



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

July 7, 2023

VIA EMAIL: UCBEfficiency@usbr.gov
Bureau of Reclamation
c/o Wayne G. Pullan
Regional Director
125 South State Street, Room 8100
Salt Lake City, UT 84138

Re: USBR Input on UCRB System Conservation and Efficiency Program

Dear Regional Director Pullan:

The Colorado River Water Conservation District (“Colorado River District”) would like to express our sincere appreciation for the opportunity to provide input on Phase 2 of the Upper Colorado River Basin System Conservation and Efficiency Program funded by the Inflation Reduction Act (IRA). We recognize the urgency and significance of addressing the ongoing drought crisis in the Colorado River Basin, and we believe that collaboration between all stakeholders at the local, state, and federal levels is key to achieving the best outcomes.

In response to the pre-solicitation notice, we would like to offer comments regarding the administration of the program, suggest evaluation criteria, and highlight two projects that align with the stated categories and objectives. These projects have the potential to contribute to both water conservation and efficiency opportunities in the Upper Colorado River as well as ecosystem and habitat restoration to address critical issues caused by prolonged drought in the headwaters.

Program Administration:

As outlined in public law, the Colorado River District supports administering funding directly to public entities and Indian Tribes. The current crisis on the Colorado River requires a swift and efficient response, which necessitates broad collaboration across a variety of public interests spanning local, state, and regional public entities. An administrative structure where the funding rests solely within the Upper Colorado River Commission may create unintended inefficiencies due to a lack of existing capacity in re-distributing the funding to projects, which cannot be afforded given the urgency of the Colorado River crisis and the spending deadlines outlined in the IRA. Rather, direct distribution of funding across a variety of public entities can result in outcomes that are built on a foundation of greater local involvement, can deliver results on a faster timeline, and can still deliver durable, watershed-scale solutions. While the Colorado River District supports

USBR Input on UCRB System Conservation and Efficiency Program

Page 2 of 4

July 7, 2023



collaboration, communication, and partnership across the Upper Division States and the Upper Colorado River Commission, the District believes the most appropriate administrative structure that is most effective and beneficial for the types of projects proposed is one that allows for broad participation and local involvement through a direct distribution of funding across a variety of public agencies and Indian Tribes. We believe that this request is consistent with congressional intent when choosing the broad and inclusive phrase “public entities” in the IRA.

Additionally, local entities, such as the Colorado River District, are experienced in managing partnerships, building trust, and fostering close collaboration with water users. For example, on the heels of Commissioner Touton’s call-to-action to conserve an additional 2-4 million acre-feet of water, the Colorado River District immediately reached out to water users to develop near-term conservation solutions that can lay the foundation for long-term, durable actions. This action has resulted in a partnership with the Uncompahgre Valley Water Users Association, the largest Western Slope diverter of the Colorado River, to develop a decision-support tool to guide future conservation pilot projects. In addition, the Colorado River District has a proven track record of leveraging federal funding to achieve watershed-scale success. As another example, the Colorado River District led the Lower Gunnison Project (LGP), which leveraged \$16 million of federal and partnership funds to support off-farm projects that benefited over 1,900 producers and over 65,000 acres of land, and on-farm irrigation improvements that benefited 15 producers and over 400 acres of land. As a result of the LGP and decades of concerted work in the Lower Gunnison Basin, in June of 2021, the Colorado Water Quality Control Commission removed 66 miles of the Gunnison River downstream of Delta, Colorado from the impaired waters list under the Clean Water Act.

Evaluation Criteria:

We appreciate the Bureau’s request for input on the evaluation criteria to be used in the process of selecting projects. Western Colorado’s critical role in the basin’s hydrology cannot be understated, as precipitation and runoff from Colorado’s Western Slope accounts for more than 65% of the natural flow of the Colorado River at Lee Ferry. Western Colorado’s water supply, however, is increasingly impacted by out-of-basin demands and a changing climate.

Therefore, the Bureau should evaluate Phase 2 projects based on their ability to provide long-term, durable conservation solutions for consumptive and non-consumptive stakeholders alike. We also encourage you to prioritize multi-benefit water projects that serve to protect our region’s water security, which is directly tied to thriving rural economies, vibrant communities, productive agriculture, a strong environment, and a robust recreation industry. Finally, we encourage the Bureau to include evaluation criteria that prioritize local involvement and support. Agriculture on Colorado’s Western Slope is primarily made up of family-owned operations. These farms and ranches are not only the first to feel the impacts of a drought-stressed system but remain essential for the health of Colorado’s communities and economy. Phase 2 projects must provide a public benefit and must be built on a foundation of transparency and thoughtful public engagement.



Project Type:

In reviewing the three general categories, the Colorado River District is encouraged by the potential to develop long-term system efficiencies that can result in durable solutions. We'd like to offer additional detail on the types and nature of projects that align with these three categories. First, unique opportunities exist for non-consumptive water rights acquisitions that offer a multitude of benefits from ecosystem and habitat restoration, drought resilience, and endangered species compliance. Such acquisitions require significant financial resources and partnerships. The IRA offers a once-in-a-generation opportunity to move forward with legacy-level opportunities that offer permanent, in-stream flow benefits. Potential acquisitions must include strong local coalitions and demonstrated support of local water users. Therefore, the Colorado River District recommends that non-consumptive water rights acquisitions be recognized as an eligible project type within the broader category of projects that include ecosystem and habitat restoration benefits that directly address issues caused by drought.

Second, as mentioned above, the Colorado River District is working with partners to develop a decision-support tool to inform future conservation pilot projects. Guided by agricultural water users and contracted experts, the Colorado River District is creating the data-driven tool to support farmers and ranchers while achieving water saving reductions, minimizing economic impacts, and generating positive environmental outcomes. The foundation of this effort aligns with the concept that large-scale investments, such as the magnitude of funding available through the Bipartisan Infrastructure Law and the Inflation Reduction Act, can be intelligently and effectively targeted. Without intentional, strategic, and data-driven decisions, conservation funding will likely not achieve the desired outcomes despite massive investments being deployed.

Specifically, the decision-support tool (DST) is designed to support a transition away from the System Conservation Pilot Program (SCPP), recognizing that the SCPP is a limited program aimed at short-term water savings that does not allow the conserved water to be shepherded past junior diversions or benefit Upper Basin water users. In contrast, the DST will support a more proactive and strategic conservation approach with much greater local involvement that uses data and analytics to help producers gain insight to make informed and attainable decisions. Through data and analytics, Colorado's Western Slope will be better prepared to respond to hydrological challenges with site-specific information and tools. Overall, the project will inform near-term, proactive conservation actions stakeholders can take while supporting mid- and long-term objectives, through modernization investments like better water measurement, communications, pressurized pipelines, and other high efficiency upgrades. The Colorado River District believes this effort strongly aligns with the desire to fund demonstration projects to spur advances in water conservation and efficiency using innovative techniques. As part of this general category, the Colorado River District recommends that funding be available to further develop data-based tools, implement conservation pilots, and install telemetry and other modernization upgrades to test the on-the-ground application of decision-support tools.

USBR Input on UCRB System Conservation and Efficiency Program

Page 4 of 4

July 7, 2023



In conclusion, thank you for the opportunity to provide input on Phase 2 of the Upper Colorado River Basin System Conservation and Efficiency Program funded by the Inflation Reduction Act (IRA). We appreciate the Bureau's ongoing efforts to include public entities at the local and regional levels in this process and for doing so in an open, thoughtful, and transparent manner.

Sincerely,

A handwritten signature in blue ink, which appears to read "A. A. Mueller", is positioned below the word "Sincerely,".

Andrew A. Mueller
General Manager