



COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Amy Ostdiek and Michelle Garrison

DATE: March 14, 2024

SUBJECT: Agenda Item 17: System Conservation Pilot Program

This is an informational item with no board action requested.

1. Background

In June 2022, the Commissioner of the Bureau of Reclamation called on the Colorado River Basin States to create a plan to conserve an additional 2-4 million acre-feet of water above activities already underway, in an effort to protect critical infrastructure at Lake Powell and Lake Mead. In July 2022, the Upper Division States responded with a Five-Point Plan, with recognition that the Upper Division States did not cause the crisis and had limited options to respond due to ongoing and deep hydrologic and legal water shortages, coupled with depleted storage.

One component of this plan is reauthorization of the System Conservation Pilot Program (SCPP). This program entails temporary, voluntary, and compensated reductions in consumptive use across the Upper Basin for the purpose of mitigating the impacts of drought in the Upper Colorado River Basin. In December 2022, the SCPP was reauthorized by Congress. This authorization extends through Fall 2024.

The SCPP is administered by the Upper Colorado River Commission (UCRC) pursuant to a funding agreement executed on January 6, 2023, between the UCRC and the Department of the Interior through the Bureau of Reclamation. In 2023, 64 projects moved forward across the Upper Division States, which were estimated to conserve 37,810 acre-feet of water. Of these, 22 projects were in Colorado, totaling roughly 2,500 acre-feet of conserved consumptive use.

2024 System Conservation Pilot Program Implementation

In September 2023, the UCRC voted to authorize SCPP implementation in 2024, with several improvements implemented, including:

- Earlier timing: This year's SCPP was rolled out in October 2023.
- Pricing: Reclamation provided firm, fixed pricing for projects, as detailed below.



State	Project Type	2024 All Project-Type Approaches	2023 USBR Price (\$/af)	2024 SCPP Method (\$/af)
Colorado	Full-Season Fallow	All Crops	\$ 462.00	\$ 509.00
	Split-Season/Crop-Switch	Same as above, * by CCU ac-ft/ac	\$ 200.00	\$ 509.00
	Reservoir Storage	2023 SCPP pricing	\$ -	\$ 150.00
	M&I		\$ -	Case-by-case
New Mexico	Full-Season Fallow	All Crops	\$ 260.00	\$ 300.00
	Split-Season/Crop-Switch	Same as above, * by CCU ac-ft/ac	\$ -	\$ 300.00
	Reservoir Storage	2023 SCPP pricing	\$ -	\$ 150.00
	M&I		\$ -	Case-by-case
Utah	Full-Season Fallow	All Crops	\$ 595.00	\$ 506.00
	Split-Season/Crop-Switch	Same as above, * by CCU ac-ft/ac	\$ 250.00	\$ 506.00
	Reservoir Storage	2023 SCPP pricing	\$ 150.00	\$ 150.00
	M&I		\$ -	Case-by-case
Wyoming	Full-Season Fallow	All Crops	\$ 513.00	\$ 492.00
	Split-Season/Crop-Switch	Same as above, * by CCU ac-ft/ac	\$ -	\$ 492.00
	Reservoir Storage	2023 SCPP pricing	\$ -	\$ 150.00
	M&I		\$ 163.00	Case-by-case

- Conserved Consumptive Use (CCU) estimates: The UCRC’s consultant, Wilson Water Group, met with applicants before proposals were submitted to discuss how conserved consumptive use would be estimated.
- Consistent and clear messaging: UCRC and state staff conducted additional outreach and messaging.
- Greater transparency on approach, purpose, and review: Additional information was made publicly available. There was an opportunity for review by interested parties of applications meeting minimal requirements and passing fatal flaw review. Interested parties received application materials and were able to provide comment to CWCB through January 31, 2024.
- Narrowed Scope: UCRC prioritized projects that inform Demand Management feasibility questions and/or support innovation and local resilience resulting in water conservation.

CWCB’s Role

Relevant to the concepts that the Pilot Program explores, C.R.S. § 37-92-305(3)(c) provides that, except in Water Division 7, historical consumptive use in a change of water rights may not be reduced as the result of participation in a water conservation program approved by a state agency.¹

¹ C.R.S. § 37-92-305(3)(c):

(c) In determining the amount of historical consumptive use for a water right in division 1, 2, 3, 4, 5, or 6, the water judge shall not consider any decrease in use resulting from the following:

- (I) The land on which the water from the water right has been historically applied is enrolled under a federal land conservation program; or
- (II) The nonuse or decrease in use of the water from the water right by its owner for a maximum of five years in any consecutive ten-year period as a result of participation in:



In addition, Section 37-92-103(2) defines abandonment of a water right such that any period of non-use of a water right shall be tolled if that water right is participating in “a water conservation program approved by a state agency...”

Thus, the CWCB Staff sought and received approval from the CWCB at the November 2023 meeting that any projects participating in the 2024 SCPP are participating in a state-approved water conservation program.

2. 2024 System Conservation Pilot Program Projects

The application window for the 2024 System Conservation Pilot Program closed on December 18, 2023. Staff for the Upper Colorado River Commission (UCRC), the Upper Division States, and Wilson Water Group reviewed the applications and information submitted with Colorado applications that passed an initial fatal flaw review by the Division of Water Resources (DWR) and CWCB staff. This information was provided to those who signed up to receive applications (including members of the Board), with only personal identifying information not being provided. Fifty-one Colorado applications were submitted and passed an initial fatal flaw review, totaling an estimated 17,000 acre-feet of conserved consumptive use. Across the Upper Division States, 127 total SCPP applications were received.

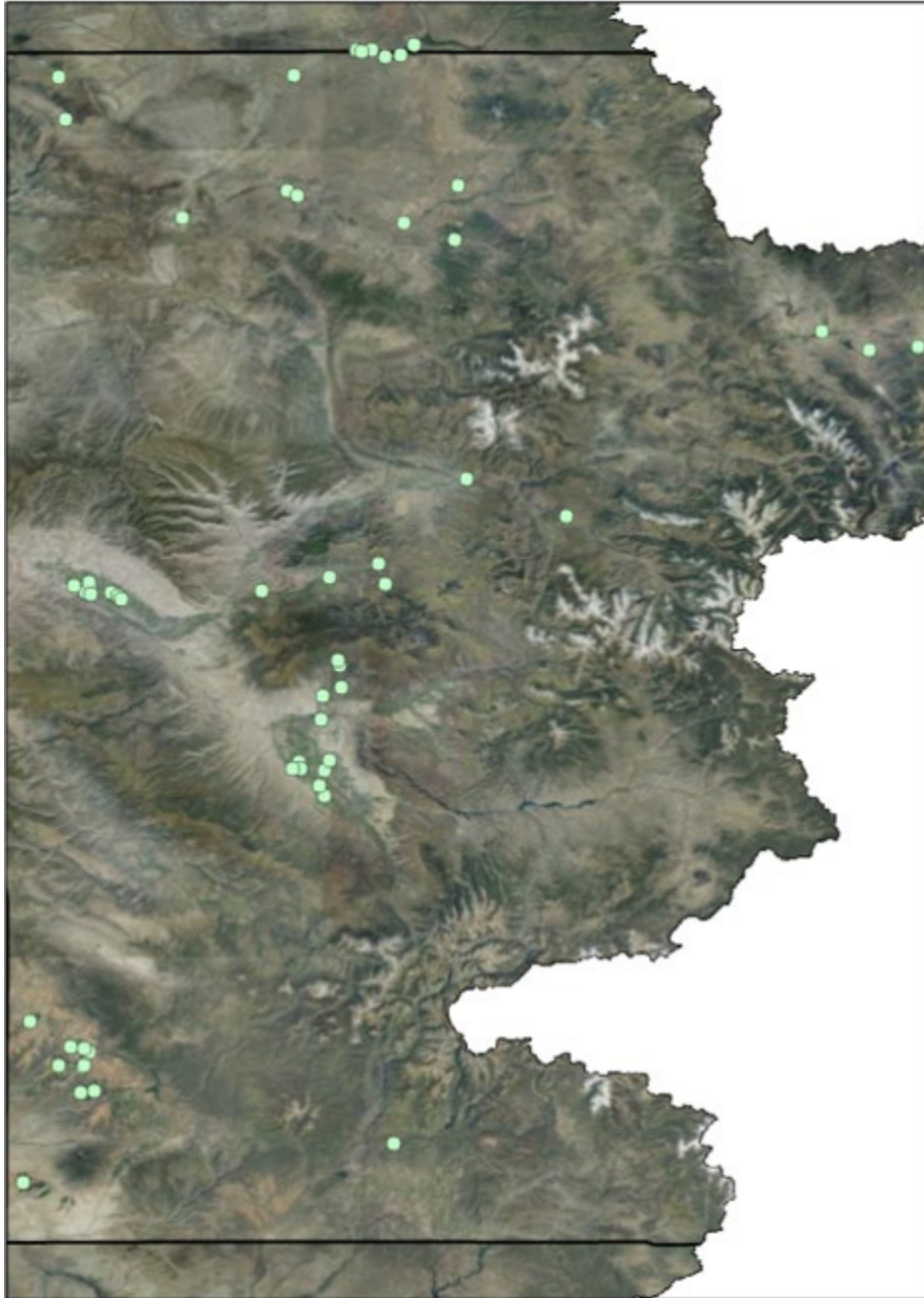
On March 4, 2024, the Upper Colorado River Commission held a meeting to consider 2024 SCPP projects and approved 115 projects across the Upper Basin. Below is a summary of projects recommended by state.

State	Number of Projects Recommended	Total Acreage	Total CCU (ac-ft)	Price
Colorado	50	12,212.8	16,760.2	\$8,817,293.00
New Mexico	1	2,987.0	4,933.0	\$1,479,900.00
Utah	31	10,828.6	23,389.6	\$10,480,511.00
Wyoming	26	18,408.0	19,234.7	\$8,505,877.00
Colorado-Wyoming	7	3,320.6	3,150.6	\$1,603,661.00
Total	115	47,757.0	67,468.1	\$30,887,242.00

Of the 50 projects in Colorado, 22 are full-season fallow, 6 are partial-season fallow, 10 are combination, 9 are crop-switching, 1 is storage, 1 is deficit-irrigation, and 1 is a municipal/TMD project. Below is a map of where the Colorado projects are located.

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- (A) A water conservation program, including a pilot program, approved in advance by a water conservation district, water district, water authority, or water conservancy district for lands that are within the entity's jurisdictional boundaries or by a state agency with explicit statutory jurisdiction over water conservation or water rights;
 - (B) A water conservation program, including a pilot program, established through formal written action or ordinance by a water district, water authority, or municipality or its municipal water supplier for lands that are within the entity's jurisdictional boundaries;
 - (C) An approved land fallowing program as provided by law in order to conserve water or to provide water for compact compliance; or
 - (D) A water banking program as provided by law.





The table below shows projects by Basin.

Basin	Number of Projects (Acres)	Participating Acreage	Estimate Conserved Consumptive Use (Acre-Feet)
Colorado	18	4,057.75	6,520.66
San Juan/Dolores	11	2,571.60	3,041.18
Gunnison	12	3,734.90	4,841.63
Yampa	9	1,772.97	2,248.82
Little Snake	7	3,320.60	3,150.61
Total	57	15,457.82	19,802.90

UCRC staff and Wilson Water Group will now work to finalize Implementation Agreements with participants by April 1, and project implementation will follow. Staff will provide final Implementation Agreements to the Board when they are available.

