

Interbasin Compact Committee (IBCC) Meeting
August 6, 2013
Colorado Springs, CO

Attendees

IBCC

Mike Allnutt	Melinda Kassen	Bill Trampe
Stan Cazier	Olen Lund	Wayne Vanderschuere
Carlyle Currier	Kevin McBride	Steve Vandiver
Jeris Danielson	Peter Nichols	Marc Waage
Jeff Devere	John Rich	Bruce Whitehead
T. Wright Dickinson	Sen. Gail Schwartz	Eric Wilkinson
Rep. Randy Fischer	Travis Smith	Jay Winner
Steve Harris	Joe Stibrich	Jim Yahn
Taylor Hawes	John Stulp	

Colorado Water Conservation Board (CWCB)

Jay Gallagher	Alan Hamel	John McClow
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Participating Staff

Heather Bergman (Peak Facilitation Group)	Jacob Bornstein (CWCB) Becky Mitchell (CWCB)	James Eklund (CWCB)
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Next Steps

T. Wright Dickinson, Taylor Hawes, Melinda Kassen, and Bruce Whitehead	Meet and discuss text in the Nonconsumptive section of the No/Low Regrets Action Plan. Send revised language to Viola Bralish (viola.bralish@state.co.us) by Monday, August 12 at 5:00 pm
Staff	Revise No/Low Regrets Action Plan according to IBCC direction in advance of presentation to CWCB Board at September meeting
Eric Kuhn, Jim Lochhead, and Peter Nichols	Revise new supply questions to reflect IBCC discussion in advance of presentation to CWCB Board at September meeting
New Supply Subcommittee	Initiate conversation about risk management to frame discussion at next IBCC meeting

Welcome

John Stulp welcomed the group and provided an overview of the meeting’s purpose and goals. Key points are summarized below.

- The purpose of the meeting today will be to wrap up the no/low regrets planning process and discuss the way forward regarding new supply.
- Joint basin roundtable meetings have been taking place recently; this is an important step in moving forward with a statewide dialogue about a water plan.

- Today's meeting will be critical; the recommendations of the no/low regrets action plans will become pieces of the state water plan.

Colorado Water Plan (CWP): Presentation

Following John Stulp's remarks, James Eklund, Director of CWCB, gave a presentation on the CWP; key points are highlighted below.

- The CWP will be the first water plan for Coloradans, by Coloradans. The CWP will take a grassroots approach and stand on the work of the basin roundtables.
- It is important that the CWP be developed now; maintaining the status quo will lead to the loss of agricultural lands. Furthermore, the conversations of the IBCC, the basin roundtables, and the CWCB over the last eight years have reached a moment where critical decisions must be made.
- The CWP will establish Colorado values around water and a process for sustaining them. These values include healthy watersheds and environment, robust recreation, vibrant and sustainable cities, and viable and productive agriculture.
- The CWP will also address the municipal water supply gap and provide regulatory incentives for projects that meet the values of the CWP. Stakeholder collaboration and consultation with local governments will be another potential component of the CWP.
- The CWP will integrate products that have already been created (e.g., the Statewide Water Supply Initiative (SWSI), the Drought Mitigation Plan, and the Colorado River Water Availability Study) to ensure that work is not repeated.
- A focus on meaningful action and protection of existing property rights should be maintained throughout the development of the CWP.

Discussion

- A group member expressed concern about language in the presentation dealing with environmental mitigation, pointing out that protection and enhancement of environmental and recreational values should also be a priority for the CWP. James clarified that it was not the intent of the presentation or the vision for the CWP to exclude these activities and agreed to better communicate this in further CWP outreach efforts.
- Group members pointed out that the directive for a state water plan has generated a great deal of interest among basin roundtable members and that attendance at basin roundtable meetings has increased in recent months. James responded that this was good to hear and encouraged IBCC members to provide input on how staff could assist in disseminating information and updates regarding the CWP to basin roundtables.
- A member of the IBCC raised the issue that basin roundtables may not be able to provide detailed information about potential projects in time to be incorporated into the CWP and was concerned that this would preclude funding opportunities. James clarified that at this stage in the process, the only thing that has been determined is general values that should be prioritized through the CWP and that coming up with lists of projects that will or will not receive funding is beyond the scope of the CWP at this point.
- A group member raised a question about the role of the State Engineer in the state water planning process. James clarified that the State Engineer will be a critical player in the development of the CWP and will have an important seat at the table throughout the process.

- An IBCC member expressed concern about achieving buy-in from the State Legislature during the development of the CWP, since they will play an important role in funding and shaping policy. James clarified that the IBCC will need to keep IBCC legislative representatives updated and involved so that they can act to make statutory changes and resolutions to further the values of the CWP. Senator Gail Schwartz emphasized that the legislature would need to work to ensure that state water planning efforts have a predictable and steady funding stream.
- A member of the IBCC had a question about how projects identified through basin implementation plans (BIPs) will carry into the CWP. Related to this question, the group member expressed concern that a large number of entities will strive to have their projects listed in BIPs to ensure funding, leading to a need for a prioritization process. James clarified that BIPs will inform the CWP, but that being listed there is not intended to serve as an on/off switch for funding. He also expressed the hope that joint basin roundtable discussions would be helpful in finding areas of agreement and informing prioritization efforts.
- A group member raised questions about how the no/low regrets planning process would integrate into the CWP. James clarified that the No/Low Regrets Action Plan will be synthesized with other planning documents and incorporated in the CWP.
- Some group members highlighted the importance of a watershed management strategy and stressed that this component should be included in the CWP. This strategy could deal with both wildfires that have already occurred and methods for rapidly responding to new ones. One IBCC member stressed the importance of bringing together multiple agencies and organizations with an interest in the issue (e.g., basin roundtables, local collaboratives, the United States Forest Service, the Natural Resource Conservation Service, and state and private interests). James expressed agreement with this proposal and also pointed out that the State should be engaging with downstream and out-of-state entities on this issue.

Electronic Polling

Prior to electronic polling on the updated No/Low Regrets Action Plan, Jacob Bornstein provided an overview of the no/low regrets planning process, pointing out that this work was generated by the IBCC after completion of portfolios by each basin roundtable. No/low regrets actions were identified as things that need to be accomplished in the near-term, regardless of what future scenario occurs. The No/Low Regrets Action Plan will be presented to the CWCB Board in September, and then brought to basin roundtables for incorporation into BIPs and the CWP, where appropriate.

IBCC members were then asked to indicate their level of support for the updated No/Low Regrets Action Plan through an electronic polling exercise. For each primary topic in the No/Low Regrets Action Plan, participants were polled on each potential future action. Participants were asked to indicate if they strongly supported, could live with, or could not live with each item going forward as an option for further review by the CWCB Board, the roundtables, and the rest of water community. In instances where one or more group members indicated that they could not live with a potential future action, a discussion took place to determine what changes would need to occur to secure their support. In every case, the group

was able to resolve the identified concern(s) and reach consensus, except for one item on which a small group of IBCC members is continuing to work to resolve the issue. A final polling question asking for participants' level of support for the entire No/Low Regrets Action Plan revealed consensus among the group for the content of the document as modified by the revisions that occurred that day. Polling results are attached at the end of this summary; revisions proposed by the group to ensure their support are outlined below.

Implement Reuse Strategies

In order to reach consensus on this topic, the following change was made: Potential Future Action 3.c will be modified to read: "Develop incentives."

Have a High Success Rate for IPPs

In order to reach consensus on this topic, the following changes were made:

- Potential Future Action 1.b will be modified to read: "Support the conversion of single-purpose IPPs into multi-purpose IPPs when appropriate, ***upon request from a project proponent.***"
- The narrative text of Potential Future Action 1.d will be modified to read: "The state should continue to meet with federal agencies and look for opportunities, including entering into MOUs, to make NEPA and permitting processes more efficient, especially for projects that meet the values of the CWP and are needed across multiple scenarios. Efficiency would not dictate whether the outcome of the positive is positive or not."
- A Potential Future Action 1.f will be added, to read: "Support local permitting authorities to identify, upon request, multi-purpose components up front in project planning to incorporate county and local concerns."
- Potential Future Action 4.b will be modified to read: "***Upon request of a project proponent,*** convene a facilitated dialogue among stakeholders, project proponents, and state agency representative if there is disagreement about a proposed project or process."
- Potential Future Action 4.e will be modified to read: "***Upon request of a project proponent,*** encourage legislative resolutions in support of IPPs that meet the values of the CWP."

Implement and Assess Storage and Other Infrastructure

In order to reach consensus on this topic, the following changes were made:

- Potential Future Action 1.e: one group member stated that he could not live with this action, but declined to state why or how it could be changed to ensure his support. He later indicated that the group should proceed without further discussion on this item.
- A Potential Future Action 2.e will be added, to read: "Manage and improve storage, infrastructure, and reservoir operations to benefit agriculture."
- A Potential Future Action 2.f will be added to read: "Manage and improve storage, infrastructure, and reservoir operations to benefit municipal and industrial use."
- A Potential Future Action 2.g will be added to read: "Manage and improve storage, infrastructure, and reservoir operations to support hydropower production."
- The title of Potential Future Action 3 will be changed to read: "Analyze Infrastructure Needs for Storage and Alternative Transfer Methods Water."
- The following text will be removed from the Potential Future Action Purpose(s) narrative of Potential Future Action 3: "In the South Platte and Arkansas Basins, where exchange

potential is limited (especially during irrigation season), infrastructure and storage can serve to move water to Front Range municipalities for both base and drought supplies.”

- The narrative text for Potential Future Action 3.a will strike the reference to the South Platte Basin and be modified to read: “Infrastructure can be leveraged to increase exchange capacity or address nonconsumptive needs.”
- The following text will be removed from the narrative text for Potential Future Action 3.c: “such as the Yampa and North Platte Basins.”
- Potential Future Action 3.c will be modified to read: “Manage and improve agricultural storage and infrastructure, *including support of single-purpose projects as needed.*”

Implement Nonconsumptive Projects and Methods

In order to reach consensus on this topic, the following changes were made:

- Potential Future Action 1 will be modified to read: “Develop Statewide Goals and Measurable Outcomes *to Be Considered for* Incorporation into Basin Implementation Plans.”
- Potential Future Action 4 will be modified to read: “Develop Incentives, Including Funding for Projects and Methods in the Nonconsumptive Focus Areas.”
- Narrative text in the Potential Future Action Purpose(s) section of Potential Future Action 2 has caused some concern for some roundtables and IBCC members; consensus changes to this item could not be reached during the meeting. Because the language of concern is not a no/low regret action, the IBCC agreed that four group members should discuss the language and send modified text to Viola Bralish by August 12 at 5:00 pm. The IBCC will accept whatever language this small group develops. The disputed text reads “Initiate three to five nonconsumptive projects by the end of 2014” and refers to an agreement that the IBCC made in 2011.

Establish Low/Medium Conservation Strategies

In order to reach consensus on this topic, the following changes were made:

- The narrative text for Potential Future Action 1.b will be modified to read: “Ongoing development of the BIPs and updates to SWSI will include updated conservation data in the analysis, including in-basin conservation actions that will be pursued to meet future M&I needs.”
- Potential Future Action 2.c will be modified to read: “Support local entities in their efforts to outline and report their own approaches to help achieve the statewide goal.”
- Potential Future Action 5.e will be modified to read: “Develop incentives that incorporate the following concepts.”
- The first bullet point in the narrative text for Potential Future Action 5.e will be modified to read: “*Encourage a* base level of conservation.”
- Potential Future Action 5.f will be modified to read: “Support and encourage land use practices that help reduce water consumption, *focusing as much as possible on incentives.*”

Minimize Statewide Agricultural Acres Transferred (per Basin Goals) and Implement Agricultural Sharing Projects

In order to reach consensus on this topic, the following changes were made:

- The fifth sentence of the narrative text for Potential Future Action 1.a will be modified to read: “**Additional** funding through the Natural Resources Conservation Service (NRCS), such as the Environmental Quality Incentives Program (EQIP), or other federal resources may be available to enable certain agricultural and flow protection strategies.”
- The second-to-last sentence in the narrative text for Potential Future Action 1.c will strike reference to specific crops and be modified to read: “Alternatively, incentives could focus on encouraging farmers to move from low-value crops to high value crops.”
- The following sub-bullet will be added to the “Explore Additional Potential Legislative Action” bullet within Potential Future Action 1.c: “Encourage the Executive Office to work collaboratively with the Legislature in 2013 and 2014 to facilitate efforts to make Colorado law consistent with development of the CWP.”
- The last sentence of the Potential Future Action Purpose(s) section of Potential Future Action 2 will be modified to read: “If successful, pilot projects may become permanent *in accordance with law*.”
- The following two sentences will be removed from the Potential Future Action Purpose(s) section of Potential Future Action 2: “A water bank is a collection of IWSAs that serve a particular purpose. In Colorado, when a "water bank" is discussed, the purpose is typically to prevent or lessen the impacts of a compact compliance issue on the Colorado River.”
- Language will be added by staff to the Potential Future Action Purpose(s) section of Potential Future Action 4 to stress that the ATM program should be part of a larger strategy to preserve viable agriculture.

Plan and Preserve Options for Existing and New Supply

Polling for this topic was deferred as a result of an emerging IBCC discussion on new supply that may alter the IBCC’s thinking on no/low regrets actions for new supply.

New Supply Subcommittee Update

Following the electronic polling session, Peter Nichols, Co-chair of the New Supply Subcommittee, provided an overview of the New Supply Proposal prepared by the three co-chairs of the New Supply Subcommittee. Highlights of his overview are presented below:

- The co-chairs have spent a long time talking about how to approach this proposal and have conducted numerous informal meetings as well as discussions with the New Supply Subcommittee and CWCB staff.
- The goal of the New Supply Subcommittee is to find a way to help the CWCB Board develop the CWP, recognizing that new supply is a critical and often contentious issue. The co-chairs ultimately decided that the best way to achieve this would be to come up with a series of high-level, fundamental questions about new supply, based on IBCC discussions of last 8 years. If the IBCC agrees, the list of questions in the New Supply Proposal will be presented to the CWCB Board in September to determine whether the Board thinks these questions are the most appropriate for the IBCC to pursue as part of the development of the CWP.
- In the New Supply Proposal, the co-chairs have tried to identify areas of agreement between East Slope and West Slope roundtables, drawing information from the West Slope Caucus and the East Slope Joint Roundtables Meeting.
- The basic questions of the New Supply Proposal are the following:

- What can the State do to move IPPs forward?
- What are the amounts, locations, and timing of East and West Slope supply gaps that will remain after construction of IPPs, conservation and reuse?
- What do we need to do immediately and/or incrementally to address the gap?
- The co-chairs of the New Supply Subcommittee determined that risk management is an essential component of new supply development but that Colorado and Upper Basin states are working with this issue through other efforts. The New Supply Proposal therefore suggests that the IBCC not directly deal with risk management but rather stay informed and aware of risk management efforts by other entities.
- The New Supply Proposal also posits the idea of the IBCC developing a framework agreement as a component of the CWP as a later but important step in the new supply discussion.

Discussion

- Many group members expressed concern about the possibility of leaving risk management conversations to other entities. Some group members stated that those handling Compact negotiations many not adequately understand the concerns and positions of many IBCC members and the basin roundtables they represent.
- An IBCC member suggested that the New Supply Subcommittee incorporate discussions about groups of local entities in need of water putting together a district, as they have in the past for new supply projects.
- A group member stressed the importance of local protections and potential mitigation for West Slope and East Slope water users, including land use, when discussing new supply projects.
- Some members of the IBCC stressed the urgency of developing new supply projects, arguing that without knowing when or if a new supply project will be built, buy-and-dry practices will continue, putting more and more agricultural land at risk. One group member stated that the New Supply Proposal seemed to treat new supply as a last resort and argued that if it is thought of that way, new supply projects will never get done.
- Some IBCC members emphasized the importance of discussing the preservation of West Slope agriculture along with East Slope agriculture when having conversations about new supply.
- A member of the CWCB Board participating in the meeting asked how the New Supply Chairs envision the detailed modeling and engineering questions outlined in the New Supply Proposal getting done. Staff clarified that if the CWCB Board determines these are important questions to answer, they will look at what resources they have to provide (including engineering consultants) to contribute toward this effort. Staff also stated that a good first step in this process would be inventorying information that is already available.
- A group member asked for further information about the framework agreement suggested in the New Supply Proposal. Peter clarified that the co-chairs did not have a framework in mind yet, but that discussions about risk management and mitigation would probably be a major component in the development of such a framework.
- An IBCC member expressed concern about the New Supply Subcommittee process, stating that important components of the conversation might be happening at higher levels. This group member stated that the process should not be rushed and expressed

concern about presenting the New Supply Proposal to the CWCB Board in September. The group member stated that instead, further conversations should take place at the New Supply Subcommittee level or at the level of the entire IBCC. Staff suggested that a report was owed to the CWCB in September and that their feedback could be incorporated into future New Supply Subcommittee and IBCC discussions about new supply. Staff also clarified that there would still be opportunities to shape and add content to the proposal. Peter agreed to convey to the CWCB Board the deep concerns of the group about risk management when presenting the New Supply Proposal in September.

- The IBCC agreed the New Supply Proposal should be revised to reflect the day's discussion be presented to the Board in September. They further agreed that the New Supply Subcommittee should initiate a discussion on risk management at their next meeting and present the results of their conversation to the rest of the IBCC for discussion in October.

Closing Remarks

John Stulp provided closing remarks at the end of the meeting, expressing appreciation for the hard work of the group in taking steps to find agreement about the No/Low Regrets Action Plan. He also pointed out the importance of their work in the development of the CWP, highlighting the centrality of IBCC discussions in moving the process forward. He concluded by urging IBCC members to keep their basin roundtables informed about the discussions that occurred today.