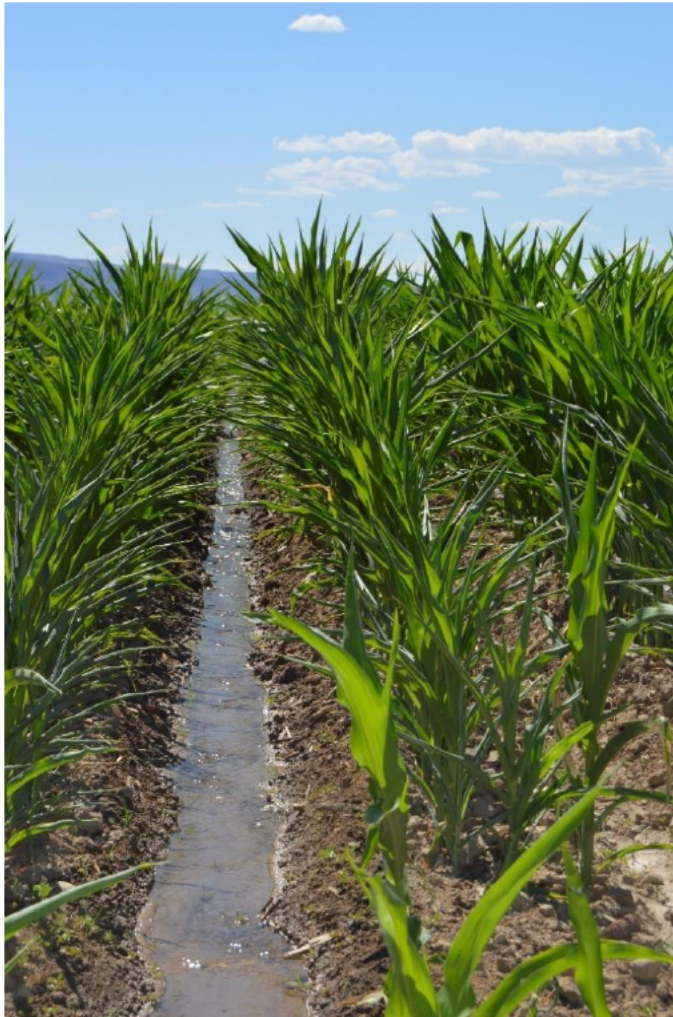


Grand Valley Water Users Association

System Conservation Pilot Project Proposal



February
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Grand Valley Water Users Association

Grand Valley Water Users Association

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1.0 INTRODUCTION

As the UCRC is aware, the Grand Valley Water Users Association (GVWUA or Association) executed two years of water conservation projects in 2017 and 2018. [REDACTED]

[REDACTED]. The CCUPPs were an exploration for the GVWUA of what voluntary, temporary and compensated water conservation might look like for GVWUA shareholders and more broadly the agricultural producers in the lower valleys of western Colorado.

This proposal is a brief description of an SCPP program the GVWUA could execute within our service area in WY 2023. Using what we learned in 2017 and 2018 some key elements of our proposed 2023 SCPP project are:

- 1.) GVWUA will contract with the UCRC for the SCPP project and subsequently contract with individual shareholder (Cooperators) for conservation activities within the GVWUA service area.
- 2.) A requirement that all Cooperators are, and have historically been, actively involved in farming operations on the enrolled lands.
- 3.) The GVWUA will take an administrative fee from the Cooperator payments to continue to support the financial viability of the Association, pay for the administration of the SCPP project and support an infrastructure fund that, through improvements to the conveyance system, will ensure that all shareholders realize value from the SCPP project.
- 4.) Verification of the conserved consumptive use (CCU) will be at the field level. The GVWUA will maintain its historic practices with regards to its diversion of water. The water appurtenant to the acreage enrolled will not be consumptively used on the acreage enrolled, nor is it anticipated to be consumptively used by other shareholders in the system.

The GVWUA is committed to developing a SCPP program that is as equitable amongst the existing membership as possible. There are certain limitations on participation based upon the administrative capabilities of the Association, the operational capacity of the GVWUA infrastructure and other concerns of the Board of Directors.

The GVWUA Board of Directors also wants to make a few observations and statements related to the broader context of the 2023 SCPP:

- 1.) The GVWUA is willing to participate in this program on a temporary, voluntary and compensated basis. The GVWUA however, recognizes that the dire situation related to Colorado River storage at both Lake Mead and Lake Powell is a direct result of overuse of water by the Lower Basin states. Our participation in this SCPP in no way acknowledges a need for permanent reductions in water use in the GVWUA service area, Colorado or the Upper Basin states. We are, however, willing to be a small part of a temporary solution to a problem we did not create.

- 2.) Participation in the 2023 SCPP does not set any precedent for future participation in Demand Management, future iterations of SCPP or any other programs for water conservation.
- 3.) The GVVUA will pursue legal protections under Colorado water law to ensure that participation in the SCPP does not put its water rights at risk of abandonment or any reduction in calculation of historic or future consumptive use or diversion amount. If these protections cannot be approved or otherwise obtained through existing legal mechanisms, the GVVUA will rescind its application for the SCPP.
- 4.) The time frame allotted for setting up this iteration of the SCPP is far too short. The GVVUA is willing to set up a program based largely on previous experience. However, had more time been allotted for project creation we expect that significant differences in the program outlined here could exist.

2.0 2023 SYSTEM CONSERVATION PROGRAM

The GVVUA 2023 System Conservation Pilot Project will be referred to internally at the GVVUA as the “2023 SCPP”. The basic outline of the program is as follows.

2.1 2023 SCPP Administration

A 2023 SCPP contract between the GVVUA and the cooperating shareholder (Cooperator) will be developed by GVVUA counsel and the program design consultant. Additionally, program compliance criteria and verification procedures will be developed and vetted along with the contract by the GVVUA Board of Directors (BOD).

The Association will hire an outside contractor to assist in administration of the 2023 SCPP. The contractor will gather field level data and Cooperator information prior to the start of the 2023 SCPP to verify that each field in the 2023 SCPP meets the requirements set forth. The contractor will also conduct site visits throughout the irrigation season to verify that all program and contract requirements are being met by each Cooperator on each individual field. Use of an outside contractor will allow the existing GVVUA management and staff to continue normal operations, ensuring the 2023 SCPP does not interfere with the service provided to the non-participating shareholders.

2.2 Conditions for Participation

Participation will be open to those shareholders who are “actively engaged in farming” as defined by the USDA-Farm Service Agency (FSA) on irrigated lands within the service area.

Cooperators will further be required to meet the following criteria:

- Cooperators must be farming a minimum of 30 actively irrigated acres within the GVVUA service area.
- Cooperators must demonstrate a 2-year history as “actively engaged in farming” as defined by the Farm Service Agency (FSA) for any acreage enrolled in the 2023

SCPP.

- Cooperators must commit a minimum 15 acres to the 2023 SCPP.
- No Cooperator (person, trust, corporation, limited liability company or group of related persons or entities) can enroll more than 240 acres in the 2023 SCPP.
- Enrolled acreage cannot exceed 50% of the 2022 irrigated acreage under the Cooperators control.

2.3 Program Activities

Multiple methods of conserving consumptive use will be utilized in the 2023 SCPP. All methods will have some form of land fallowing, a period of time referred to as the “fallow period”. These methods are referred to as “program activities”. A description of the different program activities can be found in Table 1.

Table 1: GVVUA 2023 SCPP Program Activities

Program Activity	Fallow Period
Full Fallow (FF)	Entire irrigation Season
Fallow Until October 1 (WW)	April 1 through Sept 30
Fallow Until September 1, (SS)	April 1 through Aug 31
Summer Fallow (SF)	May 15th through August 31

2.4 Anticipated Consumptive Use Savings

_____ This program will not adjust the payment to each Cooperator based on the Conserved Consumptive Use (CCU) from each individual field. Cooperators will be paid on a per acre basis for participating in the program.

2.5 Program Size and Geographic Distribution

The program will be open to applications until we reach a total subscription of 1000 acres. If the applications received exceed 1,000 acres a lottery will be held to determine which producers will participate. GVVUA may hold separate lotteries based on geographic areas within the service area in order to ensure participation is spread out amongst the agricultural lands.

2.6 Program Cost

February 2023

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

2.7 Program Timeline

A preliminary timeline for the program is estimated below:

- February 16 – Submittal of proposal to the UCRC
- February 20 – Mail announcement to eligible membership
- February 20 to March 1 – GVVUA accepting/reviewing applications
- March 6 – Lottery (if needed) held at GVVUA office
- March 6 to March 17 – Contracting with Cooperators
- April 1 (or water in date)– GVVUA 2023 SCPP begins
- October 31 (or water out date) – GVVUA 2023 SCPP ends

2.8 Verification

The GVVUA will follow a similar verification process to their 2017 and 2018 programs. Like the 2017 and 2018 conservation programs the GVVUA will be relatively strict with land management measures to ensure the participating acres are not a nuisance to the local community or neighboring agricultural producers. GVVUA will hire a contractor to perform verification during the 2023 SCPP. [REDACTED]

[REDACTED]