



1600 West 12th Avenue
Denver, CO 80204-3412

April 3, 2014

Mr. John Stulp
Ms. Rebecca Mitchell
Mr. Jacob Bornstein
Colorado Water Conservation Board
1313 Sherman Street, Room 720
Denver, CO 80203

Re: New Supply Discussion

Dear John, Rebecca and Jacob:

The members of the Front Range Water Council (FRWC) include Denver Water, Aurora Water, Colorado Springs Utilities, Northern Colorado Water Conservancy District, Pueblo Board of Water Works, Southeastern Colorado Water Conservancy District, and the Twin Lakes Reservoir and Canal Company. We are responsible for providing a reliable supply of water to over eighty percent of the state's population and to the businesses within our service territories that produce a large portion of the state's total economic output. Thus, we have been, and will continue to be, active participants in the HB 1177 Roundtable process, with specific reference to the initiatives of the Metro, South Platte and Arkansas Roundtables. In addition, we are involved in the public processes for the preparation of the Colorado Water Plan.

The FRWC has reviewed the recently circulated meeting notes from the March 17, 2014 "All-Chairs Conference Call" and applaud the effort to advance a cooperative dialogue on "new supply" development. We support an approach that is clearly articulated and easily understood by all involved interests. We also agree that some of the concepts discussed during the Flaming Gorge Task Force effort may be valuable in fashioning a workable solution.

That being said, the FRWC has significant concerns with regard to certain "steps" outlined in the meeting notes. The following excerpts from the notes highlight our concerns:

- Goal—"To give water providers an indication that there is hope for new supply (if they do their part), allowing them to reduce buy-and-dry of agriculture."

- “Completion of these milestones [underground storage and medium levels of conservation] leads to 50 KAF of water being available for new supply development.”
- “Completion of these tasks [East Slope water bank and high levels of conservation] leads to 150 KAF of water being available for new supply development.”
- “Achievement of all of these milestones leads to an agreement for new supply development...”

Whether the above steps are characterized as “sequencing” or a “stacking strategy,” the FRWC members who participate in the IBCC made it clear at the March 25th IBCC meeting that “all” of the pieces of the puzzle, i.e., all four legs of the stool, must be pursued simultaneously, not sequentially. This approach provides confidence that Colorado River water supply development will be available for the East Slope, thereby reducing the East Slope need to implement agricultural to urban water transfers, which is consistent with long-standing goals of the Roundtables and the IBCC. We are not saying that “ground must be broken” on a new supply project in the next few years, but rather that the planning process should begin with an assurance, and not simply a hope, that a new supply project will, in fact, be a fundamental part of the total “filling the gap” package.

In addition, the FRWC believes it is premature to quantify any specific increments of water as “being available” to the East Slope for new supply development. It is certainly possible that the risk management strategies and risk allocation understandings identified by the parties will reduce or eliminate the need to further quantify water availability and to arbitrarily cap future water supplies. However, at the very least, issues surrounding such questions as which Slope should potentially have a “carve-out,” who bears the risks associated with climate variability and future permitting, and how a “Colorado” resolution fits with a “big river” multi-state agreement, needs to be first explored as part of the discussion regarding water availability.

The concept of an agreement that allows East Slope entities to move “non-headwaters” supplies to the East Slope through exchange is one potential approach for new supply development that is identified in the meeting notes. However, in the referenced Arkansas BIP Section 4.8 language, this approach is directed toward curtailing the trans-mountain diversions of *existing* projects, and the Twin Lakes Project is specifically identified as a candidate for reduced diversions. This concept is cause for great concern for the FRWC members, as this concept could involve curtailing the diversions of long-established projects that in some instances (e.g., the Twin Lakes Project) have been providing efficient, cost effective, and reliable water supplies to the East Slope for about 80 years. Under this concept, a portion of the water derived from these efficient, low cost diversions could be replaced with high cost supplies requiring new infrastructure with substantially increased energy consumption and operating

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costs. The FRWC supports the “non-headwaters” concept for the new supply discussions, *but does not support this concept as a substitute for existing water supply projects.*

The FRWC hopes that you find this input of value for your discussions and it requests that you consider our concerns in developing any next steps. Please contact either Mark Pifher or Joe Stibrich, or any other Council members, if you would like to discuss these comments in additional detail.

FRONT RANGE WATER COUNCIL

A handwritten signature in black ink, appearing to read "James S. Lochhead". The signature is written in a cursive, flowing style.

James S. Lochhead

Cc: Arkansas, Metro and South Platte Roundtable Chairs