

## **IBCC Colorado River Basin**

### **1. March 26, 2018 CBRT Minutes.**

1. **March 26, 2018 CBRT Minutes** – Colorado River Risk Study Phase III; 2018 Legislative Session water bills; Grand Junction’s request to funds to improve the Government-Highline Canal.
2. **Next Full Meeting: May 21, 2018, Glenwood Springs Community Center, 12:00 – 4:00.**
3. Upcoming Meetings
  - a. April 23, 2018, Next Steps Committee Meeting, Colorado River District office
  - b. April 25, 2018, 4-basin joint West slope roundtable meeting at Ute Water
  - c. May 2 IBCC meeting in Summit County
4. Reporter: These minutes were prepared by Ken Ransford, Esq., CPA, 970-927-1200, [ken@kenransford.com](mailto:ken@kenransford.com).
5. **CBRT Members Present:** Steve Acquafresca, Nathan Bell, Art Bowles, Paul Bruchez, Stan Cazier, Kathy Chandler-Henry, Scot Doderro, Carlyle Currier, Angie Fowler, Mark Fuller, Dan Harrison, Russ George, Mark Hermundstad, Bruce Hutchins, Diane Johnson, Merritt Linke, Ken Neubecker, Chuck Ogilby, Jim Pokrandt, Ken Ransford, Rachel Richards, Steve Ryden, Karn Stiegelmeier, Lane Wyatt
6. **Guests:** Oni Butterfly, Liz Chandler, Steve Child, John Currier, Dennis Davidson, Scot Doderro SWCD, John Eklund City of Grand Junction, Garrett and Jerry Eller, Gary Erpestal, Gary Galloway, Brent Gardner Smith, Morgan Hill, Hannah Holm, Megan Holcomb, Eric Kuhn, Heather Lewin, Brendon Langenhuizen, Victor Lee, Holly Loff, Bailey Leppek, Anna Mauss, Jon Nicolodi, Laurie Rink, Russ Sands, Chris Treese, Richard Van Gytenbeek, Kent Whitmer, Dalton Reed, Brittany LeTendre, Lauren Hoffmann, and Autumn Grennier of Colorado Mountain College
7. **River Forecast.** The Colorado River at Dotsero is covered in ice so no reading was available; the median flow is 900 cfs on this date. The Colorado River is flowing 1,500 cfs at Cameo, lower than the median flow of 1,530 cfs on this date.
8. **Six themes in Colorado River basin roundtable’s basin implementation plan:**
  - a. Ecosystem health – protect and restore streams and riparian areas.
  - b. Agriculture – sustain, protect and promote agriculture.
  - c. Safe drinking water – secure and protect safe drinking water.
  - d. Conservation – ensure a high level of basin-wide conservation.
  - e. Land use – develop local water conscious land use strategies.
  - f. Basin administration – assure dependable basin administration of Shoshone and Cameo calls to keep water in the Colorado mainstem.

9. **Snowpack.** The **upper Colorado river basin snowpack is 90%, the Green River Basin is 97%, but the entire Colorado River basin above Lake Powell is only 71%. The So. Platte basin is 90%, and the Southwest is only 48% of normal.**<sup>1</sup> Jim Pokrandt presented a graph indicating the Colorado River Basin snowpack is tracking the 2002 drought year. Storms have been tracking north, and the Wind River Range has high snowpack. The runoff into Lake Powell is predicted to be 54% of normal. A high-pressure ridge is sending the storms north, resulting in cold temperatures in the Midwest and more snow in the East.
- a. **The Vail SNOTEL site just registered 50%, the lowest on record.**
  - b. The North Platte basin snow-water equivalent is 90-100% of normal, the north half of the state snow water equivalent SWE is 70-90% of normal, and the SWE in the south half of Colorado is 50-70% normal.
  - c. This is a **classic El Nino year where northern Colorado is getting more precipitation than southern Colorado.** The good news is that reservoir levels are currently healthy, ranging from 103% to 127% in all but the Rio Grande basin. This year resembles 2002, frequently described as the lowest water year in the Colorado River basin over the last 500 years.
  - d. It is projected that the **spring runoff will be 3.1 maf into Powell from April through July 2018, only 43% of average.** Meanwhile, 9 maf will be released, so Lake Powell will drop nearly 6 maf.
  - e. Grand Mesa snowpack is 50% of normal and Vega Reservoir is unlikely to fill. Green Mountain reservoir will fill because Denver Water is flush with water on the East slope, and will drop some of their storage. Ruedi may not fill. There's a lot of water in Granby, but **BuRec is moving that water to Horsetooth and Carter Reservoirs; Granby will not likely spill this year.**
  - f. Coordinated reservoir operations to benefit endangered fish – BuRec, Colorado River District and Denver Water coordinate peak runoff releases to enhance the peak flows in the 15-mile reach between the Grand Valley Irrigation Canal in Palisade and the Gunnison River. This is not likely to occur this year.
10. Diane Johnson of the ERWSD said this is **a good year to switch to less water-intensive landscaping.**
11. **WSRA Balance.** The CBRT WSRA Basin Account balance is \$556,520, including reserves set-aside for \$20,000 for an educational project, and \$150,000 for a basin wide project, leaving \$386,520 available to distribute as grants. The statewide fund has

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<sup>1</sup> NRCS, "Upper Colorado River Basin SNOTEL Snow/Precipitation Update Report, Mar. 24, 2018, <https://wcc.sc.egov.usda.gov/reports/UpdateReport.html?report=Upper+Colorado+River+Basin>.

\$240,957; it received \$1.9 million more in January, and the CBRT WSRA received \$133,000. Upcoming grant requests include:

\$103,800	Middle Colorado stream management plan
\$75,000	Eagle River stream management plan
\$20,000	Carbondale river restoration project on the Weaver Ditch
\$85,000	Agricultural grant request from 3 Conservation Districts to fund agricultural consumptive use analysis in the Middle Colorado River
\$37,500	Roaring Fork Conservancy for RF Watershed Interactive Information System
<u>\$30,000</u>	Eller Family Request
\$351,300	Total pending grants

All pending grants have been approved, so there is now \$205,220 remaining in the CBRT Basin Reserve account.

12. **Megan Holcomb, CWCB, update on state funding.** WSRF is a Tier 2 program, funded by severance tax, which fluctuates with oil and gas production. The Colorado Supreme Court ruled that BP Petroleum overpaid severance tax, so Tier 2 programs will receive less funding. The disbursement scheduled for April 1, 2018, may be withheld, and funding forecast for the next 3 years is not good. The CWCB is hoping for replacement funding from the General Fund in the Projects Bill.
13. Colorado River Risk Study, Eric Kuhn and John Carron
  - a. **Lake Mead and Lake Powell** were full in 2000; together they **hold about 50 maf, nearly 4 times the annual Colorado River flow**. 2016-17 was a bigger year, but in 2017-18 we've returned to dry conditions. Most projections suggest an average spring, which will mean a 50% runoff into Lake Powell. In 19 years since 2000 began, storage has dropped significantly. **Now the question is how much water can be used on a sustainable basis.**<sup>2</sup>
  - b. Is there enough water in the Colorado River system? The **Conceptual Framework**, a proposed set of rules for how to discuss new diversions from the Colorado River, often known as New Supplies, says that **new projects should not add additional risk to existing uses**. Carron says the Risk Study shows **we need a proactive program to protect Lake Powell**. If the last 20-year hydrology continues, which most people expect, how do we address the really dry periods? Lake Powell is our savings account, and the goal is to always have some water in savings.
  - c. Solution: (1) **Aggressively draw down Upper Basin reservoirs** such as Blue Mesa Reservoir. We've never had to do this before. We can't be too aggressive,

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<sup>2</sup> Colorado River District, "Drought Contingency Planning and Colorado River Risk Study, Mar. 2018.

so we hold water back in reserve; (2) **Cloud seeding**, which is not very significant as Eric Kuhn commented, **“you see the impact of that in the river today;”** (3) **Demand management**—if conditions get so bad, we will reduce consumptive uses so more water can flow down to Lake Powell. We need to put a plan in place to reduce consumptive uses; demand management raises hundreds of questions, and **no Upper Division state has reached consensus** on this.

- d. If we have a big drought, **how much do we need to reduce consumption?** Phase I of the Colorado River Risk Study identified risks, and Phase II addressed demand management and water bank modeling. Carron presented a map of the state, indicating a 50% drop inflow into Lake Powell; most of the state has significantly below-normal snowpack today.
- e. **“Things can go south in a hurry,”** is Carron’s conclusion. Lake Powell could quickly drop to a level where there is no hydropower, and we’re struggling to meet Lower Basin deliveries under the Interim Guidelines.
- f. At **3,525’ Powell holds 6 maf; this is the critical level at Lake Powell**—once it is reached, deliveries actually ramp up and increase to the Lower Basin. Once Lake Powell drops to 3,525’, **it could drop to 3,490’ within a couple of months at normal delivery rates.** This could lead to a Compact hole, where we would have to increase deliveries in the future under the 10-Year Penalty Box.
- g. Phase I: **We can provide 2 maf of water from Upper Basin CRSP reservoirs.** Based on historic droughts, **this is not enough.** After we have run through this, what is Colorado’s obligation to Demand Management. CRSS is BuRec’s modeling tool to estimate river flows and the 24-month analysis. **“No models are right, but some models are useful.”** We don’t know what future hydrology will look like. Depending on what you assume, you’ll get different risk profiles, ranging from a **10% to a 40% risk that the 3,525’ elevation is reached.**
- h. A 10% increase in Upper Basin demand doubles the risk of Lake Powell dipping below 3,525’ from about 25% to 50%. The outcome of Phase 1 is that Upper Basin states may need to drop consumption by 1-2 maf to keep Lake Powell above 3,525. Right now, the Upper Basin consumes about 4 maf, so this would be a **25% to 50% reduction in water consumption by the 4 Upper Basin states. The Upper Basin assumes the Lower Basin will cut back its use by 1.3 maf before Upper Basin states reduce their demand.** Slide 11 shows how Arizona, Nevada, California, BuRec, and Mexico have agreed to these reductions.
- i. **Phase II addressed demand management**, which can only be realistically achieved by cutting back hay production. The table below from slides 23-24 projects that **less than 50% of the water left in the river makes it to the Utah state line** and on down to Lake Powell in dry years.

Reduce agricultural consumption by	5 %		10 %		15 %	
	Acre-foot drop in agricultural hay consumption	Acre feet reaching the Utah boarder	Drop in consumption	Water shepherded	Drop in consumption	Water shepherded
Average yar 1988-2012 % reaching the border	117,883	89,671 76%	235,766	184,517 78%	353,650	283,535 80%
8 driest years % reaching the border	111,461	48,899 44%	222,921	102,231 46%	334,382	165,168 49%

“Shepherding” is the mechanism to ensure that water savings from reduced consumptive use stay in the river. **The Gunnison and Upper Colorado basins are the worst at shepherding water to the state line**, as barely two-fifths of the saved water makes it to Utah in dry years from each basin.

- j. **All water in Lake Powell is considered “System Water,” subject to equalization** based on Lake Powell’ level. “Equalization” refers to how water is released from Lake Powell depending on the lake level. **Water conserved through Demand Management must be segregated from this water**, but there’s **no law in place to do this**. Instead, any water in Lake Powell is released according to the Interim Guidelines, regardless of whether it is “banked” water or not.
- k. StateMod, the computer program developed by the Colorado Department of Natural Resources and known as the Colorado Decision Support System, does not address what’s happening in Lake Powell. Carron used StateMod for Demand Management, and used CRSS to segregate water in Lake Powell saved through Water Banking. This approach was successful, and the proof-of-concept modeling was more successful than predicted. Colorado still needs to integrate its work with what the other Upper Basin states are doing.
- l. We’re 18 years into the current drought, and **we need to be thinking in terms of decades, not water-years**.
- m. Liz Chandler of the Bookcliff Conservation District asked why towns are not practicing more stringent water conservation. Kuhn said that water conservation is not the same as reducing consumptive use. **The only significant ways to reduce consumptive use is to reduce irrigation, transmountain diversions, or evaporation losses**. Water conservation affects return flows more than consumptive use, unless it means reducing lawn sizes.
- n. Nathan Bell: **How do we protect the water bank so it protects us and isn’t viewed as a New Supply**. Kuhn said **the Lower Basin already practices this with “Intentionally Created Surplus.”** These are details the Upper and Lower Basin states have to work out.

- o. Mark Fuller asked, “**Do we need to change Colorado water law to shepherd water?**” Kuhn said, “**This isn’t new**—if a reservoir releases water, the state engineer has to shepherd it to the right farm. Shepherding is a new concept in the Colorado River Compact. Would it require new legislation? Kuhn said it depends on which water attorney you ask. Legislation can clarify issues, but many people think **the state has the authority to shepherd water now because they do it all the time.**”
- p. Chuck Ogilby asked, “If a new demand management plan is implemented, **would it take a Constitutional amendment to administer this?**” Kuhn doesn’t think so. **Interstate administration occurs every day on the Arkansas, Rio Grande, and Republican Rivers.** Interstate compacts trump individual water rights. How would we administer the river if we don’t implement demand management. Would you allow the system to go intentionally bankrupt, into a hole? Ultimately, **a court decree would order the state to do something**, likely coming from the US Supreme Court. Kuhn said our goal is to **avoid an uncontrolled curtailment, where a court decision prevents us from making the right decision.**
- q. What are the unintended consequences. **When is a water project a New Supply, and when are we protecting existing uses?** This is a grey area. **Are we making it easier for cities to purchase agricultural water rights.** Agricultural return flows provide river flows in the fall. What will happen to them if we allow uncontrolled purchase of West Slope water rights by Front Range cities.
- r. How much of the water banked would be held in CRSP reservoirs compared to an agreement to not irrigate. The bank has to be an asset, but where it is stored is a detail that doesn’t matter as much. In wet years there isn’t any space.
- s. Pre-compact water rights are protected from a Compact Call. Later diversions are at risk, and they include nearly every diversion to the Front Range.
- t. Kuhn says the issue boils down to, “**Are we going to implement demand management, and how do we do it?**” How will we pay for this? Phase 3 won’t address the policy decisions; it will provide tools to use to see where to save water.
- u. Ken Ransford asked, “**Is there more we can do to increase river flows from cloud seeding**, or can we assume that we are doing about as much as we can now? Do you have a range of additional river flow that could be generated if we aggressively practiced cloud seeding all the time all over the West?” Kuhn answered, “**We’re aggressively practicing it now**, I don’t know how much more we can get.” There are 3 ways of looking at this: (1) It works locally; (2) it works locally, but not on a systemwide basis; and (3) we just don’t know. The Wyoming study said it probably works. The East slope thinks cloud seeding is like cattle rustling. I’m not sure we’re going to get much more. **It works best in wet years**, but then little towns like Minturn and Glenwood Springs get grumpy when they

must plow more snow. **It doesn't work in bad years because there are no clouds.** Downstream impacts are difficult to deal with.

- v. Carron did not discuss the 10-Year Penalty Box, although slide 15 of his PowerPoint report says, "Colorado's apportionment under the 1948 Upper Basin Compact is 51.75%, but we're currently using about 56-58% of Upper Basin total."
- w. Slide 16 indicates that there is a more than 30% likelihood that Lake Powell will be below 3,525' after 2023 under the Climate Change Demand A scenario. Slide 17 indicates a similar **20% risk of Powell falling below 3,525' by 2034 even if demand is only 90% of projected.** With Lower Basin reductions and releases from Upper Basin CRSP reservoirs, there is a more than 10% chance that Powell drops below 3,525' by 2032. The only way to reduce the risk to zero of Lake Powell emptying is to cut back on hay production.

14. **Chris Treese, Colorado River District lobbyist, report on pending water.**

- a. Colorado's legislative session is limited to 120 days.
- b. **Treese explained the Long Bill just introduced in the House**, which will spend this week on it. The Senate then debates it for a week, differences between the 2 houses are resolved in a conference committee called the Joint Budget Committee, comprised of 3 members from each of the House and the Senate. They will sit on the bill for 4-5 weeks, bring it back with minor changes, and the legislature will then pass it without any time to consider what the Governor does to the bill because the legislative session will then be closed. Of the 6 members on the JBC, 2 are from the West Slope, Bob Rankin and Millie Hamner.
- c. There are 23 pending water bills. HB18-1008 is the **Mussel-Free Colorado Act, to prevent Quagga and Zebra Mussel infestations.** This bill creates a new fee for boat registrations, adding an "Invasive Species" **stamp, \$25 for in-state and \$50 for out of state boats**, which will fund about 50% of the inspection program cost. The Senate Bill will cover the rest. Federal agencies haven't participated in mussel eradication efforts.
- d. Four bills would permit reclaimed water use. HB 1093 and SB 38 direct the Colorado Department of Public Health to proclaim that reclaimed water can be used for specified uses, including marijuana growing. **Reclaimed water is "purple pipe water" that has been through a treatment plant and would be clean enough for discharge into a stream.** The water can be reused for specified purposes. Non-tributary groundwater and trans-basin water can be reused to extinction.
- e. **HB 18-1151 was killed; it would have allowed a pilot program for deficit irrigation.** Deficit irrigation is growing 1 crop instead of 2. The Colorado River District supported it because it would have been a pilot program overseen by the CWCB. There was inadequate groundwork laid for the bill; it came from the

lower Arkansas Valley, and Treese said the water community and legislators were caught unawares. (Ed. – This is surprising since we’ve been talking about deficit irrigation since the roundtable process began in 2005.) Ranchers objected that it “looks like a “wild idea” that will impact my water rights, especially if my neighbor does this.” **Concern about water rights injury stopped this bill, a regular occurrence at the legislature.**

- i. Carlyle Currier said that most objections came from farmers in the Arkansas Valley. **The Colorado Farm Bureau opposed the bill.**
- f. HB 18-1215: NORMs and T-NORMs. **Naturally Occurring Radioactive Materials**, and Technologically Enhanced Naturally Occurring Radioactive Materials. These can result from produced water in oil and gas operations. If there’s any increase in NORMs, it’s considered a T-NORM. Sludge from wastewater treatment plants contain these. Not much is known about these. We know they are naturally occurring, but **when do they become a human health concern? Can they be disposed at landfills?** What happens if Clifton Water back-flushes its filters? Chris thinks this will become a “study bill” to study the issue further; **the General Assembly is not ready to address this.**
- g. **Hard rock mining.** State law allows mining companies to post a bond to guarantee reclamation. One mining company has been allowed to self-bond, Exxon Mobil; it has a self-bond. Under HB-1301, (1) No new self-bonding would be allowed under the bill; (2) Water quality needs to be part of the calculation of the amount of the reclamation bond; and (3) **There must not be an end-date to any water treatment program**—it must provide perpetual protection. **Treese disagrees with the third point**, and he will recommend to the Colorado River District board that it be deleted. This bill only affects new mine applications or renewals. Karn **Stieglemeier**, who has spent her entire term as a Summit County Commissioner raising funds to deal with hard rock mining reclamation dating back to the 1800s, **said the bill calls for a perpetual bond because if a mining company goes out of business, then there’s pollution in perpetuity.**
- h. SB167 – 811 **“call before you dig” program** would give landowners 3 days to object to an excavator digging on their property. Treese said the agricultural community objects. Farmers are busy, and they objected to having only 3 days to mark where their underground utilities are.
- i. HB 170, introduced by the Northern Colorado Water Conservancy District, to promote NISP and wildlife mitigation plan. It implements the mitigation plan, which calls for **releasing water from proposed Glade Park reservoir to maintain flows in the Poudre River**. This protects the water in the mitigation stretch. The Colorado River District’s concern is that this be limited to NISP and wants to **clarify that this is not the only mitigation commitment that the state can impose on NISP to obtain state permits for water projects**. This bill is designed to keep a constant flow in the Poudre River, which regularly dries up



today due to agricultural diversions, until reaching a pickup point downstream on the South Platte below Greeley. The water will be taken out there and transported to a reservoir in Ault. **The South Platte River runs dry in 15 locations between Denver and Nebraska.**

- j. A forthcoming bill will be a General Fund allocation to replace the money lost in the Severance Tax reduction.
  - k. Another forthcoming bill will address mussel-contaminated water in sea planes.
  - l. Ken Ransford asked if **zebra and quagga mussels have been found in Colorado**. They were found 3 weeks ago from a boat in Lake Powell caked with mussels. This was found on a boat, not in a river, and was caught before the boat was launched in **McPhee Reservoir**. There has been a positive identification of the larval stage of the mussels in **Green Mountain Reservoir**. **Pueblo Reservoir** discovered larval stage mussels but has gone 5 years since that sighting without a recurrence. Last summer the larval stage was detected in one water body in Colorado, but repeated testing hasn't shown it.
  - m. Merritt Linke commented that releases from the **Henderson Mill** holding pond flow through the Henderson Tunnel and into the Williams Fork Reservoir. Would this be impacted? Chris did not know. Grand County's water quality specialist is concerned about **how Molybdenum could affect cattle**. The Climax mining company has a non-discharging tailings pond, but they are projecting to close it and the non-discharging facility will probably start discharging. Lane Wyatt said that bonding for treatment makes sense. **Climax spent \$14m on its water treatment plant, and Wyatt recommends that it be bonded perpetually.**
  - n. **HB 1201 – taking a severance tax bill to voters** if passed by the House and Senate, asking them to **“de-Bruce” the severance tax**, so it is removed from TABOR tax limitations. It is a small (albeit positive) step to fund water programs. **Severance Tax revenue funds nearly all water programs in the state, and they are the least reliable, most fluctuating revenue source**, which makes it difficult to budget and rely on them. Steve Aquafresca said this would be a great benefit to county governments. Colorado has the lowest severance tax rate of all states in the West that have adopted them – Ed. **It is not getting any traction**. It's first hearing is the 2d week in April.
- 15. Steve Child asked if the Long Bill reserves any more funds for WSRA grants? Chris Treese said it is too early to tell but they are working on this.
  - 16. Megan Holcomb introduced Russ Sands, a new Senior Program Manager for CWCB, who will be working in water supply planning.
  - 17. **Eller Ditch \$30,000 grant request was approved**. The Eller Ditch right that feeds the reservoir is a **1902 water right**, the reservoir was constructed in 1915 but was not adjudicated until 1938; and there is a **1980 second fill right**. Stan Cazier motioned to approve, Merritt Linke seconded it, and it passed unanimously.

18. **Middle Colorado Watershed Plan \$103,800 grant request and the companion \$85,000 grant request to fund an agricultural consumptive use study both passed unanimously**, Steve Aquafresca motioned for approval, it was seconded by \_\_\_\_\_, and it passed unanimously.
19. **Roaring Fork River Watershed Plan Interactive Map \$35,000 grant request**: Mark Fuller recommended approval, Chuck Ogilby seconded, it **approved unanimously**.
20. **Mark Harris, Grand Valley Water Users Association, grant request for improvements to the Highline Canal in Grand Junction.**
  - a. **Priorities**: (1) **Line the upper 500 feet of canal** and replace the deteriorating concrete; **this was finished March 24, 2018**; (2) upgrade the roller dam electrical and control system; this is the subject of today's March 26, 2018, grant request; (3) rehabilitate the Highline Canal headworks, including preparing drawings and prepare a NEPA analysis; (4) rehabilitate the spalling concrete so cosmetic problems don't become structural; and (4) replace the radial gate at the Station 22 spillway. Since concrete was deteriorating, extra water was seeping back into the Colorado River.
  - b. To rehabilitate the canals, they must take the old concrete out, crush it so it can be reused, line the canal with three impervious tarp layers, and then cover it with shock-crete.
  - c. The electrical infrastructure is aging; Xcel Energy will readily admit this, and complains that when there are thunderstorms, they can lose power and not have any way to operate the dam. They have been renting electrical standby power to accommodate a power outage. Part of the property is on the National Registry of Historic Places. They will replace overhead power lines with underground conduit to hold electrical wires.
  - d. **The water user district is requesting two-thirds of the funding from government agencies**: \$50,000 from the Colorado River district, \$60,000 from the CBRT, and \$37,018 from other NGOs. The users benefiting from the project are offering \$77,080 of their own funds including in-kind funding.
  - e. Steve Child asked if they have requested funding from Mesa County. Harris said they haven't received funding from Mesa County. Child also asked Harris to disclose their **anticipated grant requests for phases 3, 4, and 5, but Harris did not know**.
  - f. Lane Wyatt asked how the GVVUA was funded; Harris said they charge assessments to members. The fee is set by the GVVUA board. Additional water is available for purchase at 1.5 times the base fee. The base fee charge to water users is **\$17 per acre-foot. It costs \$68 for 4 acre-feet, or \$102 for 6 acre-feet, which is what most farmers figure is necessary to grow a crop**. Since reserves were running low, they added a \$100 base fee per account. There is a multi-tiered system; developed subdivisions pay 4x the base rate, or \$68 per acre-foot. The

\$100 assessment for capital improvements is per account; for instance, the **Paradise Hills subdivision has 2 accounts, and several thousand users, but they still only pay a \$200 assessment.**

21. **IBCC Compact Committee report of meeting on February 20, 2018.** Next meeting is May 2 in Summit County. They are doing a **South Platte supply study** to consider building a new dam to hold back more of the South Platte River when it floods. A Severance Tax study indicated that the roundtables would have either \$210,000 or nothing. **There is no secure funding for roundtables and WSRA grants,** and problems with declining water supplies, but things aren't getting better. We have real water shortage issues if the drought continues—only 5 years ago, we didn't think it would be a problem. **No one has come up with a good way to fund a water project.**
22. **Russ George, CWCB update.** Megan Holcomb said CWCB staff will organize a **presentation on Colorado River issues for every basin roundtable**; there are a lot of new IBCC members, and before they can look at the conceptual Framework, they need to re-educate them. This presentation is scheduled for the summer.
  - a. George reported that the CWCB recently **reviewed 26 water grant requests,** and 30 WSRF grants, 3 from the Colorado Basin for \$199,000, **all were approved.** 16 requests for statewide grants drained the statewide account.
  - b. **The Colorado Water Trust** is enacting a water acquisitions pilot project, with an **April 30 deadline, to review water acquisition proposals for instream flows.**
  - c. George discussed the severance tax crunch, and the current **recommendation to “de-Bruce” severance tax funding**—this is a reference to Douglas Bruce, who proposed the Taxpayer Bill of Rights constitutional amendment in 1992 that voters approved. To “De-Bruce” means to eliminate the requirement that if tax revenue increases faster than the combined rate of inflation and population growth, the extra revenue must be returned to taxpayers. If voters agree to “de-Bruce” a tax, **extra revenue raised does not have to be returned to taxpayers.** Steve Child said that **severance tax revenue will decline as oil and gas reserves decline, so our water project funding will eventually diminish,** pointing out that the source of **water project funding is not permanent.** The IBCC has been working on this.
  - d. Severance Tax revenue is meant to provide for future generations. Spending it on water is a way to provide for future generations. This must be voted on, and Russ George commented, “The formula is: **Don’t tax me, we won’t tax you, we’ll tax the guy behind the tree.**” Chapter 9 of Colorado’s Water Plan describes funding for water projects.
  - e. **The Conceptual Framework is being revisited, to see if we could test the framework against any proposed statewide projects.**

23. **Chuck Ogilby asked for a Colorado River District update on purchasing the Shoshone power plant to preserve the important 1902, 1,250 cfs water right that is important to maintaining flows in the Colorado River.** This is a priority of the CBRT's Basin Implementation Plan and is cited as a goal of the 2013 Colorado River Cooperative Agreement between Denver Water and 17 West Slope signatories. The agreement is a negotiated contract involving Denver's Moffat Firming Project to increase Moffat Tunnel diversions of 18,000 af a year. An Xcel representative who spoke at the CBRT several years ago said the hydro plant was not for sale. **Xcel has been reluctant to talk about it.** Chuck Ogilby said we need to present this issue to people on the West Slope, because he thinks they would be likely to fund it. He's puzzled that we aren't talking about it more.
- a. Steve Aquafresca, who serves on the board of the Colorado River District, said they get regular updates. **Securing the Shoshone water right is part of the Colorado River District's long term strategic plan,** and part of the Cooperative Agreement.
  - b. Xcel has made it clear they aren't moving forward to talking about it unless the talks remain confidential, so this is keeping the subject from being public. Aquafresca says progress has been made, and he would welcome an update.
24. **Ken Ransford recommended we discuss the 10-year penalty box at the upcoming 4-Basin Roundtable Meeting on April 25.**