The Colorado River District Board of Directors for 2018 are from left, sitting: Steve Acquafresca of Mesa County, John Ely of Pitkin County, Mike Ritschard of Grand County, Bill Trampe of Gunnison County, Alden Vanden Brink of Rio Blanco County, Stan Whinnery of Hinsdale County and Tom Gray of Moffat County; standing: Doug Monger of Routt County, Karn Stiegelmeier of Summit County, Rebie Hazard of Saguache County, Kathy Chandler-Henry of Eagle County, Tom Alvey of Delta County (Board President), Marti Whitmore of Ouray County, Dave Merritt of Garfield County (Board Vice President) and Marc Catlin of Montrose County.

Board welcomes back Directors; elects officers

The Colorado River District’s Board of Directors will move forward without membership changes in 2018. The District serves 15 Western Colorado counties, and each county’s Board of Commissioners appoints one representative to serve on the Colorado River District’s Board for individual terms of three years.

All policies, resolutions, budget actions and other major activities of the River District are approved by the Board.

The five Board members whose terms were set to expire were all reappointed by their respective Boards of County Commissioners. Those five members are Marc Catlin of Montrose County, Dave Merritt of Garfield County, Bill Trampe of Gunnison County, Marti Whitmore of Ouray County and Alden Vanden Brink of Rio Blanco County.

“I am very glad to see all Directors back from those counties” said Board President Tom Alvey of Delta County. The Board unanimously approved the reappointments of their fellow members.

Likewise, the Board unanimously voted to retain their officers, with Alvey serving as President and Dave Merritt serving as Vice President. By Board bylaws, officers may serve two one-year terms and are then term-limited.

The Board annually reappoints the two key staff members that it hires, the General Manager and General Counsel.

In 2018, the Board formally appointed Andy Mueller as General Manager, to replace Eric Kuhn, who is now on a path to retirement after holding the office since 1996. The Board named Mueller as the “incoming General Manager” last October and he had been working in a transitional role since Dec. 4.

Peter Fleming was reappointed General Counsel.
Kuhn reports on basinwide drought planning

The Colorado River District’s Board of Directors received an update from its outgoing General Manager, Eric Kuhn, on key issues affecting Colorado River Basin water users.

Kuhn covered a variety of issues including Drought Contingency Planning (DCP) efforts in the Upper and Lower Colorado River Basins and concerns regarding lower-than-average snowpack in the Upper Basin.

Kuhn’s discussion of DCPs highlighted what he sees as “a relatively complicated plan among the Lower Basin states” that would require additional cutbacks in water consumption by Arizona, California and Nevada if Lake Mead storage levels approach the low elevation mark of 1,025 feet above sea level.

A separate DCP among the Upper Basin states would likely include special drought operations of the Colorado River Storage Project’s (CRSP) system reservoirs – Flaming Gorge, Aspinall and Navajo.

DCP efforts in the Upper Basin states would also include a focus on system augmentation, or “cloud seeding,” and further planning for demand management strategies that would reduce consumptive uses if total system reservoir levels reach critically low levels.

Kuhn specifically noted that there is no commitment yet by any of the Upper Basin states to implement demand management efforts, which would likely include water banking, but the states are committed to continue studying it.

Implementing the Lower Basin DCP would likely require federal legislation, but Kuhn noted that the three Lower Basin states are not in total agreement on this front. According to public discussions at the Colorado River Water Users Association conference in December 2017, Arizona and Nevada believe legislation will be required whereas California believes legislation will be helpful but not essential.

Kuhn noted several reasons the Lower Basin states would prefer a legislative approach. “They do not want to wade through a formal amendment to the 2007 Interim Guidelines for Lower Basin Shortages, which could take years to renegotiate,” he said.

Those “Interim Guidelines” were the result of a complex, multi-year analysis following a period of extreme drought (2000-2005) in the Colorado River Basin. Lake Powell and Lake Mead dropped from nearly full to about 46 percent of capacity in that time, prompting the U.S. Bureau of Reclamation to develop a management plan for the Basin that included Interim Guidelines for operations of Lakes Mead and Powell and Lower Basin shortages. The Guidelines are set to expire in 2026.

The second reason for legislation could relate to Arizona’s desire to change a provision in a 1964 Arizona
How to contact us: edinfo@crwcd.org, or call 970-945-8522 x 236 website: www.ColoradoRiverDistrict.org
Colorado General Assembly sees changes

The Colorado General Assembly convened its 2018 session on January 10. Limited by the state constitution, deliberations will end no later than midnight, May 9.

Colorado River District External Affairs Manager Chris Treese highlighted a few notable developments of the start of the legislative session. One of three new members of the General Assembly for 2018 is on the West Slope. Dylan Roberts, formerly Deputy District Attorney in Eagle County, was selected to fill Representative Diane Mitsch-Bush’s (D-Steambot Springs) seat; Mitsch-Bush stepped down to run for Congress in the 3rd District.

Senator Cheri Jahn (Lakewood) switched her party affiliation from Democrat to Unaffiliated. However, she announced her plans to continue caucusing with the Democrats. In the House, embattled Representative Steve Lebsock (D-Thornton) hasn’t switched parties, but says he plans to caucus with Republicans. Neither move changes the majority party in either house.

Perhaps most exciting for the West Slope and for the River District was the news that Director and Representative Marc Catlin (R-Montrose) will replace Representative Willett (R-Grand Junction) on the House Agriculture Committee.

Representative Willett will not run for re-election this year and wanted to relinquish his committee post to Representative Catlin, who has actively sought an Agriculture Committee appointment since his swearing in last year.

The District extends its appreciation for Representative Willett’s selfless act and for his valuable service on House Ag. in 2017. Catlin is also Montrose County’s Director on the Colorado River District Board.

Treese addressed anticipated challenges associated with the annual budget bill this year. State water programs rely on severance tax revenues. Severance tax revenues are projected to be insufficient to cover even the basic staffing and programs of the Colorado Water Conservation Board (CWCB).

The CWCB estimates it needs an additional $8 million just to cover operations. This means there are no funds for “Tier II” programs such as Water Supply Reserve Account grants that are administered by Basin Roundtables, Native Species Trust Fund projects or prevention programs for aquatic nuisance species (mussel inspections).

The River District is leading an effort in the water community to explore alternative short- and long-term funding mechanisms for water projects and programs in Colorado.

Treese reviewed seven water bills and two resolutions with the Board, each of which Directors voted unanimously to support. These ranged from expanded uses of reclaimed wastewater to programs addressing forest and watershed health.

The Board committed to bi-weekly special meetings starting February 1 to provide direction and adopt formal positions on Colorado legislation.

For more on River District positions on legislation, go to http://bit.ly/2kIH7nt.

Board of Directors discusses staff hiring practices

At the Colorado River District, the Board of Directors hires the General Manager and General Counsel and in turn these individuals are responsible for hiring the balance of the staff.

The Board is now contemplating how it might be more integrated into the process, according to discussion at the January 16, 2018 Quarterly Board meeting.

Some directors want more direct involvement; others are satisfied with the current setup relying on the General Manager and General Counsel. Others suggested involving outside interests in the review and interview process. Still others suggested more communication with the Board about hiring searches might be the answer.

General Manager Andy Mueller will report back to the Board at its April 17, 2018 meeting with suggestions addressing the range of thoughts on the matter.
Chris Treese, External Affairs Manager of the Colorado River District, opened his Federal Affairs report with the good news that in a November 2017 meeting of General Manager Eric Kuhn and Treese with then-Acting Commissioner of Reclamation Alan Mikkelson, Mikkelson promised that Reclamation would begin participating actively in mussel infestation prevention on federal reservoirs in the Colorado River headwaters.

Prior to this, Reclamation had found itself unable to contribute to state-led mussel inspection and prevention programs on Ruedi Reservoir of the Fryingpan-Arkansas Project and the reservoirs of the Colorado-Big Thompson Project.

The second piece of good news Treese shared was the unanimous U.S. Senate confirmation of Brenda Burman as the first female Commissioner of the Bureau of Reclamation. The River District has worked extensively with Burman and had endorsed her appointment, encouraging her swift confirmation.

Treese also highlighted the recent guest commentary published in local papers from new General Manager Andy Mueller calling on Congress to recognize the link between forest health and sustainable watersheds. His commentary appeared in the Grand Junction Daily Sentinel and West Slope papers and publications.

Mueller’s commentary urges Congress to capitalize on the current budget crisis by prioritizing and fully funding proactive forest management that protects forests, watersheds and local economies.

The opinion piece calls on Congress to end the destructive practice of “fire borrowing,” where funds are diverted annually from active forest management to emergency firefighting. Congress should fund firefighting as it does other natural disasters, through the Federal Emergency Management Agency or other resources.

On another important federal matter, one of the District’s primary priorities is the Congressional reauthorization of annual funding for the Upper Colorado and San Juan River Recovery Programs for Endangered Fish.

Water users throughout the upper basin of the Colorado River rely on these two programs to allow both continued water use and new water development while recovery of the four listed fish species is accomplished. To date, these two programs have ensured protection from and compliance with the Endangered Species Act for more than 2,500 water projects providing water for irrigation, municipalities, industry and recreation without interruption or excessive federal review.

The U.S. House passed authorizing legislation in December. Colorado Senators Gardner and Bennet are sponsoring S.2166 to authorize annual funding for these programs. The River District will be pushing for a hearing and passage at the Senate’s earliest opportunity.

Finally, Treese noted that the Land and Water Conservation Fund (LWCF) also requires re-authorization. The LWCF provides grants to state and local governments to acquire lands, waters and interests therein necessary to achieve “the natural, cultural, wildlife and recreation management objectives of federal land management agencies.”

Directors offered several examples of local consensus LWCF projects and programs that strengthened West slope communities and preserved lands and waters. LWCF revenues are derived from offshore energy development lease payments. The River District Board added re-authorization of the LWCF to its list of federal priorities for 2018.
Board reviews policies; beefs up language in support of ag water use

As part of the annual process updating its 21 formally adopted policies, the Colorado River District Board approved a new policy and gave initial review of four existing policies at the January 16, 2018 quarterly meeting.

The Board reviews roughly one-third of its policies annually. Proposed policy changes must be agendaed for at least two quarterly meetings before final action taken.

Additionally, the board reviewed and edited the following four existing policies which will be revised for potential re-adoption at the April quarterly meeting.

**The Colorado River Storage Project Act (CRSPA) policy** reaffirms the River District’s support for the intent of the CRSPA to develop the water resources of the Upper Colorado River Basin. The River District will advocate for fulfillment of the purposes of the Upper Basin Fund by utilizing “the full use of power revenues, generated by the initial units, together with appropriations, as needed, to fully maintain these projects and integrated facilities ...” In addition, the policy advocates for the protection of Lake Powell reservoir levels to ensure the production of hydroelectric generation.

**The Federal Reserved Water Rights policy** advocates that the “... quantification of any federally reserved water rights be the minimum amount essential to preserve the primary purpose of the federal action that creates the federal land designation.”

**The Colorado’s Prior Appropriation policy** reaffirms the River District’s support of “Colorado’s system of prior appropriation as a fair and orderly system for allocating Colorado’s scarce water resources.” It has “proven to be both successful and flexible in addressing the changing demands, beneficial uses and values regarding Colorado’s water resources (e.g., instream flow and recreational in-channel diversion water rights) ... Adaptation of the Prior Appropriation Doctrine may be warranted to ensure the equitable allocation of Colorado’s remaining Colorado River entitlement ... within Colorado ... to equitably allocate water uses in the event of interstate compact administration.”

**The Upper Colorado River Recovery Program policy** “supports the Upper Colorado River Endangered Fish Recovery Program and its dual purpose of recovering fish species listed as endangered while allowing historical water use and water development to continue consistent with state law and Colorado’s entitlements under the Colorado River Compacts.”

Subsequent to an extensive discussion, the Board directed staff to incorporate additional language into the **Agricultural Water Use policy**. The Board’s discussion of strong support for and promotion of Western Colorado agriculture will be incorporated into the next version of this policy to recognize the critically important contributions that irrigated agriculture makes to the economy and environment of Western Colorado.

Proposed language changes will be brought back to the Board at its April 17, 2018 meeting for additional discussion, input and potential approval.

Here are links to the full-text of these revised ([http://bit.ly/2rPM0QG](http://bit.ly/2rPM0QG)) and previously approved policies ([www.coloradoriverdistrict.org/policies](http://www.coloradoriverdistrict.org/policies)).

To comment on any policies please submit to edinfo@crwcd.org.
The Colorado River District and members of the agricultural community are working with the Colorado Division of Water Resources to build a positive working relationship between water users and water rights administrators.

Meetings with State Engineer Kevin Rein are to be scheduled and he “has pledged to work cooperatively and pro-actively with the River District to achieve a shared goal of continuing to improve the water user/administrator relationship,” according to a report to the River District Board of Directors from General Counsel Peter Fleming.

One of the issues to be discussed is the ability of Routt County ranchers to continue the historical stock watering during the non-irrigation season. Recently that use was called out by an instream flow water right held by the Colorado Water Conservation Board. A dispute arose because the statute for instream flow rights provides that prior existing uses would not be called out, even if the use is not formally decreed.

Routt County cattlemen and other ranchers typically run water in their ditches for stock watering through and beyond the irrigation season. An additional benefit is keeping soil moisture up and maintaining water table levels to prepare for the next irrigation season.


The Board voted to support the white paper.

Routt County Board Member Doug Monger said the Routt County Cattlemen’s Association and Elk River ranchers appreciate this effort. He also said that keeping water in ditches helps the environment by keep cattle out of river

Coolest guy in the room

Eric Kuhn, left, never afraid to put on his shades if things get too bright, is retiring from the Colorado River District. He joined the organization as Assistant Secretary-Engineer in 1981. In 1996, he was appointed General Manager. He is succeeded by Andy Mueller, who started as Incoming General Manager on Dec. 4 and transitioned to the full title on Jan. 16, 2018. Kuhn will continue to assist the River District with work on the Colorado Risk Study, the Upper Colorado River Commission and other such work as he winds his way off the payroll and into a consultant’s role in the near future.
“The future has arrived, the future is now.”

So said Colorado River District General Counsel Peter Fleming in reporting to the Board of Directors that recent acquisitions of West Slope land and water rights raise the concern that outside interests are actively acquiring West Slope water rights for possible speculative purposes.

While speculation in land and water rights is nothing new, the recent acquisitions appear to be keyed on acquisition of pre-Colorado River Compact of 1922 water rights to hold for the present time but perhaps sell to the highest bidder during compact-curtailment and/or administration.

As Fleming’s public General Counsel report states, a New York hedge fund called Water Asset Management (through one of its many subsidiaries) acquired a 330-acre farm within the Grand Valley Project in mid-September 2017.

While not a huge farm, that size is among the larger-sized parcels within the Grand Valley Project. Depending on numerous factors, the associated historical consumptive use could be about 840 acre-feet.

Water Asset Management was featured in a 2016 article in The Atlantic titled “Liquid Assets.” The article is an interesting read, Fleming said, and can be found at: https://www.propublica.org/article/can-wall-street-solve-the-water-crisis-in-the-west.

In addition, the Conscience Bay Company, a Colorado investment company, has acquired a number of West Slope ranches, including the recent purchase of the 1,450 acre Harts Basin Ranch in Delta County.

“To our knowledge, the properties continue to be operated as they have historically, and there are no current plans to change the associated water rights or move the water off the land,” Fleming reported.

However, it is clear that increasing water demands, reduced supply and the potential risk of compact curtailment have put a more direct focus on West Slope irrigated agriculture. Stated another way, reality has caught up with our historical paranoia about the acquisition and potential dry-up of West Slope agricultural rights for speculative purposes, Fleming wrote.

The General Counsel report can be read in full at the River District’s website: http://bit.ly/2DS2iuP.