Schneekloth - 30 min)

Joel Schneekloth reported on the facilitated meeting held on July 28th with the purpose of discussing the SPBRT's role moving education forward. Schneekloth reported there was extended discussion on the 11 elements of the Identified and Planned Projects ("IPPs") and a lot of effort was done to discuss how South Platte Basin supplies have been maximized—a major part of the CWP. Schneekloth pointed to a misconception that the South Platte Basin had been wasting a lot of water. There was a need for further discussion on addressing the Basin's gains and improvements, as well as the topic of storage in all its facets. Storage must be, as Schneekloth reported, a major component of future discussion on water use in the South Platte Basin. Schneekloth reported the Yampa/White and Rio Grande had submitted WSRA proposals for enhanced education and outreach. Frank asked Schneekloth to forward along a summary of that meeting to the larger Roundtable for their consideration.

Sean Cronin clarified how the Education Subcommittee had asked SPBRT members in attendance at their facilitated meeting to prioritize the 11 plan elements of the BIP. Cronin called attention to the heavy weight Roundtable members in attendance put on developing multi-benefit projects. Additional discussion focused on shifting terminology to better match philosophy, such as changing "storage" to "reserves", for example. Joe Frank added there was a public desire to hear more about conservation and the Roundtable had a strong desire to show how conservation includes storage. Discussion ensued as to the impact and efficacy of shifting references to "storage" to a different term: "reserves". Joel Schneekloth added additional argument to the importance and impact of storage as a pillar of water development philosophy in the South Platte Basin. Schneekloth reported his Committee staff would be digging into other Basins' plans. Jacob Bornstein clarified other the other plans had

been submitted for Basin funds, but some thought those plans were also going after Statewide funds. A member of the public clarified Statewide funds were unavailable for the other programs so Basin funds were used instead. Larry Ross called attention to the benefit of the discussion at the facilitated meeting of the priorities of the South Platte Basin Roundtable. Larry Ross was also encouraged by the expertise of others available to the Roundtable for improvement of education and outreach.

e. At-large Nominating Committee (Cronin - 5 min)

The At-large Nominating Committee update was given by Frank, who reported Doug Rademacher recently announced his resignation from the Roundtable. With Rademacher's resignation, an at-large position had become vacant. Sean Cronin clarified the Roundtable policy for noticing, soliciting applications for, and electing at-large positions. Cronin reiterated applicants needed to own water rights and reside within the boundaries of the South Platte Basin Roundtable. Jim Hibbard announced the entrance [to the meeting] of John Stokes, another new at-large member elected in July.

Having recently arrived, Jeff Shoemaker of the Greenway Foundation took the floor to make an update on their WSRA funded project. According to Shoemaker, the Greenway Foundation project focused on the removal of invasive riparian plant species in a highly-contested area of the river. Shoemaker reported the project was a success and the monies from the SPBRT had been well spent. Bert Weaver thanked Shoemaker and the Greenway Foundation for reporting on the success of their project, implemented with WSRA funding from the South Plate Basin Roundtable.

5. Legislative Update (5 min)

Joe Frank provided a legislative update on the Interim Water Resources Committee meeting on Monday, Sept 14 at Island Grove in Greeley around 5PM. The meeting was the result of a bill from several years ago to gain public feedback. There would be two meetings locally—one in the South Platte and one in the Metro; other Basins were having similar meetings. Sean Cronin reported in the past there had been significant confusion on the BIP versus the CWP. Julio Iturreria asked if any SPBRT members were attending the CWC meeting on Wednesday, August 19. Frank reported several members were planning to attend that meeting.

Jacob Bornstein and Brent Newman took the floor to report on Colorado's Water Plan ("CWP"). Bornstein began with an explanation of executive order values, digging into details of the original mandate to develop the CWP. Bornstein called attention to the highly contentious nature of the three major stakeholders of the Plan—agricultural interest, municipal interest, and industrial interest. Discussion then moved onto the Critical Action Plan (CWP ch10), wherein Bornstein highlighted the primary components of the Plan, finally addressing the efficacy of Chapter 10 as a representation of the entire Plan. Bornstein pointed out a major problem with water development in the state—multi-partner and multi-purpose projects have been conventionally discouraged. The CWCB wanted to find a way to encourage multi-multi-benefit

projects without penalizing project administrators. Furthermore, Bornstein pointed out there was a massive challenge of bonding multi-multi-benefit projects; the number ascribed to the deficit of this challenge was roughly \$20B. The solution, Bornstein argued, was a repayment guarantee fund, which would raise credit ratings for project administrators seeking to develop multi-multi-benefit projects. Frank clarified through discussion with Bornstein that the \$20B number included IPPs. Sean Cronin asked how the solution would become manifest—the answer, he was told, would be forthcoming.

Jacob Bornstein went on to discuss there was a plan to create a Colorado market for green bonds. Additionally, 5 major problems were identified, totaling approximately \$930M. The funding bucket needed to manifest the proposed solutions was not a State bond referendum, nor mill levy increases, nor water user fees, but could be an initial \$123M from CWCB funds, could be a severance tax increase, could be a container ballot initiative, or could be a water fixtures, appliances, and equipment fee. Bornstein explained the complex funding solution proposed as a method of funding projects for years to come before moving on to other potential solutions, such as,

- o Expand CWCB loan programs' authority to cover some reuse, conservation, environmental, and recreation projects,
- o Initiate a tax credit for homeowners who install efficient outdoor landscapes and irrigation as part of the container fee,
- o Create a P3 center for excellence with initiatives for regionalization,
- o Modify legislation to allow for p3s,
- o Extend loan repayment periods.

Julio Iturreria expressed concern over the large-scale absence of public awareness regarding the funding issue for water projects. Joe Frank asked Jacob Bornstein to breakdown the funding solution into its grant and loan categories and explain why they were broken down the way they were. Bornstein responded the difference in funding solutions, grants versus loans, was the result of different funding needs. A member of the public took issue with the lack of taxation of recreational projects. Barbara Biggs asked if investment in stream corridors to recover stream corridors could help close the gap of water that's appropriated in a basin. Frank asked if the proposed funding solution would benefit other components of the Plan and Bornstein argued the point of the IBCC Conceptual Framework was to guide that benefit to other projects. Sean Cronin backed Bornstein's assertion that Colorado water leadership would be needed to pass the proposed funding solution through the legislation. Cronin argued members of the Roundtable were also the taxpayers who would be paying for and impacted by the projects in discussion. There was further benefit to avoiding compartmentalization of the environment from irrigators or other groups, according to Cronin; Janet Bell stated she was in agreement.

John Stulp pointed out there were members of the env-rec community willing to invest below market levels to see multi-benefit projects manifest. Stulp called attention to green bonds as a new concept with potential for gaining buy-in from traditionally un-tapped, or at least un-

maximized, groups. Additionally, the proposed funding solution, while conceptual, was a way for the State to invest in water projects while those projects were urgent and not critical. Frank asked just how conceptual the proposed solution was and Bornstein said it was in the initial phase of discussion and the CWCB was seeking comments. Doug Robotham pointed out the Nature Conservancy was essentially testing the first tranche of such a funding method in Australia. The purchasers of the bonds were all interested in particular aspects of the project, allowing a market-based investment to pursue the manifestation of various philosophies. Robotham argued the bonding strategy was the result of at least three years of work to understand the investment marketplace and represented the Nature Conservancy's best understanding of that environment. Robotham pointed out those bonds could be paid for over many years, rather than needing to be paid all at once or in a short period of time.

Joe Frank asked if the proposed funding solution could make the permitting process easier for others and Doug Robotham responded it could. Eric Wilkinson stepped in stating the improvement of an area would slightly offset by the development of a project in that area; there was no way to return an environment to its pre-impact state, only improve the area in mimesis of such a state. The enhancements of an environment to serve a project and a project to serve the environment were where the benefit to supporting an holistic funding solution resided. Wilkinson further added there were current provisions in state law for the State to fund 5% of environmental impact mitigation, but those requests had never been funded. Wilkinson focused on environmental resilience as a pre-project development focus, rather than a post-project development focus.

Dinner started at 5:45

Meeting resumed at 6:30.

6. Colorado Water Plan (Bornstein - 90 min)

a. CWCB Presentation, b. IBCC Topics Pertinent to CWP, and c. Discussion

Jacob Bornstein began the second half of the evening's discussion with a discussion of permitting. The goal, Bornstein said, was to impose a series of "lean" events, mirroring corporate philosophy, to streamline and remove duplication of efforts, to improve the permitting process. There was a general desire to improve the joint processes of state and federal agencies, as a method of streamlining permitting to clarify the path to state endorsement and determine leading state agencies for permitting categories. Bornstein felt the improved process hit many of the proposals and comments provided to the CWCB by the South Platte Basin Roundtable membership. Sean Cronin asked if a state agency could act as a cooperating agency and Bornstein confirmed that they could. Kevin Lusk asked for insight onto the absence of 1041, to which Bornstein responded those concerns would be addressed further along in the draft process.

Brent Newman took the floor to discuss municipal, industrial, and agricultural infrastructure projects and methods (CWP section 6.5). Newman first spoke to the SWSI initiative as a technical guide, the CWP as a legislative guide, and BIPs as localized snapshots of issues,

needs, and desires. Newman moved discussion to storage as a significant theme in all BIPs, either as a major theme or a minor one, but a prominent component in each one document. Each basin's approach to storage was addressed pointing out key similarities and differences, but each basin did mention increasing storage. Jim Hall commented the CWP storage chapter was focused on evaluating existing storage's ability to be expanded or rehabilitated. Jim Hall took issue with the philosophy of articulating reservoir expansion without a real ability to actually expand many reservoirs. Hall also took issue with the missing discussion on the impact of storage on agriculture. Jacob Bornstein took the floor to respond to Hall's comments, pointing out additional work on storage was likely necessary. Joe Frank pointed out the discussion was likely disjointed, addressing two different sections of the CWP; the chief focus was to redevelop existing development rather than develop entirely new storage projects.

Mike Shimmin suggested the CWP include a comment stating that without new storage projects, the state would be unable to achieve its water goals. Shimmin pointed out how often the South Platte Basin Roundtable had discussed the issue of needing new storage to collect precipitation from a warmer climate (rain) rather than capturing snow runoff, as had been traditionally done. Kevin Lusk recommended asking the State to endorse the idea of new storage. Sean Cronin reiterated the Governor had already pointed out "all conversations around water start with conservation". Cronin asked to be made aware if those at the state felt that discussion surrounding conservation was somehow lacking or being missed in basin discussions. John Stulp argued discussion of storage was apparent in all the IPPs and BIPs, but the discussion was more focused on existing storage and Roundtable concerns focused on a need for new storage. Bob Laungenbaugh stated he felt there needed to be wider discussion of aquifers as storage sites, especially on the West Slope. Laungenbaugh asked why there wasn't greater discussion of joint surface and groundwater management. Aquifers, Laungenbaugh argued, were only as effective as storage sites as there was room in them to store water, thus necessitating providing further need to combine ground and surface water management.

Brent Newman addressed other changes in the second draft of the Colorado's Water Plan, beginning with increased focus on environmental resiliency, and moving on to agricultural viability. Newman also covered an expanded section on alternative agricultural transfers as well as a larger section on agricultural efficiencies and conservation, and agricultural actions. There was more detail given to climate change as well as basin implementation plans (updated sections). Outreach and education plans were updated and expanded based on recent conversation. The next steps for basin roundtables section was also expanded.

Jacob Bornstein took the floor to address the municipal and industrial gap. He first pointed out how mandates for dense housing would not work, nor would regulations requiring conservation, but there was promise in the requirement for retailers to sell efficient products. Furthermore, Bornstein argued, a statewide encouragement of water providers to do conservation programs was not only a good approach, but an effective one, as was encouragement of Coloradans to enact greater conservation. Bornstein pointed out the

CWCB had taken note of a State level desire to encourage local governments to implement water and land use practices, as well as requirements for good planning. Harking back to earlier discussions, the CWCB was planning a large push to develop funding, via loans, for conservation projects as well as the funding of grants for conservation projects. Bornstein then moved discussion to the topic of municipal water conservation and efficiency stretch goal. The goal was to reduce Colorado's projected 2050 municipal water demands by 400,000 acre-feet statewide.

Jacob Bornstein argued a stretch goal was in the state's best interest as part of a responsible and sustainable water plan. In order for the goal to be successful, Bornstein pointed out, was for water providers to be encouraged to do comprehensive integrated water resource planning, geared toward implementing the best practices as a higher customer participation level. Such comprehensive planning would be part of the necessary requirements to achieve state endorsement of projects and financial assistance. The stretch goal was based on best practices, focused on maintaining local control, included a strong monitoring component, and ultimately came down to adaptive management. Bornstein argued that under constant monitoring, if a threshold was reached at which point the goal was no longer attainable, the goal would need to be adjusted. Sean Cronin asked if the stretch goal was estimating an additional 60,000 acre-feet on top of the 340,000 acre-feet targeted by low and no-regrets. Bornstein addressed current data on conservation and return flows, pointing out how conservation impacts return flows in a positive way, but population growth washes out that gain. Discussion ensued as to where that additional water in the system would come from, namely new supply. Discussion then moved to how agricultural transfers and trans-mountain diversions ultimately resulted in a net gain of zero since they wouldn't add additional water to the system beyond what was needed.

Jacob Bornstein argued there was no thing as a perfect system so any generated extra return flow would be sent downstream. Joe Frank and Mike Shimmin argued that water would necessitate the inclusion of new supply, at any rate. Burt Knight asked how new supply could be left out of the proposed model since it made so many assumptions about other factors. Discussion ensued as to how consumption rates have fluctuated over the past two decades and Bornstein argued technological gains would be nullified, all things being equal. Eric Wilkinson pointed out the parallels the model had with the three-state agreement in Nebraska, calling attention to the inherent risk that model carried. For municipal conservation to work, it had assumed a higher level of efficiency, but that higher efficiency necessitated lower return flows. Bornstein reiterated the value of the model was in evaluating an entire portfolio. Janet Bell asked if municipal administrators were considering the minimum amount of water to move sewage through the system. Joe Frank asked for confirmation that the provided model was not focused entirely on conservation and necessitated the incorporation of other methodologies. Mike Shimmin asked what future work would be done to show what mandatory actions would be required to offset lower return flows through higher water-use efficiency.

Kevin Reedy took the floor to address system-wide best practices, beginning with public information and education efforts and moving on to integrated resources planning and conservation-oriented water rates as well as water budget-based water rates. Reedy also covered conservation-oriented tap fees as maintained by smart metering. Discussion ensued as to how rates were determined and customized to match residents' financial resources, current conservation strategies. Reedy addressed indoor best practices, pointing out high-efficiency fixtures and appliances, conservation-oriented plumbing and building codes, a reduction in customer-side leakage, and specialized non-residential administration (surveys, audits, etc). According to Reedy, all of these strategies would need to be location-specific so arbitrary strategies aren't being applied needlessly. Joe Frank argued the language in the CWP needed to reflect that option of conservation customization. Reedy also addressed outdoor best practices, addressing targeted audits for high demand landscape customers, landscape transformation from high to low water requirement plantings, and irrigation efficiency improvements.

As with earlier discussions on conservation, Reedy pointed out how conservation efforts alone would not reach the stretch goal—they would need to be paired with other efforts in order to effectively reach that goal. Reedy then moved on to discussion of a key question: is a 400,000 acre-foot conservation goal achievable? According to Reedy and pertinent research, the answer to that question was “yes”. Reedy pointed out how 287,000 acre-feet would be saved by the South Platte Basin and Metro areas, leaving roughly 144,000 acre-feet to come from other basins in the state. Discussion ensued as to how feasible those conservation estimates were for less populated areas and Reedy responded those numbers were coming from other plans. The 287,000 acre-feet achieved through conservation plans would be supplemented by 73,000 acre-feet from parks and open space outdoor Water Sense and another 40,000 acre-feet through conservation tax-credits. The total of those three major components equaled the 400,000 acre-foot stretch goal. Sean Cronin asked the question about conservation in the South Platte Basin regarding how effective current conservation efforts in the Basin already were. Reedy responded and Jacob Bornstein clarified 60,000 acre-feet in the South Platte and 46,000 acre-feet in the Metro, but the South Platte Basin had a more aggressive conservation plan than the Metro, more aggressive, in fact, than most other plans in the state.

Jacob Bornstein clarified the current strategies in the basins were moving toward a position where achieving the 400,000 acre-foot goal was achievable. Jim Hall reiterated the necessity of a strong connection between agriculture and municipal/industrial water, and the necessity of strategizing the two categories together. Eric Wilkinson expressed concern over the numbers presented in the stretch goal and CWP becoming legislation or regulatory numbers used to mandate or enforce projects. Sean Cronin asked if the stretch goal was only applicable to new municipal/industrial water projects. Bornstein responded a previous staff caveat, which was removed, attended to discussion during the Roundtable meeting regarding Section 6. Discussion ensued as to the efficacy of language in the Conceptual Framework when it better addressed concerns raised over language in CWP Section 6.5. Bornstein

reported many West Slope counties and basins, which were originally opposed to the Conceptual Framework, had recently bought-in to the idea, i.e. approved the proposed language. Mike Shimmin called attention to language articulating the stretch goal and its components as aspirational and other language articulating those elements as required. The conflict of those two presentations introduced a degree of instability into the documents that create an opportunity for adoption as policy requirements. Bornstein responded the CWCB was not anticipating implementation or strategies thereof, nor was the CWCB planning to formulate those strategies without the help of individuals at local and basin-level involvement.

Eric Wilkinson proposed revised language in the Conceptual Framework to remove specific language of “should meet high conservation standards” and instead replace that language with “should strive to meet conservation standards”. Mike Shimmin suggested new language to avoid reaching conservation goals as requirements and Eric Wilkinson responded a greater degree of success would be possible with less editing. Shimmin responded that if the Conceptual Framework was so difficult to edit then the CWP should be edited to match the Conceptual Framework. Shimmin argued the revision of 6.3.1 language to articulate the stretch goal as an aspirational goal was essential to match the goals of the South Platte Basin Roundtable. Bornstein clarified that clarifying language was acceptable, but changing meanings was not. Joe Frank reiterated primary components of the discussion asking Bornstein what was acceptable. Sean Cronin asked Joe Frank and Jacob Bornstein to clarify what Roundtable members were being asked to do. Bornstein responded the Roundtable was being asked to reconsider its motion from last time, given a rejection of the language as moved in the July meeting would result in all parties revoking support of the Framework.

Doug Robotham asked an amendment be considered to revoke the motion of the July meeting as long as the suggestions made at the August meeting be considered and the Roundtable be able to review and approve the revised language of the Conceptual Framework *and* CWP section 6.3.1. Doug Robotham made the previous suggestion as a motion and Mike Shimmin seconded. Kevin Lusk opposed the motion on the grounds that discussion of any municipal project had no place in the Framework. Sean Cronin stated what Kevin Reedy pointed out in his earlier presentation was a showing of how the South Platte Basin was already reaching high conservation standards and therefore shouldn’t be argued over. Still, Cronin argued, there was good reason to argue for consistent language. Cronin felt numbers showed the South Platte Basin was already leading the state in conservation and the rest of the state should do the same. Erin Messner asked Jacob Bornstein to confirm that statement. Bornstein confirmed that going on current conservation numbers alone, the South Plate Basin was already achieving 75% of the 2050 stretch goal, but those numbers would come down and spread out over the whole portfolio over time.

Jim Hall pointed out that relative to the SWSI document, the South Platte Basin was not even close to penetration numbers. Julio Iturreria asked the revisions be drafted and distributed to the Roundtable membership for review and consideration. Mike Shimmin expressed concerns over the previous month’s motion being taken as an aggressive act

towards other basin representatives on the IBCC, and any language, even if not solidified, would provide guidance and direction for revision. Julio Iturreria proposed voting on the issue electronically or via phone call, but to do so in order to allow for more nuanced review of the language before its presentation to the IBCC. Sean Cronin pointed out the timeliness of the issue and the significance of a West Slope buy-in on trans-mountain diversions. Discussion ensued as to how best act on the strategy proposed. The motion passed; Kevin Lusk, Bruce Gerk, and Julio Iturreria opposed. The contingency to the motion was the approval of the language via digital means.

Joe Frank made an update on the South Platte Basin and Metro Roundtable committees charged with reviewing the CWP had agreed to submit comments to HDR to consolidate and clean-up to present to the full Roundtable at the September meeting. Joe Frank clarified that those comments would need to go to Matt Cook. Burt Knight and Joe Frank clarified that Roundtable members hold-off on sharing those comments until they had a chance to review all the submitted comments from the group.

6. Basin Implementation Plan (20 min)

Matt Cook asked that he provide a full-update on the BIP and its relative components at the September meeting. Cook reported the one-pager was in development and nearly complete, as was a one-pager on the Republican River. Cook also reported there was an upcoming discussion to address in-basin education and outreach efforts.

7. Public Comment (10 min)

No public comment was offered during this portion of the meeting.

The meeting adjourned at 9:20.