



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

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Jared Polis, Governor

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TO: Colorado Water Conservation Board Members

FROM: Kirk Russell, Finance Section Chief

DATE: November 17-18, 2021 Board Meeting

AGENDA ITEM: 8.b 2022 Non-Reimbursable Project Investment Applications
(3) Republican River Compact Compliance Programming

Staff Recommendation

Staff recommends the Board allocate \$2,000,000 from the Construction Fund to the Colorado Division of Water Resources for the Republican River Compact Compliance Programming. This funding will be recommended for appropriation in the 2022 CWCB Projects Bill.

Introduction

The Colorado Division of Water Resources will utilize construction funds to provide matching cash incentives to producers to reduce irrigation/facilitate land retirement within the South Fork of the Republican River and to assist the state in meeting ongoing compact obligations. The project is located in the South Fork Focus Zone of the Republican River Basin. Counties include Kit Carson, Yuma, Lincoln, and Washington.

Discussion

Grant funds, if awarded, will be utilized to assist the Republican River Water Conservation District in meeting compact compliance obligations as outlined in a Resolution and subsequent Amendment approved by the Republican River Compact Administration (RRCA). The RRCA approved a resolution that includes provisions for Colorado to retire 25,000 acres from irrigated in the South Fork of the Republican. 10,000 acres must be retired by 2024. Current retirement is at 3,000 acres. CWCB funds, administered through CDWR, will supplement non-federal dollars to provide additional incentives to encourage producers to enroll in the Conservation Reserve Enhancement Program and Environmental Quality Incentives Program to retire irrigation on cropland within the South Fork.

This project is of statewide interest. Failure to meet the 2024 retirement benchmark could have serious implications for Colorado remaining in compliance with the Republican River Compact and could result in mandatory curtailment of wells on a significant scale, which would be devastating to Eastern Colorado's agricultural sector and economy. If the 2024 deadline for retiring irrigation water from 10,000 acres is not met, investments in groundwater wells and irrigation infrastructure throughout the basin are at risk. Additionally, the current 100% credit for water delivered to the Republican River from the Colorado Pipeline Project (CPP) could revert to 22.4% credit should the 10,000 acre goal not be met. This would create an unsustainable water delivery scenario for the Republican River and put in jeopardy the \$70 million invested in the CPP. Well pumping impacts to streams (depletions) persist for decades. Due to delayed depletions failure of the CCP to receive 100% credit would put Colorado on the path to imminent failure to meet compact obligations. Failure to meet those obligations will subject the state to litigation and probable fines.





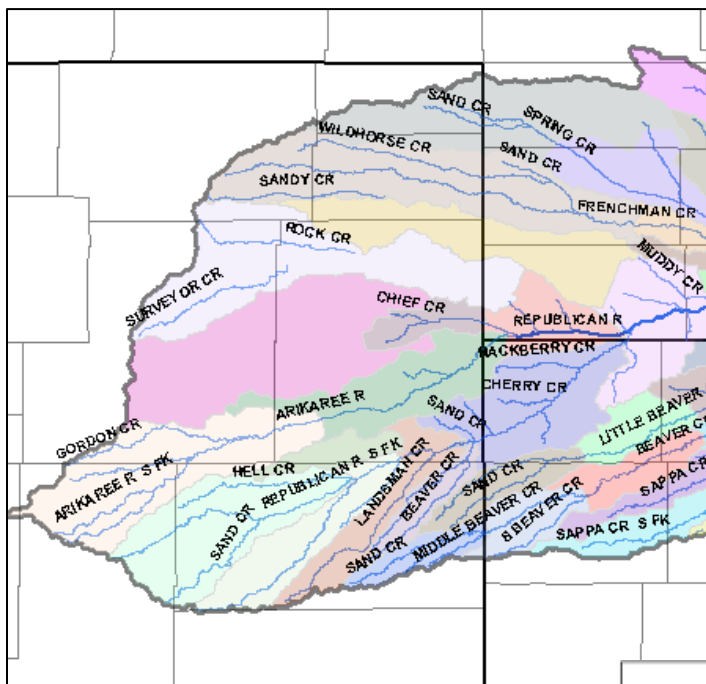
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| PROJECT DETAILS | |
|----------------------|--------------------|
| Project Cost: | \$10,000,000 |
| NRI Funding Request: | \$2,000,000 |
| Funding Source: | Construction Fund |
| Project Type: | Compact Compliance |
| Type of Grantee: | DWR/State Agency |

| LOCATION | |
|-----------------|-------------------------|
| Benefits: | Statewide |
| Water Source: | Republican River |
| Drainage Basin: | South Platte/Republican |

Incentives Program to retire irrigation on cropland within the South Fork.



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