

Department of Natural Resources

1313 Sherman Street, Room 718 Denver, CO 80203

P (303) 866-3441 F (303) 866-4474

Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Rebecca Mitchell, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Brent Newman, Interstate, Federal, & Water Information Section

Karen Kwon, Colorado Office of the Attorney General

DATE: July 18, 2019

AGENDA ITEM: 21. Colorado River Drought Contingency Planning and Demand

Management Feasibility

This is an informational item, with no formal Board action requested.

Background

Since January 2018, CWCB staff and members of the Attorney General's Office have been conducting a series of outreach presentations across Colorado regarding drought contingency planning efforts underway in the Colorado River Basin. Consistent with direction from the Board, these efforts have served dual purposes: to educate and inform interested water rights holders and other stakeholders about the status of ongoing efforts to develop drought contingency plans in the Upper and Lower Colorado River Basins, and to solicit feedback from Colorado water users regarding the concept of demand management as a potential tool for avoiding compact administration in the event of continued drought or worsening hydrology.

At the September 2018 Board meeting, staff provided an update on ongoing outreach efforts, the relationship between ongoing interstate efforts to implement DCPs in the Upper and Lower Basin, and the evaluation of demand management as a tool within Colorado. The Board heard comment from a variety of water managers, stakeholders, and members of the public regarding opinions, challenges and opportunities presented by potential implementation of demand management.

At the October 4, 2018 Special Meeting, the Board directed staff to continue this outreach, including providing information about the recently released Drought Contingency Plan (DCP) documents. The Board also directed staff to prepare a "draft policy statement" for Board review at the November meeting, to guide the assessment, feasibility analysis, and potential implementation of a demand management program within Colorado.

At the November 15, 2018 Board meeting, the Board unanimously approved "Support and Policy Statements Regarding Colorado River Drought Contingency Plans, Demand Management, and Compact Administration," which set out the Board's policy to:



"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."

This policy statement also laid out a strategy for formulating the state's demand management position, identifying several elements for investigation and vetting through a thorough public review process. The statement also provides initial sideboards for such an investigation, informed by Board discussion and water user input to that point.

At the March 2019 Board meeting, the Board approved a scope of work for the "2019 Work Plan for Intrastate Demand Management Feasibility Investigations." Since the May meeting, several ongoing action items pursuant to the Work Plan have been accomplished:

- The workgroup membership was finalized. A roster was posted along with "Update #1". The workgroup members are participating in a Doodle poll at the time of this memo to determine times, dates, and locations of their first inperson meetings.
- The Project Management Team set July 15 for the Workgroup Orientation Webinar. Staff will provide an update at the Board meeting.
- The Project Management Team released two Updates intended to be periodic updates on progress and accomplishments relating to the 2019 Work Plan.
 These Updates are attached to this memo.
- Director Mitchell penned a letter to the general public regarding the future of demand management feasibility. "The Path Forward" is also attached to this memo.
- The Project Management Team has also scheduled the first Regional Workshop to be held in conjunction with Colorado Water Congress' Summer Meeting in Steamboat Springs, on the afternoon of August 22.

Staff recommendation

This is an informational item, with no formal Board action required. Staff will provide an update of outreach efforts since the May meeting, and discuss progress on elements of the 2019 Work Plan.



1313 Sherman Street, Room 718 Denver, CO 80203

June 3, 2019

Demand Management Investigation: The Path Forward

Colorado water users, stakeholders, and interested parties:

Now that the Colorado River Basin Drought Contingency Plan (DCP) is finalized, the Colorado Water Conservation Board (CWCB) is beginning its efforts to investigate the feasibility of a potential demand management program within Colorado.

The strong connection between Coloradans and our water has established a foundation of public input, deliberation, and participation in the decision-making process, which leads to informed and thorough policymaking. This is the model that informed the Colorado Water Plan, and it is this model that the CWCB will utilize to assess demand management: by Colorado, for Colorado.

At the March 2019 meeting, the Board of Directors of the CWCB approved the 2019 Work Plan for Intrastate Demand Management Feasibility Investigations. Below are highlights of the current and upcoming steps that the CWCB staff will be taking to implement the 2019 Work Plan, including opportunities for engagement, processes to inform the Board, and informational events. These elements are designed to ensure that the CWCB and all interested water users and stakeholders are fully informed of demand management concepts and challenges as they are identified. Through this process, the multitude of considerations demand management presents will be fully understood, to promote an informed and fully realized public policy discourse.

- General Outreach: Staff will continue to work directly with interested water users and stakeholders to inform them of the process for investigating demand management feasibility within Colorado, and to solicit input on specific elements of potential implementation and solution identification. The direct interaction between staff and the various basin roundtables, policy boards, water users, and stakeholder groups is where the conversations begin. This will then lead to identification of considerations and development of potential solutions, which will be used to inform an evaluation of demand management.
- Workgroups: Staff has begun to reach out to subject matter experts on various elements that must be considered for any potential demand management program within Colorado. The purpose of these workgroups is to help CWCB staff identify and frame the complex issues associated with demand management feasibility for public and Board consideration. In this capacity, workgroup members operate like "think tanks" to help CWCB staff prepare to conduct meaningful public discussion of the



issues associated with demand management based on useful insight and understanding from experts in the field. Workgroup members have been selected for their subject matter expertise and willingness to work in assisting the State as it implements the public process to evaluate a potential demand management program.

To respect the integrity of the workgroups, members are being asked to participate in a non-disclosure setting. This will allow the participants to brainstorm all sides of an issue, and to have open and frank discussions as they assist CWCB staff in framing demand management considerations for public discussion and evaluation. The decision-making process for consideration of demand management solutions and approaches for potential implementation will be achieved in public meetings and through the comment and input process established in the formulation of the Colorado Water Plan. The workgroups serve as the "think tank" for staff as they begin to develop an understanding of the full complement of considerations, issues, and challenges that demand management presents.

- Transparency of Process Demand management investigations and decision-making by the CWCB will be done through an open dialogue. Once the range and multitude of complex topics associated with demand management are identified and framed, they will be introduced in a process akin to the development of the Water Plan, including workshops, basin roundtable presentations, consideration of public comment, and the like. Additionally, the CWCB will be updated regularly in open session on the progress of the demand management investigation process, and provided with any staff recommendations as appropriate.
- Upcoming Demand Management Investigation Events -
 - CWCB will be hosting an Orientation Webinar for members of the workgroups in July. This Orientation Webinar will be open to the public. The Webinar will provide an overview of the evolution of DCP and demand management, discuss the statewide perspective for analysis of demand management, and outline the timeline and process for the workgroups' assistance in demand management issue identification. Information about the Webinar will be forthcoming as details are finalized.
 - The Upper Colorado River Commission will be hosting a Demand Management Stakeholder Workshop in Salt Lake City, Utah on Friday, June 21. The goal of this regional workshop is to provide a baseline understanding of the Colorado River DCP and discuss proposed next steps to examine the feasibility demand management in the Upper Basin. Additionally, Upper Basin State representatives will receive comment and input from interested water users and stakeholders on possible considerations in evaluating the feasibility of a successful demand management program throughout the Upper Basin. When the agenda is finalized, more information regarding the Workshop and registration will be posted on the CWCB website and circulated to interested parties.

CWCB staff will be scheduling public demand management workshops around the state, as outlined in the 2019 Work Plan. These workshops will be in addition to the usual array of roundtables, Interbasin Compact Committee, informational forums, and other water meetings in which staff participate to discuss and receive feedback on demand management. Staff hopes to schedule the first intrastate workshop in alignment with the summer conference of Colorado Water Congress.

The investigation of the feasibility of a potential Demand management program presents a challenge for the CWCB, water users, and stakeholders across Colorado. The Board and staff take this assessment very seriously, and are committed to providing an opportunity for everyone with an interest in Colorado River system sustainability to make their voices heard, while remaining true to the water values identified in the Colorado Water Plan. For more information, to provide comments, or to learn more about the 2019 Work Plan and demand management feasibility process, email demandmanagement@state.co.us or contact CWCB staff.

Sincerely, Rebleca Metchelf

Rebecca Mitchell CWCB Director



Department of Natural Resources 1313 Sherman Street, Room718 Denver, CO 80203

June 10, 2019

Demand Management 2019 Work Plan - Update #1

The Colorado Water Conservation Board (CWCB) Project Management Team plans to release periodic updates on progress and accomplishments relating to the 2019 Work Plan for Intrastate Demand Management Feasibility Investigations. This document will serve as the first of these updates.

The Path Forward: Director Mitchell released a statement on the future of the demand management feasibility investigation, providing highlights of the current and upcoming steps that CWCB staff will be taking to implement the 2019 Work Plan. It includes opportunities for engagement, outlines the processes in place to inform the Board of ongoing demand management work, and information about upcoming events. Director Mitchell's letter can be found on the new "Demand Management Feasibility" section on the front page of the CWCB website or by clicking here.

First Regional Workshop Scheduled: The first regional workshop has been scheduled for Thursday, August 22nd. This workshop will be held in conjunction with the summer conference of Colorado Water Congress, at the Steamboat Grand Hotel in Steamboat Springs, Colorado. More information about CWC's Summer Conference can be found here.

Workgroups Update: As outlined in the 2019 Work Plan, CWCB staff has reached out to subject matter experts on various elements that must be considered relating to any potential demand management program within Colorado, and invited them to serve on a Demand Management Feasibility Investigation Workgroup. The purpose of these workgroups is to help CWCB staff identify and frame the complex issues associated with demand management feasibility for public and Board consideration. A roster of workgroup membership is attached to this Update.

Upcoming Events: Colorado River Drought Contingency Planning and demand management feasibility investigation will be on the agenda at the following events:

- Colorado Water Congress' POND Committee: Rockies v. Padres game June 13th in Denver. More information can be found here.
- Upper Colorado River Commission Demand Management Stakeholder Workshop: Friday, June 21st in Salt Lake City, UT. Information, agenda, and registration information can be found here.
- Four West Slope Basin Roundtables Joint Meeting: June 20 in Grand Junction.
 Registration here.
- As always, keep an eye on basin roundtable agendas. Drought Contingency Planning and demand management feasibility are frequent topics. Roundtable schedules and agendas are available here.

For questions, comments, or more information, visit the CWCB website or email demandmanagement@state.co.us.



DM 2019 Work Plan Workgroups Roster - June 25, 2019

Law and Policy

Facilitator: Karen Kwon Staff Support: Brent Newman/Amy Ostdiek

Andy Mueller
Jim Lochhead
Bennett Raley
John McClow
Taylor Hawes
Anne Castle
Beth Van Vurst
Lee Miller

Monitoring and Verification

Facilitator: Michelle Garrison Support: Brian Macpherson

Kelley Thompson
John Currier
Kevin Lusk
Tom Simpson
Luke Gingrich
Laura Belanger
Perry Cabot
Cary Denison
Gerry Knapp
Robert Sakata
Carrie Padgett

Logan Callihan

Water Rights Administration and Accounting

Facilitator: Lain Leoniak Support: Mike Sullivan/Kevin

Rein/Ryan Gilliom Frank Kugel

Rick Marsicek Drew Peternell Kyle Whitaker Dick Wolfe Steve Witte Cleave Simpson **Environmental Considerations**

Facilitator: Lauren Ris/Linda

Bassi

Support: Brandy Logan/Jojo

La

Kathy Kitzman
Maria Pastore
Melinda Kassen
Abby Burk
Matt Rice
David Graf
Al Pfister
Torie Jarvis
Mely Whiting

Karen Wogsland

Rob Addington

Economic Considerations and Local Government

Facilitator: Amy Moyer Support: Amy Ostdiek

Chris Treese Alex Davis Seth Clayton Sean Cronin

Kathy Chandler-Henry

Barbara Biggs Steven Ruddell Patti Wells Liesel Hans

Karn Stiegelmeier Kelly Romero-Heaney **Funding**

Facilitator: Anna Mauss Support: Russ Sands

Ted Kowalski
Dave Bennett
Pat Wells
Aaron Citron
Dick Brown
Keith McLaughlin
Alan Matlosz
Greg Winkler

Education and Outreach

Facilitator: Brent Newman Support: Megan Holcomb

Jim Pokrandt
Todd Hartman
Chris Woodka
Andy Schultheiss
Hannah Holm
Doug Kemper
Laura Spann
Lisa Darling
Scott Williamson

Agricultural Impacts

Facilitator: Alex Funk

Support: Andrew Rickert/Erik

Skeie

Dave Kanzer Alan Ward Eric Wilkinson John Stulp Cindy Lair Mark Harris

Aaron Derwingson Paul Bruchez Travis Smith Allen Distel Ken Curtis Tom Gray



Department of Natural Resources 1313 Sherman Street, Room 718 Denver, CO 80203

June 25, 2019

Demand Management 2019 Work Plan - Update #2

The Colorado Water Conservation Board (CWCB) Project Management Team will release periodic updates on progress and accomplishments relating to the 2019 Work Plan for Intrastate Demand Management Feasibility Investigations. In this Update, we will provide more information about upcoming opportunities for engagement on the 2019 Work Plan process, as well as the kickoff of the Workgroup process.

Workgroup Orientation Webinar Scheduled: The CWCB will be hosting an Orientation Webinar for workgroup membership to provide an overview of the Drought Contingency Plan (DCP) process, and how demand management feasibility aligns with other efforts under the Upper Basin DCP. The Webinar will also discuss the kickoff of the Workgroup process, and provide information to Workgroup membership about process and procedures. The Webinar will be co-hosted in partnership with Colorado Water Congress, and will be open to the public.

Date: Monday, July 15, 2019

Time: 1:00 - 4:00 PM

Zoom Meeting Address: https://zoom.us/j/814250203

Phone: (669) 900-6833 Meeting ID: 814 250 203

First Regional Workshop Scheduled: The first regional workshop has been scheduled for Thursday, August 22nd. This workshop will be held in conjunction with the summer conference of Colorado Water Congress, at the Steamboat Grand Hotel in Steamboat Springs, Colorado. More information about CWC's Summer Conference can be found here.

Recent presentations: CWCB staff have presented information about demand management feasibility investigations at a few recent meetings: in Grand Junction, CO as part of the Four West Slope Basin Roundtables' meeting, and in Salt Lake City, UT as part of the Upper Basin Demand Management Workshop. These presentations are available on the front page of the CWCB website under the Demand Management heading here.

Upcoming Events: Colorado River Drought Contingency Planning and demand management feasibility investigation will be on the agenda at the following events:

- Upper Colorado River Commission Summer Meeting: June 28th in Keystone.
- Joint Colorado Water Conservation Board/Interbasin Compact Committee Meeting: July 18th in Leadville. More information available here.
- As always, keep an eye on basin roundtable agendas. Drought Contingency Planning and demand management feasibility are frequent topics. Roundtable schedules and agendas are available here.

For questions, comments, or more information, visit the CWCB website or email demandmanagement@state.co.us.

