Agricultural/Urban/Environmental

Water Sharing:
Overview of Facilitation Projects
Colorado Water Institute
Colorado State University

MaryLou Smith
WSWC/WGA Innovative Water Transfers Workshop
October 28, 2011
Facilitating Relationships

• Arkansas Basin Roundtable Water Transfers Committee—"Considerations for Agriculture to Urban Water Transfers" (Funding by major water utilities and CWCB)
Arkansas Basin Roundtable
Shared Interests

We do not promote the idea of transferring water from agriculture to urban uses

• However, IF the water moves, move it in a way to benefit all entities
• Try to retain flexibility
• Find solutions so we don’t all go broke paying lawyers
• Protect private property rights
• Protect communities from which water is transferred
• Look for ways to tweak water law to better meet all needs
Water Transfer

Consideration

Question

Question

Question

Mitigation

Mitigation

Mitigation

Mitigation

Mitigation

Mitigation

Mitigation
An Example

Economic Impact to Affected Communities

Will there be negative economic impacts on the affected communities? (Counties, towns, local businesses?)

YES

- Provide financial compensation
- Assist in Rural Economic Development
- Relocate Jobs to the Area
- Assist in Agricultural Modernization such as Niche Market Development

Will there be negative economic impacts on the affected communities (Counties, towns, local businesses)?

YES
## Considerations

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<th>Impact on Recreation</th>
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<td>Impact on Tax Bases</td>
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<td>Frequency of Transfer Under the Lease</td>
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Facilitating Relationships

- Ag/Urban/Environmental Work Group—"Agricultural/Urban/Environmental Water Sharing: Innovative Strategies for the Colorado River Basin and the West" (Funding by Walton Family Foundation)
Initial Work Group

- Family Farm Alliance
- Western States Water Council
- The Nature Conservancy
- Environmental Defense Fund
- Western Urban Water Coalition
“States, working with interested stakeholders, should identify innovative ways to allow water transfers from agricultural to urban uses while avoiding or mitigating damages to agricultural economies and environmental values.”
Can we find consensus on this issue?

Yes, if we focus on ways to improve sharing of water between multiple sectors, instead of seeking ways to unilaterally transfer water out of agriculture.
Can we find consensus on this issue?

Regarding storage:
“There may be benefits to properly sized and located storage in certain circumstances, especially when such projects are part of a larger, multiple-benefit strategy.”
Creative Water Sharing Strategies throughout the West for the Colorado River Basin

- Find those who have done it
- Find those who are experimenting
- Identify obstacles
- Recommend ways to overcome obstacles
Broadening the Work Group

- Lower Basin Representatives
  - including Metropolitan Water District of California, Arizona rancher
- Colorado Water Conservation Board Rep
- Western Governors’ Association Rep
Interviews

- 50 interviews
- Those involved with innovative water sharing strategies
- Environmental and natural resources policy experts, irrigation and environmental engineers, irrigation district managers, economics and law professors, farmers and ranchers, state and federal government officials, municipal water providers, attorneys
Interviews—What Surfaced?

- List of “movers and shakers” involved in water sharing across the west to invite to summer workshop
- More than a dozen innovative programs/projects subsequently highlighted in report
- View of the range of obstacles faced by those implementing those innovative programs/projects
Workshop

- Cherokee Ranch and Castle, Castle Rock, CO
- August, 2010
- 35 Workshop Participants from 9 states & Washington, DC
Workshop Themes

- Theme 1: Creating Positive Processes for Sharing Water
- Theme 2: A Flexible, Watershed Based Approach
- Theme 3: Water Sharing Transaction Strategies
- Theme 4: Improving the State and Federal Regulatory/Statutory/Oversight Process
Recommendations

• Flowed from the workshop themes
• Seen by workshop participants to be needed to address the overarching obstacles faced by all of the innovative water sharing approaches
Recommendations

Theme 1: Design Robust Stakeholder Processes for Multi-Benefit Water Sharing Solutions

• Early, broad stakeholder involvement
• Set up the process in the beginning, not after project/program proponents decide/announce/defend.
• Allows for consideration of all interests upfront to increase chance of dialogue instead of polarization
Recommendations

Theme 2: **Foster a Flexible, Watershed Based Approach**

- Watershed basis planning and management tools to simulate “what ifs” and facilitate real-time, on the ground decision making that helps stakeholders “connect the dots” to manage water supplies for optimal cooperation.
- Can lead to shared infrastructure, cooperatively timed deliveries and reuse schemes.
- State and federal agencies working with stakeholders to identify and implement water sharing mechanisms that work across jurisdictions.
Recommendations

Theme 3: **Clear Obstacles to Implementation of Water Sharing Strategies**

- Water Resource Sharing Zones to trade water, financial, cultural and other resources to mutual benefit exchange
- Governor’s cabinet level water advocate to facilitate cross jurisdictional processes and regional approaches for voluntary, incentive-based cooperation
- Best management practices criteria and thresholds to facilitate streamlining of regulatory approvals for water sharing agreements.
Recommendations

Theme 4: Expedite Water Sharing Program/Project Review Process

• Governor-championed federal/state pilot expedited review process for projects/programs that have broad support of ag/urban/environmental sectors.

• A state liaison and a federal designate to co-facilitate concurrent review and permitting, and sharing of state and federal approval resources.

• Such a “one-stop-permitting” approach could reduce costs, and ensure more timely approvals by reducing repetitive agency information exchanges.
Examples: Workshop Participants’ Water Sharing Strategies

• Farmers and cities in Arizona trading off use of surface water and groundwater to the advantage of both
• Ranchers in Oregon being paid by environmentalists to foregoing a third cutting of hay to leave water in the stream for late summer flows
• A California flood control and water supply project managed to meet multiple goals: restore groundwater, maintain instream flows for wild salmon and steelhead, and provide water for cities and farms
Dr. James Pritchett, Ag and Resource Economics, CSU

- Permanent water transfers follow urban development, shorter term leases tied to climatic conditions and weather events.
- Transactions more prevalent in areas with physical and market infrastructure, smaller average size when compared to large-scale transactions.
- Greatest number of transactions in Colorado, but the most water has been transferred in California and Arizona.
- Farms are increasingly stratifying into two types: small farms which generally supplement household income, and large farms that produce the majority of agricultural goods.
Outcome

- Presented Report and Recommendations to Western Governors through Western States Water Council—resulting in their current initiative
- Disseminating report to Ag/Urban/Environmental Groups to Encourage Water Sharing Experimentation and Policy Improvements, getting feedback
Download the Report

www.cwi.colostate.edu/watersharing
Facilitating Relationships

• Agricultural/Environmental Stakeholders from Arizona and Colorado—Field Trips to Oregon

(Funding by Walton Family Foundation, project in conjunction with University of Arizona)
Facilitating Relationships

• Freshwater Trust—split year leases to improve flows for salmon
• Deschutes River Conservancy and Three Sisters Irrigation District—conserved flows through piping
• Klamath Basin Rangeland Trust—increased flows through changed practices
Facilitating Relationships

• Colorado River Basin Water Research Institute Team—Convening Players for Pilot Projects to Secure Ag Water Through Sharing
  (USDA Planning Grant Funding)
Questions?