

Colorado River Basin Drought Contingency Planning and Demand Management Feasibility

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Water Resources Review Committee – Sept. 11, 2019



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

Overview

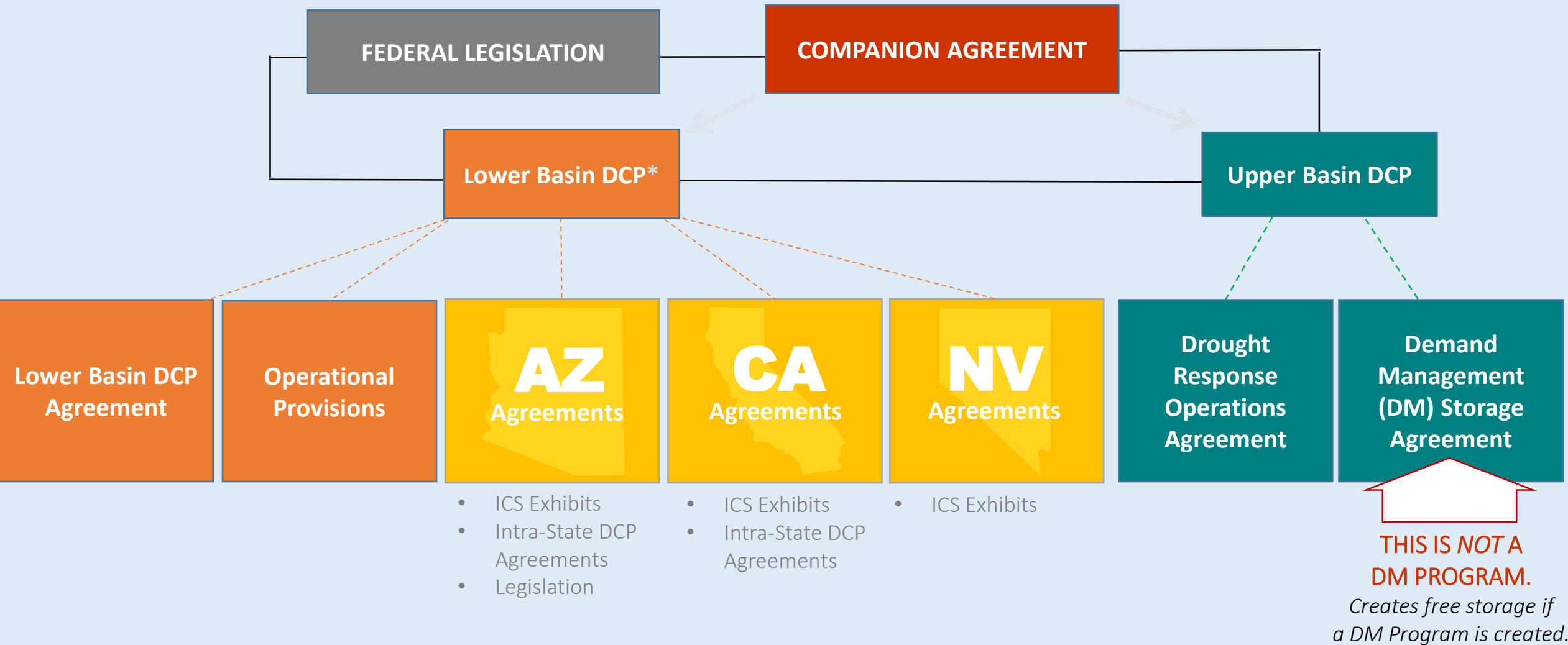
- DCP status – Demand Management Storage Agreement
- 2019 CWCB Work Plan
 - Workgroups
 - Webinar
 - Workshop
- Looking forward
 - Lower Basin DCP
 - 07 Interim Guidelines renegotiation

Moving Forward with DCP

- Basin State Principals and Interior signed DCP documents on May 20.
- On July 11, the International Boundary and Water Commission signed report implementing Colorado River Binational Water Scarcity Contingency Plan.
- Elements of DCPs are being applied to operational determinations for water year 2020.



COLORADO RIVER BASIN DROUGHT CONTINGENCY PLAN (DCP) DOCUMENTS AND AGREEMENTS



*Activates Section IV of Minute 323 (Binational Water Scarcity Plan)

Demand Management

- UCRC Resolutions in 2014 and 2018 – explore **feasibility** of:
 - Temporary
 - Voluntary
 - Compensated
 - Reduction in diversions to conserve water that is otherwise consumptively used
- To help avoid potential need for involuntary curtailment of Colorado River uses. Specifically geared to ensure compact compliance.
- 2nd line of defense

2019 Work Plan

“Develop the state’s position and approach on whether and how to develop any Upper Basin Demand Management Program that could potentially be implemented within Colorado consistent with state law to avoid or mitigate the risk of involuntary compact curtailment and to enhance certainty and security in the Colorado River water supply.”

- CWCB Support and Policy Statement, Nov. 2018

2019 Work Plan

CWCB is the State agency authorized to consider and establish the State's water policy and is leading this investigation.

- *CWCB guidance*
 - Policy and Support Statement
 - 2019 Work Plan
- *Goals*
 - Identify and analyze the issues associated with a potential Demand Management program in Colorado.
 - Tackle the complicated issues, challenges, questions presented by the concept of Demand Management and frame the issue for the CWCB Board.

**THIS IS THE STARTING POINT FOR A STATEWIDE
CONVERSATION**

Obligatory Reminders

- **Investigation of the feasibility of a potential demand management program.**
- Not a foregone conclusion.
- Deciding whether such a program is appropriate for Colorado (and the Upper Basin as a whole).
- Proactive approach rather than reactive.
 - Not assessing involuntary compact curtailment, rather trying to avoid a compact deficit, consistent with CWP Chapter 9.1.
- Path to actual storage in Lake Powell is complex.
- Interstate link – not just a Colorado process.

.....but how?

- “Investigate **voluntary, temporary, and compensated reductions in consumptive use** of waters that otherwise would deplete the flow of the Upper Colorado River System for the specific purpose of helping assure compact compliance.”
- “Prioritize **avoidance of disproportionate negative economic or environmental impacts to any single subbasin or region** within Colorado while protecting the legal rights of water rights holders. “

Demand Management Storage Agreement Minimum Requirements

Feasibility

- Verification and Accounting
- Shepherding
- Storage and Release
- Funding
- Compliance with Law



Develop DM Program

- Minimum requirements for
 - Water Conservation
 - Storage
 - Release



Agreement with SOI

- UCRC/SOI agreements on water conveyed to and stored at Initial Units
- Pre-req - Consultation with Lower Basin



Approvals

- UCRC Finding of Need for DM
- Commission Approval
- State Approval

Outreach and Transparency of Process

- “The Path Forward” posted to CWCB website on June 3.
- Updates - #1 - #4 posted to CWCB site and via social media outlets, June 10 and 25.
- Demand Management Workgroups Orientation Webinar
- Continued participation in existing forums and processes.
- CWCB website - <http://cwcb.state.co.us/Pages/CWCBHome.aspx>
 - Demand Management subheading
- demandmanagement@state.co.us

Tasks: Establish Workgroups

- **To help identify and evaluate priority issues within Colorado regarding demand management feasibility.**
- Guided by criteria in Support and Policy Statement.
- First job: formulate meaningful scopes of work, budgets, and timeline for initial work to be completed in CY 2019.
- **Keeping in mind:** the need for an effective and efficient process.

Tasks: Establish Workgroups

- Workgroups:
 - **Law and Policy**
 - **Monitoring and Verification**
 - **Water Rights Administration and Accounting**
 - **Environmental Considerations**
 - **Economic Considerations**
 - **Funding**
 - **Education and Outreach**
 - **Agricultural Impacts**
 - **Tribal Interests**

Who's on the Workgroups?

- Workgroup members are subject matter experts in Colorado River issues or water management.
- The workgroup members are being asked to serve in that **individual capacity**, not as a representative of employer or other affiliation.
- This **does not preclude** workgroup members from participating in the statewide assessment and discussion of demand management as a member of a greater organization.
- Generally, not already an active voice or in a leadership role in other forums and groups discussing demand management considerations.

Why Workgroups?

- Not intended to supplant existing stakeholder/water user framework.
- Not a substitute for the robust public process which culminated in the Colorado Water Plan.
- Workgroups will help CWCB staff (1) identify and (2) frame for public and Board consideration the primary issues associated with any potential Colorado River Demand Management program to be considered in Colorado.
- Workgroups **will not be making decisions** regarding Demand Management, **nor will they make recommendations** directly to Board.
- The Board has committed the Project Management team to continued participation and involvement with stakeholders and water users – **WE WILL COME TO YOU.**

Workgroup Process

- To set the stage for a productive, efficient, and effective statewide public discourse on challenges and opportunities presented by a potential demand management program.
- Establishing a full and complete accounting of issues and proposed investigative mechanisms for public reflection and discussion.
- Taking into account the parallel discussions in Upper Basin states, across state lines, and conversation about Interim Guidelines re-examination.
- Meetings open to the public with opportunity for public comment.

WORKGROUPS ARE BUT A PIECE OF THE DEMAND MANAGEMENT PIE

Throughout the process, the CWCB will continue to interface with existing water user groups to provide updates and get feedback:

- Basin Roundtables.
- Interbasin Compact Committee (IBCC).
- Water provider, conservation, conservancy district and other policy boards and stakeholder organizations.
- **Water Resources Review Committee.**
- Comments and other questions can also be provided to the CWCB at demandmanagement@state.co.us.

... and they're off!!

- Workgroups began meeting over the past few weeks
- High level orientation, DCP background, and introductory issue identification..
- Meeting summaries will be available on CWCB website after workgroup review.

Funding

- Big Picture Questions Identified:
 - How much \$\$ would a program require?
 - Pros and Cons of various funding sources.
 - How does equity in participation factor into this discussion?
 - How should water be valued?
- Considerations Moving Forward:
 - What parameters should be considered in analyzing issues around funding of a potential demand management program?
 - What are the mechanisms or factors to be considered in determining how to value water?
- Action Items:
 - Potential literature review – existing information.

Agricultural Impacts

- Big Picture Questions Identified:
 - Land Management and Technical Assistance
 - Secondary Economic Impacts – structure to be “net-positive”.
 - Ditch System Impacts – infrastructure, board involvement, minimizing impacts.
 - Environmental Benefits and Impacts.
- Considerations Moving Forward
 - Potential for pilot projects and programs.
 - Definition of terms (VTC).
 - Fairness in proportionality.
 - Barriers to participation.
- Action Items
 - Literature review of on-farm and operational impacts associated with temporary fallowing.

Economics and Local Government

- Big Picture Questions Identified:
 - The connection between local governments and economic impacts.
 - Desire to explore all economic impacts: positive and negative.
 - Economic impacts to specific sectors or considerations when potentially designing DM program.
- Considerations Moving Forward
 - Better understanding of timing and timeframe of DM water creation to assess economic impacts.
 - Limits on a program to protect local communities.
 - Methods/considerations for valuing water
- Action Items
 - Literature review – results from other DM investigation efforts.

Education and Outreach

- Big Picture Questions Identified:
 - How to differentiate CWCB process from others examining Demand Management or statewide-level funding initiatives.
 - What is the message? Population? Climate change?
 - What is the nature of DM terms that needs to be communicated? Voluntary Temporary? Compensated?
 - Is this group looking at E&O questions in the lifespan of the Work Plan or in the actual implementation of a DM program?
- Considerations Moving Forward
 - Workgroups need to create a common understanding of DM catchphrases and key terms.
 - How to invite and process public comment.
 - Potentially use this group to workshop tricky considerations of other WG's.
- Action Items
 - Identify existing studies and discuss that may help frame “why are we discussing Demand Management?”
 - Discuss and explore a DM “fact sheet” or “elevator facts”.

Environmental Considerations

- Big Picture Questions Identified:
 - Can criteria be developed to assess environmental benefits of demand management projects?
 - How can environmental benefits be incentivized?
- Considerations Moving Forward
 - How to balance equitable distribution of potential demand management programs with desire to prioritize project selection based on environmental benefits.
 - How to best learn from previous work on fallowing lands, as many of these projects may not have detailed reports.
- Action Items
 - Literature review of existing information regarding environmental impacts of projects, informational gaps.
 - Tasks to understand impacts or benefits.

Tasks: Conduct Workshops

- CWCB/AG Colorado River team to develop and conduct public workshops to continue outreach on Colorado River issues, specifically the issues associated with demand management feasibility.
 - Open lines of communication.
 - Provide forum for public review of Workgroup process.
 - Receive feedback and input regarding status of DM investigation process.
- Will not take the place of ongoing outreach efforts.
- **FIRST WORKSHOP** – Thursday, August 22nd.

Timelines

- Late July – early August : First in-person Workgroup meeting.
- September 11th : Interim Water Resources Review Committee.
- September 25th : Statewide BRT C-9 Summit.
- October-November: Second round of Workgroup meetings
- November – December: Second Regional Workshop
- Keep an eye on those basin roundtable agendas!!

Not anticipating completion of feasibility investigations by end of 2019. Simply starting the process.

Lower Basin DCP Implementation

- Arizona, Nevada, and Mexico are poised to take less water from Lake Mead next year under terms of Lower Basin DCP.
- To accomplish these reductions in deliveries, Lower Basin users are generating conserved water in Mead under DCP.
- California is also taking similar actions though not subject to reductions at this time.
- DCP is a huge first step in Lower Basin sustainability.
- Lower Basin leadership is talking openly about the structural deficit and the need to use less.



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First-ever mandatory water cutbacks will kick in next year along the Colorado River

[IAN JAMES](#) | ARIZONA REPUBLIC

Updated 6:53 a.m. MDT Aug. 17, 2019



Long-term River Operations

- Secretary of the Interior must initiate renegotiation of the 2007 Guidelines by December 31, 2020 in consultation with the Basin States. This process has not yet begun.
- At all times, we as the State are doing our best to vigorously protect the State's interests and legal positions while also providing a public forum to discuss use of the State's water resources.
- Colorado remains committed to the goal identified in 9.1 of Colorado's Water Plan, "to support strategies to maximize the use of Compact water while actively avoiding a Colorado River Compact deficit."
 - DCP efforts and Demand Management feasibility investigation both align with this goal.

Questions, comments?

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