Registration is open for the Colorado River District’s Annual Water Seminar set for 9 a.m. to 3:30 p.m., Wednesday, Sept. 18, 2019 at Colorado Mesa University in Grand Junction.

“Uncertainty: You can count on it; Feast or famine on the Colorado River” is the theme of this year’s affordable, one-day briefing on important Colorado River challenges. As the theme suggests, the historical poor snow year of 2018 was completely reversed by the healthy snowpack of 2019 and the unusual runoff, which continues to be strong.

But 2019 was only the fifth above-average year in the last 19 water years, and will not reduce long-term pressures on the Colorado River system. This year’s seminar will explore Drought Contingency Plans in the Colorado River basin intended to address uncertain hydrology, warming temperatures and low reservoir levels at Lakes Powell and Mead.

The cost to attend is $35 in advance and $45 at the door; the cost includes lunch. Note the temporary location of the seminar due to renovations at Two Rivers Convention Center in Grand Junction.

REGISTER AT: COLORADORIVERDISTRICT.ORG/ANNUAL-SEMINARS
The Colorado River Water Bank Work Group (WBWG) was formed in 2008 by the Colorado River District and western Colorado stakeholders to begin technical investigations into the possibilities of rotational fallowing and deficit irrigation as would-be sources of saved, consumptive use that might help support reservoir levels at Lake Powell. The WBWG’s focus has now shifted to a study of the economic impacts that could arise from a demand management program to create saved water.

According to River District Water Resource Specialist Sonja Chavez, River District constituents and West Slope water users asked the WBWG to commission an economic impact study of local economies and business connections. To that end, the WBWG has engaged BBC Consulting with Doug Jeavons (specializing in water resource and economic modeling) as the Project Study Leader. Other members of the study team include George Oamek (Agricultural Economist) of the Headwaters Corp. and Aleta Powers and Cassandra Shenk of ERO (Environmental Specialist and Environmental Planner, respectively). The River District is the managing entity for the BBC contract, not to exceed $222,000.

Updates on the public input process, progress related to the economic impact study activities, previous studies and other information on the Colorado River WBWG can be found at: coloradoriverwaterbank.com

The Colorado River District tracked 28 pieces of water and water-related legislation during the 2019 Colorado legislative session. Communications Director Zane Kessler recapped the District’s work this session and outlined anticipated interim committee activities for the summer.

“It was a busy session,” said Kessler. “Funding for the Colorado Water Plan and other water programs was a priority for us and for the broader water community.”

Special thanks was offered to Sen. Bob Rankin (R-Carbondale) and members of the Joint Budget Committee for appropriation of $10 million of general fund dollars to a newly created Colorado Water Plan Implementation Grants Program.

Kessler also noted that the 2019 Colorado Water Conservation Board (CWCB) Projects Bill included a transfer from the CWCB construction fund of $2.5 million to the Water Supply Reserve Fund — an important resource for Basin Roundtables around the state whose work includes grants for projects that advance Colorado’s Water Plan. With other Tax monies added to the program, the Roundtable can access up to $10 million.

The timing and distribution of money in the Severance Tax Operational Fund was changed by SB 19-016. That legislation separated the reserves into a core reserve (formerly “Tier One”) and the grant program reserve (formerly “Tier Two”). The state treasurer will now make transfers to the grant programs on August 15 after each fiscal year and must base the transfers on actual revenues collected as opposed to estimated revenues.

In the final days of the session, legislators passed a referred ballot measure to allow sports betting. Proposition DD will be on the Nov. 5, 2019 election. If voters approve, funding of Colorado’s Water Plan would be the principal beneficiary of the new tax revenues.

Kessler noted that sports betting revenues could provide an important “down-payment” for the Water Plan.
Initial estimates suggest that sports betting revenues could generate between $8 and $14 million per year beginning in 2021,” he said.

The River District was actively engaged on other, non-funding-related issues important to communities on the Western Slope as well.

“We worked constructively with leadership on the House Rural Affairs and Agriculture Committee, to amend and remove concerning provisions in HB1218 — a bill that brought much debate regarding the state’s Instream Flow Loan Program,” said Kessler.

The District also engaged in start-to-finish conversations with water users in Division 1 regarding their efforts to secure legislation (HB19-1271) clarifying the ability to use decreed augmentation water to augment in stream flows.

“Although HB1218 and HB1271 both failed to make it through the Senate Agriculture Committee, the River District’s input and early engagement was important on a number of different levels,” said Kessler. “That engagement will be equally important when those conversation begin again this Summer.”

Kessler noted that the River District will be following two Interim Committees between the end of the 2019 session and the elections in November. The Interim Water Committee will examine an array of issues, including continued discussion on the state’s In-stream Flow Program and Colorado River interstate (“big river”) matters.

Finally, the River District will be monitoring the Wildfire Matters Review Committee. This is the fifth consecutive year for this interim committee. The Legislature last year extended this committee’s longevity by seven more years to July 1, 2025 with passage of Senate Bill 18-039.

The committee has broad review authority and encouragingly continues to focus on forest and watershed health.
**EMPLOYEE SPOTLIGHT: CHRIS TREESE**

The July board meeting marked Chris Treese’s 28-year anniversary with the River District and his 112nd quarterly meeting. During that time, he’s seen considerable change both on the river and at the District. He’s seen the demands on our rivers, especially for recreation, increase dramatically. Accordingly, he’s also witnessed a doubling of the District’s staff to address the increased demands and competition for our limited water resources.

The July quarterly also represented another milestone for Chris as he announced his retirement to the Board at Wednesday’s meeting. His last day will be September 13.

Treese said, “It has been my great honor and extreme pleasure to work with this and previous Boards.” Chris expressed his heartfelt appreciation for the privilege of representing Western Colorado and the opportunity to work with and for a dedicated and talented Board and staff. Treese ended his farewell stressing his confidence that he leaves the River District and his External Affairs department in extremely capable and talented hands.

**RIVER DISTRICT BOARD ACCEPTS CLEAN AUDIT OF 2018 FINANCIALS**

Daniel Cudahy, a Partner with McMahan and Associates, LLC, presented the results of the 2018 audit to the Board of Directors. “The River District received an unqualified opinion on the 2018 financial statements, which is also known as a clean opinion,” said Cudahy. “The audit went well, we did not have any difficulties or disagreements with management, and there were no material adjustments to the financial statements.”

Mr. Cudahy went on to state the District’s “internal controls are adequate, and the segregation of duties is appropriate to the size and operations of the River District’. Mr. Cudahy finished his presentation stating that ‘the River District was in good financial position on December 31 of 2018.”
In his regular (and final) quarterly Federal Affairs update, Chris Treese directed the Board’s attention to his June 28 memo and offered the following highlights of federal activities and developments from the previous quarter.

Treese opened his presentation noting that new and aggressive federal investment in infrastructure continues to be a primary topic of conversation in Washington, D.C. but with little consensus or movement to show for it. Both Democrats and Republicans, as well as the administration, have “comprehensive infrastructure plans,” but with few similarities. Encouragingly, there is increasing recognition that any infrastructure package must be more than just roads and bridges; it must include water, wastewater and broadband.

One such bill, Colorado Sen. Cory Gardner’s (R) “Drought Resiliency and Water Supply Infrastructure Act” creates a new, low-interest loan program and other incentives for water-supply projects. Treese noted that Senator Gardner reached out to the River District for review and comment prior to introduction. This bill had its first hearing on July 17; there was no vote at that time.

Congresswoman DeGette (D-CO) and Congressman Neguese (D-CO) introduced legislation to create 30 new wilderness areas in Colorado, including the area surrounding Deep Creek that is being investigating for possible Wild & Scenic designation. This year’s bill is very similar to legislation Rep. DeGette has introduced for at least the past nine Congresses. It would increase wilderness acreage in Colorado by 30 percent.

Treese noted that the Colorado Outdoor Recreation Economy Act, or CORE Act, which was introduced by Sen. Michael Bennet and Rep. Joe Neguse passed the House Natural Resources Committee by better than a two-to-one margin. Among other things, the CORE Act combines four previously introduced bills: the Continental Divide Recreation, Wilderness, and Camp Hale Legacy Act, the San Juan Mountains Wilderness Act, the Thompson Divide Withdrawal and Protection Act, and the Curecanti National Recreation Area Boundary Establishment Act.

The recently passed disaster aid package included $720 million for the U.S. Forest Service, intended to restore funds previously diverted to fight wild fires. This package also included $435 million for watershed protection programs.

Treese reminded the Board of a recent victory with the inclusion of the Bolts Ditch Access bill in the public lands package legislation passed and signed by the President in the first quarter of this year. The Bolts Ditch bill provides the Town of Minturn with legal access and authority to rehabilitate an historical headgate for Bolts Ditch that is located just inside the Holy Cross Wilderness Area. A further amendment is now being sought by Minturn and the Eagle River Water and Sanitation District to include the Water & San District as an eligible partner to receive the access and rehabilitation permit. The River District will support their legislative request.

Treese summarized the following as federal priorities for River District resource allocation: FY ’20 annual appropriations, Bolts Ditch amendment, full funding and permanent authorization for the Land and Water Conservation Fund, Drought Resiliency and Infrastructure and tax rebate equity.

This final priority refers to legislation to harmonize tax law regarding taxability of conservation incentive rebates. Currently customer rebates rewarding energy-efficient purchases (e.g., appliances, solar) are not reportable as taxable income. Similar incentive rebates for water efficient purchases are taxable. The District is seeking legislation providing equity between energy and water rebates as non-taxable.
Colorado River District General Manager, Andy Mueller, provided an update for the Board on recently finalized Drought Contingency Plans (DCP) in the Upper and Lower Colorado River Basin states. The River District has been actively engaged in DCP negotiations in the Upper Colorado River Basin for more than a year. Separate plans for the Upper and Lower Basin states were originally spurred forward by the U.S. Department of the Interior in 2013, in response to the alarmingly low water levels at Lakes Powell and Mead. The seven states and the federal government formally executed the Drought Contingency Plan (DCP) documents on May 20, 2019 at the Hoover Dam.

Mueller reported that the Lower Basin states (Arizona, Nevada and California) are moving quickly towards implementation of the water-savings measures called for in the Lower Basin DCP. Meanwhile, the Upper Basin states (Colorado, New Mexico, Utah and Wyoming) are beginning to study the feasibility of implementing a demand management program in the Upper Basin.

John Currier, the River District’s Chief Engineer, and Mueller attended an Upper Colorado River Commission (UCRC) meeting on demand management in Salt Lake City on June 21. The meeting included water users, state officials and non-governmental organization representatives from each of the Upper Basin states.

“It was useful to hear directly from the other states and their water users,” said Mueller. “There is a wide range of perspectives among water users on demand management, and there is significant concern regarding the implications for major new diversion projects.”

“Everyone in the room agreed upon one thing, that significant study and thought needs to take place before any such program is implemented in the Upper Basin,” Mueller continued.

The Colorado River District Board voted unanimously to award Pass Creek Investments (PCI) with a three-year contract to act as the concessionaire for the recreation area and marina at the River District’s Wolford Mountain Reservoir Project in Grand County, near Kremmling.

PCI will replace Red Mountain RV, LLC, which has managed concession services for the River District for 17 years.

Hunter Causey, a River District engineer, explained to Board members the process used to determine qualifications and select a concessionaire. A Request for Qualifications was advertised in May and a mandatory pre-submittal walk-through was held with interested contractors on May 31st.

PCI, owned by Doug and Kristin Prewitt, will take over recreational services at Wolford Mountain Reservoir for the 2020 season.
The Colorado River District annually reviews roughly one-third of its existing policies to ensure the policies remain timely and reflective of the District’s positions and priorities. Policies must be listed on a Board meeting agenda for at least two quarterly meetings before final adoption.

Previously this year the Board reviewed, revised and readopted its policies covering Recreational Water Uses and the Endangered Species Act. At the July quarterly, the Board returned its attention to its Water Quality and Instream Flows policies. The Board slightly revised and readopted its Water Quality policy, which endorses Colorado’s basic framework of protecting water quality in lakes and rivers at a level appropriate to the uses of water in the regulated water bodies.

The District’s policy calls for water quality regulations to be based on sound science and incentive-based prevention and clean-up for non-point pollution sources. The policy also directs staff to assist in the clarification of the scope of the Clean Water Act and to advocate for funding on the state and local level commensurate with regulatory requirements.

The Board heard from both headwaters and Grand Valley water user perspectives on the District’s Instream Flows policy before engaging in lengthy deliberation. After reflecting the varying views of their respective counties, Directors decided that the comments and drafts before them were better resolved by a staff rewrite. Direction was given to focus on stream flow benefits balanced with consumptive uses and to avoid as much as possible both focusing on the state’s instream flow program and the current legislative and administrative controversies surrounding that program.

Accordingly, the Instream Flows policy will return for the Board’s consideration at the fourth quarterly meeting in October.

All current policies may be viewed at: coloradoriverdistrict.org/policies
Unlike early in the water year, when water supply forecasts were trending below average, January through May moved the needle from below to well above average conditions especially in the Upper Colorado River Basin within Colorado. The Yampa/White/Green watersheds lagged initially but benefitted from a wet spring and caught up to help push the April-July projected inflow volume (10.6 MAF as of July 1 forecast) for Lake Powell well above the long term average (148% of 30-year average).

This is a great relief for water managers in the Colorado River Basin, a region that has experienced a record-breaking, 19-year dry spell of below running-average inflows to Lake Powell. With snow still remaining high in the watershed, the runoff season has been extended and flows remain above average across most of the Basin.