



UPPER COLORADO RIVER COMMISSION

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TO: Interested Upper Basin Water Users
FROM: Upper Colorado River Commission
DATE: September 30, 2015
SUBJECT: Request for Pre-proposals regarding a potential funding opportunity for voluntary participation in a Pilot System Water Conservation Program

Facing declining levels in Lakes Mead and Powell, the Upper Colorado River Commission (UCRC¹), the U.S. Bureau of Reclamation, and four water providers² that depend on Colorado River Basin supplies are working together to initiate pilot projects designed to develop and test tools that could potentially be used as part of a drought contingency plan. To this end, in July 2014, the four water providers and the U.S. Bureau of Reclamation (Reclamation) (collectively the Funding Partners) entered into an agreement to explore potential solutions.³ Through this agreement, the Funding Partners have established a Pilot Program to help State and Federal water officials manage the ongoing record drought conditions in the Colorado River Basin by testing on-the-ground water conservation opportunities. The purpose of this Pilot Program is to explore and learn about the effectiveness of voluntary measures that could be used, when needed, to help maintain water levels in Lake Powell and Lake Mead above the levels needed to maintain hydroelectric power production and protect Colorado River compact entitlements. The Funding Partners have committed \$11 million to test and demonstrate the effectiveness of temporary, compensated, and voluntary water demand management actions through pilot projects in both the Upper and Lower Basins in 2015 and 2016. Of the funds committed, at least \$2.75 million is intended for use in the Upper Colorado River Basin and the UCRC has agreed to facilitate the implementation of this Pilot Program.

The first round of pre-proposals were accepted and reviewed in June 2015. 10 proposals were selected (5 in Wyoming and 5 in Colorado) to commence in 2015. Approximately \$1.6 million remains available to fund pilot projects for 2016.

¹ The UCRC is an interstate, administrative agency established by the Upper Colorado River Basin Compact of 1948 (Upper Basin Compact). UCRC members consist of a Commissioner representing each of the four Upper Division States of Colorado, New Mexico, Utah and Wyoming (Upper Division States) and a Commissioner appointed by the President of the United States who serves as the Chair of the Commission. The Commission assists the Upper Division States in developing their apportionments of Colorado River water pursuant to the Colorado River Compact of 1922 and the Upper Basin Compact, and has specific responsibilities to assist in implementing the Upper Basin Compact consistent with laws of the Upper Division States.

² The four major water providers that have contributed funds for the System Conservation Agreement are the Southern Nevada Water Authority, Denver Water, the Central Arizona Water Conservation District, and the Metropolitan Water District of Southern California.

³ The Funding Agreement can be viewed on Reclamation's website at:

<http://www.usbr.gov/newsroom/docs/2014-07-30-Executed-Pilot-SCP-Funding-Agreement.pdf>.

The UCRC issues this Request For Pre-proposals (RFP) to invite users of Colorado River System water in the Upper Division States (Colorado, New Mexico, Utah and Wyoming) to submit Pre-proposals to participate in the Pilot Program.

You are invited to submit a Pre-proposal describing any conservation opportunity that can be implemented under this Pilot Program by you or your organization. Pre-proposals should include a detailed project description, the estimated amount of conservation, the method for verifying the conservation activities employed, approximate time frame for startup, project duration, and amount of funding requested and additional information as shown in the attached application form.

Through the Pilot Program, water users in the Upper Basin (municipal, industrial, and agricultural) will be monetarily compensated for voluntary actions that temporarily reduce consumptive use of Colorado River Basin water. These pilot projects could include temporary fallowing or deficit irrigation of agricultural crops, upgrading to more efficient irrigation practices to reduce distribution system or on-farm losses, reuse of industrial water, recycling of municipal supplies to reduce consumptive use, reductions in municipal landscape irrigation or indoor use, and other methods that would result in additional water for the Colorado River System.

Pilot Program participants will be selected based on selection criteria developed by the Funding Partners (see link provided above in Footnote 3) as well as any additional considerations as deemed relevant by the Commission during review and consultation with the respective Upper Division State. Among others, the factors include: the schedule for implementing the conservation project, complexity or level of administration, cost per acre-foot of conserved water; identified environmental benefits, diversity in the geographic locations, diversity in the types of projects, diversity in the types of water uses, and the potential for any conserved water to benefit storage in the Colorado River system. The UCRC and Funding Partners will jointly review and approve project proposals. The UCRC will then facilitate implementation of the final approved projects in the Upper Basin with the selected participants.

Selected participants will be required to execute a System Conservation Implementation Agreement with the UCRC, which will provide the terms and conditions for design, implementation, monitoring and evaluation of the Pilot Program project and compensation to the participant. If your organization is interested in participating in the Program, please e-mail your pre-proposal to the UCRC's Executive Director and the representative of the State in which the project is located at the e-mail addresses listed below.

Given the ongoing drought conditions in the Basin, the UCRC hopes to see some projects proceed that can be quickly implemented and begin conservation actions during 2016. To this end, projects that are ready and that can begin conservation in 2016 should be received by November 1, 2015, to be considered for funding. Pre-proposals received after this date may still be considered if funds remain. If you have any questions, please contact one of the individuals below:

For the UCRC: Don Ostler, dostler@ucrcommission.com, (801) 531-1150.

For Colorado: Michelle Garrison, michelle.garrison@state.co.us, (303) 866-3441, Extension 3213

For New Mexico: Kristin Green, KristinN.Green@state.nm.us, (505) 827-6145

For Utah: Robert King, Robertking@utah.gov, (801) 538-7259

For Wyoming: Steve Wolff, steve.wolff@wyo.gov, (307) 777-1942

Based on current estimates, the UCRC and the Funding Partners anticipate providing an initial response to project pre-proposals no later than December 30, 2015.