



MEMORANDUM
July 7, 2011

TO: BOARD OF DIRECTORS, CRWCD
FROM: ERIC KUHN
SUBJECT: *HB-1177 ROUNDTABLE/IBCC PROCESS*

The good news is that the center of attention and action is moving from the IBCC back to the Roundtables where it belongs. I've attached a memo from Eric Hecox and the May 26th "road map" memo from John Stulp.

At the West Slope four basin roundtables meeting in late May at Ute Water, a number of participants expressed willingness to being the process of discussions with the East Slope roundtables.

There are still a number of difficult issues and challenges as the roundtables proceed.

1. Flaming Gorge Pipeline Project: Dan Birch has a separate memo on the status of this effort to continue discussion on a possible Flaming Gorge project. In May, I sent out a memo outlining the River District Board's concerns with the project. The Board adopted its current policy after a presentation on the project from Mr. Million.

For the most part, the Board's concerns are: is there enough water for the project? Will the proponents agree to acquire a Colorado water right for the project (and thus be subject to the same legal standards and curtailment requirements as other Colorado users?). These have not been addressed.

I've also raised the issue of whether or not the Flaming Gorge project diverts attention from more productive discussions. The Board may want to have further discussions on a Flaming Gorge project.

2. Colorado River Water Availability: As noted in a separate memo, there is no guarantee that the Colorado River Water Availability Study (CRWAS) will be completed and provide any useful information concerning how much water Colorado might reasonably develop from the Colorado River. The Bureau of Reclamation's Colorado River Basin Study will provide additional information, but it will be confusing to use it on a state-specific basis.

At the IBCC level, Bill Trampe and I suggested an alternate approach. We noted that no matter how much we study the water availability question, the answer will always be a range. There are legal uncertainties as well as hydrologic uncertainties.

Instead of focusing on “how much?” we suggested the focus be on “how to manage risk.” The response was mixed. Eric Wilkinson said that he agreed that senior-juniors (like the C-BT) should be protected. Predictably, Rod Kuharich and others rejected the idea under the concept that the “haves” and “have-nots” should share the risk.

The discussion on risk has stalled perhaps because the State of Colorado participants Eric Hecox, Jennifer Gimbel, Alex Davis and John Stulp have largely ignored the issue. Instead, they have suggested that the West Slope roundtables should, for discussion purposes, assume water is available.

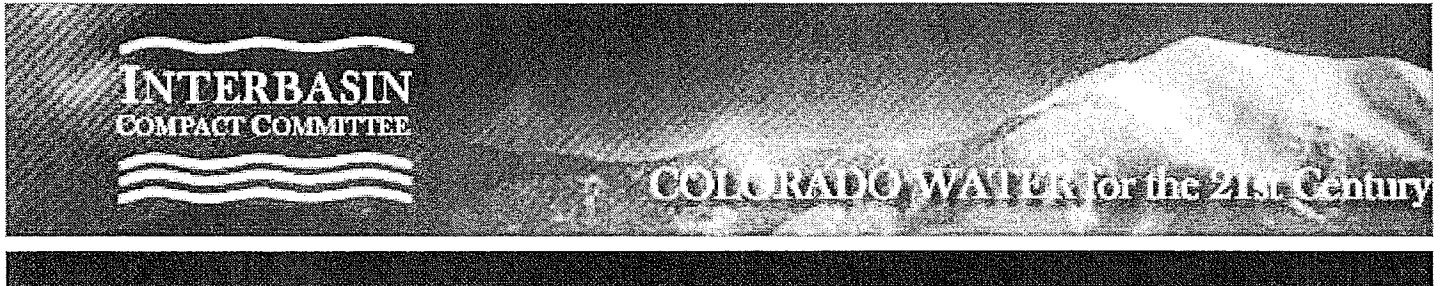
3. Role of the IPPs: The IBCC New Supply and IPP Committees are addressing IPPs (projects in the more advanced stages of planning, like the Windy Gap Firming Project or the Moffat System expansion). I consider this a sleeper issue. I would also note that development of the IPPs will increase transmountain diversions from the Colorado River.

At the request of the IBCC, the CWCB has disaggregated the IPPs based on regions (North Front Range vs. South Metro, etc.). This report presents a more realistic picture of when and where details of the Front Range water gap.

It also shows that if a higher percentage of the IPPs are successful, the actual need for a new (yet to be identified) project is 2030-2035 in the northern Front Range and after 2050 in Colorado Springs. It also raises questions as to whether or not there is one “silver bullet” new diversion project from the Colorado River that can meet the collective Front Range needs.

Eric Kuhn

From: IBC@state.co.us
Sent: Tuesday, July 05, 2011 1:51 PM
To: Eric Kuhn
Subject: Link to the Portfolio Tool



CWCB, IBCC, and Basin Roundtable Members,

Congratulations on your hard work over the past few months. On May 26nd Director Stulp sent out a memo called the *Colorado Water for the 21st Century Roadmap* outlining the path forward for this process. The Roadmap listed short-term, mid-term, and long-term objectives. The first item under short-term objectives encouraged the Basin Roundtables to complete their basin-wide water supply needs assessments (needs assessments) in the form of the SWSI Basin Reports by the end of June. These Basin Reports are wrapping up and the needs assessments are essentially complete. While the needs assessments are living documents and can always be supplemented, we now are entering a new and exciting phase of our work together.

This phase involves the development of portfolios. As articulated in the *Colorado Water for the 21st Century Roadmap* the objective is:

- To ensure grassroots input in developing statewide solutions, each roundtable will be asked to develop one or more statewide portfolios using the portfolio tool. This should include at least one mid demand / mid supply portfolio, but some roundtables may choose to develop portfolios for other scenarios as well. CWCB will provide technical assistance in this effort, and IBCC members from one or more basins may go to other basins to support portfolio development.

Over the next six months the Basin Roundtables will be involved in this activity. We will be working with the roundtable Chairs on the logistics of developing portfolios, but an integral part of this effort will be the Portfolio Tool developed by CWCB. We will work with each Basin Roundtable over the next few months to understand and use the Portfolio Tool. However, for those who want to start learning about the tool, you can download the Portfolio Tool and documentation of how the tool works at: <http://cwcb.state.co.us/technical-resources/portfolio-tool/Pages/main.aspx>

While the tool is essentially finalized, we are still working on one final trade-off. If we can work out the technical details and incorporate it into the tool, we will send out the link to the updated tool.

To remind everyone, the Portfolio Tool allows the user to create a mix of solutions or a "portfolio" for meeting Colorado's 2050 M&I water needs. The tool also has a variety of trade-offs including the cost of the portfolio, the number of irrigated acres that would be dried up, impact to west slope nonconsumptive needs, etc. These trade-offs will help inform what portfolio each roundtable feels meets their needs as well as the needs of other basins. The tool is also full of new detail, ranging from being able to specify identified projects and processes success rates to seeing portfolios for each individual basin.

I encourage you to spend some time with the Portfolio Tool and look forward to working with you over the next six months to develop portfolios for meeting our state's long-term water supply needs.

Sincerely,

Eric Hecox

CWCB

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TO: Roundtable, IBCC, and CWCB members
FROM: John Stulp, IBCC Director
Date: May 26, 2011
SUBJECT: **Colorado Water for the 21st Century Roadmap**

John W. Hickenlooper
Governor

John Stulp
IBCC Director

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Dear Roundtable and IBCC Members,

Many of you attended the Statewide Summit, where we had a spirited and exciting discussion about the IBCC framework and the role of the roundtables. Thank you all for your participation and leadership at the event.

Over the last three months I've had the pleasure of sitting down with many of you, attending your roundtables and listening or reading your comments on the IBCC framework. What's amazing is that despite all of the traditional conflicts regarding water, I heard that most people sincerely want to advance the process, develop solutions and build on the great work that's already been done.

In Governor Hickenlooper's speech at the summit, he laid out several goals for the roundtables to accomplish in the short, medium, and long term. The table discussions at the summit outlined many of the same goals including:

- Implementation of "shovel ready" projects;
- Develop water project plans to get them "shovel ready";
- Use the roundtables to guide this process from a regional approach.
- Continue to build trust between basins and stakeholders and increase the level of engagement with the public, permitting agencies, and other stakeholders.
- Use our current resources strategically and in a prioritized manner.
- Ultimately develop a statewide water plan that brings together solutions that have come up from the basin roundtables, water providers, environment and recreation focused entities, the IBCC, and the CWCB.

The purpose of this memo is to take this general consensus and lay the groundwork for a "roundtable road map" for the next few years, taking into account the input received from each of the roundtable chairs, the CWCB, and IBCC.

We have heard and agree that the role of the state is to facilitate the grassroots process by establishing specific steps, objectives and timelines, but letting the roundtables/IBCC control the substance of each step.

Below are short, mid, and long-term goals which are consistent with the approach outlined by the Governor and the feedback we have received. Each roundtable will have the flexibility to determine its own method to accomplish these goals and objectives.

Short term (Year 1-2) – Complete Basin Reports, Development of Portfolios and Begin Implementation

1. You are already working hard to complete your basin needs assessments in the form of the SWSI Basin Reports by the end of June.
2. Roundtables should continue to identify which projects and methods meet their nonconsumptive and consumptive needs and that you want to get behind. This should include starting to work with the project proponents to determine if there are ways the roundtable can help move the project or method forward. As part of moving projects forward, the roundtables should look at spending Water Supply Reserve Account (WSRA) funds in a more targeted manner to help implement the consumptive and nonconsumptive projects and methods that meet the needs outlined in your Basin Reports. As part of this work, a joint CWCB and IBCC committee will review the WSRA criteria and guidelines and recommend any changes that are needed to help ensure WSRA funds are targeted. Please send along any ideas for criteria and guideline changes.
3. To ensure grassroots input in developing statewide solutions, each roundtable will be asked to develop one or more statewide portfolios using the portfolio tool. This should include at least one mid demand / mid supply portfolio, but some roundtables may choose to develop portfolios for other scenarios as well. CWCB will provide technical assistance in this effort, and IBCC members from one or more basins may go to other basins to support portfolio development.
4. The IBCC will work at combining these 9 or more portfolios into several thematic portfolios for evaluation.
5. The IBCC is also taking all of the comments and identifying priorities for their future work. The IBCC subcommittees have each identified next steps for their work.

Mid –term - Develop Portfolio Specifics, Trade-offs, and Evaluate:

1. The Basin Roundtables will continue to work with their local constituencies to identify ways that the region will meet future consumptive and nonconsumptive needs using a portfolio approach. This can provide a vision for the basin, including how to fill the water supply gap. Roundtables may choose to add more specificity.
2. The IBCC members will work with their basin roundtables or constituencies to determine the specifics of cross-basin and statewide consumptive and nonconsumptive projects or methods.

Long-term: Resolve Remaining Issues, and Develop more Specificity

The Governor asked that based off the portfolios we need a statewide plan with sufficient specificity. To meet this request, roundtables should each facilitate the development of an implementation plan with local entities to meet their nonconsumptive and consumptive needs and identify any barriers that may exist to make those plans a reality.

The portfolio work and the specifics of the basin's implementation plans will become the basis of a statewide plan. This effort will be a partnership between the CWCB, IBCC, DNR, and Basin Roundtables and is a way for us to come together as a state to collaboratively solve Colorado's water supply challenges.

Specific next steps and milestones are summarized in the attached table.

Summary Table:

Year 1-2	Mid-Term	Long-Term
<p>Basin Roundtables</p> <ol style="list-style-type: none"> 1. Finish Basin Reports 2. ID consumptive & nonconsumptive projects & methods to get behind and begin strategic implementation. 3. Develop statewide portfolios <p>CWCB</p> <ol style="list-style-type: none"> 1. Support roundtable / IBCC technical work and portfolio development 2. Develop statewide portfolios 3. Begin to implement SWSI 2010 recommendations 4. Review WSRA criteria & guidelines <p>IBCC</p> <ol style="list-style-type: none"> 1. ID and execute next steps for IBCC subcommittees 2. Support BRT portfolio development and bring portfolios together 3. Review WSRA criteria & guidelines 	<p>Continue year 1-2 work as need</p>	<p>Continue work as need</p>
<p align="center">Milestones to be Accomplished</p> <ol style="list-style-type: none"> 1. Roundtables, water stakeholders, & the state have made a measurable dent in addressing future water challenges by implementing on-the-ground consumptive and nonconsumptive projects and methods. 2. Compile basin plans and statewide work into a state water plan. 3. Complete SWSI 2016. 		

