

Administration and Accounting Work Group Meeting Summary

Work Group: Administration and Accounting Work Group Meeting #2 **Date:** February 10, 2020

Meeting Topics:

Agenda topics included: a presentation by Alex Funk from the CWCB regarding Alternative Transfer Methods (“ATMs”); a discussion of benefits, issues and challenges associated with the use of ATMs; a discussion of how the structure and implementation of ATMs might be applied to the administration and accounting of conserved water created as a result of a potential demand management program in Colorado; and what questions this Group would like to pose to other Work Groups.

Key Take Aways:

A brief summary was provided of the State Engineer’s presentation on Compact Administration in the Colorado River Basin and the Second Regional Demand Management Workshop that occurred at the January meeting of the Colorado Water Congress.

That there are numerous methods that have been authorized by state statute to create flexibility in moving water between agricultural and urban uses with a mix of water court and DWR involvement and pilots for each to analyze impacts. The State Water Plan directed further investigation and development of ATMs and recognized that the practice of permanent transfers from agriculture to municipalities aka “buy and dry” could not continue. While ATMs are not defined by the Water Plan, guidelines are provided.

One example occurs in the Rio Grande basin and involves split-season fallowing. In one instance, an irrigator agreed to fallow in the first part of the season and irrigate during the latter part of the season. The program required mimicking return flows and keeping the ditch whole for other users. The price per acre foot was almost doubled to induce the irrigator to participate.

That despite the variety of options, ATMs are little used. CWCB has plans to examine the reasons for this in 2020 and determine next steps. That the lack of participation could stem from the fact that because of their temporary nature, they are perceived as creating uncertainty and not worth the time, expense and effort for the irrigator. That municipalities are willing to participate but that they require certainty as to their water supplies. That ATMs that include a water court component create greater security.

That elements of existing statutes authorizing ATMs could potentially be applied to a demand management program but issues and challenges exist with each. Questions arose in the context of the water conservation and agricultural protections statutes and whether there is a need for participants to obtain a change of water right for compact compliance and whether these processes afford opportunities for increasing operational efficiencies for participants. Additional questions identified related to how such a beneficial use would be administered in relation to free river conditions and how the administration of conserved water would occur to the state line. The Group expressed a desire to reach out to the Law and Policy and Monitoring and Verification Work Groups on intersecting elements of these issues.

Additional technical, informational other needs:

For the next meeting, the Group may further consider parallels with the work of the Law and Policy and Monitoring and Verification Work Groups and further identify issues and challenges related to administration and accounting issues based on the type and location of participating water users, the amount of water to be conserved and mechanisms to administer and account for conserved water in relation to the Initial Units and accepted accounting practices within Colorado and throughout the Upper and Lower basins.

Other: No public comments were heard during this meeting.