

South Platte Basin Roundtable Meeting Agenda

Tuesday, June 14, 2016
Northeastern 18
17408 CO-14,
Sterling, CO 80751
4:00PM – 8:00PM

Attendance: Garret Varra, Kent Swedlund, Burt Knight, Jim Hibbard, James Ford, Joel Schneekloth, Mike Shimmin, Brent Newman, Stephen Larson, Larry Ross, Jim Yahn, Bruce Gerk, Allyn Wind, Rich Belt, Kevin Lusk, Deb Daniel, Mike Brazell, Joe Frank, Sean Cronin, Jim Hall, Matt Betz,

1. Welcome/Introductions (10 min)

The meeting commenced at 4:10.

2. Approval of Meeting Summary (5 min) (action required)

No changes or additions were requested. Garret Varra moved to approve the May meeting minutes and Jim Yahn seconded. The motion passed without contest or discussion.

3. Agenda – additions or changes

Agenda items 8 and 9 were moved ahead of agenda item 4. It was announced that Jim Yahn was appointed to the IBCC. Yahn expressed interest and excitement in taking on the new responsibilities of working with the IBCC.

4. Committee Updates

a. WSRA Needs Committee

i. North Poudre WSRA Application (5 min)

The Needs Committee met in May to discuss the one application submitted before the application deadline. Joe Frank reported the size of the ask was significant and would be discussed in more detail later on. The Needs Committee recommended funding \$50K instead of the full \$250K ask for work on the North Cache le Poudre River. Frank laid out the various funding options available to the Roundtable. The ask to the Roundtable would be accompanied by a \$150K ask submitted to the State (total of \$400K ask). The local match of the project was \$1.6M.

ii. SPBRT Criteria and Guidelines (25 min) and iv. Account Balance & Tracking Spreadsheet (10 min)

Joe Frank reported the revision committee had met several times and as a result of their work had generated a proposal for revised criteria and guidelines. Frank recapitulated the five South Platte BIP-driven WSRA funding guidelines, discussing how each of the 11 BIP elements was integrated into the five WSRA funding categories. Frank stated the committee's goal was for applicants to describe how they were addressing each of the funding categories

in a three-page executive summary. Frank then went on to a discussion of the funding distribution between funding categories, weighting development and advancement of multi-purpose water supply projects more than any other category (40% compared with 15% for all other categories).

The current WSRA account balance (Basin) was reported at \$423,806. Of that total, \$130K was identified for reserves, with a remaining \$293,806 for project funding going into the 2016/17 fiscal year. Burt Knight clarified if the ~\$294K was everything the Roundtable had to work with for this and the next two funding cycles. Discussion ensued as to kind and funding sources for the current application before the WSRA Needs Committee and the guidelines against which their application was vetted. It was generally agreed upon that the WSRA application submitted before the May 1 deadline would be held to the evaluation standard of the old guidelines. Several members of the Roundtable addressed future discussion topics of new/improvement projects versus maintenance projects. It was generally agreed that the WSRA Needs Committee should revise the funding guidelines and resubmit the document to the Roundtable for further review. Discussion ensued as to the efficacy of language allowing maintenance projects to be funded with WSRA funds.

Sean Cronin recommended funding a portion of projects versus providing, or trying to provide, funding for the majority of project budgets. Discussion ensued as the benefits and risks of both strategies. Joe Frank addressed the many other funding sources available that can supplement or replace WSRA funds, specifically in terms of WSRA Funding Category 3 – *Sustain Irrigated Agriculture*. Mike Shimmin argued that improved conservation does not translate into new supply—those two were mutually exclusive approaches to closing the gap. Shimmin proposed the development or improvement of water supplies that would reduce shortages, rather than seeing it the other way around.

Joe Frank proposed Roundtable members take time after the meeting to review comments submitted to the group by Lynda James and add their comments to hers, if they had any. Clarification was made that although the term “the gap” was widely employed by those discussing Colorado water issues, there were in fact three individual gaps—municipal and industrial, agricultural, environmental and recreational. Bruce Gerk argued the proposed guidelines were too specific and did not leave enough room for interpretation by the applicants. The Roundtable generally agreed that additional review and revision through the lens of defining funding priorities without providing too many details.

The final funding category focusing on education and outreach was specifically designed to reduce overlap with other existing strategies, such as school children and youth water festivals. The Roundtable generally agreed upon holding off on approval of

WSRA funding guidelines until a revised version was presented at the July meeting.

iii. HB1256 Storage Study (Stulp – 15 min) (action required)

Joe Frank took the floor to discuss HB1256 and the Bill's requirement of approval from the South Platte Basin and Metro Roundtables. A member of the public reported the Metro Basin supported the Bill receiving support from the Statewide account. Discussion ensued as to how the Bill should be supported by the South Platte Basin and Metro Roundtables. Brent Newman clarified the support was for the study itself and recommendation for the funding source was to be provided by the Roundtables as well. Mike Shimmin expressed concern for how the Bill was being approved by the Roundtable, saying the group should support the study in concept while the State Engineer developed a formal scope of work with all participating roundtables that would be later voted on by South Platte and Metro Roundtables. Mike Shimmin made a motion to approve conceptual approval the study per Section B of the proposal. Bruce Gerk seconded. The motion passed without contest. The next steps were for a fiscal agent to be identified by the State. The Roundtable informally consented to the same recommendation as the Metro for the source of the funding.

b. Groundwater Subcommittee (Hall – 10 min)

Jim Hall reported the technical committee met in the previous week before the Roundtable meeting. The pumps in the study were working as anticipated. Additionally, the pilot program was moving forward and CSU was preparing to construction monitoring wells to show the impacts of the program. Joe Frank added the City of Sterling was looking at potential uses for grant funds. There was also investigation into the installation of a conveyance to return the water to the river. Hall reported some legislators still had concerns about the project and how HB1178 monies were being spent, what project outcomes are manifesting, etc.

c. Environmental-Recreational Needs (10 min)

i. WSRA criteria and guidelines – priorities

Joe Frank reported Greg Kernohan was resigning from the Roundtable and was an original member. Unfortunately, Kernohan was unable to attend the June meeting, but did send his thanks. Frank also reported Jim Hibbard would be retiring and therefore resigning from the Roundtable as well. Discussion ensued as to Hibbard's ability to participate on the Roundtable following retirement from his supporting organization.

A vacancy was announced in leadership of the Environmental-Recreational Needs Committee.

d. Education and Outreach (20 min)

i. Joint Metro and SPBRT – June 7th meeting

Joel Schneekloth reported on the June 7 Education and Outreach meeting, citing a handout of the meeting's whiteboard drawing that had been distributed to those in attendance. Schneekloth added the pending Education and Outreach Coordinator position would be modeled after the Arkansas Roundtable's similar position. Additionally, the funding of the position was a topic of discussion. It was clarified the Arkansas has two Education and Outreach Coordinators (PEPO funded) in addition to a BIP Coordinator (1/3 Basin funds-supported, 2/3 State funds-supported). Schneekloth outlined the crafting of a scope of work by September 2016 for a joint BIP and Education and Outreach Coordinator. Discussion ensued as to the merit and risks of having one versus two positions and what metrics would be appropriate for evaluating the efficacy of both strategies.

According to Schneekloth, the core idea behind creating an Education and Outreach Coordinator was not only to generate strategy, but messages as well. Mike Shimmin suggested defining the message and the priorities before defining a scope of work or hiring a coordinator. Rich Belt raised concerns over the abilities of a BIP Coordinator and the potential for an E&O Coordinator to begin sooner than anticipated because the resources to direct them already existed. Bruce Gerk added the largest audience and financial supporter were one and the same—the Colorado public. Stephen Larson stated he felt the BIP was divisible between project and education arms, and both were equally deserving of their own coordinator. Mike Shimmin argued the next year would be an ideal time to start with defining a role for and identifying an Education and Outreach Coordinator. Larry Ross drew comparisons between the various terms being used to discuss the Coordinator and the idea behind the Coordinator's purpose, stating they would be a facilitator, a champion, a solicitor—all those things.

Mike Shimmin made a motion to table the discussion. Jim Yahn seconded. The motion passed without contest.

5. Public Comment (10 min)

No public comment was offered.

6. Dinner 6:00 pm (45 min)

The meeting adjourned for dinner at 6:25.
The meeting recommenced at 7:00.

Mara MacKillop updated the Roundtable on her role with the CWCB and PEPO. She introduced herself to the group and reported on her goals and planned upcoming events. MacKillop reported the EAP and PEPO funding were great resources for each Roundtable to take care of.

7. Legislative Update (5 min)

Joe Frank reported the interim committee, chaired by Ed Vegil, would be meeting during the off-season. The next meeting was July 12 in Alamosa.

8. CWCB Update

- a.** Appointment of Jim Yahn to CWCB (5 min)
- b.** Presentation on plan to fund Colorado's Water Plan (Newman - 20 min)

Brent Newman took the floor to update the Roundtable on the BP America v Colorado Dept of Revenue case. The context of the dispute is approximately \$125M in tax exemptions, dating back three years—including the current tax year, of which the State owes BP and other oil companies. SB218 was designed as a way of managing the cost of the proposed settlement. The Bill puts a hold on funds throughout the State, some of which could have gone to fund water projects. Newman reported one consequence of the Bill would be negative financial impacts on the IBCC and WSRA funds. Unfortunately, the current plan restricts any funds from injection into the WSRA account. There is potential for the restriction to be relaxed, but any severance tax influx would be low compared to other years due to low tax revenues.

Newman also reported there was a strong push from the State for the CWCB to develop a five year funding plan. The CWCB water project loans would be unaffected by the pending funding issues. Part of a proposed solution was a \$50M repayment guarantee fund, reliant upon different credit ratings. Additionally, the CWCB would be adding \$10M/annually into WSRA accounts, conceptually. There is potential for that \$10M to see additional funds added annually plus any severance tax fund-infusions. An additional \$5M would be added annually to Watershed Restoration Plans. Finally, an additional \$10 would be added into a "non-reimbursables" fund. Each of the final three infusions would be added over the next five years, with an evaluation after three years.

Newman's ultimate message was that there were numerous funds and funding sources on the horizon, but they could not be used until after the 2016/17 funding cycle. A member of the public asked if the \$125M was a one-year "hit" or if its impact would linger into following years. Newman reported the bulk of the settlement would be paid out of the General Fund and the rest would be paid through as-yet-unidentified sources. The Colorado State Legislature would be responsible for refilling the General Fund.

Mike Shimmin clarified the current WSRA balance would be the full balance amount for the 2016/17 fiscal year.

9. IBCC Update

- a.** Summary Update of May 15 Meeting (Cronin – 15 min)

Sean Cronin updated the Roundtable on a May 24 IBCC meeting in Salida. Cronin reported the Arkansas Basin Roundtable introduced the IBCC group to their Education and Outreach Coordinator who took the group through the budget and initiatives of the Roundtable. Cronin also

reported there would be a PEPO workshop in fall of 2016. There was an MOU in development between the DNR and CDPHE on an expedited permitting process. There was also discussion of the proposed container fee. Newman clarified the container fee would generate approximately \$100M if it only applied to non-alcoholic beverages and would increase significantly if applied to alcoholic beverages as well.

b. Discussion of WSRA Concepts (Cronin – 15 min)

Originally, the IBCC had created the WSRA funding guidelines and criteria used by many roundtables. Certain roundtables, including the South Platte Basin Roundtable, had created their own guidelines within the IBCC guidelines. Brent Newman reported, per requirements that the IBCC and CWCB evaluate the guidelines annually. Unfortunately, the evaluation has not occurred in the past two years. The plan was for the Roundtable to generate updated WSRA funding guidelines to the IBCC for approval. Sean Cronin gave context for the guideline revisions—increased demand and decreasing resources, increased scrutiny of the funds and their impact, increased concern of overlap between funds and the basin implementation plans as well as Colorado's Water Plan. One idea generated at the IBCC meeting was a best management plan style analysis to evaluate other granting sources' funding guidelines and implementation/tracking strategies. A bidding process for grants with contracts over a certain threshold was considered and different options for contracts below that threshold to prove cost-reasonableness. There was also discussion of how to address applicants with the financial resources to complete the funded projects without a WSRA grant and the relationship of match to the grant funds. A gap and benefit analysis was also discussed as ways of evaluating funding requests.

Sean Cronin reported conflicts-of-interest between applicants and Roundtable representatives was addressed at the meeting. Furthermore, accountability of the Roundtable to the applicant was discussed. Increasing retainage to applicants was discussed as well as applicant accountability to the Roundtable, post-award. An applicant's request between more than one roundtable was discussed, as well as basin-cap carryover (transferring grant funds between basins, based on need). One additional topic addressed at the IBCC meeting was whether or not the roundtables were appropriately positioned for certain applications, such as flood-recovery applications. Lastly, Education and Outreach requests were largely seen as inappropriate for WSRA funding requests. Jim Yahn added the WSRA funds were originally intended to be seed-funds rather than blanket or finishing funds. Discussion ensued as to the philosophies behind the funds and the funding guidelines, specifically, how adherence to the intentions behind the designation of WSRA funds would help the Roundtable decide which projects to fund and by how much.

Per a question from Mike Shimmin, Brent Newman reported the impetus behind asking the WSRA Funding Guideline Committee to evaluate the guidelines was threefold.

- #1.** To prepare for the coming fiscal year,
- #2.** To revise the funding guidelines to ensure the projects match the intent of the funds,

#3. To revise and concretize guidelines in anticipation of a \$10M/annual funding injection from the State.

Mike Shimmin argued the discussion of guideline revision was not a pending discussion topic, but rather a topic of immediate concern. Sean Cronin responded an effective discussion at THE present meeting would be difficult without more of a pre-cursor leading up to the meeting itself.

10. Colorado River Development and Curtailment Risk Study (Yahn – 10 min)

Jim Yahn reported there had been a few East Slope conference calls requesting information on the CRSS (Colorado River Simulation System). Yahn reported the last full-group conference call had about 45 individuals participate. Kevin Lusk reported the technical team consisted of approximately 60 people.

11. Meeting Schedule (5 min)

- a. Next Roundtable Meeting – July 12, 2016 – Elk's Club, Central City, CO**
- b. Joint Metro & South Platte Basin Roundtable Meeting, following South Platte Forum – (tentative) October 27, 2016, Embassy Suites, Loveland
- c. Colorado Foundation for Water Education – Gunnison Basin Tour - June 21-22, 2016, Gunnison
- d. Colorado Water Workshop – June 22nd-24th, Western State Colorado University, Gunnison.
- e. Colorado Ag Water Alliance - Regional Workshop – July 13th, Morgan County Fairgrounds, Brush
- f. CWCB Meeting – July 20-21, 2016: Steamboat Springs