



Colorado River District

Protecting Western Colorado Water Since 1937

Board awards \$250,000 in water project assistance

The Colorado River District Board of Directors awarded \$250,000 in financial assistance to a variety of water projects at its April Board meeting.

For 2010, the Board increased annual funding to the Grant Program to \$250,000 from \$150,000 because of the program's success assisting constituents. The Board also combined the alternating Small and Large Grant Programs into one annual program to address both needs.

Qualifying projects must meet one or more of these objectives: develop new water supplies, improve existing water supply projects, improve water use efficiency, improve sediment control, improve water quality, undertake a watershed action or implement tamarisk control.

This year's recipients are:

Morrisania Water Supply Co. in Garfield County was awarded \$9,000 for the replacement of damaged steel water boxes, adding a 10 percent savings in water use. Morrisania was established in 1911, serves 65 families and covers 880 acres.

Larry Antonelli of Silt in Garfield County was awarded \$4,344 to sleeve

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Tom Long, a former Summit County Commissioner and longtime Colorado River District Board member, was honored by the Colorado River District for his Board service by Dan Birch, Deputy General Manager.

Board, DNR discuss water supply issues facing state

The now former Executive Director of the Department of Natural Resources, Jim Martin, addressed the Colorado River District Board of Directors at its April 20-21 regular quarterly meeting. Shortly thereafter, Martin announced he was taking a position with the federal Environmental Protection Agency. Martin's former deputy, Mike King,

now heads the department.

Still, in his discussion, Martin surveyed a number of water and natural resource issues facing Colorado. He thanked External Affairs Manager Chris Treese for his legislative help in passing a bill to ease the process of gas wells obtaining water augmentation plans. Without the legislation, Martin

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Ballot questions draw Board concerns

The Colorado River District Board of Directors unanimously adopted positions of opposition to three citizen-initiated ballot proposals already qualified for Colorado's November 2, 2010, ballot.

Board members considered the three measures and found each extremely damaging to both state water interests and broad public policy for Colorado.

Proposition 101 would reduce the state income tax rate and allowable taxes and fees on vehicles and telecommunications services.

The Colorado River District receives specific ownership taxes from vehicle registrations within the District.

Under Proposition 101, specific ownership taxes would decrease in four annual steps to \$2 for new ve-

hicles and \$1 for old vehicles.

All registration, license and title charges combined may not exceed \$10 annually per vehicle.

State and local telecommunications fees are essentially eliminated.

And the state income tax rate would be reduced to 4.5 percent immediately and to 3.5 percent over a 10-year period.

The current state rate is 4.63 percent.

Amendment 60 would amend the State Constitution by adding severe limits on property taxes.

Among other provisions, Amendment 60 would require otherwise tax-exempt enterprises and authorities (such as the Colorado River District's Enterprise Fund) to pay property taxes.

This would apply statewide to

nearly every water and wastewater utility.

Amendment 61 would amend the Constitution to prohibit state debt and severely limit local government debt.

It would prohibit or limit debt in any form including certificates of participation, revenue-anticipation notes, lease-purchases and other creative forms of infrastructure financing that have been employed in the past few years — unless specifically approved by the voters.

State enterprises and authorities (e.g., Colorado Water & Power Development Authority and Colorado Housing and Finance Authority) would be prohibited from borrowing without exception. This would eviscerate these two important public financing authorities and others.

General Manager and General Counsel issue reports

General Manager Eric Kuhn issued two reports to the Colorado River District Board of Directors: "A review of the Colorado River Water Availability Study" and "Orchard Mesa Irrigation Project Update."

These reports can be found on the Colorado River District website, www.ColoradoRiverDistrict.org.

Respectively, the reports can be found at

- [http://www.crwcd.org/media/](http://www.crwcd.org/media/uploads/20100421_Draft_CRWASpdf.pdf)

[uploads/20100421_Draft_CRWASpdf.pdf](http://www.crwcd.org/media/uploads/20100421_Draft_CRWASpdf.pdf)

- [http://www.crwcd.org/media/](http://www.crwcd.org/media/uploads/20100421_OMID_Project_Updatepdf.pdf)
[uploads/20100421_OMID_Project_Updatepdf.pdf](http://www.crwcd.org/media/uploads/20100421_OMID_Project_Updatepdf.pdf)

General Counsel Peter Fleming and Associate Counsel Jason V. Turner issued an update of legal activities. Their report can be found at http://www.crwcd.org/media/uploads/20100421_gcpdf.pdf



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Board awards \$250,000 for water projects

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280 feet of failing corrugated pipe that was rusting and leaking, causing water loss to deep percolation and surface run-off. The project has reduced soil erosion, resulted in the conservation of irrigation water, reduced salt leaching into the Colorado River and improved public safety as the pipeline ran under Highway 6 & 24.

Pump Canal Group Headgate No. 64 is a group of homeowners in Silt who installed 375 feet of pipe and constructed a new divider. In 2009, the group made use of the new divider and pipe as early as April, significantly increasing hay production. The group was awarded \$2,184.09 to help with construction costs.

The Town of Silt and Aspen Valley Land Trust are cooperating to acquire 160 acres of agricultural land located along the Colorado River. The acquisition will include 2.73 cubic feet per second of pre-1922 Colorado Compact water rights. A conservation easement will be placed on the 160 acres. The Town of Silt was awarded \$15,000 to support these efforts.

Miller Creek Ditch Co. of Rio Blanco County was awarded \$6,400 for its plan to install exposed, durable HDPE ditch liner in 1,200 feet of Miller Creek Ditch — irrigating approximately 3,300 acres. The concrete lining currently in place failed, causing excessive seepage, safety and capacity concerns. A major failure a few years

ago resulted in a \$25,000 repair and interruption in delivery of irrigation water.

Burry Ranch LLLP in Garfield County was awarded \$12,000 for the installation of a high-pressure underground pipeline and a pump to replace a flood irrigation system for irrigation of 21 acres of hay and pasture field, improving both coverage and water efficiency.

Town of Rangely was awarded \$90,000 for the first phase of a water intake structure and pumping facility. The entire project is estimated to cost \$450,000 and is designed to correct deficiencies in the drinking water source intake structure because of low flow problems as well as inoperable gates caused by obstacles and freezing issues.

Updating the facilities and equipment will eliminate safety issues caused by inoperable gates that are frozen closed, backlogging of debris and ice and interruption to Rangely's water source.

Painted Sky Resource Conservation and Development Council of Delta was awarded \$48,875 for the design and implementation of a fish passage dam modification -- eliminating the last major fish blockage in the lower Gunnison River, improving overall river system health and increasing upstream populations of three target fish species -- roundtail chub, flannelmouth sucker and bluehead sucker. The potential riparian habitat improved as a result

of the dam modification is approximately 230 river miles.

Mesa Conservation District was awarded \$14,000 for the assessment and costs of addressing deficiencies with malfunctioning and inefficient raw-water irrigation systems serving urbanized residential areas in the Grand Valley of Mesa County.

The assessments will address both immediate physical problems with the systems and the organizational measures necessary to ensure that any improvements will be maintained over the long-term, as well as potential water conservation and water quality benefits of addressing system problems.

Grand Mesa Water Conservation District in Cedaredge was awarded \$36,125 to rebuild the currently breached and abandoned Peak Reservoir, in accordance with current regulation of the U.S. Forest Service, the Colorado State Engineer's Office and the U.S. Army Corps of Engineers.

The District will be able to put about 28 acre feet of its conditional 2009 decree into use and restore the reservoir site to its historical use.

For next year, applicants can look forward to more specific guidelines to ensure grant approval. Guidelines will be published in December.

Also, constructive feedback will be given upon request when projects aren't awarded so that those projects may be improved upon for future



Board, staff discuss water issues with DNR

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said the State Engineer would have had to curtail thousands of gas wells as the Division of Water Resources dealt with a flood of well permit and substitute water supply plan applications.

The issue arose out of the Colorado Supreme Court's "Vance Decision" which requires drillers who pump tributary ground water to prevent injury to senior water rights holders.

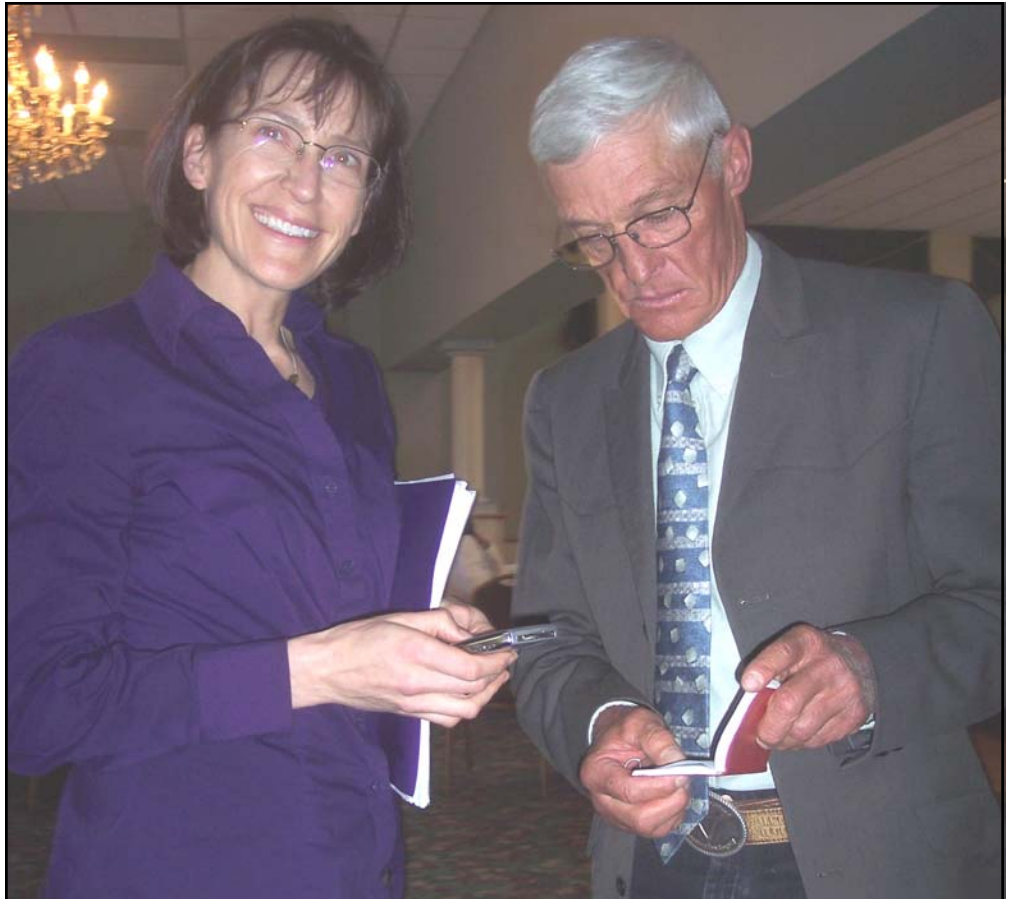
On the state budget, Martin said it appears the decline in the state economy had reversed, but that even with the improvement, the 2011-12 budget year will still be one of brutal cuts.

"State revenues lag by a year or so, so difficult decisions loom," Martin said. "One of the challenges is to keep State Parks open."

Another challenge is to reduce the reliance on general funds by the Division of Water Resources and the State Engineer's Office. These two entities administer the state's water rights system.

The two agencies are still 70 percent funded by the general fund, the most susceptible to downturns in tax collections. The alternative is to increase reliance on cash funds, such as those generated by severance tax revenues.

Martin also commented on the first phase of the Colorado River Water Availability Study, which suggests there could be between zero and 1 million acre feet of water left to develop in the Colorado River system under vari-



Alexandra Davis, Assistant Director for Water, Department of Natural Resources, discusses Interbasin Compact Committee (IBCC) work with Colorado Board of Directors member Bill Trampe, who also sits on the IBCC.

ous climate change scenario modeling. The state commissioned the CRWAS to gauge how much water might be available for development by the state under the Colorado River Compact.

Martin said it is important to consider the modeling "with a few grains of salt," and it can't be used to determine Yampa River flows in 2013.

"But it does give some sense of where we are headed as a state," he

said. "It is a tremendous piece of work done by the Colorado Water Conservation Board."

Still, he called the study "a little disturbing and unnerving as we look forward to making decisions about water resources and attempt to build consensus across the state. It makes life more difficult but fundamentally, it is important to have this report in hand."

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Board, staff discuss water issues with DNR

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While Martin is gone, his comments are indicative of some feelings held across the state about the study.

Colorado River District Board President Andy Mueller thanked the state for its work on the study.

“We recognize that the information potentially can be used to be divisive in terms of state unity and that is not our hope,” he said. “Our hope is to look at that information and make better decision in the future with respect to the allocation of water.”

Mueller said the implications of the study are statewide but hit home on the West Slope which is a target for further transmountain diversions.

He said that while the study indicates a wide range of water left, the Colorado River District is asking that “everybody be concerned and cautious” about development so the way of life on the West Slope is not changed should there be overdevelopment and a call put on the whole river system under the Colorado River Compact.

Colorado River District General Manager Eric Kuhn said that the water community has traditionally planned water projects using “perfect knowledge” – the hydrologic record of the previous 30 to 50 years. “It’s probably perfectly wrong to apply that to the future,” he said.

“What the CRWAS says: As we look to the future, there is a lot of variability. It’s a matter of how we move



The new Colorado River District Chief Engineer, John Currier, left, talks water with former Colorado Department of Natural Resources Executive Director Jim Martin and Colorado River District Board member David Merritt.

forward with a large risk of not knowing what we have in our water supply future,” Kuhn said.

“If we want to protect agriculture, we don’t want to overdevelop our water supplies similar to what has happened with the Arkansas, Republican, Rio Grande and South Platte Rivers. The first victims of overdevelopment are agriculture and the environment. We will never take water from fire hydrants, no matter what the priority system says,” Kuhn said.

Kuhn said the emphasis on conservation would have to change.

“In the previous culture, conservation was a last resort – keep it out there

as a sort of ace up our sleeve. We have to move toward conservation now. But changing that culture is like changing the path of an aircraft carrier with a tugboat. It takes time,” he said.

Martin said he had been “candid” in his conversations along the Front Range that municipalities have to look toward conservation successes in places such as Albuquerque and Australia.

“I think we have to be a great deal more ambitious than in the past. If we unleash American ingenuity or Australian ingenuity for that matter we can achieve a great deal.”

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Board, staff discuss water issues with DNR

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“Having said all of that,” he added, “It is not an option to retire 100,000 acres of agriculture on the Front Range nor to stop growth on the Front Range” as water supply solutions.

Assistant Director of the DNR for Water, Alex Davis, attended the meeting with Martin. She asked rhetorical questions about how legislation might tweak water law to ease the temporary transfer of agricultural water to cities. “Is it helpful to have a very expensive change case to change a water right,” she asked.

Board President Mueller said the thought suggested Wyoming’s water law system, which is based on permits and might be more efficient. But he noted that Colorado’s Prior Appropriation System “has protected the West Slope for years.”

“Due process of law helps protect us ... Otherwise power goes to the executive branch which can count votes. Our votes will always be fewer than the Front Range,” Mueller said, adding that if due process were given up, it would be difficult to tell people we are protecting Western Colorado water.

Davis said she was not advocating getting rid of the water court system but addressing the issues of farmers having to spend \$100,000 to protect

their water rights.

Colorado River District Board Vice President Tom Sharp noted the concern should the proposed Flaming Gorge pipeline project to the Front Range ever come to fruition.

He said that if the water is protected by a Bureau of Reclamation 1950s decree and a Compact call causes curtailments, the pipeline to the Front Range would be senior to important West Slope water rights.

Colorado River District General Counsel Peter Fleming said the larger issue is that the sheer volume of the water proposed for pumping could potentially contribute to a compact curtailment. “There is a range of developable water. We won’t know the trip line until we cross it. If we develop large-scale projects, we are one step closer.”

Colorado River District Board member Bill Trampe said that if a curtailment occurs, the political clout on the East Slope creates the potential to upset the water rights system that now protects water users.

“If a curtailment comes, the West Slope will bear the brunt of devastation,” he said, “not just to agriculture but to recreation and tourism. It will be a whole different world.

“I hear the message that we are supposed to compromise and find common ground,” Trampe said. But

he said that message is difficult when those in the untapped Gunnison Basin see the issues faced daily in the heavily diverted Colorado main stem.

“To say in the Gunnison Basin that we are supposed to share in the pie of pain ... that is where the East Slope-West Slope politics come to a head. So even if we are supposed to find common ground, the mindset has to change on both sides of the Continental Divide. I don’t see the Front Range recognizing the values we hold so dear,” Trampe said.

Pre-1922 water rights abandonment subject of board concern with state

The Colorado River District Board of Directors has made it a priority to protect pre-1922 water rights in Western Colorado. These water rights predate the Colorado River Compact and are an important source of water supply should a compact curtailment occur on post-1922 rights.

The Board is concerned that the state’s process of forcing the abandonment of underutilized water rights is catching too many of the pre-1922 rights.

Board President Andy Mueller called for a partnership to protect these rights. He said there should be outreach to people facing a listing in the abandonment process to help them avoid it.



Board reviews policy statements

Consistent with the regular schedule of annual review of Colorado River District policies, the Board of Directors analyzed and discussed the following three existing policies: “Water Quality,”

“Upper Colorado River Recovery Program” and “Recreational Water Use.”

The “Water Quality Policy” recognizes that water quality and water quantity are inseparable – that there is a causative link between water quality and the amount of stream flow present. The Colorado River District's primary objective with respect to water quality is to protect the ability of the District's residents to use water beneficially now and in the future.

As consumptive water uses in Colorado continue to be developed and demands on this precious resource increase, water quality will

be an even greater issue of concern for Colorado water users.

Subsequent to extensive discussion, final action on the policy was tabled until the July 20-21, 2010, Board meeting.

The “Upper Colorado River Recovery Program Policy” reaffirms the Colorado River District's support for the program and its dual purposes of recovering endangered fish while allowing historical water use and future water development to continue consistent with state law.

In addition, the Colorado River District will continue to advocate for elements of the program, such as ensuring that the burden of the Recovery Program's implementation, operation and compliance is equitably distributed across all power and water users, including transmountain diverters.

Subsequent to extensive discussion, final action on the policy was tabled until the July 20-21, 2010, Board meeting.

The “Recreational Water Use Policy” recognizes the value of recreation and aesthetic enjoyment of the state's waters to Western Colorado's economy.

Recreational uses must be balanced with historical and future consumptive water uses, including water uses by exchange, to ensure they do not adversely impact the ability to fully develop Colorado's entitlements under the Colorado River Compacts of 1922 and 1948 for beneficial use within the state.

The Board adopted the Recreational Water Use Policy.

These and other policies adopted by the Colorado River District are available by visiting http://www.crwcd.org/page_9.

Board doesn't support 'rainy day fund' role for severance taxes

As the Colorado General Assembly rushed to conclude its constitutionally limited 120-day session, only one new bill had been introduced which required direction by the Colorado River District Board of Directors at its April meeting.

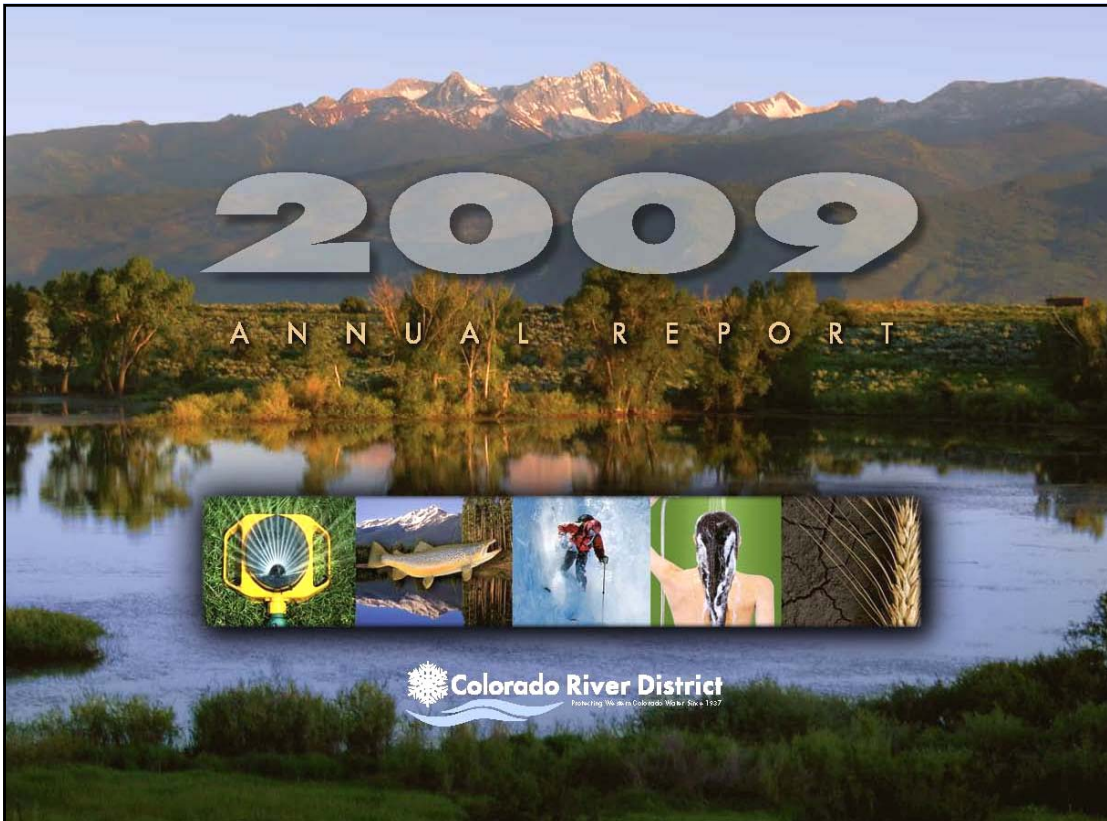
House Concurrent Resolution 10-1003 was a referred measure from the General Assembly which, if it

passed both houses by the required two-thirds majority, would ask voters to approve a Constitutional amendment this November in the general election.

HCR 1003 would have created a “rainy day fund” by amending the state Constitution, diverting up to \$25 million annually from severance tax revenues when they exceed

\$50 million. This would effectively have repealed SB09-165, which funded in similar fashion the small communities' water and wastewater treatment grant program. The River District supported SB 165 last year. The proposed diversion of funds this year would have affected other programs within the Department

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The Colorado River District Board of Directors has issued its 2009 Annual Report. The report details Colorado River District activities and finances. It also gives an overview of the important water supply challenges facing the Colorado River Basin and all of Colorado. The report can be seen online at www.ColoradoRiverDistrict.org. Printed copies are also available by referring to the contact information at right.

The Colorado River District Mission

Statement:

To lead in the protection, conservation, use and development of the water resources of the Colorado River Basin for the welfare of the District, and to safeguard for Colorado all waters of the Colorado River to which it is entitled.

How to contact us

For more information about the Colorado River District or board actions, call Jim Pokrandt at (970) 945-8522 x 236, e-mail ed-info@crwcd.org or visit www.ColoradoRiverDistrict.org

Legislative action

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ment of Natural Resources and impact the Department of Local Affairs' ability to aid energy impacted communities in Colorado.

The Board expressed its support for a "rainy day fund" to address inevitable economic downturns. However, with an 8-5 vote a majority of directors adopted a position in

opposition to HCR 1003, expressing concerns with the fund's creation based solely on severance tax revenues and the disproportional impact to water users and energy development areas of the state.

On the citizen initiative (petition) process, more than two dozen proposed amendments to the state Constitution were submitted in

the last week of March that affect water and water-related activities.

A full two dozen were variations on the different perspectives concerning river access for recreation.

A clearer picture of which, if any, of the proposals are likely to appear on the November ballot should emerge by the July board meeting.

Williams representatives address water, gas

Williams Exploration and Production representatives Pam Roth and Shane Henry addressed the Colorado River District Board of Directors on drilling operations, primarily in the Piceance Basin, located in Northwest Colorado.

Henry reported that as the largest natural gas producer in Colorado, Williams strives to develop collaborative relationships with entities such as the Colorado River District.

Roth thanked Chris Treese, External Affairs Manager of the River District, for the “exceptional

knowledge and professionalism” he demonstrates, especially during the SB 10-165 debates. The provisions of Senate Bill 165 address well permitting for the withdrawal of non-tributary groundwater in oil and gas operations.

The State Engineer’s requirement to permit water wells is a result of a Supreme Court case and subsequent passage of HB 09-1303. Senate Bill 165 extended the deadline by five months for oil and gas producers to file a substitute water supply plan, allowed the reuse of

produced water and clarified that obtaining a permit does not confer a water right.

Roth also noted that implementing a water-management system that includes water reuse has reduced truck traffic and enabled them to use the same water as many as 12 times but acknowledged that when production dramatically increases so will the need for more water. “Water and air are the biggest threats to the future of our industry,” stated Roth, “we want to come to the table with solutions.”

Future meetings

- **July 20-21, 2010:** Third quarterly CRD Board meeting, Glenwood Springs
- **July 21-23, 2010:** Western Water Workshop, Western State College, Gunnison
- **Aug. 26-27, 2010:** Colorado Water Congress Summer Convention, Vail
- **Sept. 15, 2010:** Colorado River District Board Budget Workshop
- **Sept. 16, 2010:** Colorado River District Annual Water Seminar, Grand Junction
- **Oct. 19-20, 2010:** Fourth quarterly CRD Board meeting, Glenwood Springs
- **Dec. 15-17, 2010:** Colorado River Water Users Association Annual Convention, Las Vegas



Kem Davidson was honored on her 15th anniversary of employment by Colorado River District by General Manager Eric Kuhn. Davidson is a caretaker at the District’s Wolford Mountain Reservoir, near Kremmling.