

SUBMIT OPTION SUBMITTAL FORM BY:

1. EMAIL TO: COLORADORIVERBASINSTUDY@USBR.GOV
2. U.S. MAIL TO: BUREAU OF RECLAMATION, ATTENTION MS. PAM ADAMS, LC-2721, P.O. BOX 61470, BOULDER CITY, NV 89006-1470
3. FACSIMILE TO: 702-293-8418

Option Submittal Form

Contact Information (optional):

Keep my contact information private.

Contact Name: _____	Title: _____
Affiliation: _____	
Address: _____	
Telephone: _____	E-mail Address: _____

Date Option Submitted: 02/01/2012

Option Name:

Inter-Basin (Upper Basin to Lower Basin) Leasing of Ute Indian Tribal Water

Description of Option:

The Ute Indian Tribe (Tribe) of the Uintah and Ouray Reservation (Reservation) is presently engaged in meetings with a Federal Implementation Team, and will subsequently conduct meetings with the State, in order to reach an agreement as to a clarification and common interpretation of the Ute Indian Water Compact before obtaining final ratification of the Compact by the Tribe and the State, pursuant to the 1992 Ute Indian Rights Settlement Act. The Compact recognizes the Tribe's federally reserved water rights within the Upper Colorado River Basin, amounting to 480,594 Acre-Feet (AF) of diversions and 258,943 AF of depletions. Of this quantity, the Tribe holds water rights to 142,359 AF of diversions (77,311 AF by depletion) sourced from the Green River. A large majority of these Tribal rights (113,378 AF by diversion; 57,948 AF by depletion) were transferred to the Green River from other Reservation streams through past agreements with the U.S. and State of Utah, in part to allow development of non-Indian trans-basin diversions. However, on its way through the Reservation, the Green River flows within a deep canyon. As a result, the Tribe is physically limited in its ability to use transferred Green River water rights on Tribal lands. Thus, in transferring the Tribe's rights to the Green River to the benefit of non-Indians, it was assured that the Tribe would hold "paper" water rather than "wet" water for any real use on Tribal lands.

Currently, the only feasible option for the Tribe to make beneficial use of its "paper" Green River water is through water leasing. Colorado River water is in high demand, especially in the Lower Colorado River Basin states of Nevada and California. Less demand exists with the State of Utah, although the Tribe proposes to permit Utah the first right of refusal for any marketed Tribal water. Inter-basin leasing of Tribal water may provide a dependable, secure supply to Lower Basin States, as well as provide a valuable means for the Tribe secure benefits from its federal reserved water rights. At present, the Tribe is precluded from inter-basin leases by interstate agreements.

The Tribe requests that Tribal inter-basin leases (leases from the Upper Basin to the Lower Basin) be a studied option to resolve future Colorado River water imbalances. Particularly, the study should consider how Tribal leases can secure future water supplies and reduce water deficits for Lower Basin states.

Location: Describe location(s) where option could be implemented and other areas that the option would affect, if applicable. Attach a map, if applicable.

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The Reservation is located in northeast Utah, and includes a portion of the Green River below Flaming Gorge Reservoir. Water leasing locations proposed for study are in Lower Basin States, including Nevada and California, in regions with historic or projected future water deficits.

Quantity and Timing: Roughly quantify the range of the potential amount of water that the option could provide over the next 50 years and in what timeframe that amount could be available. If option could be implemented in phases, include quantity estimates associated with each phase. If known, specify any important seasonal (e.g., more water could be available in winter) and/or frequency (e.g., more water could likely be available during above-average hydrologic years) considerations. If known, describe any key assumptions made in order to quantify the potential amount.

The quantity of future Tribal water leases will be determined, in part, by future Lower Basin demands, as quantified in the Bureau of Reclamation's Study. For an initial estimate, the Tribe requests study of inter-basin leases in the amount of 77,311 AF (the depletion quantity of Tribal water rights sourced from the Green River). While the Tribe holds much larger rights to Colorado River Basin water and may seek to lease greater quantities in the future, this amount is specified for initial consideration as it includes the transferred, "paper" water currently unusable on Tribal lands.

Of this amount, 67,948 AF have a federally reserved priority date of October 3, 1861 and 9,363 AF have a priority date of January 5, 1882. These priority dates are recognized by the State of Utah. Duration of leases would be year-round over the planning period. Leased water may be delivered through long-term contract or spot-market delivery agreements in accordance to lessee's demands. For study purposes, it is proposed that the full quantity specified above be delivered under a typical Lower Basin demand schedule.

To facilitate leases, the Tribe requests the study to consider storage of Tribal water rights from the Green River in Flaming Gorge Reservoir. Diversion to storage would occur year-round for 67,948 AF and from April through October for the remaining 9,363 AF. Tribal releases from storage will be conducted pursuant to instream flow requirements of the Green and Colorado Rivers.

Additional Information

Technical Feasibility: Describe the maturity and feasibility of the concept/technology being proposed, and what research and/or technological development might first be needed.

The Tribe anticipates no technical constraints to inter-basin leases of Tribal water. Flaming Gorge Reservoir affords unallocated storage that could be used to store Tribal water to firm up inter-basin leases and to regulate discharges for the 9,363 AF of water with seasonal diversion restrictions. Modeling efforts conducted as part of the Bureau of Reclamation's study could be used to determine future storage allocations in Flaming Gorge Reservoir, and to determine storage needs in the reservoir to provide firm delivery of leased Tribal.

Costs: Provide cost and funding information, if available, including capital, operations, maintenance, repair, replacement, and any other costs and sources of funds (e.g., public, private, or both public and private). Identify what is and is not included in the provided cost numbers and provide references used for cost justification. Methodologies for calculating unit costs (e.g., \$/acre-foot or \$/million gallons) vary widely; therefore, do not provide unit costs without also providing the assumed capital and annual costs for the option, and the methodology used to calculate unit costs.

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Leasing costs will be determined by the fair market value of water leases in Lower Basin states. Other costs include fees to store non-project water in Flaming Gorge Reservoir, the cost of which is subject to agreement with the Bureau of Reclamation pending negotiation of the Tribe's Water Rights Compact.

Permitting: List the permits and/or approvals required and status of any permits and/or approvals received.

The ability to conduct inter-basin leases will be subject to State and Tribal ratification of the Ute Tribe's Water Compact, and Congressional approval. Inter-basin leasing is currently precluded by interstate agreements (discussed below); accordingly, coordination among the U.S. and Colorado River Basin States will be required to permit future inter-basin leases. Other approvals required will include an agreement between the Tribe and Bureau of Reclamation to permit storage of Tribal water in Flaming Gorge Reservoir.

Legal / Public Policy Considerations: Describe legal/public policy considerations associated with the option. Describe any agreements necessary for implementation and any potential water rights issues, if known.

Leasing between Upper and Lower Basin States is currently prohibited. The Colorado River is managed under numerous compacts, federal and state laws, and court decisions and decrees, which apportion its use distinctly between Upper and Lower Basin States.

Free water markets, permitting the lease and transfer of water between states regardless of Basin, may provide a means to overcome water deficits while protecting each state's apportionment. The Tribe advocates the study of basin-scale impacts of free water markets, particularly as it relates to Tribal Green River rights.

Implementation Risk / Uncertainty: Describe any aspects of the option that involves risk or uncertainty related to implementing the option.

There is little risk and/or uncertainty of implementing inter-basin leases, provided the leases are protected beforehand by legal agreements, including the Tribe's Water Compact, and provided further that any Tribal lease will not be subject to loss by forfeiture, abandonment, or non-use.

Reliability: Describe the anticipated reliability of the option and any known risks to supply or demand, such as: drought risk, water contamination risk, risk of infrastructure failure, etc.

Inter-basin leases will increase water reliability throughout the Colorado River system. Tribal water rights provide a secure and dependable inter-basin lease given the early priority of these rights.

Water Quality: Identify key water quality implications (salinity and other constituents) associated with the option in all of the locations the option may affect.

Inter-basin leases may cause small alterations to the timing of streamflows in the Green and Colorado Rivers. Streamflow alterations may impact salinity and other water quality characteristics on concern, but such changes are expected to be minor.

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Energy Needs: Describe, and quantify if known, the energy needs associated with the option. Include any energy required to obtain, treat, and deliver the water to the defined location at the defined quality.

Energy Required	Source(s) of Energy
Not applicable.	

Hydroelectric Energy Generation: Describe, and quantify if known, any anticipated increases or decreases in hydroelectric energy generation as a result of the option.

Location of Generation	Impact to Generation
Flaming Gorge Reservoir	Increased hydroelectric output via increased reservoir storage head. Modeling is required to evaluate hydroelectric benefits.

Recreation: Describe any anticipated positive or negative effects on recreation.

Location(s)	Anticipate Benefits or Impacts
Flaming Gorge Reservoir	Increased recreation via increased reservoir storage. Modeling is required to evaluate changes to reservoir conditions.

Environment: Describe any anticipated positive or negative effects on ecosystems within or outside of the Colorado River Basin.

Location(s)	Anticipated Benefits or Impacts
Flaming Gorge Reservoir	Increased environmental benefits via increased reservoir storage. Modeling is required to evaluate changes to reservoir conditions.
Green and Colorado Rivers	Minor changes to streamflow timing; all leases will provide and be subject to instream flow requirements.

Socioeconomics: Describe anticipated positive or negative socioeconomic (social and economic factors) effects.

Inter-basin leases of the Ute Tribe's Green River water rights will provide significant socioeconomic benefits. Inter-basin leases will provide Lower Basin states firm water supplies, allowing dependable water forecasting and economic growth. In addition, Lower Basin States currently receive unused supplies of Upper Basin states, including the Tribe's unused Green River rights, free of charge. Tribal inter-basin leases will provide meaningful revenue and employment to the Ute Tribe.

Other Information: Provide other information as appropriate, including potential secondary benefits or considerations. Attach supporting documentation or references, if applicable.

General Comments: The Colorado River Basin Water Supply and Demand Study provides an opportunity to study the basin-scale implications of inter-basin leasing through an regional expansion of water markets. Although the Ute Tribe is principally concerned with leasing its Green River rights, inter-basin leasing as a broader concept may provide benefits beyond the Ute Tribe and its potential lessees. It is recognized that inter-basin leasing has and will continue to receive significant pushback from various entities within the Colorado River Basin, and that there are numerous legal hurdles to overcome in permitting leasing to Lower Basin states. However,

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including this option as part of the study may provide the technical foundation to assess the benefits of Upper Basin to Lower Basin leases.