

## Grand Valley Water Users Association

### ***“Observations regarding the use of Conserved Consumptive Use as a Demand Management tool to support Drought Contingency Planning in the Upper Colorado River Basin”***

One way to describe the “lessons learned” by the Grand Valley Water Users Association in creating, contracting and executing our Conserved Consumptive Use Pilot Projects (2017 and 2018 CCUPP) is to evaluate the extent to which our original objectives and goals have been achieved to this point. We should also verify that our fundamental motivation for participating has not changed.

#### **MOTIVATION**

**The fundamental motivation** for the GVVUA’s Board of Directors decision to participate in the CCUPP and related activities was to:

- 1.) Protect the interests of the GVVUA
- 2.) Seek potential benefit to the Association from such activities, and to
- 3.) Secure a seat at the table at which Drought Contingency Planning, Demand Management, and future water policy decisions are developed and executed.

*We strongly believe that the interests of the GVVUA have been protected and potentially enhanced throughout this process.* While we aren’t confident that we’ve totally mitigated the risk to the Association of severe drought or the unknown roles of the state of CO and the Dept. of Interior during a crisis, or against poor planning by others. We have engaged in the conversation and furthered our understanding of what the true risks to the Association will be, and how we can protect our interests now and in the future.

*We also believe that the Association has received benefit from our engagement with this process.* Funds have been secured and dedicated to infrastructure improvements. We continue to engage with stakeholders and association membership on mechanisms to sustain profitable agriculture through and after severe basin wide drought. In addition, management, counsel and the board of directors are all more educated and prepared to address the difficult decisions and negotiations that will inevitably be required before, during and after a crisis.

*We also believe that our efforts have, to the extent appropriate and possible, given us a seat at the table.* We understand that many decisions will be made at varying levels, however if irrigation providers and agricultural interests are not engaged in the solutions the damage done to rural communities during a crisis may be irreversible.

## OBJECTIVES

The primary objective of the CCUPP is to identify and investigate water-marketing strategies that do not require the permanent separation of the water from the land.

A successful water marketing strategies must support at least several additional objectives:

1. They must support sustainable agriculture and rural communities
2. They must be manageable by the irrigation water providers and ditch companies.
3. They can have no negative consequences for other water rights holders, local landowners and farm operations, or the broader river community
4. They must provide for multiple benefit to internal and external interests,
5. They must prepare the potential creators of conserved water and those who may potentially benefit from such creation to consider their overlapping interests and practical considerations that such markets must address. These practical considerations include, but are far from limited to, agronomics, economics, administrative, political and legal considerations, and questions of equity and transparency.

## GOALS

The goals of the GVVUA CCUPPs are to:

1. gauge farmer interest,
2. determine scalability of Conserved Consumptive Use (CCU) water conservation activities,
3. mitigate risk and financial cost to the GVVUA and its membership,
4. seek protection and benefit to the GVVUA,
5. assure continued contract and operational compliance with the other Cameo Call water users and the broader Colorado River Basin water interests.

The CCUPP was created to initiate conversation, seek out both advocates and critics of CCU, generate questions, seek answers to those questions, engage the broader Colorado River community, and create a Program with a stopping place to allow for evaluation and reflection.

## ACHIEVMENT

So to what extent has the actual execution of the CCUPP met the stated objectives and goals? Has the CCUPP increased the water security of the GVVUA; identified means by which such activities can benefit the GVVUA and its members without negative consequences for others; and increased the breadth and effectiveness of the GVVUA and other agricultural water users in the Colorado River Basin Drought Contingency Planning and Demand Management conversations?

**Largely, yes.** The CCUPP has achieved its objectives and goals and increased the ability of the GVVUA to protect its water security and reduce the possible collateral damage to the GVVUA from unavoidable river administration policy decisions. The CCUPP has realized financial benefit for the GVVUA and its members, and the CCUPP has allowed the GVVUA to participate in the Drought Contingency Planning and Demand Management discussion.

**What follows are a few observations supporting this conclusion.**

If farmer water rights are protected, agronomic choices are available, and they are properly compensated, farmers will overcome their opposition to rotational fallow or other incentivized farm operation changes and consider participating in demand management activities to enhance overall farm operation profitability. The extent of such activities in a given geography will vary according to local considerations including, but not limited to, program activities, agronomic constraints, community acceptance, and profitability. **Most importantly, such activities can be done without separating the water from the land.**

A program can be managed to protect and benefit not just farmers but irrigation companies, company membership, and community and big river concerns if adequately funded. The need for revenue to maintain infrastructure, in addition to increased farm profitability, is a major reason for irrigation companies' interest in CCUPPs and water markets.

With the proper due diligence CCUPPs can avoid negative consequences, identify and seek mutual benefit among multiple resource and economic communities. Attention to significant input from internal and external stakeholders is mandatory for a successful project. A plethora of practical considerations must be taken into account.

Aesthetics matter to the agricultural and broader communities; a package of interests must be recognized and accommodated when any CCUPP is considered.

We must build on larger farmers to assure scalability, but a medium term program might allow for increased participation and more agronomic options, encouraging incremental water conservation in times of water plenty. Those potential providers of conserved water recognize that water conservation has to be done when there is adequate supplies to allow such activities without damaging the interests of individual farms, the irrigation company and the general membership. Such expansion of the complexity of conservation programs requires different and expanded due diligence and management.

Programs of different length and varying agronomic programs require very different approaches to due diligence. In all cases, significant time must be given to the development of appropriate advocacy for water conservation programs.

Without real proposals on the table, the most significant questions, concerns, and potential answers and mitigation do not come in a real world context for all those potential involved or

Big picture questions are of great importance to potential cooperators and the membership in general. That is, how do we fit in Drought Contingency Planning; what does that mean for ag demand management; why just us; why just the valleys; what are others doing to advance the cause?

Price discovery is contentious and complicated within an individual organization and is further complicated when the considerations of potential "customers" for conserved water are taken into account. Such contention will exist with an organization and between it and potential customers for conserved water. In addition, the operational and social dynamics between farmers and between tenants and landowners are complicated and undue damage to these relationships of primary importance.

Internal protections from adverse effects of conservation activities provided by Articles and Bylaws and external protections by administrative and legislative measures are taking on increased importance to the GVWUA and its members. There are issues of Basin wide importance to address that must be included in the discussion of the creation and disposition of conserved water.