



Colorado River District

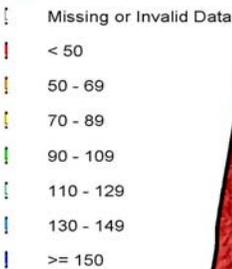
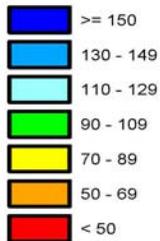
75 Years

Protecting Western Colorado Water

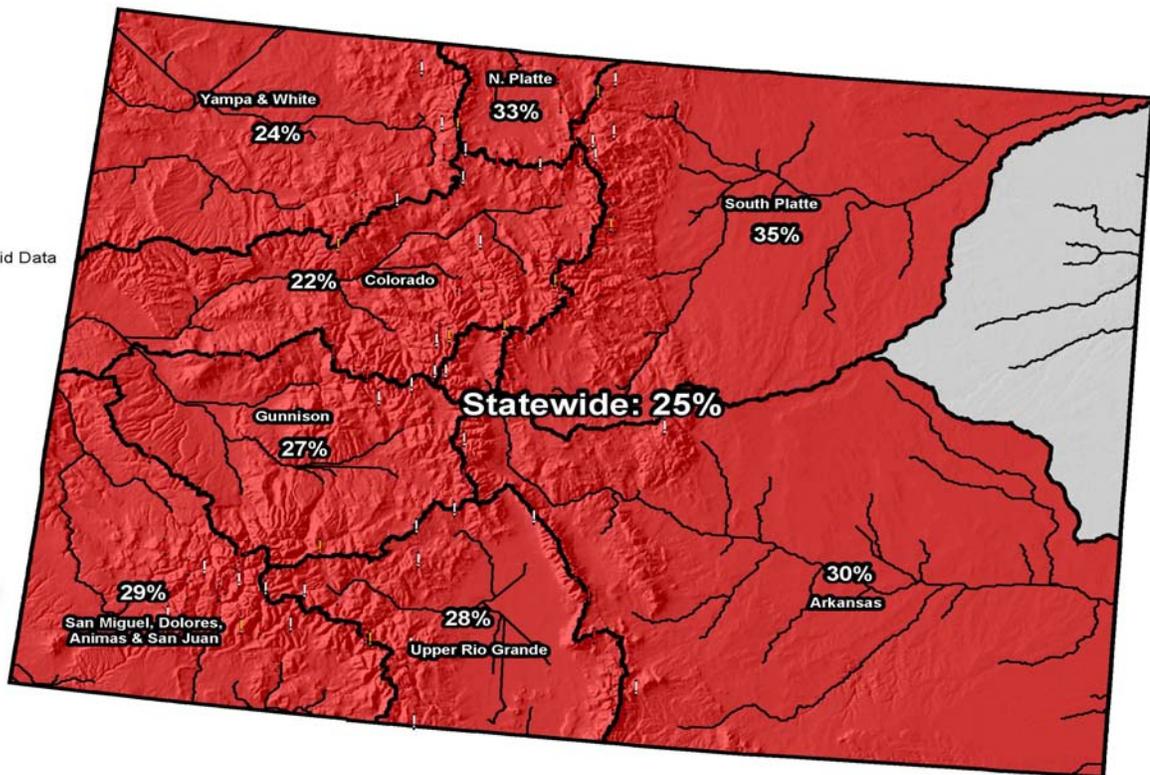


Water users alerted to drought

Colorado SNOTEL Snowpack Update Map with Site Data Percent of Average



Provisional Data
Subject to Revision



Current as of May 01, 2012

*Data may not provide a valid measure of conditions

Colorado River District General Manager Eric Kuhn alerted the Board of Directors at its April 17-18, 2012, quarterly meeting that extremely dry conditions prevailed this winter, putting 2012 on par with the most recent record drought of 2002. Unlike 2002, Kuhn said, Colorado reservoirs this year

are relatively in good shape although Green Mountain, Ruedi, Taylor Park and Aspinall Unit reservoirs on the West Slope stand a good chance of not filling. But they are still, as a whole, in better shape than 2002.

The Colorado River District's Wolford Mountain Reservoir has already filled, however. The net effect is that water storage in 2012 puts water users in a better position although

supplies will have to be closely gauged and steps taken to mitigate anticipated shortages.

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The Natural Resources Conservation Service SNOTEL chart of snowpack conditions depicts the snowpack status relative to May 1 averages. The percentages are not indicative of the peak snowpack registered in late March. Charts on page 2 and 3 illustrate how the peaks compared.



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Drought

Continued from page 1

In 2002, the Colorado River District and other West Slope water users were able to tap Ruedi Reservoir storage held by energy companies and others to keep irrigators in business and crops thriving. Kuhn said Exxon has already approached the River District about a similar package for 2012, offering 5,500 acre feet of its Ruedi water

Efforts are underway at the Colorado River District to build a Drought Management Pool. Entities holding contracts in Ruedi Reservoir will be receiving a letter asking if they have excess water to put in the pool. The Colorado River District itself will be dedicating water it holds in Ruedi as well as supplies in Wolford Mountain Reservoir to the pool.

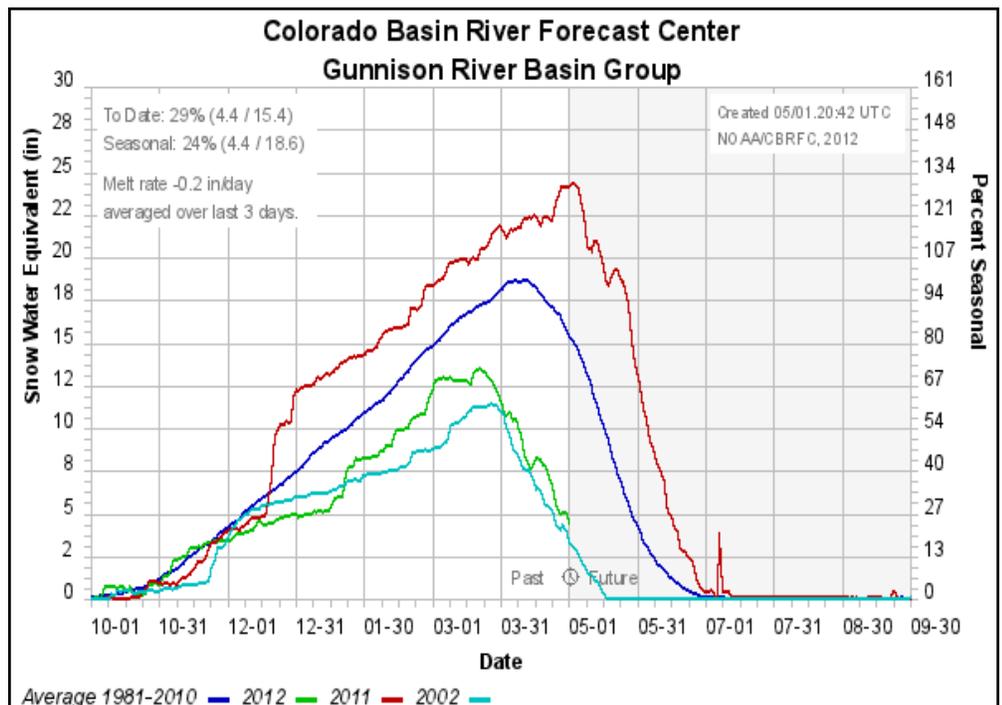
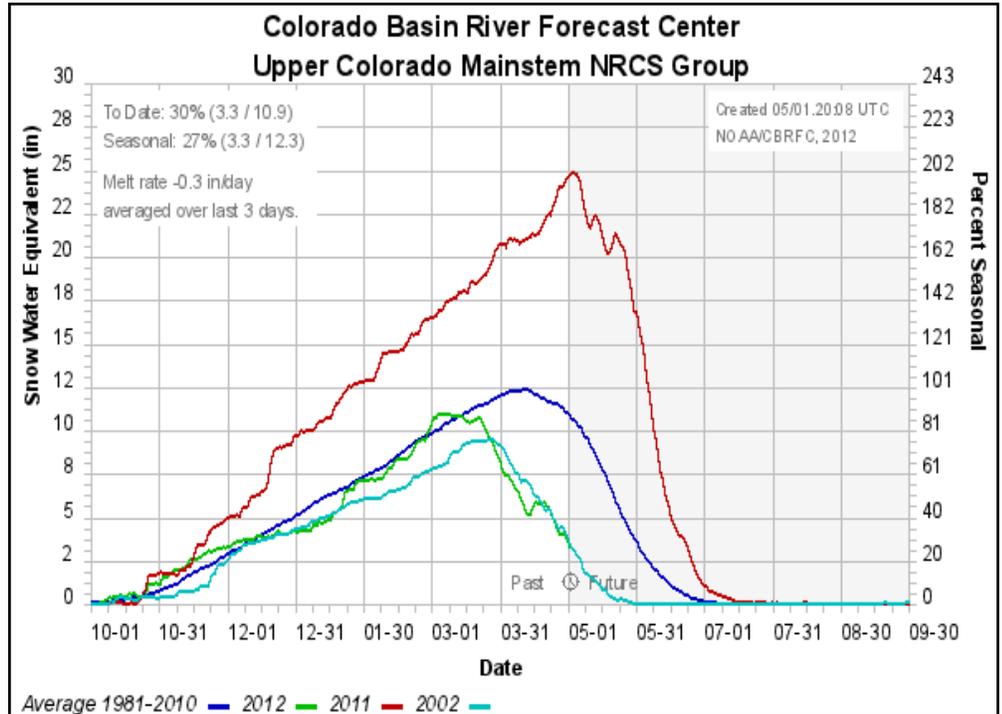
For information, contact Kuhn, John Currier, Jason Turner or Don Meyer at (970) 945-8522 with any questions or concerns.

Shoshone concerns

Shoshone concerns

A dry year always highlights the importance of the Shoshone Hydro Plant in Glenwood Canyon and the non-consumptive flows it pulls down the river with its senior water right.

In recent years, the nearly century old plant has often been offline for maintenance issues and not calling for water.



These two charts of the Upper Colorado River Mainstem SNOTEL sites and Gunnison River Basin sites compare the growth and decline of the 2012 snowpack (green line) compared to average (blue line), 2011 (red line) and 2002 (turquoise line). On page 3, a similar chart depicts the snowpack in the Yampa-White Basins. In Colorado, snowpack that lies above 9,000 feet in elevation is the primary source of water supply.



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Drought

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If Shoshone is not calling for water in the warm months when flows are naturally declining, the effects reach across the rafting industry, municipal water use and irrigation needs.

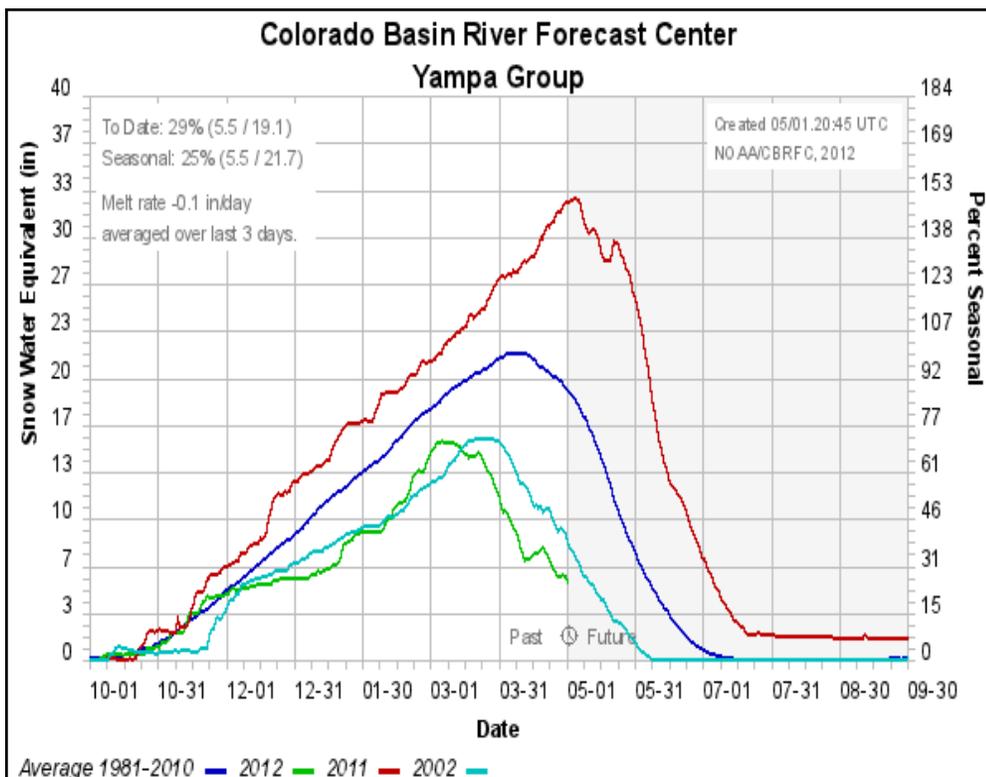
In recent summers, water users and reservoir owners, including the Colorado River District, the Bureau of Reclamation and Denver Water, have cooperated with a Shoshone Protocol to make the river flow as if the Shoshone Plant were operating with near its 1,250 cubic feet a second water right.

The Shoshone outlook for this summer is uncertain. Currently, the plant is not operating at full capacity.

Another important effect of the Shoshone plant calling for water is that it usually holds off the Cameo water rights call by the Grand Valley irrigators. A Cameo call often rebounds up the Roaring Fork River and other tributaries as well as up the mainstem.

Municipal water use

Kuhn said one of the lessons of 2002 was that municipal users of West Slope water were slow to recognize the drought that year and institute watering restrictions. The result was that reservoirs were hit hard that summer before restrictions were



This SNOTEL chart of the Yampa-White Basins compares the 2012 snowpack (green line) compared to average (blue line), 2011 (red line) and 2002 (turquoise line).

implemented, putting the utilities in a poor storage position for the ensuing year.

Only a big March 2003 snow-storm saved the water year for the utilities.

Kuhn commended Front Range and West Slope utilities that are being proactive in 2012 and not be lulled into inaction by relatively good reservoir storage.

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Board of Directors Meeting Summary

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April 2012

Board awards \$250,000 to water projects

The Colorado River District Board of Directors awarded nearly \$250,000 in financial assistance to a variety of water projects at its April Board meeting.

This is the third year that the Colorado River District has operated a unified program for large and small grants. The program received requests for more than \$991,000 from 24 qualified applicants. Awards are made on a cost-sharing basis.

Projects must meet one or more of these objectives: develop new water supplies; improve existing water supply projects; improve water use efficiency; improve sediment control; improve water quality; undertake a watershed action or implement tamarisk control.

The program was praised by several recipients.

The North Fork of the Gunnison Invasive Weed Removal in Delta County was awarded \$15,000 to address tamarisk and invasive weeds along the river above Paonia extending north toward the Paonia Reservoir.

"Your grant program to assist in the removal of these invasives helps us bridge the gap between other organizations that are attempting to ad-



The Relief Ditch Diversion Modification Project in Delta County was awarded \$90,000 toward replacing a push-up dam with permanent diversion and grade control structures. In addition, the ditch will be equipped with a modern headgate and the riverbank rehabilitated

dress invasives in the North Fork of the Gunnison River.

The grant also benefits private landowners who would otherwise not be able to participate in a cooperative invasive weed control," said Ralph D'Alessandro, Vice President of the Board of Supervisors, Delta Colorado Conservation District.

The City of Rifle in Garfield County was

awarded \$39,250 toward repairs to the city's primary water intake. This intake constitutes the main source of water for Rifle's approximately 9,500 citizens. Rick Barth of the Rifle staff praised the ease of the grant application and the assistance by Colorado River District staff.

Schott K-Line Irrigation System in Delta County was awarded

\$24,000 toward converting a dirt ditch flood irrigation system to a K-line sprinkler irrigation system for 28 acres of mixed grass, alfalfa and clover pasture. James and Carol Schott thanked the District for assisting with this on-farm project.

"It was a big decision on our part to move ahead with this. We are already

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Board of Directors Meeting Summary

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April 2012

Board resolution opposes Initiatives 3 and 45

Consistent with the Colorado River District's policy endorsing Colorado's Prior Appropriation Doctrine, the Colorado River District Board adopted a formal resolution opposing two water-related initiatives that may appear on this November's general election ballot.

Two Colorado citizens filed petitions to supplant Colorado's historical reliance on the Prior Appropriation Doctrine with a "public trust doctrine" as the basis for allocating water and awarding water rights.

These proposals were recently cleared by the Colorado Supreme Court for signature gathering.

In addition to recognizing Colorado's 136-year reliance on the Prior Appropriation Doctrine, the Board's resolution cautions that adoption of either of these initiatives would result in takings of private and public water rights that Coloradans rely on for health and human safety as well as economic benefit.

Additionally, these initiatives would result in dramatic reallocation

of public and private, human and financial resources from constructive development and allocation of Colorado's water resources to Colorado's courts and legal system.

Therefore, the resolution concludes:

"The Colorado River Water Conservation District strongly opposes both Initiative 3 and Initiative 45 as unwise, unnecessary and disruptive to the fair and responsible allocation and stewardship of Colorado's scarce water resources."

Board awards grants to 13 water projects

Continued on page 5

being looked at by the Natural Resources Conservation Service as a demonstration Project," James Schott said.

Other recipients included:

Lederhause Pump Installation in Eagle County was awarded \$5,938. The pump will connect to a sprinkler system and pump from the Colorado River into Tepee Creek to enhance flows.

Roaring Fork Outdoor Volunteers will remove tamarisk at several locations along the Roaring Fork Basin including Three Mile Creek, Four Mile Creek, Atkinson Ditch and near Veltus Park in the late fall of 2012. The group was awarded \$11,060 to help with the Garfield County project.

Dallas Ditch in Ouray County was awarded \$7,000 toward the repair and improvements to the

headgate inlet area and enlargement of stretches of the Dallas Ditch to improve carrying capacity.

North Beaver Aquatic Passage Project in Garfield County was awarded \$46,126 to improve riparian conditions. The project is one component of the effort to reduce erosion from roads and consequent sediment delivery to streams.

Relief Ditch Diversion Modification Project in Delta County was awarded \$90,000 toward replacing a push-up dam with a permanent diversion and grade-control structures. In addition, the ditch will be equipped with a modern headgate and the riverbank rehabilitated.

Lake Otonowanda Renovation Project in Ouray County was awarded \$19,600 toward the redesign of the lake.

Culpit Headgate and Sprinkler System in Garfield County was

awarded \$5,500 toward the replacement of a headgate and to reposition the takeout on the Glenwood Ditch. The system consists of a debris filtration system between the headgate and pump intake, 1,800 feet of buried PVC pipe and 18 sprinkler guns.

Leon Park Reservoir Company in Delta County was awarded \$11,400 toward the repair of the reservoir outlet.

CJS Farm Irrigation Pipeline in Garfield County was awarded \$5,500 toward the installation of 1,150 feet of pipeline to replace a stretch of unstable and eroded ditch. The pipeline will stop excessive water loss and soil erosion.

Ware & Hinds Highway 6 & 24 Ditch Repair in Garfield County was awarded \$5,480 toward reducing leakage and potential damage to roadways.



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Board of Directors Meeting Summary

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April 2012

Colorado River District and partners work on developing Compact Water Bank plan

The Colorado River District along with its sister district, the Southwestern Water Conservation District, the State of Colorado, The Nature Conservancy and Front Range municipalities are working on ways to address a possible curtailment of water uses that would be caused by future administration of the 1922 Colorado River Compact.

To date, the Colorado River interstate compacts have never been triggered.

The basic concept of the Compact Water Bank is to use pre-1922 Compact water rights as replacement for critical water uses (e.g., health and human safety needs) that have post-Compact rights and are therefore at risk of being pre-empted to meet interstate commitments.

Pre-Compact water uses are explicitly grandfathered under the 1922 Compact. Any pre-Compact rights used in substitution for critical, post-Compact uses would be exclusively from willing pre-Compact water owners.

Deputy General Manager Dan Birch updated the Colorado River District Board on recent developments regarding this work.

A Phase I report is complete and includes several important new developments for the planning process. Eighty-four percent of post-Compact municipal and industrial uses of Colorado River basin waters is on the East Slope.

Most West Slope municipal and industrial uses are pre-Compact uses, but key post-Compact, West Slope uses exist (many ski towns and snowmaking operations

have junior water rights).

The initial thought among water bank organizers was that certain agricultural lands with pre-Compact rights could be voluntarily fallowed to provide exchange water for critical uses.

However, the Phase I report reveals that no more than one-third of the water needed for exchange is currently used for crops suitable for fallowing.

"This is not a silver bullet. It will not solve all our problems. We don't have enough water, so really, it is an element of a risk-management program," Birch said.

Other mechanisms for "saving" pre-Compact water uses will have to be explored. These include:

- Deficit irrigation;
- Longer term fallowing;
- Pre-emptive curtailment of new (future) water rights; and
- Use of senior, post-Compact water rights to avoid a Compact administration.

General Manager Eric Kuhn noted the original approach to the Water Bank was for it to help the state deal with a Compact curtailment.

Birch emphasized a robust public outreach effort is being developed to explain the Compact water bank concept and to commit that the bank will only operate with voluntary "contributions" of pre-1922 Compact water rights.

One of the principal goals of the bank is to avoid condemnation of water rights that could occur if no mechanism is created proactively to address these issues.

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River District given 75th anniversary salute

Upper Colorado River Endangered Fish Recovery Program Director Tom Chart presented the Colorado River District Board with an art print of a Colorado pikeminnow that was signed by the artist Joseph Tomelleri as a token of appreciation for and in recognition of the Colorado River District's 75th anniversary.

Chart stated that the River District has made "many significant contributions to our program's success."

He said the River District supported the federal authorizing legislation and congressional appropriations for the program.

He also cited the River District's 2006 project to enlarge Elkhead Reservoir by 13,000 acre feet, making up to 7,000 acre feet of water part of the package to support endangered fish habitat in the lower Yampa River.

Chart also recognized the District's contributions to water users' requirement to provide 10,825 acre feet of water needed annually to fulfill the requirements of the 15-Mile Critical Reach Programmatic Biological Opinion.

"Your willingness to work cooperatively with state and federal agencies, environmental groups and



The Upper Colorado River Endangered Fish Recovery Program saluted the Colorado River District on its 75th Anniversary at the April 17-18, 2012, Board Meeting. Recover Program Director Tom Chart, right, presented General Manager Eric Kuhn, left, and Board President Tom Sharp with a framed print of the Colorado pikeminnow, one of the endangered prehistoric fish in the Colorado River.

power customers to find innovative solutions to difficult problems has led to our program's continued success," Chart said.

The Upper Colorado River Endangered Fish Recovery Program is a cooperative partnership of local,

state and federal agencies, water organizations, power customers and environmental groups. It was established in 1988 to recover the endangered fishes while water development proceeds in accordance with federal and state laws.

Audit of financial statements presented to Board of Directors

The annual audit of Colorado River District's financial statements for 2011 produced an "unqualified opinion," which is the highest level an audit can receive. The audit found no material errors or findings.

"It shows the highest level of confidence," Kevin

Smith of the firm McGladrey and Pullen LLP told the Colorado River District Board of Directors.

The 2011 financial statements can be reviewed by the public at ColoradoRiverDistrict.org or by calling (970) 945-8522.



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'10825' water for endangered fish advances

Deputy General Manager Dan Birch enthusiastically informed the Board that the two-year environmental review of water users' preferred alternative for providing 10,825 acre feet of water for endangered fish recovery is finally complete.

Additionally, Birch reported, the federal agencies involved concluded their studies with a Finding of No Significant Impact (FONSI).

Contracting for this water can now begin.

Before the Board had a chance to celebrate or even congratulate Birch, he informed Directors that additional funds would have to be collected from beneficiaries of the recovery program for the endangered fish.

The silver lining to this particular cloud is that the additional money required from the West Slope to close out the permitting process is only \$25,000.

The State of Colorado, through its Species Conservation Trust Fund, is assisting both West Slope and East Slope water users with the costs of implementation.

The process to formally contract

with the U.S. Bureau of Reclamation is under way.

The River District assumed responsibility for the full cost of contracting for the West Slope's half of the annual 10,825 obligation.

Birch also noted that full implementation of the "10825 agreement" will free up 5,412 acre feet of water in the River District's Wolford Mountain Reservoir for future contracting no later than July 1, 2013.

Legislative affairs

State: The Colorado River District Board voted unanimously to support Senate Bill 165, the Colorado Water Conservation Board's annual construction fund projects bill.

This year's bill includes authorizations for Phase II of the Colorado River Water Availability Study (\$2 million) and continued tamarisk control (\$1 million).

The Board also reviewed a final draft of the Species Conservation Trust Fund (SCTF) projects bill and similarly expressed unanimous support for this bill.

This year's SCTF bill includes authorizations for selenium control in the Gunnison Basin and recovery efforts for sage grouse.

External Affairs Manager Chris Treese thanked Directors for their dedicated attendance at bi-weekly telephone meetings that were held during the legislative session to provide updates and receive input on rapidly changing legislative developments.

Federal: Treese also highlighted a couple of federal activities

on which the District is making progress against the backdrop of a Congress that seems determined to accomplish very little.

Congressman Scott Tipton's hydropower incentives bill passed the House of Representatives with small but notable bi-partisan support.

Treese noted that the bill will have a difficult time in the Democrat-controlled Senate.

Treese also informed the Board of a recent effort to consolidate the best of the three or four related hydro bills currently before the Congress to find common ground between the various interest parties and between the two houses of Congress. Initial feedback is positive.

As the Colorado River is used by every basin in Colorado through various transmountain diversions, the Upper Colorado and San Juan River Endangered Fish Recovery Programs are of statewide interest.

As such, reauthorization of the Recovery Programs is a federal priority for all Colorado water users. Senator Jeff Bingaman (D-NM) introduced a bill in the Senate earlier in this Congress to reauthorize the programs. However, new Congressional rules for dealing with bills that cost money have hamstrung any progress.

Treese reported that recent coordination efforts among the four states participating in and benefitting from the programs are bearing fruit. And recent meetings with House leadership offered the first rays of hope for movement of this critical legislation.

The programs help recover the fish while allowing water development.

How to contact us

For more information about the Colorado River District or board actions, call Jim Pokrandt at (970) 945-8522 x 236 or e-mail edinfo@crwcd.org. Visit www.ColoradoRiverDistrict.org.



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Ski areas supported in lawsuit over water rights and federal permits

The Colorado ski industry is contesting a federal directive that water rights used in conjunction with ski area permits be assigned to the U.S. Forest Service.

The National Ski Areas Association believes this usurps private property rights and has filed suit against the Forest Service.

The Colorado River District Board of Directors passed a resolution to support the ski areas' case.

It says:

WHEREAS, permit holders that utilize federal lands have filed for and developed Colorado state water rights for the benefit and advancement of their use of the permitted lands; and

WHEREAS, these water rights have been obtained through expenditure of significant funds and are private property rights under Colorado law; and

WHEREAS, the United States Forest Service has recently issued interim directives regarding use and assignment of

water and water rights associated with federal permits for ski area operators; and

WHEREAS, these directives limit the use and assignment of privately developed and privately owned water rights; and

WHEREAS, these directives are likely to discourage private investment in ski areas and associated economic recreational activities;

NOW THEREFORE BE IT RESOLVED that the Colorado River Water Conservation District opposes any federal requirement that holders of land use permits assign their privately owned water rights to the United States or otherwise restricts the transfer of their water rights for the benefit of the United States in order for the permittee to obtain, modify or renew federal permits.

Legal counsel was instructed to prepare a filing of a "friend of the court" brief in the case.

Board votes to abandon, modify water rights

The Colorado River District Board of Directors voted at its April 17-18, 2012, quarterly meeting to file a notice of intent to abandon its collection of Juniper-Cross Mountain conditional water rights on the Yampa River.

The decision to abandon the rights was made after a determination by the Board, after numerous discussions, that it no longer had the requisite intent to construct its project as decreed.

Conditional water rights must be reaf-

firmed in water court every six years with proof that sufficient work has occurred to develop the rights and that there is a strong likelihood the project can and will be built.

The Board also voted to abandon its California Park Reservoir water right and associated canals but to continue its project development activities for Rampart and Pot Hook Reservoirs.

The conditional rights at issue are part of the Great Northern Project.

Future meetings

- **Summit State of the River Meeting:** May 8, 6:30 p.m. at the Summit County Community and Senior Center, Frisco
- **Grand County State of the River Meeting:** May 9, 6:30 p.m. at the Grand County Library, 55 Zero Street, Granby
- **Roaring Fork River Valley State of the River Meeting:** May 10, 6:30 p.m. Eagle County Community Center, El Jebel
- **75th Anniversary Celebration with the Colorado Water Conservation Board and the Colorado River District Board:** May 15, Glenwood Springs
- **Eagle River Valley State of the River Meeting:** May 30, 5:30 p.m. at the Berry Creek Middle School, Edwards
- **Gunnison County State of the River Meeting:** June 4, time TBD, Student Center Ballroom at Western Colorado State University, Gunnison
- **Board tour of the Colorado -Big Thompson Project with Northern Water:** June 7-8
- **Third Regular Colorado River District Quarterly Board Meeting:** July 17-18, Glenwood Springs
- **Western Water Workshop:** July 18-20, Gunnison
- **Colorado Water Congress Summer Convention:** August 15-17, Steamboat Springs
- **Colorado River District Board Budget Workshop:** Sept. 12, Grand Junction
- **Colorado River District Annual Seminar and 75th Anniversary Recognition:** Sept. 13, Grand Junction



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Board of Directors Meeting Summary

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April 2012

Repayment looms on Ruedi Reservoir debt

Most of the water stored in Ruedi Reservoir on the Eagle-Pitkin county line is in Ruedi's "compensatory storage" pool to mitigate for impacts of the Fryingpan-Arkansas transmountain diversion project.

When Congress approved and appropriated funds for construction of Ruedi Reservoir in the 1960s, it anticipated that West Slope water contracts for Ruedi water would repay the federal construction costs. However, demand for Ruedi water did not develop as Congress anticipated.

As a result, every year the unpaid portion of the annual debt is added to the project-debt's principal. This has been compounding in this manner for more than 30 years. The result is a debt that has ballooned from \$9 million to more than \$35 million and a price for Ruedi water that very soon will be unreasonable. The Colorado River District is working with East Slope interests in the Fryingpan-Arkansas project and the State of Colorado to address this issue.

The River District Board heard from External Affairs manager Chris Treese concerning these on-going negotiations and affirmed the District's priorities and direction regarding Ruedi discussions. The District's priorities are:

- Clarify that existing contracts for Ruedi water are repayment contracts and no further assessment for unpaid principal and interest will be charged once the repayment terms of the individual contracts are fulfilled;
- Seek additional West Slope contractors for Ruedi water to fully contract the compensatory storage pool; if



Ruedi Reservoir is the West Slope mitigation reservoir for the Fryingpan-Arkansas transmountain diversion project. The Colorado River District is working on a financial package to pay off the debt owed to the federal government for its construction.

insufficient West Slope demand exists, work with Colorado Water Conservation Board to secure the remaining available water;

- Secure federal approval of mechanisms to discontinue compounding of unpaid principal and interest, thereby freezing the price of Ruedi water for contractors;
- Seek federal approval of favorable financing terms for Ruedi water contractors; and
- Obtain consensus with East Slope partners regarding a fair allocation of Fry-Ark project's miscellaneous revenues to assist with full contracting and repayment of Ruedi.

Minor revisions made to policies that can be reviewed on website

The Colorado River District Board annually establishes or affirms key water policies for the District. The Board addresses roughly one-third of its existing policies every year and considers new policy topics that may arise.

This year the Board slightly revised and unanimously readopted its Federal Water Rights and Prior Appropriations policies.

The Federal Water Rights policy states that the River District will advocate for the quantification through Colorado's water courts of any water rights asserted by a federal agency, and that such rights be decreed with the

minimum amount of water necessary to preserve the primary purpose for which the federal government created the proposed beneficial water use.

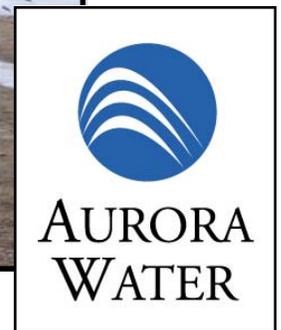
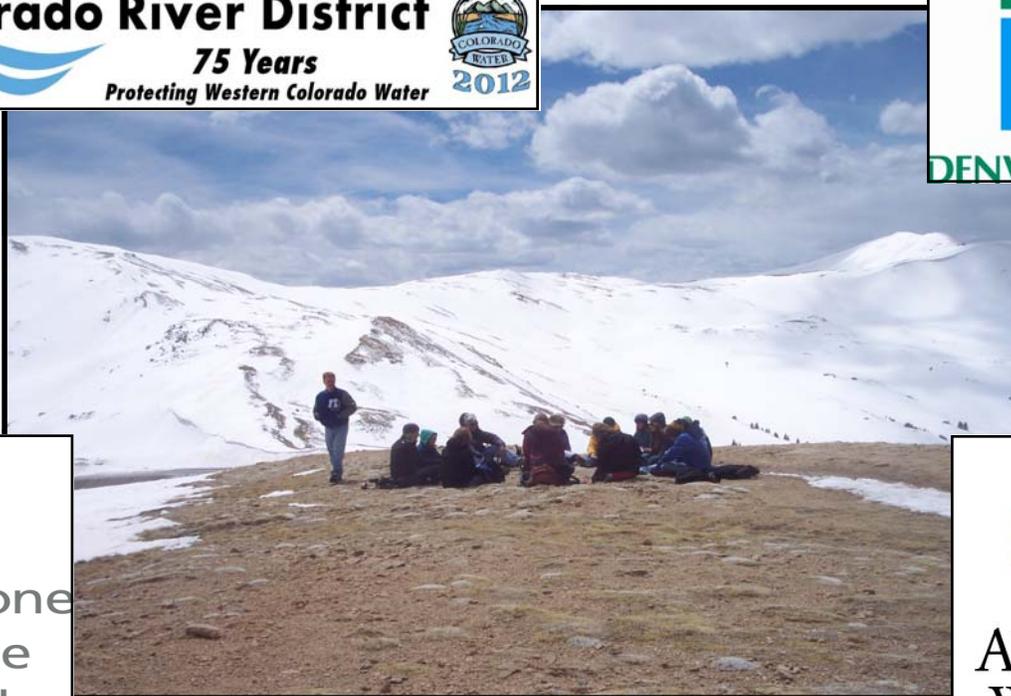
The District's Prior Appropriation policy endorses Colorado's reliance on the prior appropriation doctrine as a fair and orderly system for allocating Colorado's scarce water resources.

Moreover, the policy recognizes that the prior appropriation doctrine has proven both successful and flexible in addressing the public's changing demands, beneficial uses and values regarding use and protection of Colorado's water resources.

H₂O OUTDOORS

An Outdoor Water Camp for Colorado High School Students

FALL SESSION: October 13-15, 2012



The Colorado River District, Aurora Water, Denver Water and Keystone Science School are sponsoring their seventh 3-day Water Camp for students who want to learn in-depth information about water in the West.

- The Keystone Science School is a well-established and licensed facility dedicated to natural resource education. For more information about the school, the facilities, or about H₂O Outdoors please call the Keystone Science School at 970.468.2098 or visit: www.keystonescienceschool.org.
- Cost to students is only \$25. (Scholarships available.)
- For more information about the program or scholarships, please contact Martha Moore, Colorado River District, at 970.945.8522 x 236 or by email: mmoore@crwcd.org.