

Interbasin Compact Committee

JUNE 17, 2020 MEETING



COLORADO
Colorado Water
Conservation Board
Department of Natural Resources

Welcome

Russ George



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AGENDA

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.

CONTEXT FOR THE DAY

- **Survey follow-up & agenda setting:**
 - Drought
 - Budget
 - Water Plan Update
 - Demand Management
- **A message from the DNR Director**

A Message from the DNR Director

Dan Gibbs



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Drought Update

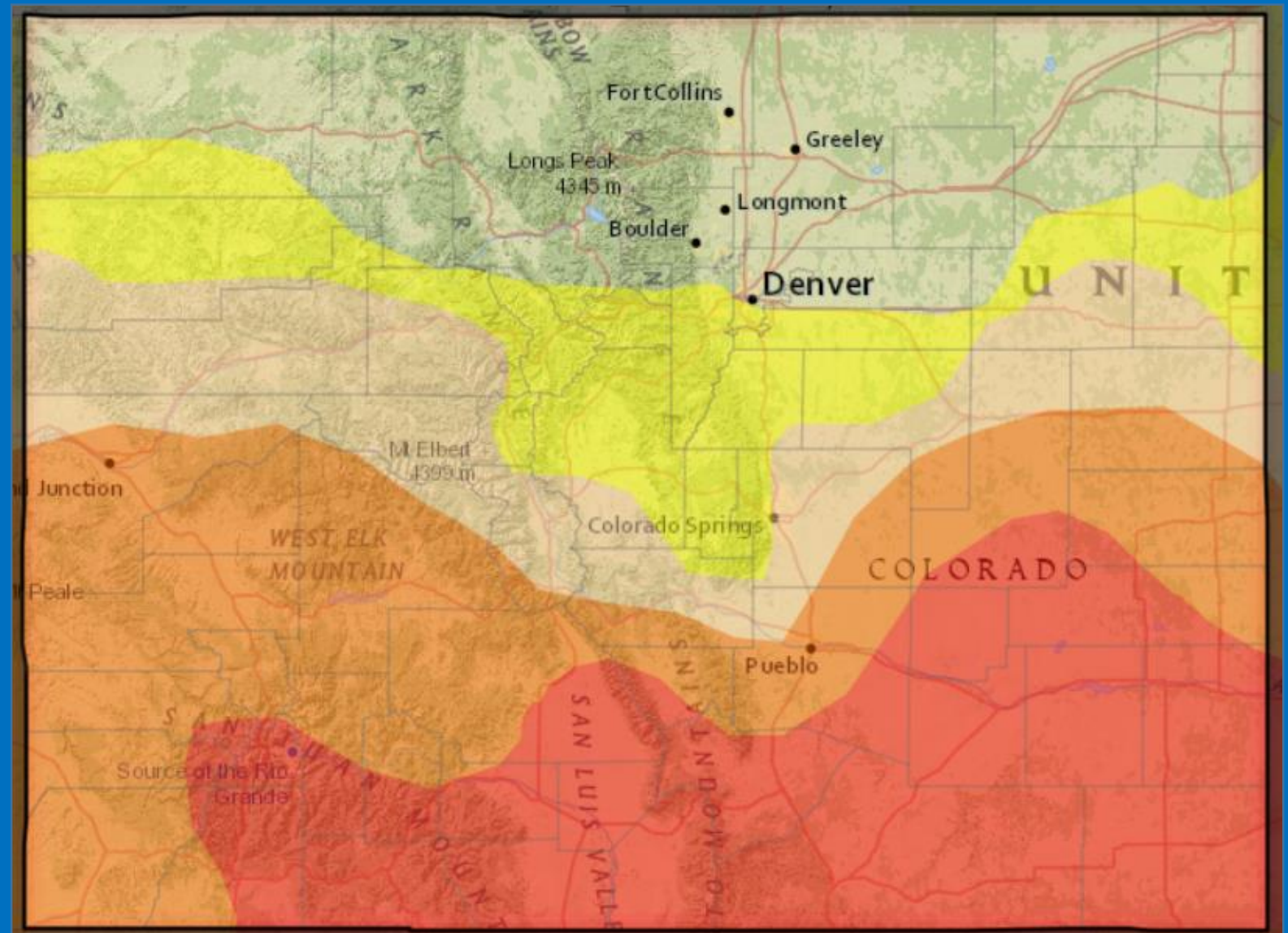
Megan Holcomb



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Conditions as of June 09, 2020

| | | | |
|--|---|--------------------------|-----------------------|
| | D0 - Abnormally Dry <ul style="list-style-type: none"> Short-term dryness slowing planting, growth of crops Some lingering water deficits Pastures or crops not fully recovered | 13.2% of State | 76.8% D0-D4 |
| | D1 - Moderate Drought <ul style="list-style-type: none"> Some damage to crops, pastures Some water shortages developing Voluntary water-use restrictions requested | 14.2% of State | 63.6% D1-D4 |
| | D2 - Severe Drought <ul style="list-style-type: none"> Crop or pasture loss likely Water shortages common Water restrictions imposed | 23.9% of State | 49.4% D2-D4 |
| | D3 - Extreme Drought <ul style="list-style-type: none"> Major crop/pasture losses Widespread water shortages or restrictions | 25.5% of State | 25.5% D3-D4 |
| | D4 - Exceptional Drought <ul style="list-style-type: none"> Exceptional and widespread crop/pasture losses Shortages of water creating water emergencies | 0.0% of State | |



Budget Update

Lauren Ris



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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

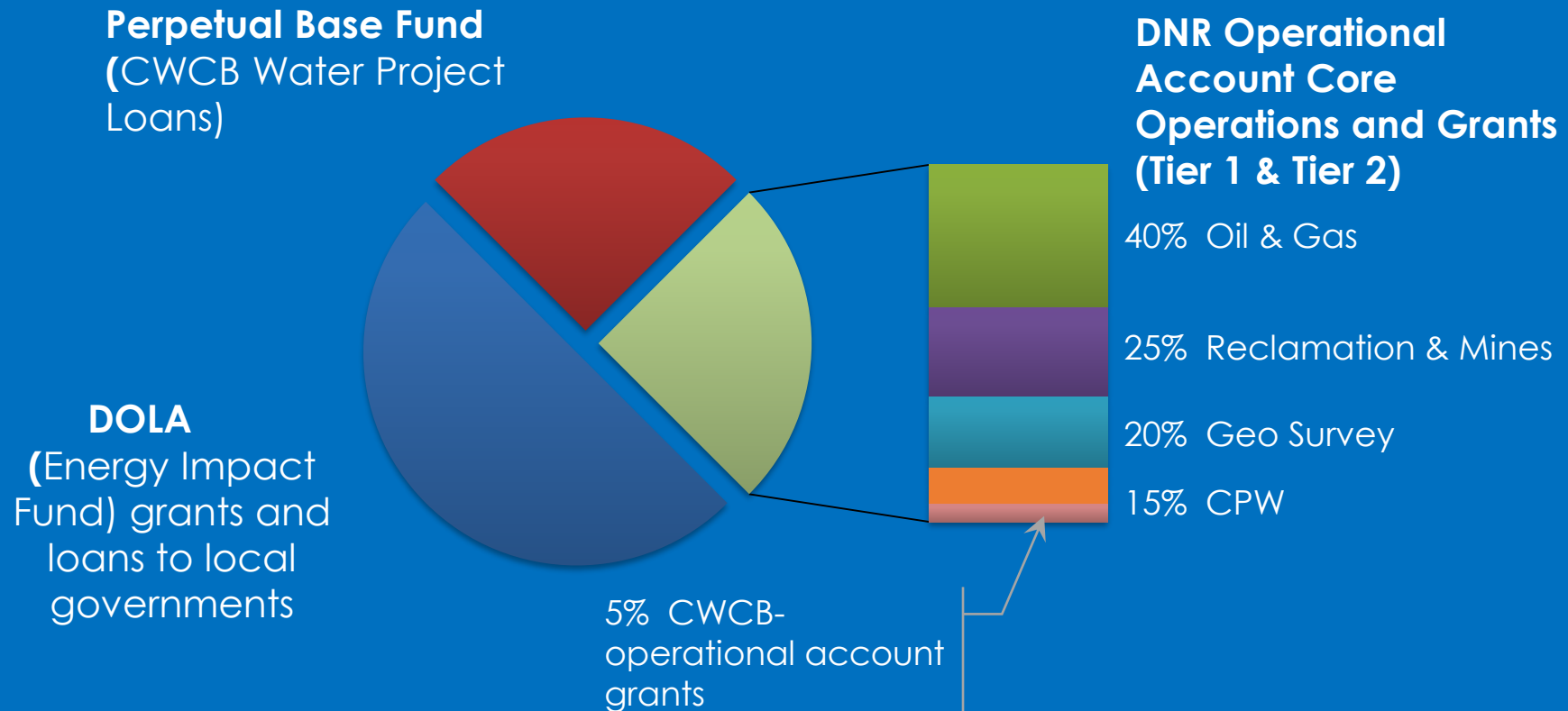
- No distributions to Severance Tax Supported Programs
- Construction Fund Supported Programs being evaluated
- Loan Program is operational

Fiscal Year 2021 – 2022

- Severance Tax funding unlikely (TBD)
- Loan Program is expected to be operational (TBD)

Severance Tax Revenue

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

| Grant Program | Funded in Projects Bill (HB20-1403) |
|-------------------------------------|--|
| Water Plan Grants | \$7.5M |
| Watershed Restoration Grant Program | \$4M |
| ATM Grant Program | \$750K |

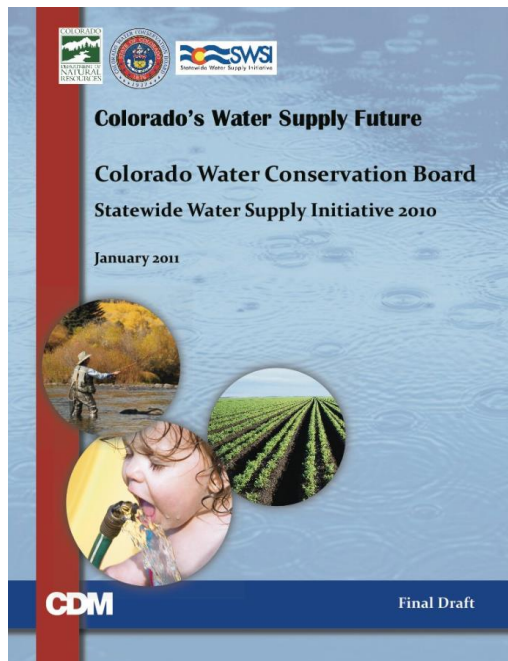
Basin Implementation Plan & Colorado Water Plan Updates

Russ Sands

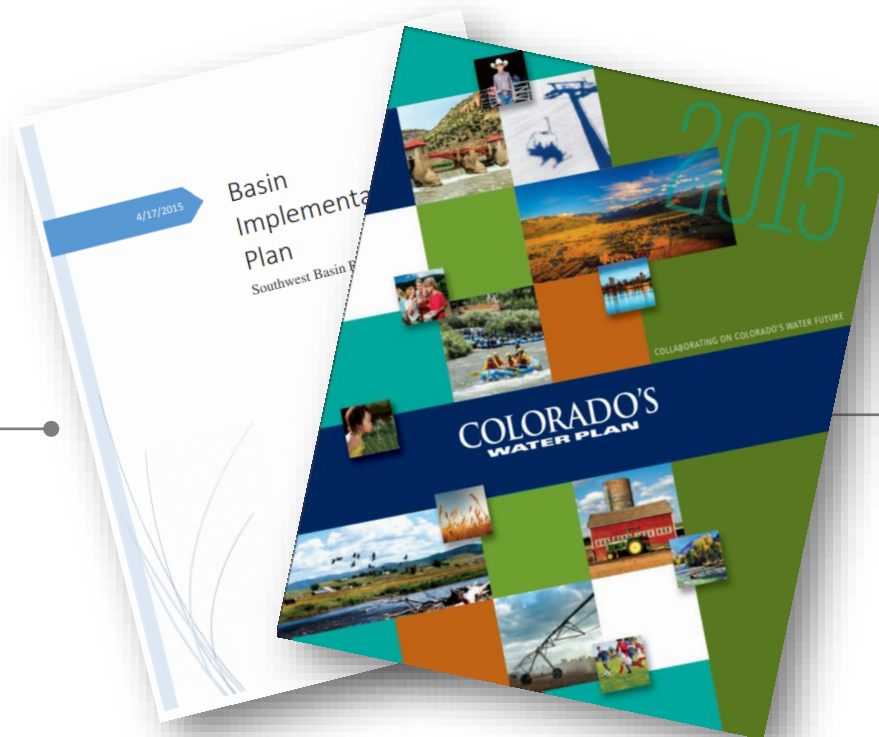


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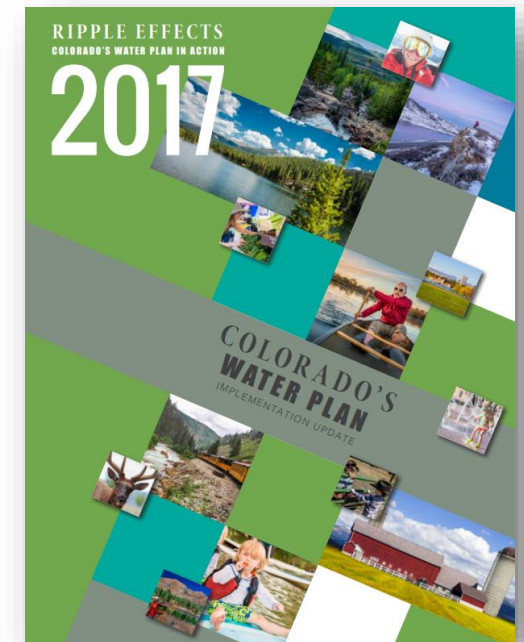
WHERE WE'VE BEEN



2010

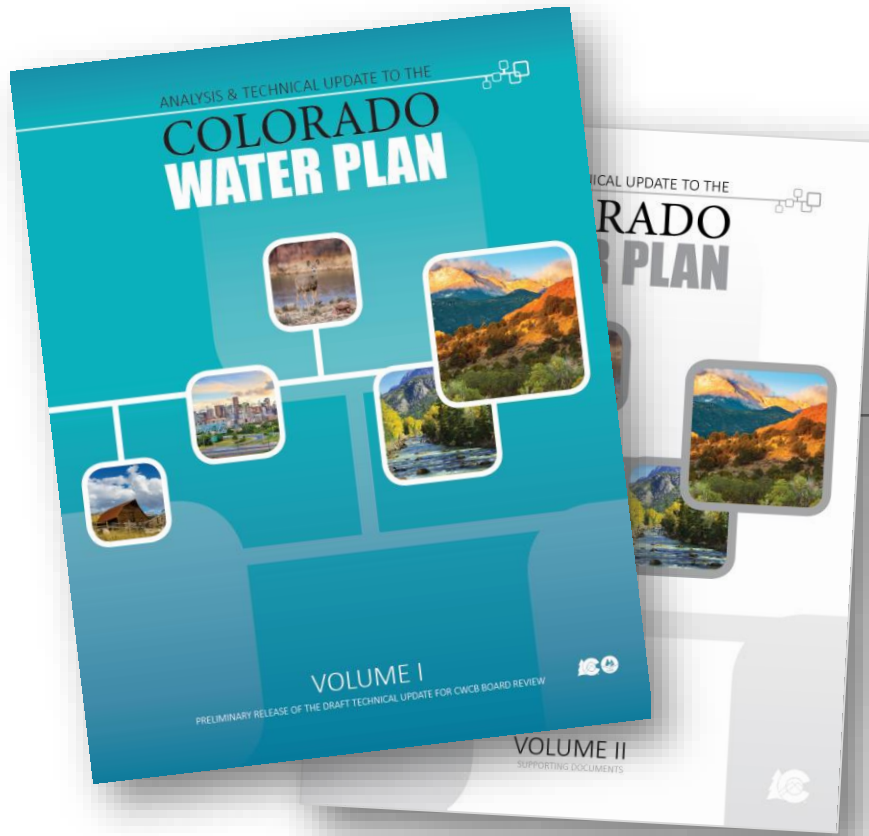


2015



2017

THE UPDATE PROCESS



**BASIN
IMPLEMENTATION
PLAN UPDATES**

WATER PLAN UPDATE

2019

2021

2022

WHAT CAME OUT OF THAT EFFORT?



General Contractor/Local Expert Approach



New funding that didn't take from basin WSRF accounts



A clear mandate to streamline the update process

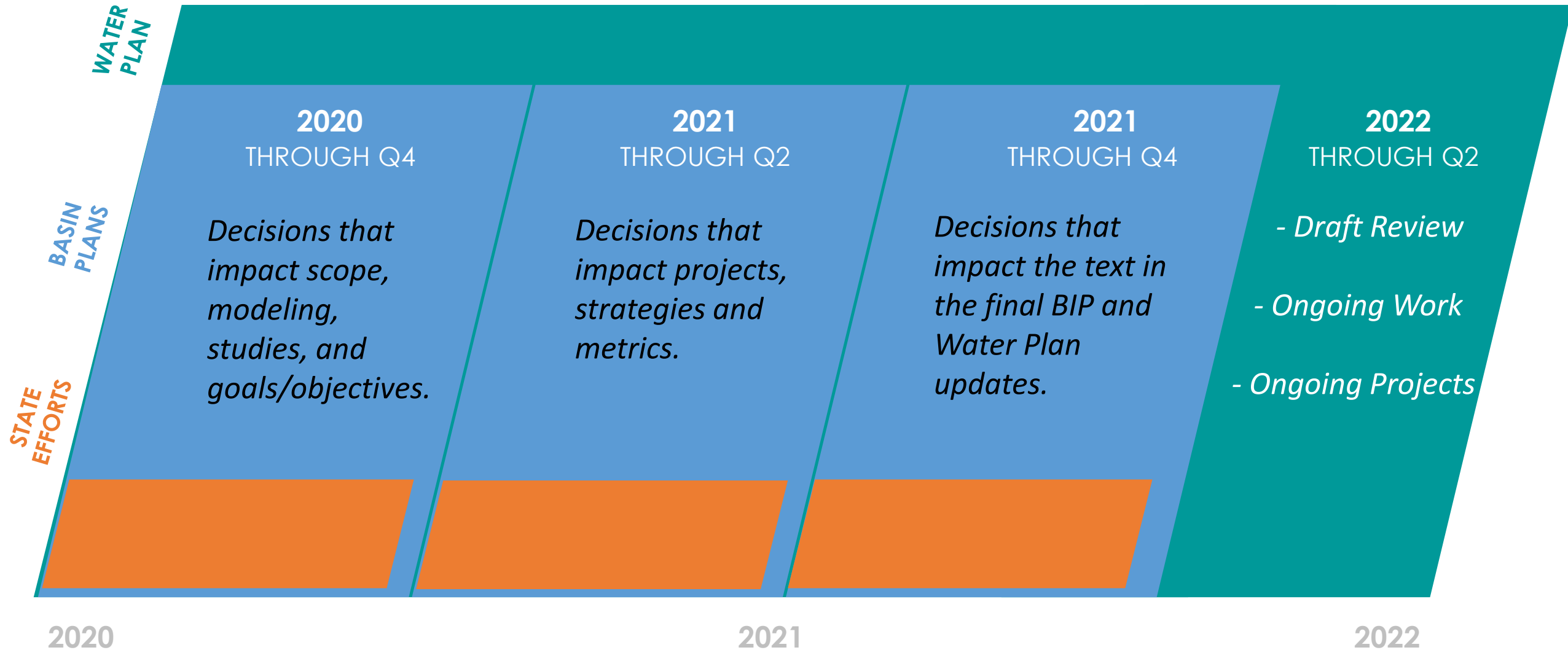


Projects, Projects, Projects! (Improve project data - cost; yield)



Dive into the methodology and scenarios in the Technical Update

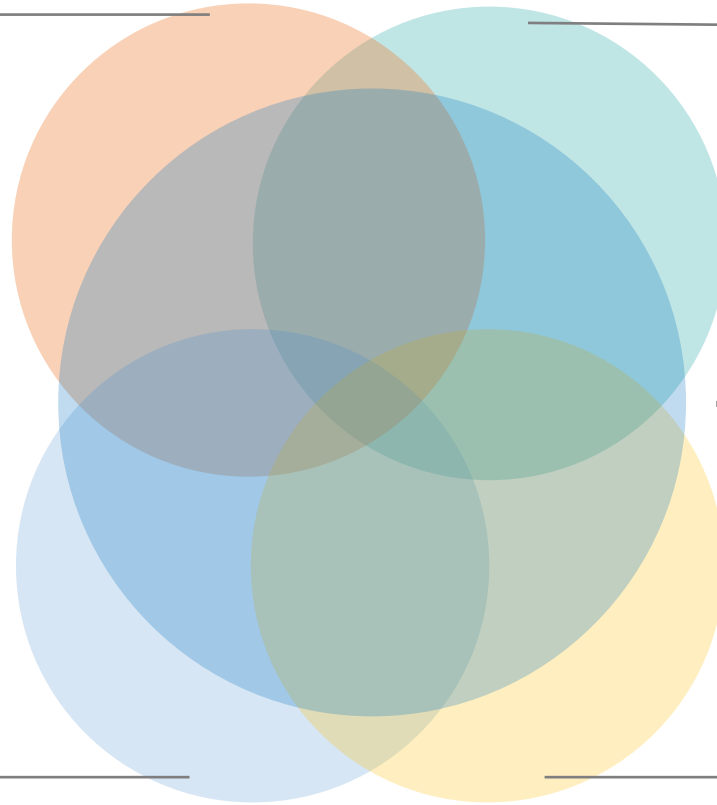
PHASES OF THE UPDATE



FINDING SYNERGIES

STATE AGENCIES

OTHER STAKEHOLDERS



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WATER PLAN
U P D A T E

BASINS

ORIGINAL WATER PLAN

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



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Demand Management Feasibility Investigation Update

Amy Ostdiek
Deputy Chief
Federal, Interstate, and Water Information Section



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What is Demand Management?

Reductions in consumptive use

Temporary.

Voluntary.

Compensated.



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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.



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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 ...



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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



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Colorado's Feasibility Investigation: 2019 Work Plan

CWCB is the State agency authorized to consider and establish the State's water policy and is leading this investigation.

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



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The Workgroups: work to date

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



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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



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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.



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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?*



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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.



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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.



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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.



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THANK YOU

Amy Ostdiek

Deputy Chief

Federal, Interstate, and Water Information Section

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Equity & Demand Management

Heather Bergman & Russ George



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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**

Heather Bergman



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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?*

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Visual settings



Activate



Show responses



Show correct



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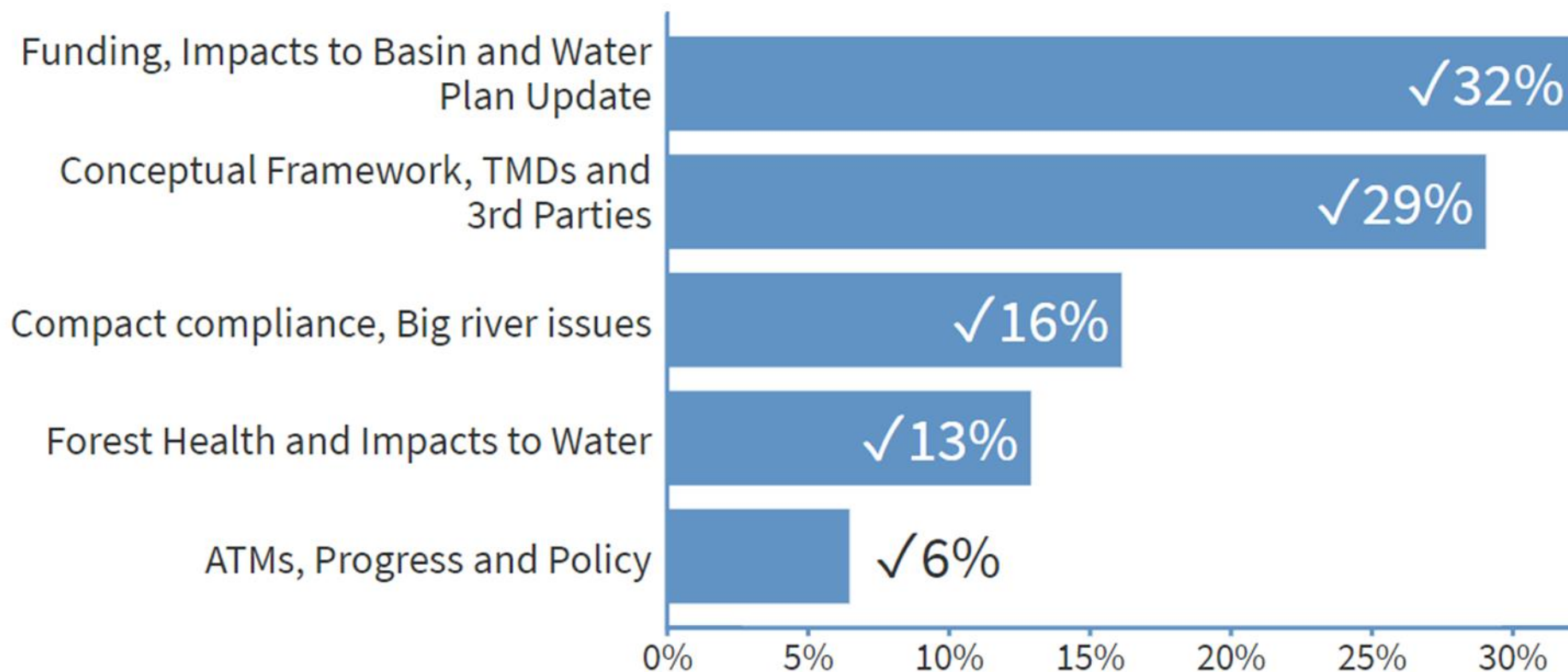
Clear responses



Full screen



Select the two topics you feel the IBCC should take on next



Next



Previous



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



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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*

Closing Remarks

Russ George



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