

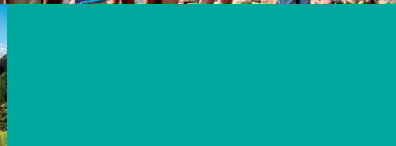


# IMPLEMENTATION UPDATE

COLLABORATING ON COLORADO'S WATER FUTURE

JANUARY  
2017

## COLORADO'S WATER PLAN



Colorado's Water Plan is our state's framework for solutions to our water challenges. It guides future decision-making and sets forth the measurable objectives, goals, and critical actions needed to ensure the state's most valuable resource is protected and available for generations to come. Implementation is critical to Colorado moving forward.

## Supply and Demand Gap

### Statewide Water Supply Initiative (SWSI)

The forthcoming updated version of SWSI will have a technical focus on data and analysis. SWSI forms the technical foundation of the Basin Implementation Plans and Colorado Water Plan. In February 2017, the CWCB Project Management Team, Consultant Team, and Technical Advisory Groups (TAGs) will start developing the methodologies, which will build upon previous efforts and expand to include scenario planning, climate change, conservation impacts, and agricultural and nonconsumptive gaps. Once the refined methodologies are finalized, data collection, analysis, and documentation will take place throughout the remainder of the year. The updated SWSI analysis is scheduled to be finalized by Dec. 2017.

### Engaging with the Colorado River Basin States

CWCB Director James Eklund represents the State of Colorado in water-related discussions with the other six Colorado River Basin states and the federal government. Most recently, he has been working with Colorado's fellow seven Basin States on drought contingency planning. Efforts within the Upper Basin include negotiation with the Department of the Interior on reservoir optimization to protect critical elevations at Lake Powell, exploring the feasibility and opportunities for demand management through voluntary conservation such as the System Conservation Pilot Program, and encouraging additional supply augmentation through weather modification and phreatophyte removal.

In addition, Director Eklund has played an active role in negotiations regarding "Minute 32X," a sub-agreement to the 1944 treaty between the U.S. and Mexico regarding the waters of the Colorado River. The U.S. and Mexico are seeking a Minute that will extend the environmental protections and infrastructure-maximizing provisions of Minute 319, with new drought response measures that help share the burden of stressed supplies. Discussions will continue through the end of 2017 with Colorado engaged and active at the negotiating table.

## Storage

### Northern Integrated Supply Project

The Department of Natural Resources (DNR) and Colorado Parks and Wildlife (CPW) have been working with the Northern Water Conservancy District on a Fish and Wildlife Mitigation Plan for the

Northern Integrated Supply Project (NISP) as required by statute in section 37-60-122.2, C.R.S. Northern Water is acting on behalf of 15 municipal and rural domestic water providers on the project, which will provide 40,000 acre-feet of new water supply to meet a portion of the participants' future water supply needs. The project proposes the construction of two reservoirs, Glade and Galetton. DNR and CPW have been meeting with Northern Water for over a year to develop consensus on measures needed to mitigate the impacts of the project to fish and wildlife. We anticipate that Northern Water's mitigation plan will be presented to the Parks and Wildlife Commission for consideration and approval early this summer. In addition, DNR will be executing the implementation actions from the Water Supply Permitting Lean Event by involving the CDPHE Water Quality Control Division in the mitigation discussions.

## Conservation & Land Use

### Water Rate Workshops

The CWCB and Alliance for Water Efficiency have developed two *Financing Sustainable Water Workshops* that will be hosted in [February in Glenwood Springs](#) and [March in Lakewood](#). Developing rate structures that successfully balance revenue management, resource efficiency, and fiscal sustainability is becoming more challenging than ever in a world of scarce supply, volatile weather, and declining demand. Participants will learn from experts about resources and strategies that can help Colorado water managers navigate these challenges.

## Agriculture

### Ag Water Summit

Colorado's Water Plan sets a measurable objective to share at least 50,000 acre-feet of agricultural water using voluntary alternative transfer methods (ATMs) by 2030. The Interbasin Compact Committee, CWCB, and Colorado Ag Water Alliance held an [Ag Water Summit](#) on November 29 to work to achieve this goal. The Summit had 175 participants from across the state. The day focused on alternative transfer methods (ATMs) including discussions on successful current ATM projects from the perspective of agriculture, municipal and industrial, and environmental and recreational water users; common denominators and obstacles to ATMs; legal and legislative issues related to ATMs; and best next steps to move ATMs forward. A summary report is forthcoming.

## Watershed Health, Environment, and Recreation

### Colorado Watershed Restoration Program

The Colorado Watershed Restoration Program (CWRP) is designed to provide planning and project implementation funding for watershed and stream restoration and protection efforts. The program supports applicants committed to collaborative approaches to restoring and protecting the ecological processes that connect land and water. The program funds Watershed/Stream Restoration, Flood Mitigation, Monitoring, and Stream Management Plan (SMP) grants.

Since 2008, the program has funded 59 projects with over \$2.3 million. Every CWCB dollar contributed to the program has leveraged \$4 from other local, state, and federal sources. The CWRP guidance has served as a template for several other grant programs developed since the September 2013 floods. This includes the Special Release of the CWCB Colorado Watershed Restoration Program, the CWCB Senate Bill 14-179 River Restoration Program, the Department of Local Affairs and CWCB Community Development Block Grant - Disaster Recovery, Watershed Resilience Program, and the NRCS - CWCB Emergency Watershed Protection Program.

Stream Management Plan (SMP) funding started in 2016. CWRP has funded eight applications with \$455,000 over two grant cycles. CWCB staff anticipates the number of applications in this realm to increase after a methodology for prioritizing streams for SMPs is developed.

## Additional Critical Goals

### Colorado Climate Plan

CWCB will host "Climate Change and Agriculture: A Public Engagement Session of the Colorado Climate Plan" as part of the 26th annual Governor's Forum on Colorado Agriculture. The session is an opportunity for producers, consumers, experts and other ag stakeholders to provide input on how we can work together to move forward with implementation of the Colorado Climate Plan for the agricultural sector. The Forum will be held on February 22nd at the Renaissance Hotel in Denver. More info: [www.governorsagforum.com](http://www.governorsagforum.com)

## Want more?

Sign up for the CWCB Confluence Newsletter at [www.colorado.gov/pacific/cowaterplan/confluencenewsletter](http://www.colorado.gov/pacific/cowaterplan/confluencenewsletter)

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## Funding

### CWCB Funding Plan

At the November 2016 Board meeting, the CWCB Board approved staff's recommendation for the Board to request the General Assembly authorize Colorado's Water Plan Funding to include \$25 million for the Implementation of the Funding Plan and \$30 million for a Loan Guarantee Fund.

As a result of early repayment into the Severance Tax Perpetual Base (STPB) account in the last five-year period, the CWCB identified the availability of \$75 million. Staff recommended this funding be dedicated to the funding needs identified in Colorado's Water Plan. Staff recommended the \$75 million be placed in the Projects Bill annually as a \$25 million request for three years and be dependent on the Board's review of the CWCB's financial capacity at the annual Financial Committee meeting. After financial review, the Board will make recommendations whether or not to fund at the \$25 million level. The CWCB Board and staff recognize that this three-year \$25 million Funding Plan is less than 0.5% of the \$20 billion needed for funding as identified in Colorado's Water Plan.

The Funding Plan is comprised of the following:

#### (1) Water Supply Reserve Fund (WSRF) - \$10 million Supplemental Funding

This supplemental funding will help offset the current year's low distribution of Severance Tax revenues. This will require transferring \$10 million from the STPB fund to the WSRF on July 1, 2017 for use in funding water supply projects under the criteria and guidelines developed for the WSRF.

#### (2) Watershed Restoration Program - \$5 million

This will require transferring \$5 million from the STPB fund to the Construction Fund for use in the Watershed Restoration Program on July 1, 2017 for planning, engineering, and implementation measures, aquatic habitat protection, restoration work, and monitoring efforts to address technical needs for watershed restoration and flood mitigation projects, and to support healthy stream and watershed goals.

#### (3) Water Plan Implementation Funding - \$10 million

This funding will assist in funding the implementation of the Colorado Water Plan through CWCB's Non Reimbursable Investments (NRI's). The 2017 Projects Bill will increase the current annual transfer from \$5 million to \$10 million from the Severance Tax Perpetual Base Fund to the Construction Fund for approved NRI projects considered in September 2017. Applications will be evaluated based on Financial Policy #12.

#### (4) Creation of a Loan Guarantee Fund - \$30 million

This \$30 million request is for General Assembly authorization to create a Fund within the DNR/CWCB that will allow regional project participants support for financing options. The Fund will homogenize project participant's credit ratings and therefore lower their market lending rates. It is anticipated that this may help leverage \$300 to \$400 million in market funds while lowering the overall cost of a regional water supply project. This funding would only be spent in the unlikely event of a default.



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