



UPPER COLORADO RIVER COMMISSION

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TO: Interested Upper Basin Water Users
FROM: Upper Colorado River Commission
DATE: October 2, 2017
SUBJECT: Request for Proposals regarding a potential funding opportunity for voluntary participation in a Pilot System Water Conservation Program

Facing declining levels in Lakes Mead and Powell, the Upper Colorado River Commission (UCRC)¹, the U.S. Bureau of Reclamation, and four water providers² that depend on Colorado River Basin supplies have been funding pilot projects to test methods for saving water that could be part of a drought contingency plan in the Upper Basin of the Colorado River. The purpose of the Pilot Program is to explore and learn about the effectiveness of temporary, voluntary, and compensated measures that could be used, when needed, to help maintain water levels in Lake Powell above the elevations needed to protect Colorado River compact entitlements and maintain hydroelectric power production. Although the Program's term was originally set to expire in 2016, the overall success of the Pilot Program has prompted the Funding Partners to again extend the Program through 2018.

The UCRC is issuing this Request for Proposals (RFP) to invite users of Colorado River System water in the Upper Division States (Colorado, New Mexico, Utah and Wyoming) to submit proposals for Pilot Program water conservation projects. The Funding Partners and other stakeholders have committed funding in a magnitude similar to previous years towards one-year projects in the Upper Colorado River Basin to be implemented for 2018. The UCRC is looking for projects that demonstrate the effectiveness of temporary, compensated, and voluntary water savings actions.

You are invited to submit a Proposal describing any conservation opportunity that can be implemented in 2018 under this Pilot Program by you or your organization. Proposals should include a detailed project description, the estimated amount of conserved consumptive use, the method for monitoring and verifying the conservation activities employed, approximate time frame for startup, project duration, amount of funding requested, and additional information as shown in the attached application form. More details about the Program and the Proposal process are available below.

¹ The UCRC is an interstate administrative agency established by the Upper Colorado River Basin Compact of 1948 (Upper Basin Compact). UCRC members consist of a Commissioner representing each of the four Upper Division States of Colorado, New Mexico, Utah and Wyoming (Upper Division States) and a Commissioner appointed by the President of the United States. The UCRC assists the Upper Division States in developing their apportionments of Colorado River water pursuant to the Colorado River Compact of 1922 and the Upper Basin Compact, and has specific responsibilities to assist in implementing the Upper Basin Compact consistent with laws of the Upper Division States.

² The four major water providers that have contributed funds for pilot System Conservation projects in the Upper Basin are the Southern Nevada Water Authority, Denver Water, the Central Arizona Water Conservation District and the Metropolitan Water District of Southern California.

Through the Pilot Program, water users in the Upper Basin (municipal, industrial, and agricultural) will be monetarily compensated for voluntary actions that temporarily reduce consumptive use of Colorado River System water. For 2018, these pilot projects could include temporary fallowing or deficit irrigation of agricultural crops, reuse of industrial water, recycling of municipal supplies, and improvement of distribution system efficiency to reduce consumptive use, reductions in municipal landscape irrigation or indoor use, and other methods that would result in additional water conservation for the Colorado River System. Priority will be given to projects that demonstrate how conserved water can make it to Lake Powell (shepherding) without being taken by downstream diverters. Additionally, it is important for the UCRC to understand the cost-competitiveness of water in the Upper Basin, and projects that demonstrate conservation efforts at a lower cost per acre-foot will have an advantage during the project selection process.

To assist in gaining knowledge and understanding regarding system water conservation, the Funding Partners and UCRC are particularly interested in selecting projects in this fourth year that:

- develop increased interest and participation in conservation activities in all 4 Upper Division States,
- generate significant (measurable) consumptive water savings,
- involve watershed-based projects wherein multiple water users on a single tributary participate,
- allow demonstration of improved methods to estimate conserved water volumes,
- contemplate creative ways to shepherd water downstream consistent with applicable laws,
- involve multiple participants,
- involve a ditch company, irrigation district, conservancy district, or other entities to coordinate participation and measure and account for consumptive water savings,
- involve industrial/municipal water uses,
- provide opportunities for federal project or tribal involvement,
- demonstrate consumptive use savings through methods not previously employed in the applicable state or region during earlier years of the Program,
- partner with state instream flow programs or downstream water users to shepherd water downstream,
- involve storage facilities and water, and
- involve innovative temporary fallowing methods.

Pilot Program participants will be selected based on criteria developed by the Funding Partners (criteria specified on page 10 of the Funding Agreement)³ as well as any additional considerations deemed relevant by the UCRC during review and consultation with the respective Upper Division states. Among others, the factors may include:

- ability to demonstrate the efficacy of a new conservation method,
- schedule for implementing the conservation project,
- complexity or level of administration involved in project implementation and verification,

³ The Funding Agreement can be viewed on Reclamation's website at: <http://www.usbr.gov/newsroom/docs/2014-07-30-Executed-Pilot-SCP-Funding-Agreement.pdf>.

- cost per acre-foot of conserved water,
- identified environmental benefits,
- demonstrated commitment to project success,
- diversity in geographic locations,
- diversity in the types of water conservation methods,
- funding availability in conjunction with consideration of other proposed projects,
- demonstrable water savings, and
- potential for any conserved water to benefit storage in the Colorado River system.

The UCRC and Funding Partners will jointly review and select project proposals. The UCRC will then facilitate implementation of the selected projects in the Upper Basin with the particular participants.

Selected participants will be required to execute a System Conservation Implementation Agreement with the UCRC, which will provide the terms and conditions for design, implementation, monitoring, verification, and evaluation of the Pilot Program project and compensation to the participant (see contract template at <http://www.ucrccommission.com>).

The UCRC hopes to see projects proceed that have not been carried out previously in the program, and in regions that have not previously participated. To be considered for funding under this RFP, proposals should be received by December 1, 2017. If you or your organization is interested in participating in the Program, please e-mail your proposal to the representative of the state in which the project is located and the UCRC's Program Manager at the e-mail addresses listed below.

For the UCRC: Brian Hart, Program Manager bhart@ucrccommission.com, (801) 592-0888

For Colorado: Michelle Garrison, michelle.garrison@state.co.us, (303) 866-3441, Extension 3213

For New Mexico: Kristin Green, KristinN.Green@state.nm.us, (505) 827-6145

For Utah: Robert King, Robertking@utah.gov, (801) 538-7259, and

Scott McGettigan, Scottmcgettigan@utah.gov (801) 538-7254

For Wyoming: Charlie Ferrantelli, charlie.ferrantelli@wyo.gov, (307) 777-6151.

Based on current estimates, the UCRC and the Funding Partners anticipate providing an initial response to project proposals by mid-February, 2018.