



Colorado River Drought Task Force

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Drought Security and Demand Management Colorado River District Investigation Timeline

Water Bank Work
Group
2009 - 2020

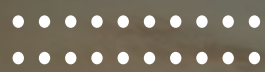
Secondary
Economic Risk
Study
2020

Colorado River
Risk Study
2016-2023

Demand
Management
Stakeholder
Report
2021

Conceptual
Market
Framework
"Punching Bag"
2022





UB Demand Management Economic Impact Study in Western Colorado

Developed through the
Colorado River Water
Bank Work Group

CRD, SWCD, The Nature
Conservancy, Tri-State Generation and
Transmission, Uncompahgre Valley
Water Users Association, UGRWCD,
and the Grand Valley Water Users
Association



- Without a well-defined, well-thought out evaluation of the possible options ahead of time, if we were to approach a Compact compliance situation, West Slope agriculture would be subject to buy-and-dry transactions .
- 60-90% of Payments to Owner Operators stay in Community, 100% of payments to out of state speculators leave the state.
- West Slope agriculture cannot carry the burden alone.
- Temporary, Voluntary and Compensated
- Limit frequency and duration of participation to avoid program becoming an irrigated land retirement program.
- Additional economic impacts to tourism and wildlife/ESA compliance needs to be looked at.

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Colorado Risk Study: Phases I-IV

- Different Phases Funded by CRD, SWCD, and West Slope Basin Roundtables (CWCB)
- Examines likelihood and potential depth (under Prior Appropriation) of a Compact Curtailment
- Evolving Body of work as model precision/accuracy improves and hydrology changes



- Recognition that Post Compact depletions are only thing that can drive a Compact curtailment.
- 2.3-2.5 MAF of average annual consumptive use in Colorado. Approximately 1 MAF of which is Post Compact, but significant annual variability.
- Risk to Critical levels at Lake Powell is primarily driven by Hydrology not UB Consumption, but increasing UB demands increases risk and volume of curtailment.
- 13 MAF future on big river is only sustainable if Overuse in Lower Basin is eliminated.
- 11 MAF future on big river will require significant additional water use cuts.
- Maintaining Powell elevation of 3500' (above mean sea level) under existing operational policy and continued aridification puts entire burden of risk on Upper Basin



Demand Management Stakeholder Group

A report from sixteen stakeholders representing interests from across the CRD Boundaries.

Explored the impact of a Demand Management program on the values and economies of West Slope communities



- **Strong preference for compensated reductions rather than waiting for mandatory curtailment**
- **All sectors must participate**
- **Profound fear that West Slope Ag will be sacrificed for Front Range and Lower Basin: Local/Regionally run programs preferred**
- **Simple, clear market rules and protections are needed.**
- **Options other than full fallow must be permitted to avoid permanent loss of ag, soil health and communities**



Demand Management Conceptual Market Framework

Aka “The Punching Bag”

Requested by CRD Board
for discussion purposes

Does not imply support for
a Demand Management
program



- A market set up by the government, funded at least in part by taxpayer dollars, to meet a collective government obligation, by its very essence is not and never will be a free market. Restrictions designed to protect the communities and mitigate adverse impacts are appropriate and necessary.
- **Voluntary, Temporary and Compensated**
- **Non-Injury to Vested Water Rights**
- **Single Buyer/Exclusive Program/Non-use/Abandonment**
- **No Interstate Water Marketing**
- **No Additional Trans-Mountain Diversions and Intra-State Proportionality**



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