

**Interbasin Compact Committee (IBCC) Meeting Summary**  
**Wednesday, May 2, 2018**  
**Keystone Conference Center, Keystone, Colorado**

**IBCC Members Present**

Stan Cazier, Sean Cronin, Carlyle Currier, Jeris Danielson, Lisa Darling, T. Wright Dickinson, Joanne Fagan, Tom Gray, Steve Harris, Taylor Hawes, Melinda Kassen, Eric Kuhn, Rick Marsicek (Metro Alternate), Kevin McBride, Andy Mueller, Terry Scanga, Cleave Simpson, John Stulp, Bill Trampe, Wayne Vanderschuere, Bruce Whitehead, Jim Yahn

**IBCC Members Absent**

Mike Alnutt, Representative Arndt, Keith Holland, Jim Lochhead, John Rich, Senator Sonnenberg

**Colorado Water Conservation Board (CWCB) Staff**

Viola Bralish, Alex Funk, Craig Godbout, Megan Holcomb, Greg Johnson, Becky Mitchell, Brent Newman, Lauren Ris, Kirk Russell, Russ Sands, Dori Vigil

**CWCB Board Members**

Steve Anderson, Jay Gallagher, Russ George

**Audience**

Donna Brosemer, Jackie Brown, Liz Chandler, Brent Gardner-Smith, Neal George, Jane Hayes, Jim Pokrandt, Colleen Rathbone, Andrea Rogers

**IBCC MEMBER ACTION ITEMS**

IBCC members	Send any ballot initiative language or slogan ideas to CWCB staff or John Stulp.
CWCB staff	Update IBCC members on the results of Bureau of Reclamation (BoR) Commissioner Brenda Burman's meeting with Lower Basin leaders.
Lisa Darling, Jim Yahn	Discuss with SPROWG to determine if that groups wants more input from the IBCC on the South Platte Regional Project.
Eastern Slope water leaders	Send invitations for the June 13 Caucus meeting to IBCC members.

**NEW CWCB STAFF**

Greg Johnson of the CWCB announced the hiring of four new CWCB staff members:

- Russ Sands, Senior Program Manager, Water Supply Planning
- Alex Funk, Agricultural Water Resources Specialist
- Brian Macpherson, Decision Support System (DSS) Specialist
- Jojo La, Endangered Species Specialist

**WESTERN SLOPE CAUCUS DEBRIEF**

Eric Kuhn provided a brief report on the April 25 Western Slope Roundtable Caucus (the Caucus) in Grand Junction. Highlights of the report are summarized below.

- Roughly 130 people attended the Caucus. The Western Slope basin roundtables had not met for four years prior to the Caucus.
- The Colorado River Water Conservation District (CRWCD) commissioned Hydros Consulting of Boulder regarding risk of potential curtailment under the Colorado River Compact (the Compact). Hydros completed the risk study, reported results to the Caucus, and discussed next steps.
- Brent Newman of CWCB and Karen Kwon of the Colorado Office of the Attorney General discussed interstate issues on the Colorado River at the Caucus.
- CWCB staff provided information on financing and the Statewide Water Supply Initiative (SWSI).
- Attendees of the Caucus expressed strong interest in helping to create a plan for how Colorado will avoid Compact compliance and associated curtailment challenges in the future. Representatives from both the Eastern Slope and the Western Slope agreed on the need for this, which Kuhn said represented strong progress from similar discussions four years ago.

- A Caucus member noted that a benefit of the basin roundtable process is that it has led to better communication between water leaders in Colorado, who rarely conferred in person prior to the establishment of the roundtables. This is important for water policy in Colorado.
- John Stulp reminded IBCC members that the three Front Range roundtables are having an equivalent caucus on June 13. Water leaders from the Front Range roundtables will send invitations to IBCC members.

## **APPLICATION OF THE CONCEPTUAL FRAMEWORK**

The IBCC discussed applying the Conceptual Framework to a potential project of statewide significance.

- The IBCC and its Conceptual Framework Task Group have been exploring the option of using a real-world project as a case study for application of the Conceptual Framework. A regional project in the South Platte Basin proposed by the South Platte Regional Opportunities Working Group (SPROWG) could serve as an appropriate case study.
- The SPROWG project is not a transmountain diversion (TMD) as specified in the Conceptual Framework. However, the Conceptual Framework may have applications beyond TMDs.
- The Conceptual Framework Task Group previously recommended that the IBCC take three actions in relation to the Conceptual Framework:
  - Conduct education and outreach on the Conceptual Framework (beginning with the West Slope Caucus and continuing at the upcoming joint Front Range roundtable meeting).
  - Conduct education and outreach on “big river” issues (i.e., those affecting the Colorado River’s mainstem). Brent Newman and Karen Kwon have been working to disseminate this kind of information. At the West Slope Caucus, attendees expressed strong interest in receiving more information on interstate and intrastate water developments. Educating residents in their basins on these larger issues could be a significant role for the roundtables going forward.
  - Apply the Conceptual Framework to a project of statewide significance. At the IBCC meeting last fall, group members agreed that the IBCC should focus on applying the Conceptual Framework to a project.
- Task Group members highlighted the portions of the Conceptual Framework that would be relevant to a project like SPROWG:
  - Risk: The first and second principles address risk and the need for conjunctive use on the Eastern Slope.
  - Conservation: There should be agricultural and municipal/industrial incentives for water providers to reuse and conserve as much water as possible.
  - Contingency and conjunctive use: The Eastern Slope must demonstrate to the Western Slope that frameworks are in place for the Eastern Slope to maintain backup supplies. If Eastern Slope basins work to reuse and conserve water on the Front Range, it will benefit both sides of the Continental Divide.
  - Resilience: Colorado needs to ensure that it has a sustainable economic and environmental future.
  - Growth: Collaborative progress protecting incremental development is critical to Colorado whether or not a new TMD ends up being constructed.
  - Partnerships and demand management: A collaborative project could protect the yield of water supplies in the Colorado River mainstem from curtailment.
  - Triggers: Do not apply in this case.

## **SPROWG PROJECT PRESENTATION**

Lisa Darling of the Metro Basin Roundtable and Jim Yahn of the South Platte Basin Roundtable presented an overview of the South Platte Regional Project. Highlights are summarized below.

- An overview of the South Platte Regional Project was presented at the Metro and South Platte Basin Roundtables meeting in March.
- SPROWG was formed after the Colorado Water Plan (CWP) was completed in 2015, when several staff members of water providers on the Eastern Slope met to discuss a regional collaborative project that would transcend provider jurisdictions. The group realized that the only way to start resolving key water issues was to work together to store more water in the South Platte River Basin. SPROWG members wanted to maximize water use and efficiency, reduce buy-and-dry, and protect the environment on the Eastern Slope, while addressing the 400-500,000 acre-feet (AF) gap in the South Platte River Basin identified in the 2010 Statewide Water Supply Initiative (SWSI).

- SPROWG places a strong emphasis on meeting local demand in the fast-growing “hot zone” of Denver’s northern suburbs. The group wants to meet some of that demand with interruptible supplies while protecting agricultural water use. The St. Vrain and Left Hand Water Conservancy District, Denver Water, and Aurora Water are working together to develop larger pipelines capable of tapping into alternative transfer method (ATM) supplies. More water can be taken from ATM supplies if there is an increase in storage downstream as a result of this project, because that will permit the project to tap into ATMs further downstream. One of the project’s goals is to spread the water sacrifices evenly across the region so that farmers can earn a little extra money by valuing water more highly, but this can only be accomplished if there is some form of increased storage downstream.
- To that end, SPROWG leaders studied maximizing use of available water using some combination of four potential water storage concepts:
  - Concept A: Create a storage facility at Kersey, because there is sometimes available water there. Return flows result in increasingly available water the further that one moves down the river. This concept would provide roughly 24,600 AF of firm yield based on historic data from 1996 to 2015.
  - Concept B: Store water further down the river, at a storage facility near Julesburg. That reservoir would fill by December each year, but it offers a small window of time with available water.
  - Concept C: Store water at a storage facility near Henderson and at the Balzac gage near the Morgan County line, where a pipeline would pump water from the reservoir back to the metro area.
  - Concept D: Create a storage facility near the Nebraska state line. This idea was abandoned.
- SPROWG leaders assessed each of these concepts based on unappropriated natural flows, a variety of sizes for potential reservoirs and inlet canals, and legally reusable supplies as defined in the Conceptual Framework. These legally reusable supplies would flow into the Kersey storage facility, but the SPROWG will need to be cognizant of the fact that this may affect users downstream.
- The South Platte will have no water exchange mechanisms if basin leaders cannot find a place to store agricultural water. This is challenging, because it may not be possible to size a pipeline large enough at Kersey; the SPROWG needs to find an alignment for the pipe, while matching the water use of potentially participating municipalities. North Sterling has done a couple of piping projects like this, but it was difficult.
- SPROWG is considering using non-tributary water from wells in the Denver Basin. The goal for using this water would be a yield of 50,000 AF, but the SPROWG needs to further refine this idea.
- In developing these potential concepts, the SPROWG considered historic water availability on the South Platte. Accordingly, the project team considered unappropriated flows, ATMs, and legally reusable supplies. Even after these variables were factored in, the SPROWG envisions a firm yield of 50,000 AF if the project is completed. Water in the project area must meet not only agricultural and environmental needs from the river, but it must also feed the two identified gateways. The pipeline from Balzac also needs to be able to supply local demand.
- SPROWG believes that storage facilities and conveyance is ultimately feasible. The group funded its own cost analysis to reach this conclusion.
- Upstream storage is as critical as it is downstream. It will require large intake capacities to make this work. SPROWG wants to ensure that the region has the capacity to survive a five-year drought. Reusable supplies are critical to meeting this aim.
- Darling and Yahn noted that the SPROWG project would meet the following recommendations from the South Platte Basin Implementation Plan (BIP) and the South Platte Storage Study:
  - BIP:
    - Reuse water and maximize supplies.
    - Minimize “buy-and-dry” and maximize the use of ATMs.
    - Manage supply and demand.
    - Promote multi-purpose storage projects.
  - Storage Study:
    - Refine the hydrology and exchange potential.
    - Evaluate the potential for co-operative water storage.
    - Evaluate the potential for storage that supports ATMs.
    - Evaluate the potential for storage upstream of Greeley.
    - Consider water sources other than “free river.”
    - Recharge water supplies on lower portion of the river.

- The Office of the State Engineer tracks the accounting of water credits from recharge ponds along the river. The need to use recharge credits depends on flows and diversion needs. It might be helpful if some of these credits were divided among municipal entities and if some were held for agricultural use later.
- SPROWG would not replace any of the identified projects and processes (IPPs) that water organizations are currently working on to meet water demand in the South Platte Basin. Darling and Yahn encouraged the IBCC to consider the Conceptual Framework's largest possible applications and its potential relevance to the SPROWG project. If a larger project is possible, SPROWG wants to consider it. The group also requested feedback on how this project would affect the Western Slope.
- SPROWG is hosting education and outreach meetings at Denver Water on May 10 and at Northern Colorado Water Conservation District on May 15. The meeting locations do not mean that either of those agencies are controlling the project. SPROWG leaders will work on creating an organization or other method to allow diverse stakeholders to weigh in on the project.
- SPROWG will work on developing the project plan in 2018-19, and then it will work on securing funding.
- The South Platte Storage Study was commissioned by the Colorado State Legislature in 2016. Before that, and after the release of the South Platte Basin Implementation Plan in 2015, the SPROWG stakeholders explored a water storage project in greater detail than what was ultimately signed into law in 2016. The study examined potential storage sites between the confluence of the Poudre and South Platte and the Nebraska state line. However, stakeholders were aware that storage was also needed beyond this zone.

### Clarifying Questions

IBCC members asked questions about the SPROWG project. Questions are indicated in italics, followed by responses in plain text.

*Does SPROWG have numbers on how buy-and-dry or the conversion of agriculture is minimized under this plan?*

A goal of this plan was to minimize buy-and-dry. SPROWG wants farmers to have options. If they want to sell their water rights, they can sell them, but right now farmers on the Front Range do not necessarily have a choice depending on local economic pressures. Generating water downstream for others to use could alleviate this difficulty by providing more income opportunities. SPROWG identified 35,000 AF of interruptible supply: 5,000 AF could come from Henderson, 10,000 AF from Balzac, and 20,000 AF from Kersey. These sources of supply could provide farmers with more options.

*How many times can water be recycled per the SPROWG analysis?*

SPROWG's consultant operated under the assumption that 40% of the water could be reused each time it is consumed.

*What are the sizes of the three storage units needed to reach 50,000 AF of firm yield?*

Balzac is 25,000 AF, Henderson is 50,000 AF, and Kersey is 100,000 AF. This could be a combination of above- and below-ground storage.

*Is it true that 50,000 AF is one quarter of the predicted water shortfall for the South Platte Basin?*

If all IPPs are developed, yes.

*The Task Group placed an emphasis on considering "projects of statewide significance." What assurances do Western Slope stakeholders have that this is not just a delay of the pressure being placed on Western Slope water supplies?*

The SPROWG is not sure what those assurances are. However, inaction will not help alleviate those concerns. The IBCC could look at how this project can be made to benefit the Western Slope.

*How does SPROWG (in the words of the BIP) "manage the risk of increased demand and reduced supply"?*

The project is designed to store and reuse water to meet demand. Conservation plans and demand management underlie this project.

### Group Discussion

The IBCC discussed the SPROWG project concept; highlights are presented below.

- Some group members said that the Eastern Slope water use issue is urgent, given that the "hot zone" between Thornton and Fort Collins is booming and could place additional pressures on water supplies from the Western Slope. For example, some group members worried that Windsor's new water resource manager

would engage in buy-and-dry and noted that water is up to \$38,000 an acre-foot in that area. This means that the SPROWG project will benefit the Western Slope by protecting water from buy-and-dry.

- The IBCC agreed that more information is needed about demand on both sides of the mountains in order to properly design the project.
- Some IBCC members were encouraged by the shift in thinking represented by the SPROWG project, which exemplifies the strong potential for roundtables to develop projects with statewide benefits within their own basins.
- The IBCC discussed salinity issues on the South Platte. SPROWG members acknowledged that salinity issues would be expensive to address.
- The IBCC discussed the cost of the project and how much SPROWG participants would pay for. SPROWG members noted that costs were challenging but expressed hope that other providers could be brought to the table to help with the cost.
- SPROWG members stated that preventing buy-and-dry is a good thing from an environmental perspective, because keeping the water in the area will benefit wetlands habitat. They noted that a water sell-off in the Lower Arkansas Basin proved to be harmful to habitat. They also pointed out that underground water storage would allow habitat to grow on top of storage areas.
- The group discussed the possibility of “leapfrogging” clean water exchanges upstream of each other, which would provide less drinkable water to agriculture and cleaner water to municipalities.

### **Small Group Discussion: Conceptual Framework Application and Next Steps**

The IBCC divided into five small groups to discuss two major questions about the Conceptual Framework and the SPROWG project. A summary of the small group discussion is provided below.

#### **1. *What does the SPROWG project mean in the context of the Conceptual Framework? What does it tell you about the Conceptual Framework itself?***

- Group 1: The group believes that applying the Conceptual Framework to this project has value regardless of whether a TMD is involved. A project without a TMD can still impact the rest of the state.
- Group 2: The group agreed that this is a significant project that connects to the Conceptual Framework. However, the group had differences of opinion about how large this project is, how many people live in the South Platte Basin, how much agriculture is in the basin, and how important the project is to the state as a whole. The group also believed that if this project was designed to reduce the need for taking water from other basins, that should be explicitly called out as a component of the project. The group had questions on how much the project would cost and how much of it SPROWG members will fund. They also pointed out that the project should include “incremental development” on the Western Slope in its plans.
- Group 3: The group agreed that the Conceptual Framework is useful to apply to projects regardless of whether or not they include a TMD because it provides risk management concepts like limiting agricultural water use.
- Group 4: The group agreed that the Conceptual Framework can set the agenda for a grand bargain, and a project like this could be the prism through which the IBCC gets to a grand bargain. There was interest among group members in developing a project similar to SPROWG on the Western Slope. The quid pro quos for a project like this would need to include support for incremental growth on the Western Slope, limits on TMDs, agricultural benefits, and conservation benefits.
- Group 5: This group pointed out that the Conceptual Framework is a filter for potential projects that becomes finer as a project develops. Any project with statewide significance must include all Conceptual Framework principles, including conservation and demand management. Additionally, stakeholders from the Western Slope need to be involved in any subgroup to help begin project dialogue.

#### **2. *Is the IBCC finished with the Conceptual Framework? Is there more to do with it? If so, what? Be specific about what success looks like.***

- Group 1: The group did not want to see the wording of the Conceptual Framework changed. The SPROWG project does not involve a TMD so it fits into the Conceptual Framework differently. The group stated that a TMD project would be a more concrete way to analyze the Conceptual Framework. The group also noted that there has been a culture change in the water community since the last round of TMDs, so this discussion should happen with less fear of conflict.

- Group 2: The group stated that this is a great project in its own right, but that if it connects to the Conceptual Framework it needs to be part of a “grand bargain” with the other basins to fulfill each basin’s goals. Otherwise it should be the business of the South Platte Basin alone unless SPROWG wants State funding.
- Group 3: The group stated that they did not want to change the Conceptual Framework and that the IBCC is the best place to discuss it. The group considers the Conceptual Framework to be applicable to any project with statewide significance. However, SPROWG needs to discuss protections for the Western Slope.
- Group 4: The group stated that if the Conceptual Framework represents the agenda for a grand bargain, the next step is to figure out if there needs to be statewide funding and political support for the SPROWG project, as well as the form that a grand bargain would need to take to include other parts of the Conceptual Framework. This conversation could be had in an IBCC subgroup.
- Group 5: The group discussed the process of project development and posed the idea of conducting a “postmortem” on a project that was already completed, such as Windy Gap. The IBCC should ask: If that project was starting now, how would the framework change how it was conducted?

### **Text Responses: Conceptual Framework Application and Next Steps**

In addition to the small group discussion, IBCC members were invited to text in responses to the two questions above so that statements that attendees were not comfortable making in small groups could be heard. The comments are quoted below:

- “There is no need to wordsmith the Conceptual Framework now, but a real, past, or theoretical TMD could help the group think through where weaknesses in the Conceptual Framework may be.”
- “Could the IBCC do a postmortem on a completed TMD to apply the Conceptual Framework? This could be a good exercise to consider.”
- “Do not change the Conceptual Framework.”
- “Question for the IBCC: Is a water project that uses the Conceptual Framework the only water project that qualifies as “statewide” significant and deserving of state funding?”
- “Nurture the baby. Do not shake the baby. And definitely do not hang a target on the baby.”

### **UPDATE ON MEETING WITH ARIZONA WATER LEADERS AND OTHER BASIN STAKEHOLDERS**

Becky Mitchell, CWCB Director, provided an update on the meeting of the Upper Colorado River Commission (UCRC) that she attended on April 30 with Arizona water leaders and other Colorado River Basin stakeholders. The meeting focused on controversial comments recently made by an official at the Central Arizona Project (CAP) on the subject of water releases made from Lake Powell to Lake Mead. Highlights from the updated are summarized below.

- The meeting included representatives of CAP and the Central Arizona Conservancy District (CACD), as well as Mitchell and IBCC Chairman John Stulp.
- CAP apologized for the comments and committed to being more open and transparent.
- CWCB had previously reached out to the Arizona Department of Water Resources (ADWR) about implementing a basin-wide drought conservation plan (DCP). The inflammatory comments delayed this process until CWCB can determine what level of trust is appropriate in working with Arizona going forward.
- The meeting proceeded with normal UCRC business. Attendees discussed progress (or lack thereof) on DCPs in both the Upper and the Lower Basins. Some of that lack of progress is the result of the Arizona comments.
- UCRC and its advisors also discussed System Conservation Pilot Programs (SCPPs). Colorado representatives noted that Denver Water, and Colorado farmers and municipalities would have little interest in participating in a SCPP with Arizona if there was no benefit to the Upper Basin.
- Bureau of Reclamation (BoR) Commissioner Brenda Burman also attended the meeting. She was attentive to Colorado’s concerns and was confident that all parties could develop a successful DCP. She also planned to meet with Lower Basin representatives about the DCP. CWCB will update IBCC members about the results of that meeting.

## Group Discussion

The IBCC discussed Mitchell's update on the UCRC meeting. Highlights are summarized below.

- The CAP official's comments about the "sweet spot" of water release from Lake Powell was not specified. The meeting was about messaging and trust, not the technical details. However, a group member noted that the interim guidelines for Lakes Mead and Powell are integrated. This means that the annual releases from Lake Powell depend on both lakes. As it happens, Lake Mead is currently near the elevation level that triggers releases from Lake Powell. This provides the Lower Basin states with an opportunity to manage the system in order to reach the 9,000,000 AF release tier.
- A one-year extension of the SCPP will depend on what level of support is provided by basin water leaders. A recent bill introduced by US Senator Dean Heller of Nevada provided that the SCPP be extended until 2022, contingent upon finding a contracting agency and addressing related funding questions. As of now, the law only authorizes reclamation. Some group members said that there was no point in pursuing Reclamation if Upper Basin states are not interested in doing so. However, it was noted that continuing the SCPP in the Lower Basin would benefit the Upper Basin even if the Upper Basin ends its participation in the SCPP, particularly given that the pilot projects have mostly been in the Lower Basin.
- Ms. Mitchell noted that messaging would be the gauge of whether Arizona water agencies were acting in good faith. The UCRC meeting included an agreement that the DWR and CAP should coordinate messaging. CWCB emphasized that it will take a hard stance if Arizona does not handle the issue in a satisfactory manner. However, state water commissioners do not want to lose collaborative momentum for intrabasin cooperation. The UCRC commissioners are willing to put pressure on other agencies to ensure that this momentum continues.

## CONCEPTUAL FRAMEWORK TASK GROUP NEXT STEPS

The IBCC discussed next steps for the discussion on the Conceptual Framework. Highlights are below.

- Attendees discussed the meaning of the term "grand bargain." The group who used this phrase explained their thinking: Asking the rest of the state to contribute to SPROWG by using State funds requires other benefits to be packaged so that there are statewide benefits to support the use of statewide funds. Additionally, the South Platte Regional project could be part of a package of projects to be included in a statewide initiative for increased funding. It could help people understand how the money would be used.
- The IBCC discussed whether the South Platte Regional project needs to provide clear benefits to the rest of the state, or if those benefits can be indirect or regional. Some group members stated that this project would need to have specific items that benefited each region to present to voters across the state, rather than only benefiting the South Platte Basin.
- The IBCC discussed whether SPROWG needed State funding to support this project. Some IBCC attendees said that the water community needed to agree to the project even if it is not tied to a State grant or loan. These attendees said that there would need to be at least some State funding for environmental or agricultural purposes. However, others said that getting consent from the whole state was an unnecessary burden to place on any water project in Colorado, especially considering the existing difficulties of gaining regulatory and National Environmental Policy Act (NEPA) approval. These group members wanted the IBCC to focus on TMDs, basin delivery, the Compact, and State funding. SPROWG representatives noted that they had not discussed funding in any form yet and that the project was still in its infancy.
- Some IBCC members worried about consequences of this project for the Western Slope and hope to see buy-in from the Western Slope for the project to proceed. Some IBCC members also noted that large water gap in the South Platte Basin meant that project was inherently of statewide significance.
- Several group members expressed concerns that obtaining collective approval for the South Platte Regional project would set a precedent for future water projects in the state and that this was an unreasonable burden for project developers.
- Group members discussed the role of the IBCC in providing input to CWCB on interstate water issues. Some group members said that progress needed to be made on interstate concerns before returning to work on projects covered by the Conceptual Framework. These group members expressed interest in being more frequently informed about water conversations in Washington that impact individual basins so that the roundtables can provide feedback to CWCB about stakeholder interests.
- Ultimately, the IBCC determined that they do not need to do additional work on the Conceptual Framework at this time. They would prefer to invest time at future meetings in discussions about funding and Big River issues.

## **CANDIDATE LETTER TASK GROUP NEXT STEPS**

The IBCC discussed next steps for the letter to the candidates for statewide office; the discussion is summarized below

- CWCB clarified that the purpose of the letter is to provide roundtables with a concise resource about water issues to send to statewide or county candidates if they chose to use it. CWCB will physically and electronically distribute the letter to candidates and roundtable members once the list of candidates is finalized. It could be useful for roundtable members to distribute the letter to individuals that they know, but this is not required.
- The letter has not yet been widely shown to people outside of the water community for feedback, but the Governor's Office has looked at it.
- Several group members noted that the letter was partially a reaction to the lack of knowledge among water stakeholders that the roundtables exist as a mechanism for representation on water issues for those who live within them.
- The letter has been kept to one page. This is partially because the Task Group worried about candidates being overwhelmed with information.
- CWCB is also working on a two-page document summarizing Colorado's Water Plan (CWP) and recent developments surrounding it.

## **FUNDING CONCEPTS TASK GROUP NEXT STEPS**

The IBCC discussed next steps for the Funding Concepts Task Group.

- A group led by the Gates and Walton Foundations has expressed interest in future funding of water efforts. The Task Group has been exploring questions of how to allocate the funding, should a statewide initiative pass. There are several funding categories being considered:
  - Healthy rivers
  - Water quality
  - Conservation and efficiency
  - Agricultural water sharing
  - Demand management feasibility
  - Infrastructure
  - Special initiatives
- The Task Group considered a proposal in which a certain percentage of funding would be allotted for each category, but the group decided to discuss the categories first.
- The group discussed severance tax revenue, which has been much more volatile since a legal case with BP (formerly British Petroleum) resulted in some recent severance tax revenues being refunded. The CWP recommended finding new revenue sources to compensate for this volatile funding source. It is also true that funding for the roundtables and the IBCC is in long-term jeopardy, along with the Water Supply Reserve Fund.

## **Funding Questions for the IBCC**

The IBCC discussed several questions related to funding and how to proceed with the Task Group. The highlights of that discussion are below.

***Discussion Question: Who should administer new revenue sources? Is CWCB the proper vehicle to administer those sources?***

- One option is emulating an approach taken by Great Outdoors Colorado (GOCO), whose funding goes to an umbrella organization overseen by a citizen-appointed board. This concept could compensate for a loss of severance tax. Some IBCC members stated that revenues should be administered through the current system, but that it might be easier politically to use a GOCO-style board. However, others noted that GOCO clashed with the Colorado Wildlife Commission over water use and that GOCO's structure had pros and cons.
- Several IBCC members stated that funding proposals had to resonate with voters. Some group members with agricultural backgrounds cautioned that this potential ballot initiative seems like a mechanism to shift water to municipal or environmental uses. These group members emphasized that this would not be acceptable to agricultural stakeholders. Other IBCC members added that for this initiative to reach the ballot by 2020, water stakeholders would need to find consensus within the next year. This would be difficult because there will be a new gubernatorial administration coming in during that year. A group member noted that the 2003 Referendum A water initiative failed in part because it was seen as too broad. This group member suggested the 2020 ballot initiative be phrased simply in one or two questions with support from all relevant groups (environmental, agricultural, industrial, and municipal users) secured beforehand.



- An IBCC member suggested that the Legislature pass a bill that authorizes CWCB to spend money that would otherwise be allocated in the ballot initiative. This group member stated that it would be unwise to put this initiative on the ballot as the water community does not know where all the money would be spent yet.
- Another IBCC member suggested distributing funds to conservation districts in particular areas.

***Discussion Question: How will new revenue sources be used? Should projects not historically funded by the CWCB be considered?***

- Several IBCC members reiterated their preference for a grand bargain or package of projects to be included in a funding package. These group members said that the Conceptual Framework should be used to conduct projects identified by each basin.
- Another IBCC member suggested that working with stakeholders interested in forest health could be a way to build a larger coalition in favor of the CWP. Spending money on the concerns of forest health stakeholders could be a way forward.

***Discussion Question: How much funding is needed?***

- There is currently a \$3 billion gap in the CWP for projects that have been unable to secure funding. \$100 million a year over 30 years would fill that gap.
- CWCB stated that the loss of severance tax revenue may push that gap closer to \$4 billion. Some group members interpreted this to mean that any allocated money has to be in addition to filling the financial gap. This would mean that any additional funding would have to come from extending the CWP beyond 2050 or asking voters for more money, which would make passing the ballot initiative unlikely.
- A CWCB representative posed a question to IBCC group members: If you were to design the ballot question, what slogan would you use? Why should people vote for this? CWCB urged IBCC to begin considering this question. IBCC members were encouraged to write their ideas and share them with staff and John Stulp.

## **DISCUSSION OF BASIN BIP UPDATES**

Greg Johnson of CWCB provided information on the updates that are being made to the BIPs.

- There have been three major water documents developed over the past 15 years: the BIPs, the CWP, and SWSI. These three documents are being refined sequentially. The SWSI revision is underway to provide baseline data to inform the BIPs. Some of the SWSI data and tools are projected to be available in December, with the project completed by June 2019. Revision of the BIPs are the next step in the process. The IBCC will likely play a role in determining how the BIPs will be updated.
- SWSI is different than it has been in the past. It includes a hydrologic modeling analysis to estimate water availability based on the five potential future scenarios.
- CWCB has heard different thoughts on updating the BIPs from different parts of the state. For example, the Arkansas Basin does not want to update its BIP. Its members stated that it would be sending mixed messages if it redid a recently-completed plan while its funding decreases. The Arkansas Basin is focused on implementation of projects. On the other hand, the Yampa/White/Green Basin has conducted complex modeling and is prepared to update its BIP.
- At the West Slope Caucus, CWCB polled the participants about next steps on the BIPs. The first question was what the right level of detail for a BIP should be. A plurality of survey respondents favored updating the BIPs. Staff also asked if the roundtables were ready to update the BIPs in 2019. The group largely responded in the affirmative. Next, staff asked if each basin's work would be enhanced by using metrics. Respondents gave a strong "yes." CWCB is currently creating a tool to estimate project costs based on engineering specifications. Finally, staff asked if a BIP work group should be considered to help establish guidance for evaluating projects and standardizing BIP updates. Most responses provided were affirmative.
- Some IBCC members expressed concern that CWCB was micromanaging the BIPs and that updating the plans should be in the purview of the roundtables. CWCB clarified that it was seeking local input from residents of each basin while also pursuing consistency across the state. CWCB proposed delineating some minimum standards for BIPs but acknowledged that too much standardization would be onerous for the roundtables.

## **Next Steps**

The IBCC agreed to meet in September or October. CWCB will send out a Doodle poll with potential dates. Alamosa, Denver, Durango, Grand Junction, and Montrose were all suggested as potential meeting sites.