

# INNOVATIVE WATER TRANSFERS WORKSHOP

Denver, Colorado

October 27-28, 2011

Meeting Summary



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## Summary

On October 27 and 28, water policy experts from public, private, and non-profit fields convened in Denver for a workshop on innovative water transfers. The workshop was jointly hosted by the Western Governors Association and Western States Water Council as part of a year-long project to identify policy strategies for Western states to use in water transfers. The Colorado Water Conservation Board joined as a host in this workshop, the second in a round of three meetings.

Two speakers from the State of Colorado provided information and context that set the tone for the workshop. Jennifer Gimbel, Director of the CWCB, gave opening remarks and set the stage with information on Colorado's grant program for alternatives to traditional buy-and-dry transfers. John Stulp, Special Policy Advisor to the Governor of Colorado on Water, provided a keynote address on why water transfers are important to the future of Colorado and how the state is working to ensure a viable water supply future.

The workshop was formatted with a series of panels. The first panel addressed "Fostering Local Solutions for Water Sharing" and drew upon the expertise of local leaders who have worked with cities and communities to find creative ways to share water resources. The second panel on "Administration of Water Rights and Transaction Costs" featured speakers from academia, Idaho state government, and the Colorado Big Thompson Project. The group discussed the administrative and legal obstacles to transfers and the ways they confronted those obstacles.

The third panel focused on "Impacts to Areas of Origin." Speakers on this panel included a scholar, farmer, and a representative from the Metropolitan Water District in Los Angeles. The panel provoked an active discussion among workshop participants. The workshop also featured a case study of the Arkansas River Super Ditch and the efforts in place to create a mechanism for farmers to sell or lease their water to the city of Fountain, Colorado. The case study displayed themes presented in all three panels: the Super Ditch was created as a local solution to meet increasing urban water needs while minimizing negative impacts to the nearby farming communities, and designing a cost-effective leasing scheme that can be properly administered has been a critical activity to make the Super Ditch work.

After each panel, participants divided into breakout groups to tackle the matters of debate surrounding each issue. This format gave all workshop participants a chance for their voice to be heard and helped identify areas of focus for the transfers project. Each breakout group addressed a different question, and then the groups reported back to the full group for discussion. Several key themes emerged from the breakout sessions, below; detailed notes from the breakout groups are posted at the website below.

## Key Themes

- **Relationship Building:** Identify all stakeholders and bring them to the table, especially thought and opinion leaders. Build trust with informal coffee chats and happy hour diplomacy.
- **State Funding in Small Doses can Bring Big Change:** funding studies, technical and legal expenses, local drought management plans, and advisory groups that promote dialogue between different parties are simple ways the state can help.
- **Streamline Regulatory Processes Where Possible:** Perhaps give alternative transfer methods a priority of review; a suggestion of a 0.5% fee on the price of water to pay for administrative costs.
- **Differences between States:** Colorado has done good work on water projects and it's essential to keep funding in these projects. In California, regulatory red tape makes local solutions preferable.
- **Gentlemen's Agreements:** Encourage environmental values by allowing charitable tax deductions on instream donations, allowing entities to convert rights to instream flows so they can be flexible with water use.
- **Information Gathering:** Use data and models to compare impacts of permanent, temporary, and innovative transfers; invest in a common data platform that can analyze regional trends in water transfers.
- **Strengthening Rural Communities:** Create new opportunities for rural communities through programs that help farmers diversify income – bring job training and internet access to the communities. Create rural-urban partnerships: take urban administrative jobs to rural communities, bring rural produce to urban schools.
- **Addressing Food Security:** Food security was identified as a critical issue for consideration. Policy makers and managers need quantitative information on food security – both in terms of local food sources and global food supply – in order to design solutions to address this issue.

## Products and Next Steps

The workshop fostered a productive discussion between state water resource managers, farmers, private sector interests, and scholars. The ideas generated in this workshop will be included in the WGA-WSWC final report to the Governors. The report will also feature an in-depth written case study on the Arkansas Super Ditch.

The workshop did produce an important, if small, deliverable that will be used immediately: a working definition of water transfers. WGA and WSWC desired a broad definition of water transfers to use in the course of the project. With the help of workshop participants, they generated the following:

*A water transfer is a voluntary agreement that results in a temporary or permanent change in the type, time, or place of use of water and/or a water right.*

*Water transfers can be local or distant; they can be a sale, lease, or donation; and they can move water among agricultural, municipal, industrial and environmental uses.*

The next step in the project is the third and final workshop in Las Vegas. With the help of Denver workshop participants, WGA and WSWC selected the following three topics for panel discussions: Transfers and the Bureau of Reclamation, Infrastructure and Transfers, and the Role of the Private Sector in Water Transfers. Participants were also solicited for suggestions for new attendees and other topics for individual speakers. That workshop will be held at Caesars Palace in Las Vegas on December 12-13.

You can find the agenda, presentations, and breakout group notes for the Denver Transfers Workshop at <http://www.westgov.org/water/373-water-papers>.