Welcome

Russ George
9:00 - 9:30 Introductions, Roll Call and Overview (Russ G. & Dan G.)

9:30 - 9:40 Drought Update (Megan H.)

9:40-9:50 Budget Update (Lauren R.)

9:50 - 10:00 Basin Implementation Plan & Water Plan Updates (Russ S.)

10:00 - 10:30 Presentation on Demand Management (Amy O.)

10:30 - 11:30 Open Discussion on Equity & DM (Open Discussion)

11:30 - 11:45 What Does IBCC Want to Work On? (Russ G. and Russ S.)
ROLL CALL & GROUND RULES

• Attendee Roll Call (see list)

• Zoom Meeting Ground Rules
  • Muting, Raising Hands, Chat Feature, etc.

Heather Bergman
• Survey follow-up & agenda setting:
  • Drought
  • Budget
  • Water Plan Update
  • Demand Management

• A message from the DNR Director

Russ Sands
A Message from the DNR Director

Dan Gibbs
Drought Update
Conditions as of June 09, 2020

- **D0 - Abnormally Dry**
  - Short-term dryness slowing planting, growth of crops
  - Some lingering water deficits
  - Pastures or crops not fully recovered
  - 13.2% of State D0-04

- **D1 - Moderate Drought**
  - Some damage to crops, pastures
  - Some water shortages developing
  - Voluntary water-use restrictions requested
  - 14.2% of State D1-04

- **D2 - Severe Drought**
  - Crop or pasture loss likely
  - Water shortages common
  - Water restrictions imposed
  - 23.9% of State D2-04

- **D3 - Extreme Drought**
  - Major crop/pasture losses
  - Widespread water shortages or restrictions
  - 25.5% of State D3-04

- **D4 - Exceptional Drought**
  - Exceptional and widespread crop/pasture losses
  - Shortages of water creating water emergencies
  - 0.0% of State
Budget Impacts Across Three Years

Current Fiscal Year 2019 – 2020
- Demand Management Funding Reduced
- Water Plan Grant decisions delayed until July 2020
- Loan Program is operational

Next Fiscal Year 2020 – 2021
- No distributions to Severance Tax Supported Programs
- Construction Fund Supported Programs being evaluated
- Loan Program is operational

Fiscal Year 2021 – 2022
- Severance Tax funding unlikely (TBD)
- Loan Program is expected to be operational (TBD)
The Severance Tax Trust Fund resides in the office of the State Treasurer. The Fund is to be perpetual and held in trust as a replacement for depleted natural resources and for the development and conservation of the state’s water resources. 39-29-109 CRS.
# Construction Fund Supported Programs

<table>
<thead>
<tr>
<th>Grant Program</th>
<th>Funded in Projects Bill (HB20-1403)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Plan Grants</td>
<td>$7.5M</td>
</tr>
<tr>
<td>Watershed Restoration Grant Program</td>
<td>$4M</td>
</tr>
<tr>
<td>ATM Grant Program</td>
<td>$750K</td>
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</tbody>
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Basin Implementation Plan & Colorado Water Plan Updates

Russ Sands
WHERE WE’VE BEEN

2010

COLORADO’S WATER SUPPLY FUTURE
Colorado Water Conservation Board
Statewide Water Supply Initiative 2010
January 2011

2015

COLORADO’S WATER PLAN
Implement Plan
2015

2017

RIPPLE EFFECTS
COLORADO’S WATER PLAN 2017
THE UPDATE PROCESS

2019

2021

2022

WATER PLAN UPDATE

BASIN IMPLEMENTATION PLAN UPDATES
WHAT CAME OUT OF THAT EFFORT?

1. General Contractor/Local Expert Approach
2. New funding that didn’t take from basin WSRF accounts
3. A clear mandate to streamline the update process
4. Projects, Projects, Projects! (Improve project data - cost; yield)
5. Dive into the methodology and scenarios in the Technical Update
PHASES OF THE UPDATE

2020
THROUGH Q4

Decisions that impact scope, modeling, studies, and goals/objectives.

2021
THROUGH Q2

Decisions that impact projects, strategies and metrics.

2021
THROUGH Q4

Decisions that impact the text in the final BIP and Water Plan updates.

2022
THROUGH Q2

- Draft Review
- Ongoing Work
- Ongoing Projects
NEAR-TERM GOALS

OTHER STAKEHOLDERS
- **JUNE** Listening Sessions

BASIN ROUNDTABLES
- **JULY** Basin Work plans
  (Building on earlier work, January Kickoff, and April/May Workshops)

CWCB + STATE AGENCIES
- **AUGUST** Staff Workshop
  Building on April Kickoff meetings,
  June-July Small-Group Meetings.
Demand Management
Feasibility Study Update

Amy Ostdiek
Demand Management Feasibility Investigation Update

Amy Ostdiek
Deputy Chief
Federal, Interstate, and Water Information Section
What is Demand Management?

Reductions in consumptive use
Temporary.
Voluntary.
Compensated.
Demand Management Storage Agreement

- Part of the Drought Contingency Plan.
- Authorization for storage in Powell only if the Upper Division States determine Demand Management is feasible and advisable.
- If created, storage pool could only be released at direction of the Upper Colorado River Commission for Compact compliance.
Why are we talking about it?

- 20 years of challenging hydrology in the Colorado Basin.
- Avoidance of involuntary curtailment.
- Control of our own destiny.
- But many questions to be answered …
Demand Management Storage Agreement
Minimum Requirements

Feasibility
- Verification and Accounting
- Shepherding
- Storage and Release
- Funding
- Compliance with Law

Develop DM Program
- Minimum requirements for
  - Water Conservation
  - Storage
  - Release

Agreement with SOI
- UCRC/SOI agreements on water conveyed to and stored at Initial Units
- Pre-req - Consultation with Lower Basin

Approvals
- UCRC Finding of Need for DM
- Commission Approval
- State Approval
**Goals**

- Identify and analyze the issues associated with a potential Demand Management program in Colorado.
- Tackle the complicated issues, challenges, questions presented by the concept of Demand Management and frame the issue for the CWCB Board.

**Elements**

- Workgroups
- Workshops
- Continued Outreach

**CWCB is the State agency authorized to consider and establish the State’s water policy and is leading this investigation.**
**Agricultural Impacts**

- Working on document summarizing discussions of workgroup and identifying key issues.
  - Equity and voluntariness
  - Secondary economic impacts
  - Additional research needed on potential impacts
  - Prevention of injury

**Administration and Accounting**

- Considered hypotheticals relating to administration and accounting issues of a potential program.
  - Simplicity of administration
  - Ensuring compliance with law and necessary procedures
  - Learning from previous work
The Workgroups: work to date

**Economic Impacts and Local Government**
- Drafting a document of key considerations.
  - Goal to do no harm to local economies and communities, and identification of factors.
  - Create positive benefits where possible, and identification of potential mechanisms.
  - Process implications.

**Education and Outreach**
- Drafting document outlining considerations of communications issues in various stages.
  - E/O needs in the feasibility investigation
  - E/O needs if and when a program is set up
  - Overarching communications needs
The Workgroups: work to date

Environmental Considerations

- Drafting a document of key considerations.
  - Noting the purpose of a program would be compact compliance, though there may also be environmental benefits at project level.
  - Identification of considerations in identifying potential benefits.
  - Mechanisms for tracking potential benefits.

Funding

- Consideration of parameters in determining potential funding mechanisms.
  - Identification of uncertainties that may drive a potential program.
  - Consideration of funding sources that may be used in various circumstances.
  - Impacts of current circumstances.
The Workgroups: work to date

**Law and Policy**
- Multiple documents identifying key legal and policy issues.
  - Outline of key elements of the DMSA and CWCB’s policy statements.
  - White papers analyzing various decision points and policy options.
  - Eg.: compact compliance, definition of temporary, considerations for process.

**Monitoring and verification**
- Consideration of hypotheticals/scenarios and related monitoring and verification implications.
  - Types of agricultural projects and suggestions for M&V
  - Considerations for M&V of trans-mountain diversion projects
  - Learning from previous efforts.
IBCC’s Role

IBCC has functioned as an additional de facto workgroup, with a particular focus on EQUITY

- What does it mean?
- How to ensure equity is considered through the feasibility investigation?
- What would it look like in practice?
- How would this group like to capture their discussions to date for the Board?
The Next Steps: Board Consideration

- **July 2020 Report**
  - Report by Project Management Team to CWCB Board providing summary of work done to date.
  - Workgroup work products and meeting reports attached.
  - Includes insights and report from March meeting.
  - Will not include recommendations for next stages of feasibility investigation.

- **July 2020 board meeting**
  - Initial discussion of report with CWCB Board.

- **August 2020 workshop**
  - Opportunity for “deeper dive” and in-depth discussion with the Board.
  - Further discussion about potential next steps.
The Next Steps: 2020 and Beyond

• Consultants at work on a literature review.
• The other Upper Division States continue their own feasibility investigations.
• Upper Colorado River Commission RFP – consultants not yet under contract.
Other Colorado River Updates

• **2007 Guidelines**
  • Currently, Bureau of Reclamation is engaged in a technical “look back” at how the Guidelines have operated.
  • Not discussing future operations at this point.
  • Becky Mitchell, in her capacity as Colorado’s Commissioner to the Upper Colorado River Commission, will be seeking feedback from stakeholders across the state on how the guidelines have operated.
  • The information gained in the effectiveness review will help inform upcoming negotiations.
THANK YOU

Amy Ostdiek
Deputy Chief
Federal, Interstate, and Water Information Section
amy.ostdiek@state.co.us
SUMMARY OF IBCC DM EQUITY DISCUSSION:

In tackling the issues of DM equity, conversations have centered largely on two things:

1) how to define “equity” and,
2) whether it is possible to create an equitable DM program.

Broadly defined as a sense of fairness, IBCC has been keen to point out that equity is in the eye of the beholder or “what is fair to me.” In other words, if a DM program were to be established it would need to consider equity issues in and across each basin so as not to create disproportionate impacts to any one geographic area, sector, economy, etc. At the same time, because one’s sense of fairness is often heavily influenced by their level of trust, building trust is inherent in building equity.

The second discussion around whether or not a program could actually be equitably created is uncertain – IBCC member polling was split. In fact, IBCC explored several hypothetical DM approaches during a March 4, 2020 IBCC meeting exercise which helped highlight how potentially equitable approaches to DM might still create inequity. At the same time, this exercise and other IBCC discussions highlight how stakeholders, if consulted, will work to identify challenges, mitigate issues and develop more equitable outcomes.

The collective input of IBCC suggests that the structure of any potential DM program would have to be flexible enough to address both existing and potentially emerging basin-specific concerns across any number of issues. Additionally, because building trust is fundamental to establishing equity, any process to develop a DM program or any resultant program would need to be open, transparent and responsive.
What Does IBCC Want to Tackle Next?

• IBCC work plan for the next year
  1. What do you already know?
  2. What do you want to learn more about?
  3. What do you want to do or discuss?

• IBCC survey in advance of this meeting
IBCCs Initial Survey Results Included:

1. Demand Management, Equity and DM options
2. Funding, Impacts to Basin and Water Plan Update
3. Conceptual Framework, TMDs and 3rd Parties
4. Climate and Drought
5. ATMs, Progress and Policy
6. Forest Health and Impacts to Water
CWCB Board to Consider IBCC’s Role Moving Forward:

1. *Demand Management, Equity and DM options (Board to consider)*
2. Funding, Impacts to Basin and Water Plan Update
3. Conceptual Framework, TMDs and 3rd Parties
4. Climate and Drought
5. ATMs, Progress and Policy
6. Forest Health and Impacts to Water
Remaining topics for IBCC consideration:

1. Funding, Impacts to Basin and Water Plan Update
2. Conceptual Framework, TMDs and 3rd Parties
3. Climate and Drought
4. ATMs, Progress and Policy
5. Forest Health and Impacts to Water
6. Anything else?

PHONE: Text "cwcb18" to 22333 or COMPUTER: Navigate to "PollEv.com/cwcb18"
Select the two topics you feel the IBCC should take on next.

- Funding, Impacts to Basin and Water Plan Update: 32%
- Conceptual Framework, TMDs and 3rd Parties: 29%
- Compact compliance, Big river issues: 16%
- Forest Health and Impacts to Water: 13%
- ATMs, Progress and Policy: 6%
IBCC Roundtable Assignment

Collect feedback from roundtables on:

1. What do they already know?
2. What do they want to learn more about?
3. What do they want IBCC to do or discuss?

Heather Bergman
Next Steps

We will send you:

- Slides from today
- Notes

You will send us by **August 31, 2020**:

- Report-out on what you heard from your Roundtable
- Level of engagement in discussion