

The background of the slide is a scenic photograph of a mountain landscape. In the foreground, a wooden signpost stands on a dirt path, with directional signs pointing to 'FRONT DESK', 'RESTAURANT', 'LODGING', 'SPECIAL EVENTS', 'BOAT HOUSE', and 'FALLS'. Beyond the path is a calm lake reflecting the sky. In the distance, rugged mountains rise under a blue sky with scattered white clouds.

Colorado River Update

IBCC

February 28, 2019

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Brent Newman - Section Chief - Interstate, Federal, and Water
Information Section, CWCB

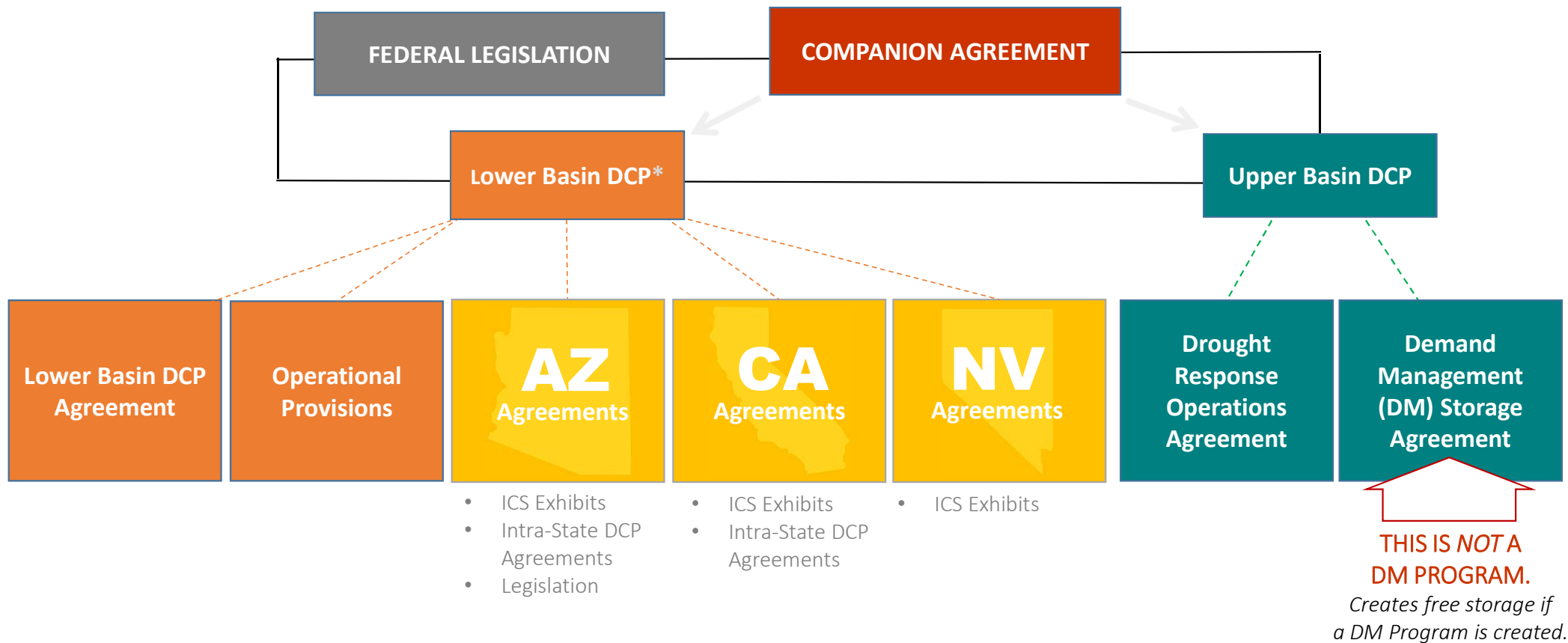
INVESTIGATING

VOLUNTARY, TEMPORARY, AND
COMPENSATED

Reducing Use Through Demand
Management



COLORADO RIVER BASIN DROUGHT CONTINGENCY PLAN (DCP) DOCUMENTS AND AGREEMENTS



*Activates Section IV of Minute 323 (Binational Water Scarcity Plan)

Upper Basin DCP Agreements

* Drought Response Operations - (CRSPA Initial Units)

- ✓ Conserve water in LP or move available water from Upper CRSPA Units (Aspinall, Flaming Gorge, Navajo) to protect LP target elevation.
- ✓ Allow for subsequent recovery of storage at same facilities.
- ✓ Take actions consistent with authorities, permits, contracts for water and power, etc.

* Demand Management Storage

- ✓ Secure authorization to store, at no charge, any intentional reductions in consumptive use made to help assure Upper Basin's continued compact compliance.
- ✓ Provide the UCRC and Upper Division States sufficient flexibility to explore the feasibility of, and evaluate viable options for, developing an Upper Basin Demand Management Program.

TENTATIVE TIMELINE

* Interstate DCP Agreements/Alternative

✓ Outreach

- Ongoing

✓ UB, LB Approvals

- UB Achieved;
- LB – ICS Exhibits to allow them to prepare for DCP contributions early March;
Complete approvals???

✓ Federal Legislation

- Spring 2019???

✓ Alternative – Respond to Feb. FRN

- March 19, 2019

* Intrastate Demand Management Discussion

✓ Outreach / Coordination

January 2018 - . . . ONGOING Iterative Process

Demand Management

- UCRC Resolutions in 2014 and 2018 – explore **feasibility** of:
 - Temporary
 - Voluntary
 - Compensated
 - Reduction in diversions to conserve water that is otherwise consumptively used
- To help avoid potential need for involuntary curtailment of Colorado River uses. Specifically geared to ensure compact compliance.
- 2nd line of defense

Intra-Colorado Efforts

- Working groups and stakeholder efforts within Colorado are underway to examine the risk associated with compact compliance, as well as the impacts of curtailment avoidance strategies.
- Current forums:
 - Compact Compliance Study
 - Colorado Water Bank Work Group
 - System Conservation Projects
 - Risk Studies
 - Shepherding White Paper and Workshops
 - Colorado Water Plan
- ***Important for the state to consider input and interactions between all these, and how they may inform a state position on these ongoing efforts.***

CWCB Demand Management Outreach

- Direction of the Board – November 2017/January 2018
- Identify and evaluate possible options for avoiding involuntary compact curtailment
 - Consistent with direction from Colorado's Water Plan
- Focus on Demand Management considerations to inform progress on the interstate and intrastate fronts.
- Thorough and transparent outreach to water users and stakeholder community to provide information about Colorado River issues and DCP evolution

CWCB Demand Management Outreach

- CWCB will continue to speak at forums statewide to:
 - Provide context and updates on Colorado River Basin activities
 - Obtain input and feedback on various demand management considerations
- Workshops and technical outreach
 - Identify specific legal, technical, and policy questions associated with demand management
- **Takeaway: Not developing any position regarding whether and how to develop a demand management program in Colorado in a vacuum. Working with stakeholders and water users to preserve options and opportunities while we seek engagement and input to consider positions moving forward.**

Demand Management Considerations

- Consistency with prior appropriation and state water laws
- Preservation of water rights
- Economic and environmental considerations
- Monitoring and verification of water conservation
- Administration and accounting
- Sideboards/limitations to consider
- Water court involvement
- Parity – benefits and burdens shared
- Funding – who funds the program?
- Many others

Colorado's Water Plan: Demand Management Policies

“Demand management efforts would be based on **voluntary, temporary, and compensated** reductions in eastern and western slope consumptive use. Willing water users would be temporarily compensated for voluntary reductions of consumptive use, and such reductions in use would be monitored and verified to ensure a benefit to the Colorado River system.”

- Section 9.1

Board Direction

- CWCB directed staff to:
 - Perform outreach and public engagement efforts on DCP implementation documents.
 - Develop for Board review a draft policy statement regarding CO River basin demand management strategies within Colorado.

SUPPORT AND POLICY STATEMENTS REGARDING COLORADO RIVER DROUGHT CONTINGENCY PLANS, DEMAND MANAGEMENT AND COMPACT ADMINISTRATION

- Developed pursuant to Board direction at October 4, 2018 Special Meeting.
- Reiterates Board's leadership role on demand management evaluation.
- Responsive to concerns identified by water users and other stakeholders around Colorado.

CWCB Policy Statement

“Develop the state’s position and approach on whether and how to develop any Upper Basin Demand Management Program that could potentially be implemented within Colorado consistent with state law to avoid or mitigate the risk of involuntary compact curtailment and to enhance certainty and security in the Colorado River water supply.”

2019 Work Plan: Purpose

- We are **not** setting up a Demand Management program.
- We are **not** exploring the administrative impacts of a compact curtailment.
- We **are** exploring the array of issues that Colorado (and potentially other Upper Basin states) may need to understand to commit to implementation of a demand management program in the future.
- We **are developing a framework for investigating** Colorado's interests and position regarding whether and how any Colorado River Demand Management Program could or should operate within Colorado.
- This position **will** be based on evaluation and consideration of policy, legal and technical aspects with water user/stakeholder input and technical expertise.

Tasks: Initial Issue Identification

- Identify and prioritize issues that Colorado may deem important to evaluate as part of feasibility investigation:
 - Legal
 - Technical
 - Policy
- Working with:
 - Colorado's Commissioner and other Upper Basin state staff
 - Water users and stakeholders

Tasks: Establish Workgroups

- **To evaluate priority issues regarding demand management feasibility.**
- Guided by criteria in Support and Policy Statement.
- First job: formulate meaningful scopes of work, budgets, and timeline for initial work to be completed in CY 2019.
- **Keeping in mind:** the need for an effective and efficient process.

Tasks: Establish Workgroups

- Proposed Workgroups:
 - **Law and Policy**
 - **Monitoring, Verification, and Accounting**
 - **Water Rights Administration**
 - **Environmental Considerations**
 - **Economic Considerations**
 - **Funding**
 - **Education and Outreach**
 - **Other?**

Tasks: Conduct Workshops

- CWCB/AG Colorado River team to develop and conduct public workshops to continue outreach on Colorado River issues, specifically the issues associated with demand management feasibility.
 - Open lines of communication.
 - Provide forum for public review of Workgroup process.
 - Receive feedback and input regarding status of DM investigation process.
- Will not take the place of ongoing outreach efforts.

Tasks: Evaluate and Report

- Project Management team to prepare and provide regular reports to CWCB on progress and results of CY 2019 investigations
- Joined by members of Workgroups as appropriate.
- Final status report of CY 2019 scopes of work, progress, and recommended next steps in January 2020.

Conceptual Framework

“The collaborative program will develop in concert with intra- and interstate water policies. The IBCC and roundtables can provide an important forum for sharing the work of ongoing interstate negotiations, scoping technical analyses, and identifying issues of concern at the stakeholder level, as well as providing input to the CWCB as it manages and conducts the technical, legal, economic, and other studies necessary for implementation.”

- Conceptual Framework, Chapter 8

Timelines

- **SUBJECT TO CHANGE – TIMELINES VERY FLUID**
- Demand Management Feasibility Investigations scope of work – approval contemplated at March board meeting.
- Check in with UCRC and Upper Basin states on parallel interstate investigation processes.
- DCP signing and federal legislation...
- Not anticipating completion of feasibility investigations by end of 2019. Simply starting the process.

Moving Forward

- State team will continue to work cooperatively with interstate partners on DCP efforts.
- CWCB demand management outreach will continue
 - Do NOT want to set up any program in a vacuum
 - Will continue to work with stakeholders to consider observations, concerns, and ideas of Coloradans directly affected or impacted by potential program.
 - Iterative process – will continue to revisit with interested parties to evaluate options and possibilities.
- Colorado River issues affect the entire state – success on this front will require all water users and stakeholders being actively engaged, involved, and informed as we move forward.

Questions, comments, stern guidance:

- Brent Newman, CWCB
 - Brent.newman@state.co.us