

Alternative Transfers for the Environment

Two Case Studies

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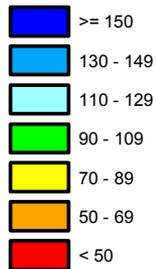
Water Resources Review Committee, August 7, 2014



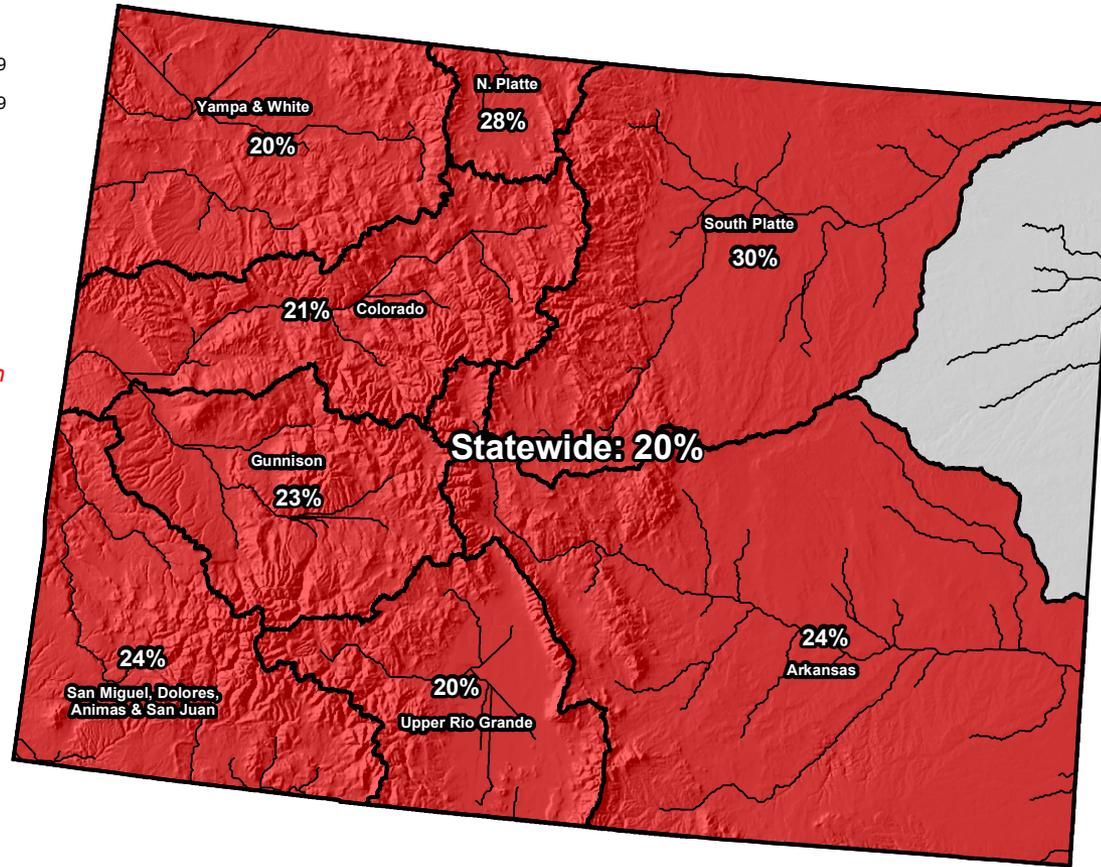
Instream Flow Leasing

Colorado SNOTEL Snowpack Update Map

Percent of Average



*Provisional Data
Subject to Revision*



Current as of May 02, 2012

*Data may not provide a valid measure of conditions

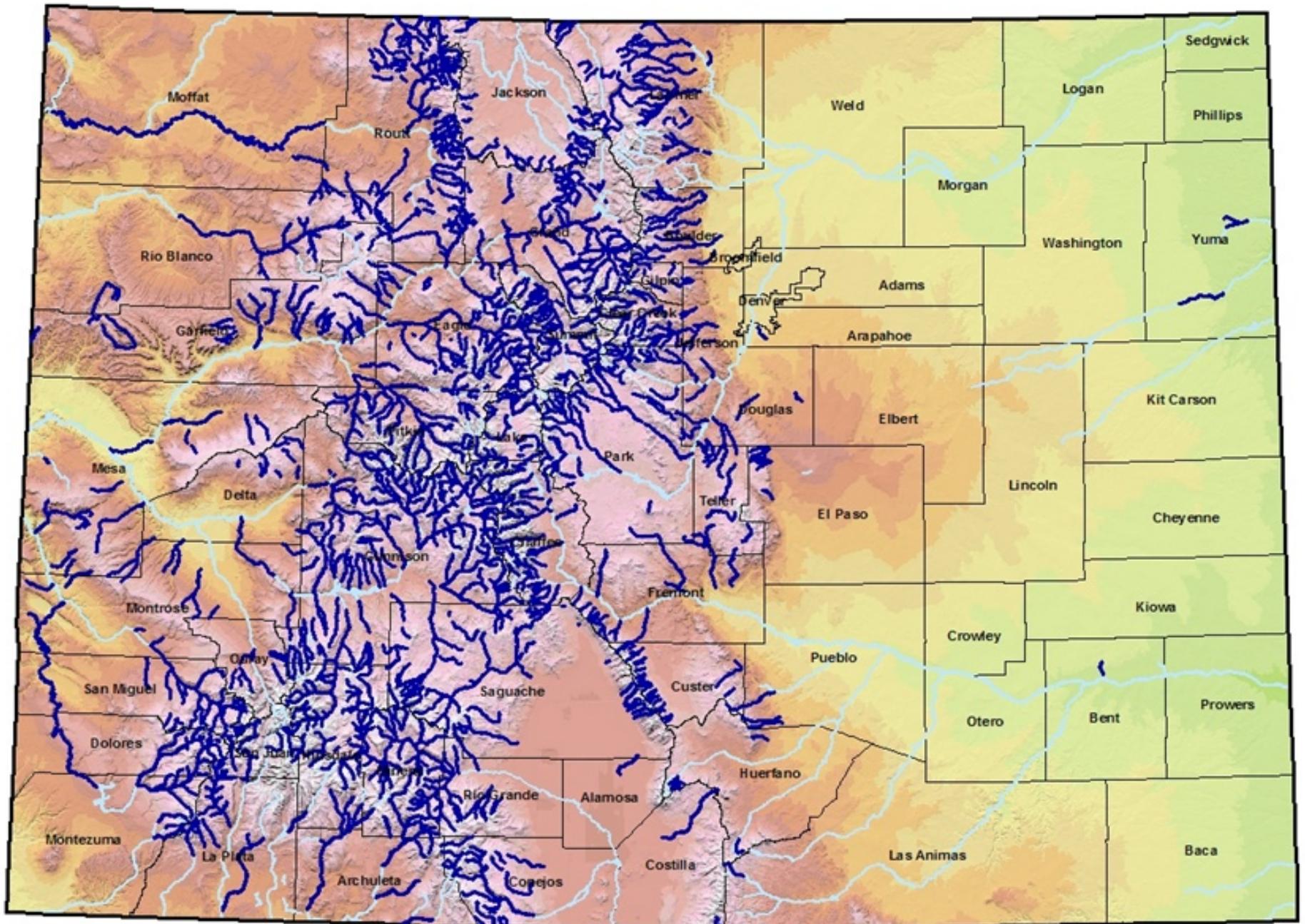


Instream Flow Leasing

Section 37-83-105, C.R.S.

- Temporary administrative approval for use of water right for instream flow purposes
 - 3 out of 10 years, 120 days each year
 - Only in conjunction with existing, water-short instream flow
 - Not renewable if used once

Streams Included in Colorado's Instream Flow Program



| RFW Stats | 2012 | 2013 |
|------------------------------------|--------------------|-------------------------|
| Offered for Lease | 94 | 130 |
| Passed initial screen | 56 (59%) | 86 (66%) |
| Passed engineering review | 13 (14%) | 34 (26%) |
| Number of water rights leased | 6 (6.3%) | 7 (5.3%) |
| Number of leases approved | 4 | 3 |
| Ongoing leases (10-year approvals) | 3 leases | 3 leases |
| Divisions Offered | 6 of 7 (all but 7) | 4 of 7 (1, 4, 5, and 6) |
| Divisions Leased | 2 (5 & 6) | 3 (4, 5, & 6) |

Four irrigation water rights leases – protection of HCU an important factor for lessors. Afterwards, worked with DWR to code water rights.



Upper Yampa Water Conservancy District

Water Right: Stagecoach Reservoir

ISF: Yampa River

Lease Amount: 4,000 acre-feet (26.6 cfs for 75 days)

Uses: Hydropower, then ISF, then incidental ISF benefit, then power generation through separate contract with Tri-State

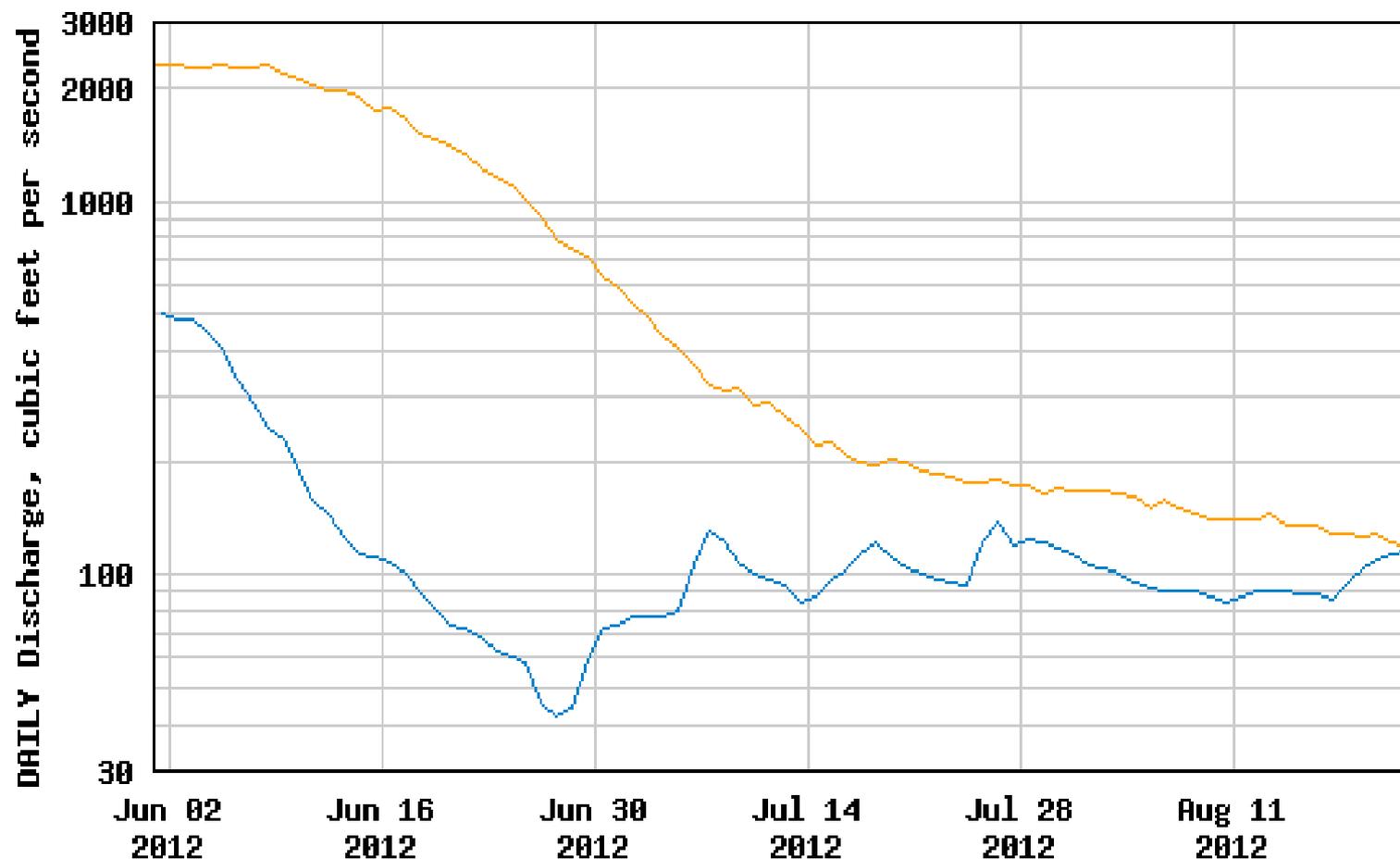
Benefitted ISF: 5.4 miles, other benefit to 40-50 miles

Lease Term: One Year

Price: \$35/AF, \$140,000, based on UY Contract Rate



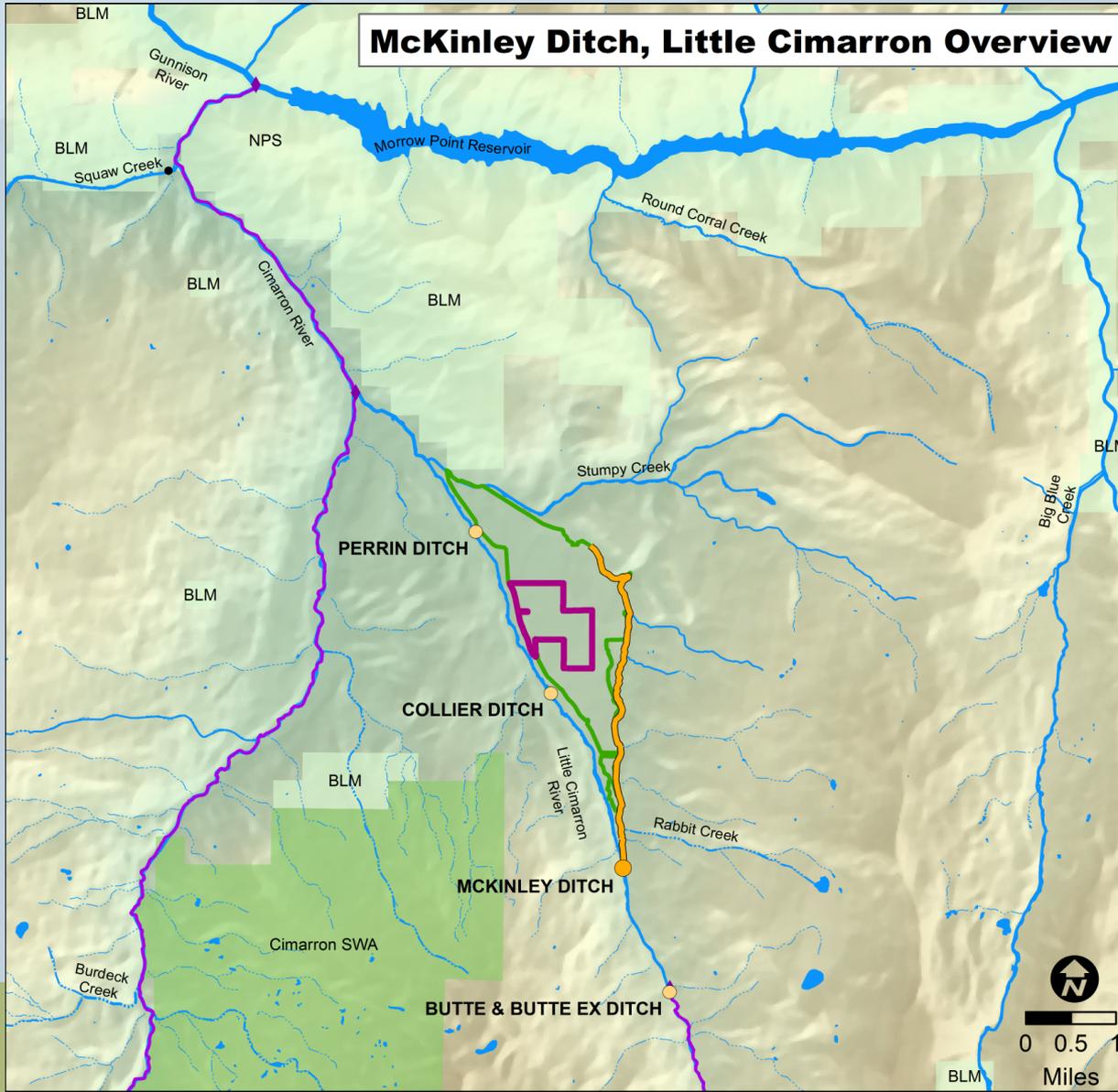
USGS 09239500 YAMPA RIVER AT STEAMBOAT SPRINGS, CO



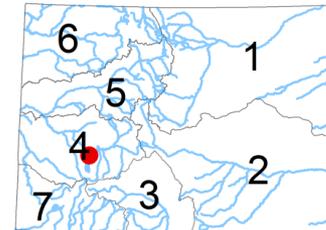
---- Provisional Data Subject to Revision ----

— Median daily statistic (102 years) — Daily mean discharge

McKinley Ditch Split-Season



-  McKinley Ditch Headgate
-  McKinley Ditch
-  Other Local Ditch Headgates
-  Deiced Instream Flow Reaches
-  Western Rivers Conservancy Property Boundary
-  McKinley Ditch Irrigated Area



COLORADO WATER TRUST

The Colorado Water Trust is a private, non-profit organization that engages in and supports voluntary efforts to restore and protect streamflows in Colorado to sustain healthy aquatic ecosystems.

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McKinley Split-Season

- Enter into Sharing Agreement with CWCB, with preferred use of shares as follows:
 - Irrigate first part of season
 - When flows begin to drop, switch use to ISF
- Requires CWCB approval process to accept this interest in the offer water rights
- Requires water court approval

Viability - Closing Thoughts

- Progress, but not there yet.
 - Playing catch-up
 - Instream flow as a beneficial use is ~120 years behind the first development of consumptive uses in Colorado
 - Currently in proof of concept phase
 - 3-in-10 statute passed in 2003
 - Permanent deals, e.g.
 - Trust agreement – First use of HB-1280
 - Split-season
 - Work is voluntary and market-based – we incur all the costs of any water user